

### Independent Auditor's Report

To the Members of SITI BROADBAND SERVICES PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

### Opinion

1. We have audited the accompanying standalone financial statements of SITI BROADBAND SERVICES PRIVATE LIMITED ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2023, 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.

### Material Uncertainty Related to Going Concern

4. We draw attention to note 53 to the accompanying Statement, which indicates that the Company has incurred a net loss (including other comprehensive income/loss) of Rs.204.89 millions during the year ended 31 March 2023, and as of that date, the Company's accumulated losses amount to Rs. 785.77 millions resulting in a negative net worth of Rs.785.67 millions and its current liabilities exceeded its current assets by Rs.610.11 millions resulting in negative working capital. As at 31 March 2023, there are delays/ defaults in repayment of obligations and borrowings. The above factors along with other matters as set forth in note 53, indicate a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. However due to the expected revenue



growth/cost cutting measures and improvement in operating margins, support from the holding company/promoters and other factors mentioned in aforesaid note to the Statement, the management is of the view that going concern basis of accounting is appropriate for preparation of these results. Our opinion is not modified in respect of this matter.

#### **Emphasis of Matter**

5. We draw attention to note 14 which indicates that Aditya Birla Finance Limited (lender) has filed application against the company under section 7 of the Insolvency and Bankruptcy Code, 2016 before National Company Law Tribunal (NCLT), Delhi for initiation of Corporate insolvency resolution process on the ground that the company has defaulted in making repayment of borrowings taken from the lender amounting to Rs. 47.8 millions. The case is still pending for order with principal bench of NCLT, Delhi and the Company has no negative assessment of Companies ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management for the Standalone Financial Statements**

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going



concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all



relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

15. As required by the Companies (Auditor's Report) Order, 2020, 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.
16. 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 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 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) As required by section 197(16) of the Act, we report that the Company has not paid any remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
  - (h) 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:  
the Company, as detailed to the standalone financial statements, has disclosed the impact of pending litigation, if any on its financial position as at 31 March 2023;





- 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.
- iv. a) Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(is), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
(b) Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, and  
(c) Based on the audit procedures adopted by us, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub clause (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year.

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

**Subhash C. Gupta  
(Partner)  
Membership No.: 080222**



**Place : New Delhi  
Date : 29.05.2023  
UDIN- 23080222BG YVGI 8167**

**Annexure A to Independent Auditors' Report**

**Referred to in paragraph 15 of the Independent Auditors' Report of even date to the members of Siti Broadband Services Pvt. Ltd. on the standalone financial statements for the year ended 31st March 2023**

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) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except in the case of certain Plant and Machinery, where the Company is in the process of updating the records for situation of these assets.

B) The company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us the fixed assets (*other than modem 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.

(d) The company has not revalued any of its property, plant and equipment and intangible assets during the year ended March 31, 2023.

(e) No proceedings have been initiated during the year or are pending against the company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and the rules made there under.

(ii) (a) The company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(b) The Company was sanctioned Term Loan of Rs.5 crore from financial institutions secured against all movable and immovable fixed assets & current assets of the company in preceding years. As informed to us by the management the company has not been submitting the quarterly returns/ statements to the financial institution therefore we are unable to comment whether the quarterly returns/statements are in agreement with the books of accounts of the company or not.



(iii) (a) According to the information and explanations provided to us the company has not made investments, provided any guarantee or security or granted any loans or advances during the year however the year end balance of advances given and investment made in the preceeding years is Rs.58.11 millions.

(b) In the absence of the relevant information and explanation related to the terms and conditions of the Advances given we are not in a position to comment upon clause 3(iii)(b), 3(iii)(c) 3(iii)(d) & 3(iii)(e) of the said order.

(f) The said loan/advance have been granted to a group company. There are no other loans/advances granted by the company except mentioned in 3(iii)(a) during the year.

(iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments made and advances given. Further, in our opinion, the company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans, guarantees and security during the year.

(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, GST, duty of customs, duty of excise and other material statutory dues as applicable, with the appropriate authorities. Further according to the information and explanation given to us, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable except for license fee and interest payable to Department of Telecom Rs. 444.62 millions.

(b) There are no dues in respect of income-tax, GST, duty of customs, duty of excise, value added tax etc that have not been deposited with the appropriate authorities on account of any dispute except as under:-

| Name of Statute      | Nature of Dues         | Amount Involved Rs. | Forum/ period where the dispute is pending |
|----------------------|------------------------|---------------------|--|
| Income Tax Act, 1961 | Income Tax A.Y 2018-19 | 2,04.53.358         | Pending with A.O                           |



(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year. Hence clause 3(viii) of the Order is not applicable to the company.

(ix) (a) The company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year except as under:-

| Nature of borrowings including debt securities | Name of the lender           | Amount not paid on due date | Whether principal or interest                           | Number of days delay or unpaid | Remarks, if any   |
|--|------------------------------|-----------------------------|---|--------------------------------|---|
| Term Loan                                      | Aditya Birla Finance Limited | 47.8 Millions               | Principal – Rs.44 millions & Interest Rs. 3.8 millions. | 305 days                       | Lender has filed application u/s 7 of the IBC, 2016 for CIRP and the case is still pending before NCLT. |

(b) According to the information and explanations provided to us, the company has not been declared a willful defaulter by any bank or financial institution or government or government authority.

(c) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year hence the reporting under clause 3(ix)(c) is not applicable to the company.

(d) According to the information and explanations given to us and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short term basis have been used for long term purposes by the company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate companies. Accordingly, reporting under clause 3(ix)(e) of the order does not arise.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year ended March 31, 2023 on the pledge of securities held in its subsidiaries, joint ventures or associate companies.





- (x) (a) The company has not raised any funds during the year from initial public offer or further public offer. Accordingly, reporting under clause 3(x)(a) of the order does not arise.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year hence the clause 3(x)(b) of the Order is not applicable.
- (xi) (a) 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.
- (b) During the year, no report under sub-section (12) of section 143 of the Act has been filed in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the Management there have been no whistle blower complaints received by the Company during the year.
- (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) (a) In our opinion and based on our examination, the company does not have an internal audit system commensurate with the size and nature of its business and is not required to have an internal audit system as per the provisions of section 138 of the Companies Act, 2013.
- (b) Since the company is not required to have the internal audit system hence the clause 3(xiv)(b) is not applicable to the company.
- (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) (a) 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. Hence reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.



- (b) In our opinion, there is no Core Investment Company within the group as defined in the core investment Companies(Reserve Bank ) Directions,2016 and accordingly, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has incurred cash losses in the current year and immediately preceding financial year amounting to 175.45 million and 92.58 million respectively.
- (xviii) There has been resignation of the statutory auditors during the year and there were no issues, objections or concerns raised by the outgoing auditors.
- (xix) The Company's accumulated losses of Rs.785.77 millions (Rs. 580.88 millions) as at the end of the current financial year is more than hundred percent of its net worth. The Company has incurred cash loss during the year. The net worth of the Company has been fully eroded. Given the long term corporate strategies, cost cutting measures/ growth in revenues and support from the Holding Company/promoters, the Company has followed the fundamental accounting assumption of 'Going concern' for preparation of financials for the year ended 31 March 2023. In the opinion of the Board of Directors of the Company, the Company will meet all its financial obligation as they fall due for payment for at least 12 months from the date of signature of these financial statements.
- (xx) Since the provisions of Section 135 of the Companies Act, 2013 with regard to corporate social responsibility are not applicable to the company hence clause 3(xx) of the Order is not applicable.

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



**Subhash C. Gupta**  
**(Partner)**  
**Membership No.: 080222**

**Place : New Delhi**  
**Date : 29.05.2023**

## **Annexure B**

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

1. In conjunction with our audit of the standalone financial statements of Siti Broadband Services Private Limited ("the Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

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

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

#### **Auditors' Responsibility**

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

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

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



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

#### **Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the respective company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For Subhash C. Gupta & Co.**  
**Chartered Accountants**  
**Firm's Registration No.: 004I03N**

**Subhash C. Gupta**  
**(Partner)**  
**Membership No.: 080222**

**Place : New Delhi**  
**Date : 29.05.2023**



|  | Note   | As at<br>March 31, 2023 | (₹ in Mio)<br>As at<br>March 31, 2022 |
|--|--------|-------------------------|---------------------------------------|
| <b>ASSETS</b>  |        |                         |                                       |
| <b>Non-current assets</b>  |        |                         |                                       |
| a) Property, plant and equipment   | 4      | 115.34                  | 114.79                                |
| b) Capital work-in-progress  | 4      | 56.85                   | -                                     |
| c) Other intangible assets   | 5      | 1.52                    | 1.27                                  |
| d) Financial assets  |        |                         |                                       |
| i) Others  | 6      | 26.15                   | 21.29                                 |
| ii) Deferred Tax Assets  | 7      | 5.56                    | -                                     |
|  |        | <u>205.43</u>           | <u>137.35</u>                         |
| <b>Current assets</b>  |        |                         |                                       |
| a) Financial assets  |        |                         |                                       |
| i) Trade receivables   | 8      | 4.28                    | 3.86                                  |
| ii) Cash and cash equivalents  | 9      | 86.47                   | 192.70                                |
| iii) Investments   | 10     | 1.28                    | 1.28                                  |
| iv) Others   | 11     | 64.52                   | 73.23                                 |
| b) Other current assets  | 12     | 21.28                   | 19.71                                 |
|  |        | <u>177.83</u>           | <u>290.78</u>                         |
| <b>Total assets</b>  |        | <u><u>383.25</u></u>    | <u><u>428.14</u></u>                  |
| <b>EQUITY AND LIABILITIES</b>  |        |                         |                                       |
| <b>Equity</b>  |        |                         |                                       |
| a) Equity share capital  | 13 (a) | 0.10                    | 0.10                                  |
| b) Other equity  | 13 (b) | (785.77)                | (580.88)                              |
|  |        | <u>(785.67)</u>         | <u>(580.78)</u>                       |
| <b>LIABILITIES</b>   |        |                         |                                       |
| <b>Non-current liabilities</b>   |        |                         |                                       |
| a) Financial liabilities   |        |                         |                                       |
| i) Long Term Borrowings  | 14     | 44.00                   | 44.00                                 |
| ii) Other financial liabilities  | 15     | 250.00                  | 250.00                                |
| b) Provisions  | 16     | 1.69                    | -                                     |
| c) Deferred tax liability (net)  | 17     | -                       | 4.32                                  |
| d) Other non-current liabilities   | 18     | 65.30                   | 41.33                                 |
|  |        | <u>360.99</u>           | <u>339.64</u>                         |
| <b>Current liabilities</b>   |        |                         |                                       |
| a) Financial liabilities   |        |                         |                                       |
| i) Borrowings  | 19     | 51.11                   | 53.30                                 |
| ii) Trade payables   | 20     |                         |                                       |
| Total Outstanding dues of creditors other than micro enterprises/small enterprises |        | 665.60                  | 597.18                                |
| iii) Other financial liabilities   | 21     | 8.25                    | 0.24                                  |
| b) Provisions  | 22     | 0.10                    | -                                     |
| c) Other current liabilities   | 25     | 62.80                   | 18.56                                 |
|  |        | <u>787.94</u>           | <u>669.28</u>                         |
| <b>Total equity and liabilities</b>  |        | <u><u>383.25</u></u>    | <u><u>428.14</u></u>                  |

Summary of Significant accounting policies 1-3

The accompanying notes are an integral part of these standalone financial statements.  
This is the standalone balance sheet referred to in our report of even date.

For Subhash C. Gupta & Co.  
Chartered Accountants  
Firm Regn. No. 00410311



(Subhash C. Gupta)  
Partner  
M. No.080222  
Place : New Delhi  
Date : 29/05/2023  
UDIN : 2308022284YVGE9167

For and on behalf of the Board of Directors of  
SITI BROADBAND SERVICES PVT LTD

Ratnakar Sharma  
DIN - 08004776

Anjan Jain  
DIN - 09537441

SITI Broadband Services Pvt. Ltd.  
Statement of profit and loss for the year ended March 31, 2023  
CIN NO:- U64100DL2014PTC267911

|   | Note | March 31, 2023  | March 31, 2022  |
|---|------|-----------------|-----------------|
| (₹ in Mn)   |      |                 |                 |
| <b>Income</b>   |      |                 |                 |
| Revenue from operations                               | 24   | 414.54          | 293.82          |
| Other income  | 25   | 9.39            | 6.02            |
| <b>Total income</b>                                   |      | <b>423.93</b>   | <b>299.85</b>   |
| <b>Expenses</b>                                       |      |                 |                 |
| Employee benefits expense                             | 26   | 38.79           | -               |
| Finance costs   | 27   | 73.22           | 56.29           |
| Depreciation and amortisation of non-financial assets | 28   | 39.31           | 32.50           |
| Other expenses  | 29   | 488.37          | 536.13          |
| <b>Total expenses</b>                                 |      | <b>638.70</b>   | <b>424.92</b>   |
| <b>Loss before exceptional item and tax</b>           |      | <b>(214.77)</b> | <b>(125.07)</b> |
| Exceptional item                                      |      | -               | -               |
| <b>Loss before tax</b>                                |      | <b>(214.77)</b> | <b>(125.07)</b> |
| <b>Tax expense</b>                                    |      |                 |                 |
| Current tax   |      |                 |                 |
| Deferred Tax  |      | (9.88)          | -               |
| <b>Loss for the year</b>                              |      | <b>(204.89)</b> | <b>(125.07)</b> |
| <b>Earnings (loss) per share</b>                      |      |                 |                 |
| Basic (loss) per share                                | 30   | (20,488.89)     | (12,507.07)     |
| Diluted (loss) per share                              | 30   | (20,488.89)     | (12,507.07)     |

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

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

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

For and on behalf of the Board of Directors of  
Siti Broadband Services Private Limited

(Subhash C. Gupta)  
Partner

M. No.080222

Place : New Delhi

Date:- 29/05/23

UDIN: 230802228G4VVG18167



Ratnakar Sharma  
DIN - 08064776

Anjan Jain  
DIN - 09537441

*(Handwritten signature of Ratnakar Sharma)*



SITI Broadband Services Pvt. Ltd.

Cash flow statement for the period ended March 31, 2023

CIN NO:- U64800DL2804PTC267911

**Standalone Cash Flow Statement**

| Particulars  | ₹ in Mn)                |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                    |                         |                         |
| Loss before tax  | (204.89)                | (125.07)                |
| Adjustment for:  |                         |                         |
| Depreciation and amortisation expenses                           | 39.31                   | 32.50                   |
| Interest income on bank deposits                                 | (6.35)                  | (6.02)                  |
| Deferred Tax   | (9.88)                  | -                       |
| Interest expense for borrowings at amortised cost                | 72.16                   | 56.16                   |
| <b>Operating profit before working capital changes</b>           | <b>(109.64)</b>         | <b>(62.44)</b>          |
| Adjustments for changes in:                                      |                         |                         |
| Decrease in trade receivables                                    | (9.41)                  | 0.23                    |
| Decrease/(increase) in other financial assets                    | 8.70                    | (7.10)                  |
| Decrease in other current and non-current assets                 | (6.43)                  | 3.52                    |
| Decrease in other financial liabilities                          | 8.08                    | 1.66                    |
| (Decrease)/increase in employee benefit obligations              | 1.78                    | -                       |
| (Decrease)/increase in other current and non-current liabilities | 86.11                   | 89.25                   |
| Increase in trade payables                                       | (5.34)                  | 113.38                  |
| <b>Cash generated from operations</b>                            | <b>(18.22)</b>          | <b>157.43</b>           |
| Income taxes paid  |                         |                         |
| <b>Net cash flow generated from operating activities</b>         | <b>(18.22)</b>          | <b>157.43</b>           |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                    |                         |                         |
| Purchase of property, plant and equipment, and intangible assets | (36.96)                 | (27.86)                 |
| Interest received (net)  | 6.35                    | 6.02                    |
| <b>Net cash flow used in investing activities</b>                | <b>(30.62)</b>          | <b>(21.84)</b>          |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                    |                         |                         |
| Repayment of borrowings (non-current, financial liabilities)     | -                       | (6.00)                  |
| Interest and ancillary borrowing costs paid                      | (9.40)                  | (5.29)                  |
| <b>Net cash flow used in financing activities</b>                | <b>(9.40)</b>           | <b>(11.29)</b>          |
| <b>Net decrease/(increase) in cash and cash equivalents</b>      | <b>(106.24)</b>         | <b>124.29</b>           |
| Cash and cash equivalents at the beginning of the period         | 192.70                  | 64.41                   |
| <b>Cash and cash equivalents at the end of the period</b>        | <b>86.47</b>            | <b>192.70</b>           |

**Notes:**

a. Cash and cash equivalents include:

Cash on hand  
Balances with banks on current accounts

|   | ₹ in Mn)                |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| Cash on hand                            | 0.01                    | -                       |
| Balances with banks on current accounts | 86.46                   | 192.70                  |
|   | <b>86.47</b>            | <b>192.70</b>           |

b. Amendment to Ind AS 7

The non-cash changes in liabilities arising from financing activities pertain to impact of fair value changes and foreign exchange fluctuations which are considered to be insignificant.

c. The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 (Ind AS 7) on "Statement of Cash Flows".

d. Figures in brackets indicate cash outflow.

e. Purchase of property, plant and equipment and intangible assets includes movements of capital work-in-progress, intangible assets under development, capital advances and payables for property, plant and equipment during the period.

For Subhash C. Gupta & Co.  
Chartered Accountants  
Firm Regn. No. 004803N

For and on behalf of the Board of Directors of  
Siti Broadband Services Pvt Ltd

  
(Subhash C. Gupta)  
Partner  
M. No. 080222  
Place : New Delhi  
Date : 29/05/23  
UDIN : 23 080222RCYVQZ8167

Ratnakar Sharma  
DIN - 88604776

Anjan Jain  
DIN - 89537441





15 (b) Statement of changes in equity for the year ended March 31, 2022

A Equity share capital

|  | Amount |
|--|--------|
| Balance as at April 01, 2021                         |        |
| 1000 (Par value of 100) equity shares of INR 10 each |        |
| Balance as at March 31, 2022                         |        |
| 1000 (Par value of 100) equity shares of INR 10 each |        |
| Balance as at March 31, 2022                         |        |

B Other equity

|   | Reserves and surplus      |                  |                 | Other Components of Equity               |                                 |                            | Total other equity |  |
|---|---------------------------|------------------|-----------------|--|---------------------------------|----------------------------|--------------------|--|
|   | Societies premium reserve | Residual surplus | General reserve | Opportunity fully convertible debentures | Money received against warrants | Other comprehensive Income |                    | Foreign currency monetary item translation difference account (FCMTDA) |
| Balance as at April 01, 2022            |                           | (136.55)         |                 |  |                                 |                            |                    | (136)  |
| Loss for the year                       | -                         | (204.95)         |                 |  |                                 |                            |                    | (204)  |
| Total comprehensive income for the year | -                         | (204.95)         |                 |  |                                 |                            |                    | (204)  |
| Balance as at March 31, 2022            | -                         | (341.50)         |                 |  |                                 |                            |                    | (341)  |

\*\* Transaction with associate capacity as per section 101.

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

This is the statement of changes in equity prepared by us on behalf of our client.

For Sukhraj C. Gupta & Co.  
Chartered Accountants  
Firm Regn. No. 361651N

For and on behalf of the Board of Directors of  
Sik Dental Services Private Limited

Sukhraj C. Gupta  
Partner  
M. No. 10022

Place: New Delhi  
Date:



  
Kunal Sharma  
DIN - 8894776

  
Anjan Jain  
DIN - 0837441

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**NOTES: SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDING 31<sup>st</sup> MARCH, 2023**

**1 CORPORATE INFORMATION:**

SITI BROADBAND SERVICES PVT LTD (hereinafter referred to as the 'Company') is registered in New Delhi, and is a wholly owned subsidiary of SITI Networks Limited (hereinafter referred to as the 'Parent Company'). The Company is in the business of providing Internet services to the end consumers.

**2 BASIS OF PREPARATION:**

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with relevant rules of the Companies (Accounts) Rules, 2014 read with companies (Indian Accounting Standard) Rules, 2015 and the provisions of the Act (to the extent notified).

These financial statements for the year ended March 31, 2023 continue to be prepared on a going concern basis. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act. Based on the nature of business and the time between the acquisition of assets and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**3.1 USE OF ESTIMATES:**

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

**3.2 RECOGNITION OF REVENUE:**

Revenue is recognized when it is probable that the economic benefits will flow to the Company and it can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable net of rebates and taxes. The Company applies the revenue recognition criteria to each separately identifiable component of the sales transaction. Subscription income is recognized on completion of services and when no significant uncertainty exists regarding the amount of consideration that will be derived.

**3.3 RECOGNITION OF INCOME AND EXPENSE:**

Items of income and expenditure are recognized on accrual basis.

**3.4 Cash & Cash Equivalents**

Cash & Cash equivalents comprise of cash at bank and in hand, cheques in hand and short term investments with an original maturity of three months or less.

**3.5 TRADE RECEIVABLES:**

Trade Receivable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. These are subsequently adjusted with the credit risk involved.



## Siti Broadband Services Private Limited

CIN:U64100DL2014PTC267911

### 3.6 PLANT, PROPERTY AND EQUIPMENT

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

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives.

| Assets                                      | Life in Years |
|---|---------------|
| Buildings                                   | 60            |
| Plant & Equipment                           | 8             |
| Computers                                   | 3             |
| Office Equipment                            | 5             |
| Furniture & Fixtures                        | 10            |
| Air Conditioners                            | 5             |
| Studio Equipment                            | 13            |
| Vehicles                                    | 8             |
| Set Top Boxes                               | 8             |
| Integrated receiver and decoder (IRD) boxes | 10            |

Leasehold improvements are amortized over the lease term or estimated useful life, whichever is less. Leasehold land is amortized over the effective period of lease.

Plant and equipment taken over under scheme of arrangement in the earlier years are depreciated over the management's estimate of remaining useful life, a period of 5 years.

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

Assets costing less than Rs 3,000 each, are depreciated in full excluding residual value in year of purchase.

Intangible assets are amortised using straight line method over the estimated useful life.

No depreciation has been provided on tangible assets where the remaining carrying amount is equal to the 5% of the original cost.

### 3.7 INVESTMENTS:

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

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

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

### 3.8 INVENTORIES:

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

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

### 3.9 INCOME TAXES:

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

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

During the current year, the company has incurred losses and hence there is no tax liability.



### **3.10 EVENTS OCCURRING AFTER BALANCE SHEET DATE:**

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

### **3.11 PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES:**

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

Contingent liability is disclosed for:

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

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

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

### **3.12 FOREIGN CURRENCY TRANSACTIONS:**

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

### **3.13 REVENUE FROM CONTRACTS:**

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

The standard permits two possible methods of transition:

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

### **3.14 FINANCIAL LIABILITIES**

#### **Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.



## Siti Broadband Services Private Limited

CIN:U64100DL2014PTC267911

### 3.15 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 capitalised 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.

### 3.16 Post-employment, long term and short term employee benefits

Defined contribution plans

Provident Fund

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

Gratuity (Funded)

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

Other Employee Benefits

Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the reporting 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.





## 4 Property, plant and equipment

| Particulars                                     | (₹ in Mn)           |                         |               |
|---|---------------------|-------------------------|---------------|
|   | Plant and equipment | CWIP Plant & Equipments | Total         |
| <b>Gross carrying amount</b>                    |                     |                         |               |
| Balance as at March 31, 2021                    | 245.76              | -                       | 245.76        |
| Additions                                       | 27.86               | -                       | 27.86         |
| <b>Balance as at March 31, 2022</b>             | <b>273.63</b>       | <b>-</b>                | <b>273.63</b> |
| <b>Gross carrying amount</b>                    |                     |                         |               |
| Balance as at March 31, 2022                    | 273.63              | -                       | 273.63        |
| Additions                                       | 38.35               | 56.85                   | 95.20         |
| <b>Balance as at March 31, 2023</b>             | <b>311.97</b>       | <b>56.85</b>            | <b>368.82</b> |
| <b>Accumulated depreciation</b>                 |                     |                         |               |
| Balance as at March 31, 2021                    | 127.68              | -                       | 127.68        |
| Charge for the year                             | 31.16               | -                       | 31.16         |
| <b>Balance as at March 31, 2022</b>             | <b>158.83</b>       | <b>-</b>                | <b>158.83</b> |
| <b>Accumulated depreciation</b>                 |                     |                         |               |
| Balance as at March 31, 2022                    | 158.83              | -                       | 158.83        |
| Charge for the year                             | 37.80               | -                       | 37.80         |
| <b>Balance as at March 31, 2023</b>             | <b>196.63</b>       | <b>-</b>                | <b>196.63</b> |
| <b>Net carrying amount as at March 31, 2022</b> | <b>114.79</b>       | <b>-</b>                | <b>114.79</b> |
| <b>Net carrying amount as at March 31, 2023</b> | <b>115.34</b>       | <b>56.85</b>            | <b>172.19</b> |

## a) Capital work-in-progress (CWIP) ageing schedule

| Particulars         | Amount in CWIP for a period of |           |           |                   | Total |
|---------------------|--------------------------------|-----------|-----------|-------------------|-------|
|                     | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years |       |
| As at 31 March 2023 | 56.85                          | -         | -         | -                 | 56.85 |
| As at 31 March 2022 | -                              | -         | -         | -                 | -     |

## b) For details related to assets pledged as security, refer note 47.



SITI Broadband Services Pvt. Ltd

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2023

| 5 Other intangible assets                       | ( ₹ in Mn)  |             |
|---|-------------|-------------|
|   | Software    | Total       |
| <b>Gross carrying amount</b>                    |             |             |
| Balance as at March 31, 2021                    | 8.04        | 8.04        |
| Additions                                       | -           | -           |
| Disposals                                       | -           | -           |
| <b>Balance as at March 31, 2022</b>             | <b>8.04</b> | <b>8.04</b> |
| <b>Gross carrying amount</b>                    |             |             |
| Balance as at March 31, 2022                    | 8.04        | 8.04        |
| Additions                                       | 1.77        | 1.77        |
| Disposals                                       | -           | -           |
| <b>Balance as at March 31, 2023</b>             | <b>9.81</b> | <b>9.81</b> |
| <b>Accumulated amortisation</b>                 |             |             |
| Balance as at March 31, 2021                    | 5.43        | 5.43        |
| Charge for the year                             | 1.34        | 1.34        |
| <b>Balance as at March 31, 2022</b>             | <b>6.77</b> | <b>6.77</b> |
| <b>Accumulated amortisation</b>                 |             |             |
| Balance as at March 31, 2022                    | 6.77        | 6.77        |
| Charge for the year                             | 1.51        | 1.51        |
| Disposals                                       | -           | -           |
| <b>Balance as at March 31, 2023</b>             | <b>8.29</b> | <b>8.29</b> |
| <b>Net carrying amount as at March 31, 2022</b> | <b>1.27</b> | <b>1.27</b> |
| <b>Net carrying amount as at March 31, 2023</b> | <b>1.52</b> | <b>1.52</b> |



|           |  | ( ₹ in Mn)   |               |
|-----------|--|--------------|---------------|
|           |  | As at        | As at         |
|           |  | 31-Mar-23    | 31-Mar-22     |
| <b>6</b>  | <b>Others (non-current, financial assets)</b>  |              |               |
|           | <b>Unsecured, considered good unless otherwise stated</b>  |              |               |
|           | Margin money deposit (pledged) and deposit with statutory authorities with maturity of more than twelve months | 25.97        | 21.11         |
|           | Security deposits (considered good)  | 0.18         | 0.18          |
|           |  | <u>26.15</u> | <u>21.29</u>  |
| <b>7</b>  | <b>Others (non-current, non- financial assets)</b>   |              |               |
|           | Deffered Tax Asset   | 5.56         | -             |
|           |  | <u>5.56</u>  | <u>-</u>      |
| <b>8</b>  | <b>Trade receivables</b>   |              |               |
|           | <b>Unsecured, considered good</b>  |              |               |
|           |  | 4.28         | 3.86          |
|           |  | <u>4.28</u>  | <u>3.86</u>   |
|           | <b>Classified as:</b>  |              |               |
|           | Non-current trade receivables  | 4.28         | 3.86          |
|           | Current trade receivables  | <u>4.28</u>  | <u>3.86</u>   |
| <b>9</b>  | <b>Cash and cash equivalents</b>   |              |               |
|           | Cash on hand   | 0.01         | -             |
|           | Balances with banks  |              |               |
|           | on current accounts  | 3.14         | 54.90         |
|           | Cheques and drafts on hand   | <u>3.15</u>  | <u>54.90</u>  |
|           | <b>Other balances with banks</b>   |              |               |
|           | Deposits with maturity of upto one Year  | 83.32        | 137.80        |
|           |  | <u>86.47</u> | <u>192.70</u> |
| <b>10</b> | <b>Investments (current, financial assets)</b>   |              |               |
|           | Investment in equity instruments (trade, unquoted) (at cost) - Subsidiaries                                    |              |               |
|           | 29,070 (previous year : 29,070) equity shares of ₹10 each fully paid up of E-Net Entertainment Pvt. Ltd.       | 1.28         | 1.28          |
|           |  | <u>1.28</u>  | <u>1.28</u>   |
| <b>11</b> | <b>Others (current, financial assets)</b>  |              |               |
|           | <b>Unsecured, considered good</b>  |              |               |
|           | Amounts recoverable  | 64.52        | 63.17         |
|           | Interest accrued and not due on fixed deposits   | -            | 10.06         |
|           |  | <u>64.52</u> | <u>73.23</u>  |
| <b>12</b> | <b>Other current assets</b>  |              |               |
|           | <b>Unsecured, considered good unless otherwise stated</b>  |              |               |
|           | Balances with Government authorities   | 19.81        | 16.59         |
|           | Prepaid expenses   | 1.47         | 3.13          |
|           |  | <u>21.28</u> | <u>19.71</u>  |









Summary of significant accounting policies and other explanatory information for the year ended March 31, 2023

|           |   | ( ₹ in Mn)   |              |
|-----------|---|--------------|--------------|
|           |   | As at        | As at        |
|           |   | 31-Mar-23    | 31-Mar-22    |
| <b>21</b> | <b>Other financial liabilities (Current)</b>      |              |              |
|           | Interest accrued and due on borrowings            | 5.06         | -            |
|           | Employee Related Payables & Others                | 2.95         | -            |
|           | Advance Received                                  | 0.24         | 0.24         |
|           |   | <b>8.25</b>  | <b>0.24</b>  |
|           |   |              |              |
|           |   | ( ₹ in Mn)   |              |
|           |   | As at        | As at        |
|           |   | 31-Mar-23    | 31-Mar-22    |
| <b>22</b> | <b>Provisions</b>                                 |              |              |
|           | Provision for employee benefits                   | 0.05         | -            |
|           | Provision for gratuity                            | 0.05         | -            |
|           | Provision for compensated absences                | 0.10         | -            |
|           |   |              |              |
|           |   | ( ₹ in Mn)   |              |
|           |   | As at        | As at        |
|           |   | 31-Mar-23    | 31-Mar-22    |
| <b>23</b> | <b>Other (current, non-financial liabilities)</b> |              |              |
|           | Statutory dues payable                            | 3.68         | 1.14         |
|           | Advance from customers                            | 59.21        | 16.43        |
|           |   | <b>62.89</b> | <b>18.56</b> |



## Summary of significant accounting policies and other explanatory information for the year ended March 31, 2023

|           |  | (₹ in Mn)     |               |
|-----------|--|---------------|---------------|
|           |  | 31-Mar-23     | 31-Mar-22     |
| <b>24</b> | <b>Revenue from operations</b>                               |               |               |
|           | <b>Sale of services</b>                                      |               |               |
|           | Subscription income  | 406.44        | 293.82        |
|           | Activation income  | 8.10          | -             |
|           |  | <b>414.54</b> | <b>293.82</b> |
| <b>25</b> | <b>Other income</b>  |               |               |
|           | Interest income on   |               |               |
|           | Bank deposits  | 6.35          | 6.02          |
|           | Others   | 3.05          | -             |
|           | Other non-operating income                                   | <b>9.39</b>   | <b>6.02</b>   |
| <b>26</b> | <b>Employee benefits expense</b>                             |               |               |
|           | Salaries, allowances and bonus                               | 36.35         | -             |
|           | Contributions to provident and other funds                   | 1.82          | -             |
|           | Staff welfare expenses                                       | 0.62          | -             |
|           |  | <b>38.79</b>  | <b>-</b>      |
| <b>27</b> | <b>Finance costs</b>   |               |               |
|           | Interest expense   | 72.16         | 56.16         |
|           | Bank charges   | 0.07          | 0.14          |
|           |  | <b>72.22</b>  | <b>56.29</b>  |
| <b>28</b> | <b>Depreciation and amortisation of non-financial assets</b> |               |               |
|           | Depreciation of property, plant and equipment                | 37.80         | 31.16         |
|           | Amortisation of intangible assets                            | 1.51          | 1.34          |
|           |  | <b>39.31</b>  | <b>32.50</b>  |
| <b>29</b> | <b>Other expenses</b>  |               |               |
|           | Rent   | 4.51          | 9.57          |
|           | Rates and taxes  | 0.35          | 0.17          |
|           | Communication expenses                                       | 0.51          | 0.18          |
|           | Repairs and maintenance                                      |               |               |
|           | - Network  | 0.77          | -             |
|           | - Buildings  | 0.03          | -             |
|           | - Others   | 13.07         | 6.42          |
|           | Legal, professional and consultancy charges                  | 8.28          | 0.49          |
|           | Printing and stationery                                      | 2.09          | 1.58          |
|           | Service charges  | 63.34         | 7.08          |
|           | Travelling and conveyance expenses                           | 0.38          | -             |
|           | Auditors' remuneration*                                      | 0.10          | 0.13          |
|           | Advertisement and publicity expenses                         | 6.38          | 0.67          |
|           | Commission charges and incentives                            | 151.63        | 91.29         |
|           | Other operational cost                                       | 228.16        | 216.86        |
|           | Business and sales promotion                                 | 8.35          | 0.55          |
|           | Miscellaneous expenses                                       | 0.53          | 1.14          |
|           |  | <b>488.37</b> | <b>336.13</b> |



Summary of significant accounting policies and other explanatory information for the year ended March 31, 2023

|                                      | (₹ in Mn) |           |
|--------------------------------------|-----------|-----------|
|                                      | 31-Mar-23 | 31-Mar-22 |
| Auditors' remuneration as an auditor | 0.10      | 0.10      |
| for other services                   | -         | 0.03      |
| for reimbursement of expenses        | -         | -         |
|                                      | 0.10      | 0.13      |

| 30 Earnings (loss) per share   | 31-Mar-23   | 31-Mar-22   |
|--|-------------|-------------|
| Loss attributable to equity shareholders   | (204.89)    | (125.07)    |
| Weighted average number of equity shares outstanding during the year (nos.)  | 10,000      | 10,000      |
| Weighted average number of equity shares outstanding during the year for calculating basic and diluted earnings per share (nos.) | 10,000      | 10,000      |
| Loss per share (₹)   |             |             |
| Basic  | (20,488.89) | (12,507.07) |
| Diluted  | (20,488.89) | (12,507.07) |



## Employee benefit obligations

### Post-employment

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination equals the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of completed years of service. The expected contribution to the plan for next annual reporting period amounts to ₹ 0.43 million.

The weighted average duration of the defined benefit obligation as at 31 March 2023 is 16 years.

The plan exposes the Company to actuarial risks such as interest rate risk and inflation risk.

### Interest rate risk

The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of risk free securities.

### Inflation risk

A significant proportion of the defined benefit liability is linked to inflation. An increase in the inflation rate will increase the Company's liability.

The following tables summarises the components of net benefit expense recognised in the standalone statement of

### Changes in the present value of the defined benefit obligation are as follows:

|   | As at<br>31 March 2023 |
|---|------------------------|
| Present value of defined benefit obligation at the beginning of the year    | -                      |
| Interest cost   | -                      |
| Current service cost  | 1.07                   |
| Benefits paid   | -                      |
| Actuarial (gain)/loss on  | -                      |
| <b>Present value of defined benefit obligation at the end of the year *</b> | <b>1.07</b>            |

\* Includes current portion ₹ 0.04 million

The gratuity plan of the Company is unfunded.

### Amount recognised in the standalone statement of profit and loss:

|                      |             |
|----------------------|-------------|
| Current service cost | 1.07        |
| Interest cost        | -           |
|                      | <b>1.07</b> |

### Amount recognised in the statement of other comprehensive income:

|                       | As at<br>31 March 2023 |
|-----------------------|------------------------|
| Actuarial (gain)/loss | -                      |
| Actuarial (gain)/loss | -                      |
|                       | -                      |

The principal assumptions used in determining present value of defined benefit obligation and long term employee benefit obligation are given below:





| Actuarial assumptions used               | Gratuity      | Compensated absences |
|--|---------------|----------------------|
|  | 31 March 2023 | 31 March 2023        |
| Discount rate (per annum)                | 7.50%         | 7.50%                |
| Rate of escalation in salary (per annum) | 5.00%         | 5.00%                |
| Mortality                                | IALM 2012-14  | IALM 2012-14         |
| Withdrawal rate (per annum)              | 5.00%         | 5.00%                |
| Normal retirement age                    | 60 years      | 60 years             |

These assumptions were developed by management with the assistance of independent actuary. Discount factors are determined close to each year-end by reference to market yields of risk free securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

The present value of the defined benefit obligation was measured using the projected unit credit method.

Amounts of experience adjustment for the current and previous four years are as follows -

|   | 31 March 2023 |
|---|---------------|
| Defined benefit obligations                               | 1.07          |
| Experience (gain)/loss adjustments on planned liabilities | -             |

#### 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: 3/31/2023   |
|--|--|
| Defined Benefit Obligation (Base)                | 10,74,924 @ Salary Increase Rate : 5%, and discount rate : 7.50% |
| Liability with x% increase in Discount Rate      | 9,80,961; x=1.00% [Change (9)%]                                  |
| Liability with x% decrease in Discount Rate      | 11,82,753; x=1.00% [Change 10%]                                  |
| Liability with x% increase in Salary Growth Rate | 11,84,325; x=1.00% [Change 10%]                                  |
| Liability with x% decrease in Salary Growth Rate | 9,78,039; x=1.00% [Change (9)%]                                  |
| Liability with x% increase in Withdrawal Rate    | 10,82,371; x=1.00% [Change 1%]                                   |
| Liability with x% decrease in Withdrawal Rate    | 10,65,229; x=1.00% [Change (1)%]                                 |

#### Sensitivity Analysis for Leave Encashment

| Period   | As on: 3/31/2023                |
|--|---------------------------------|
| Defined Benefit Obligation (Base)                | 708539                          |
| Liability with x% increase in Discount Rate      | 6,44,678; x=1.00% [Change (9)%] |
| Liability with x% decrease in Discount Rate      | 7,82,499; x=1.00% [Change 10%]  |
| Liability with x% increase in Salary Growth Rate | 7,83,593; x=1.00% [Change 11%]  |
| Liability with x% decrease in Salary Growth Rate | 6,42,696; x=1.00% [Change (9)%] |
| Liability with x% increase in Withdrawal Rate    | 7,22,393; x=1.00% [Change 2%]   |
| Liability with x% decrease in Withdrawal Rate    | 6,93,062; x=1.00% [Change (2)%] |



32 Fair value measurements

A. Financial instruments by category

|  |       | ₹ in million   |                |               |
|--|-------|----------------|----------------|---------------|
|  |       | March 31, 2023 |                |               |
|  | Notes | FVTPL          | Amortised cost | Total         |
| <b>Financial assets</b>                    |       |                |                |               |
| Investment (Non Current, financial assets) | 10    | -              | 1.28           | 1.28          |
| Trade receivables                          | 8     | -              | 4.28           | 4.28          |
| Cash and cash equivalents                  | 9     | -              | 86.47          | 86.47         |
| Loans & other recoverables                 | 11    | -              | 64.52          | 64.52         |
| Other financial assets (current)           | 12    | -              | 21.28          | 21.28         |
| <b>Total financial assets</b>              |       | -              | <b>177.82</b>  | <b>177.82</b> |
| <b>Financial liabilities</b>               |       |                |                |               |
| Other financial liabilities (non current)  | 15    | -              | 250.00         | 250.00        |
| Borrowings (non current)                   | 14    | -              | 44.00          | 44.00         |
| Trade payables                             | 20    | -              | 665.60         | 665.60        |
| <b>Total financial liabilities</b>         |       | -              | <b>959.60</b>  | <b>959.60</b> |
|  |       | March 31, 2022 |                |               |
|  | Notes | FVTPL          | Amortised cost | Total         |
| <b>Financial assets</b>                    |       |                |                |               |
| Investment (Non Current, financial assets) | 10    | -              | 1.28           | 1.28          |
| Trade receivables                          | 8     | -              | 3.86           | 3.86          |
| Cash and cash equivalents                  | 9     | -              | 192.70         | 192.70        |
| Loans & other recoverables                 | 11    | -              | 73.23          | 73.23         |
| Other financial assets (current)           | 12    | -              | 19.71          | 19.71         |
| <b>Total financial assets</b>              |       | -              | <b>290.78</b>  | <b>290.78</b> |
| <b>Financial liabilities</b>               |       |                |                |               |
| Other financial liabilities (non current)  | 15    | -              | 250.00         | 250.00        |
| Borrowings (non current)                   | 14    | -              | 44.00          | 44.00         |
| Trade payables                             | 20    | -              | 597.18         | 597.18        |
| <b>Total financial liabilities</b>         |       | -              | <b>891.18</b>  | <b>891.18</b> |

B. Financial instruments measured at fair value

The following tables present financial assets and liabilities measured at fair value in the Balance sheet in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The financial assets measured at fair value in the statement of financial position are grouped into the fair value hierarchy as on March 31, 2023 and March 31, 2022 as follows:

| March 31, 2023          | Date of Valuation | Level 1 | Level 2 | Level 3 |
|-------------------------|-------------------|---------|---------|---------|
| <b>Financial assets</b> |                   |         |         |         |
|                         |                   | -       | -       | -       |

| March 31, 2022          | Date of Valuation | Level 1 | Level 2 | Level 3 |
|-------------------------|-------------------|---------|---------|---------|
| <b>Financial assets</b> |                   |         |         |         |
|                         |                   | -       | -       | -       |



|  | C. Fair value of financial assets and liabilities measured at amortised cost <span style="float: right;">* in million</span> |               |                 |               |
|--|--|---------------|-----------------|---------------|
|  | March 31, 2023   |               | March 31, 2022  |               |
|  | Carrying amount  | Fair value    | Carrying amount | Fair value    |
| <b>Financial assets</b>                    |  |               |                 |               |
| Investment (Non Current, financial assets) | 1.28   | 1.28          | 1.28            | 1.28          |
| Trade receivables                          | 4.28   | 4.28          | 3.86            | 3.86          |
| Cash and cash equivalents                  | 86.47  | 86.47         | 192.70          | 192.70        |
| Loans & other recoverables                 | 64.52  | 64.52         | 73.23           | 73.23         |
| Other financial assets (current)           | 21.28  | 21.28         | 19.71           | 19.71         |
| <b>Total financial assets</b>              | <b>177.82</b>  | <b>177.82</b> | <b>290.78</b>   | <b>290.78</b> |
| <b>Financial liabilities</b>               |  |               |                 |               |
| Other financial liabilities (non current)  | 250.00   | 250.00        | 250.00          | 250.00        |
| Borrowings (non current)                   | 44.00  | 44.00         | 44.00           | 44.00         |
| Trade payables                             | 665.60   | 665.60        | 597.18          | 597.18        |
| <b>Total financial liabilities</b>         | <b>959.60</b>  | <b>959.60</b> | <b>891.18</b>   | <b>891.18</b> |

#### D. Financial risk management objectives and policies

##### Financial risk management

The Company is exposed to various risks in relation to financial instruments. The main types of risks are credit risk, liquidity risk and market risk.

The Company's risk management is coordinated in close co-operation with the board of directors, and focuses on securing Company's short to medium term cash flows.

This note explains the sources of risk which the Company is exposed to and how the Company manages the risk and the related impact in these standalone financial statements.

##### A. Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due to the Company causing financial loss. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

##### 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      | Provision for expected credit loss                   |
|------------------|--|
| Low credit risk  | 12 month expected credit loss                        |
| High credit risk | Life time expected credit loss or fully provided for |

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

|   | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| A: Low credit risk (Investment, Cash and cash equivalents and other financial assets except security deposits and amount recoverable) | 87.74          | 193.98         |
| B: High credit risk (Trade receivables, security deposits and amount recoverable)   | 90.08          | 96.80          |



#### Concentration of trade receivables

The Company has widespread customers and there is no concentration of trade

#### Credit risk exposure

##### Provision for expected credit losses

The Company provides for 12 month expected credit losses for following

For the purpose of computation of expected credit loss, the Company has analysed the trend of provisions for doubtful debts created in earlier years. The average rate of provision has been computed based on the adjusted sales (excluding those where the Company does not have any historical provision) and provision for doubtful debts created against those sales. As per this methodology, the Company has determined the expected credit loss as 5% for customers of subscription and carriage.

Expected credit loss for trade receivables under simplified approach  
as at March 31, 2023

| Particulars          | * in million                               |                        |   |
|----------------------|--|------------------------|---|
|                      | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
| Trade receivables    | 4.28                                       | -                      | 4.28  |
| Advances recoverable | 64.52                                      | -                      | 64.52                                       |

as at March 31, 2022

| Particulars          | * in million                               |                        |   |
|----------------------|--|------------------------|---|
|                      | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
| Trade receivables    | 3.86                                       | -                      | 3.86  |
| Advances recoverable | 73.23                                      | -                      | 73.23                                       |

#### 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.

#### Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows.

|                       | Less than one year | One to two years | More than two years |
|-----------------------|--------------------|------------------|---------------------|
| <b>March 31, 2023</b> |                    |                  |                     |
| Trade payables        | 580.30             | 77.52            | 7.78                |
| <b>March 31, 2022</b> |                    |                  |                     |
| Trade payables        | 558.92             | 38.06            | -                   |

#### C. Market Risk

The Company has foreign currency borrowings in the form of buyers credit and is exposed to change in the exchange rates. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (?). The risk is measured through a forecast of highly probable foreign currency cash flows.



(i) Foreign currency risk

Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows:

|                           | March 31, 2023 | March 31, 2022 |
|---------------------------|----------------|----------------|
| Financial assets (A)      | -              | -              |
| Trade receivables         | -              | -              |
| Financial liabilities (B) | -              | -              |
| Trade payables            | -              | -              |
| Net exposure (B-A)        | -              | -              |

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

|   | Impact on loss after tax |                |
|---|--------------------------|----------------|
|   | March 31, 2023           | March 31, 2022 |
| (₹)/USD and (₹)/EURO increased by 5% (previous) | -                        | -              |
| (₹)/USD and (₹)/EURO decreased by 5% (previous) | -                        | -              |

(ii) Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. The Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates.

|                          | March 31, 2023 | March 31, 2022 |
|--------------------------|----------------|----------------|
| Variable rate borrowings | -              | -              |
| Fixed rate borrowings    | -              | -              |
| Total borrowings         | -              | -              |

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from

|   | Impact on loss after tax |                |
|---|--------------------------|----------------|
|   | March 31, 2023           | March 31, 2022 |
| Interest rates – increase by 100 basis points | -                        | -              |
| Interest rates – decrease by 100 basis points | -                        | -              |

33 Related party transactions

(i) Names of related parties where control exists

Fellow Subsidiary companies

|  |                   |
|--|-------------------|
| Sii Networks Limited   | Holding Company   |
| Indian Cable Net Company Limited                                     | Fellow Subsidiary |
| Central Bombay Cable Network Limited                                 | Fellow Subsidiary |
| Sii Cable Broadband South Limited                                    | Fellow Subsidiary |
| Master Channel Community Network Private                             | Fellow Subsidiary |
| Sii Vision Digital Media Private Limited                             | Fellow Subsidiary |
| Sii Jind Digital Media Communications Private Limited                | Fellow Subsidiary |
| Sii Jai Maz Durgese Communications Private Limited                   | Fellow Subsidiary |
| Sii Jony Digital Cable Network Private Limited                       | Fellow Subsidiary |
| Sii Krishna Digital Media Private Limited                            | Fellow Subsidiary |
| Sii Faction Digital Private Limited                                  | Fellow Subsidiary |
| Sii Gantar Digital Network Private Limited                           | Fellow Subsidiary |
| Sii Mourya Cable Net Private Limited (Subsidiary of Indian Cable Net | Fellow Subsidiary |
| Sii Karnal Digital Media Network Private Limited                     | Fellow Subsidiary |
| Sii Global Private Limited   | Fellow Subsidiary |
| Sii Sii Digital Network Private Limited                              | Fellow Subsidiary |
| Variety Entertainment Private Limited                                | Fellow Subsidiary |
| Sii Prime Ultra-schall Communication Private                         | Fellow Subsidiary |
| Sii Sagar Digital Cable Network Private Limited                      | Fellow Subsidiary |



Paramount Digital Media Services Private Limited

Joint Venture (Joint Venture of  
Variety Entertainment Private  
Limited)(w.e.f. 30/01/2020)

Sii Networks India LLP

Fellow Subsidiary (w.e.f. May 07,  
2018)

Sii Sastra Digital Media Private Limited  
Infonet Service Private Limited  
E-Net Entertainment Private Limited

Fellow Subsidiary  
Fellow Subsidiary  
Fellow Subsidiary

**(ii) Key Management Personnel (KMP)**

Ratnagar Sharma  
Suresh Bhatia  
Anjan Jain

|   | (in Million)   |                |
|---|----------------|----------------|
|   | March 31, 2023 | March 31, 2022 |
| <b>a) Sale of goods and services during the year</b>          |                |                |
| <b>Holding companies</b>                                      |                |                |
| Sii Networks Limited  | 0.25           | 0.36           |
| <b>Fellow Subsidiary</b>                                      |                |                |
| SITI Jind Digital Media Communications Pvt. Ltd.              | 0.10           | 0.10           |
| <b>b) Purchase of services during the year</b>                |                |                |
| <b>Holding companies</b>                                      |                |                |
| Sii Networks Limited  | 17.88          | 87.72          |
| <b>c) Balance (payable)/receivable at the end of the year</b> |                |                |
| <b>Holding companies</b>                                      |                |                |
| Sii Networks Limited  | (128.93)       | (196.09)       |
| <b>Fellow Subsidiary</b>                                      |                |                |
| Central Bombay Cable Network Ltd.                             | 56.83          | 56.83          |
| Variety Entertainment Pvt. Ltd.                               | (3.83)         | (0.17)         |
| SITI Jind Digital Media Communications Pvt. Ltd.              | 0.18           | 0.06           |

34 Previous year's amounts have been regrouped

35 The breakup of year end deferred tax assets and liabilities into major components of the respective balance is as under:

| Particulars  | in million     |                |
|--|----------------|----------------|
|  | March 31, 2023 | March 31, 2022 |
| <b>Deferred tax liabilities</b>  |                |                |
| Temporary difference in depreciation and amortisation of property, plant and equipment and other intangible assets | (5.56)         | 4.32           |
| Gross deferred tax liabilities   | (5.56)         | 4.32           |
| <b>Deferred tax assets</b>   |                |                |
| Provision for doubtful debts   | -              | -              |
| Gross deferred tax assets  | -              | -              |
| <b>Net deferred tax liability/(assets)</b>   | (5.56)         | 4.32           |

**36 Information under Section 186 (4) of the Companies Act, 2013**

There are no investments or loan given or guarantee provided or security given by the Company in these standalone financial statements, which have been made predominantly for the purpose of business.

37 The Company predominantly operates in a single business segment of cable distribution in India only. Hence there are no separately reportable business or geographical segments as per Indian Accounting Standard (Ind AS) 108 on Operating Segments. The aforesaid is in line with the way operating results are reviewed and viewed by the chief operating decision maker(s).

**38 Post reporting date events**

No adjusting or significant non-adjusting events have occurred between March 31, 2022 and the date of authorisation of these financial statements.





39 Promoters Shareholding in Share Capital Note

| Sl. No. | Promoter's Name       | No. of Shares | % of Total Shares | % Change during the year |
|---------|-----------------------|---------------|-------------------|--------------------------|
| 1       | Siti Networks Limited | 10000         | 100               | -                        |

40 Financial Ratios

(All amounts in ₹ million, unless stated otherwise)

| Sl. No. | Particulars  | 31 March 2023 | 31 March 2022 | Change           |
|---------|--|---------------|---------------|------------------|
| i)      | Current Ratio (A/B)                                  | 0.25          | 0.43          | -48%             |
|         | Current assets (A)                                   | 177.82        | 281.78        | refer note 6 (a) |
|         | Current liabilities (B)                              | 707.04        | 669.28        |                  |
| ii)     | Debt-equity ratio (A/B)                              | -0.66         | -0.68         | -26%             |
|         | Total Debt (A)                                       | 31.00         | 44.00         | refer note 6 (b) |
|         | Total equity (B)                                     | (785.67)      | (580.78)      |                  |
| iii)    | Debt-service coverage ratio (A/B)                    | -3.35         | -4.82         | 30%              |
|         | Earnings available for debt services (or EBITDA) (A) | (903.23)      | (36.28)       | refer note 6 (c) |
|         | Borrowings including finance cost (B)                | 48.00         | 41.00         |                  |
| iv)     | Return on equity ratio (A/B)                         | 0.26          | 0.22          | 21%              |
|         | Net profit for the year (A)                          | (204.89)      | (125.07)      |                  |
|         | Total equity (B)                                     | (785.67)      | (580.78)      |                  |
| v)      | Inventory turnover ratio (A/B)                       | NA            | NA            |                  |
|         | Cost of goods sold (A)                               | -             | -             |                  |
|         | Average inventory (B)                                | -             | -             |                  |
| vi)     | Trade receivables turnover ratio (A/B)               | 101.86        | 71.83         | 42%              |
|         | Revenue from operations (A)                          | 414.54        | 293.82        | refer note 6 (d) |
|         | Average trade receivables (B)                        | 4.07          | 4.09          |                  |
| vii)    | Trade payables turnover ratio (A/B)                  | 0.77          | 0.64          | 20%              |
|         | Credit purchases (A)                                 | 88.37         | 336.13        |                  |
|         | Average trade payables (B)                           | 631.31        | 323.49        |                  |
| viii)   | Net capital turnover ratio (A/B)                     | 0.53          | 0.53          | 4%               |
|         | Revenue from operations (A)                          | 414.54        | 293.82        |                  |
|         | Capital employed or net assets (B)                   | (785.67)      | (580.78)      |                  |
| ix)     | Net profit ratio (A/B)                               | 0.49          | 0.43          | 16%              |
|         | Net profit after tax                                 | (204.89)      | (125.07)      |                  |
|         | Revenue from operations                              | 414.54        | 293.82        |                  |
| x)      | Return on capital employed (A/B)                     | 0.24          | 0.21          | 21%              |
|         | Earnings before interest but after taxes (A)         | (204.89)      | (125.07)      |                  |
|         | Capital employed or net assets (B)                   | (785.67)      | (580.78)      |                  |
| xi)     | Return on investment                                 | 0.26          | 0.22          | 21%              |
|         | Net profit after tax (A)                             | (204.89)      | (125.07)      |                  |
|         | Capital employed or net assets (B)                   | (785.67)      | (580.78)      |                  |

Notes:

- 1 Ratios relating to balance sheet items have been presented as at 31 March 2023 and 31 March 2022. Whereas, ratios relating to items of statement of profit and loss accounts has been presented for financial year ended 31 March 2023 and 31 March 2022.
- 2 Net profit after tax excludes other comprehensive income.
- 3 Net assets is the total of equity share capital and other equities.
- 4 Total debt comprise of borrowings from external lenders.
- 5 Credit purchases comprise of purchases during the year and other expenses.
- 6 Reason for change by more than 25%
  - (a) Due to decrease in Current Assets
  - (b) Declined due to higher accumulated losses due to current year loss due to which total equity has declined whereas there is no major movement in total debt.
  - (c) Declined due to lower earnings before interest and depreciation as compared to previous year.
  - (d) Increase due to revenue from operation.



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023  
(All amounts in ₹ million, unless stated otherwise)

## 41. Trade payable ageing schedule

As at 31 March 2023

| Particulars               | Unbilled      | Not due     | Outstanding for following periods from due date of payment |              |             |                   | Total         |
|---------------------------|---------------|-------------|--|--------------|-------------|-------------------|---------------|
|                           |               |             | Less than 1 year   | 1-2 years    | 2-3 years   | More than 3 years |               |
| (i) MISME                 | -             | -           | -  | -            | -           | -                 | -             |
| (ii) Others               | 481.67        | 5.62        | 91.01  | 77.52        | 0.11        | 7.58              | 665.00        |
| (a) Dispute dues - MISME  | -             | -           | -  | -            | -           | -                 | -             |
| (a) Dispute dues - Others | -             | -           | -  | -            | -           | -                 | -             |
| <b>Total</b>              | <b>481.67</b> | <b>5.62</b> | <b>91.01</b>   | <b>77.52</b> | <b>0.11</b> | <b>7.58</b>       | <b>665.00</b> |

As at 31 March 2022

| Particulars               | Unbilled      | Not due      | Outstanding for following periods from due date of payment |              |           |                   | Total         |
|---------------------------|---------------|--------------|--|--------------|-----------|-------------------|---------------|
|                           |               |              | Less than 1 year   | 1-2 years    | 2-3 years | More than 3 years |               |
| (i) MISME                 | -             | -            | -  | -            | -         | -                 | -             |
| (ii) Others               | 483.94        | 27.07        | 127.67   | 38.26        | -         | -                 | 597.18        |
| (a) Dispute dues - MISME  | -             | -            | -  | -            | -         | -                 | -             |
| (a) Dispute dues - Others | -             | -            | -  | -            | -         | -                 | -             |
| <b>Total</b>              | <b>483.94</b> | <b>27.07</b> | <b>127.67</b>  | <b>38.26</b> | <b>-</b>  | <b>-</b>          | <b>597.18</b> |

## 42. Trade receivable ageing schedule

As at 31 March 2023

| Particulars                              | Unbilled | Not due | Outstanding for following periods from due date of payment |                   |             |             |                   | Total       |
|--|----------|---------|--|-------------------|-------------|-------------|-------------------|-------------|
|  |          |         | Less than 6 months   | 6 months - 1 year | 1-2 years   | 2-3 years   | More than 3 years |             |
| <b>Undisputed</b>                        |          |         |  |                   |             |             |                   |             |
| (i) Considered good                      | -        | -       | 0.80   | 0.35              | 0.32        | 0.18        | 2.25              | 4.28        |
| (ii) Significant increase in credit risk | -        | -       | -  | -                 | -           | -           | -                 | -           |
| (iii) Credit impaired                    | -        | -       | -  | -                 | -           | -           | -                 | -           |
| <b>Disputed</b>                          |          |         |  |                   |             |             |                   |             |
| (iv) Considered good                     | -        | -       | -  | -                 | -           | -           | -                 | -           |
| (v) Significant increase in credit risk  | -        | -       | -  | -                 | -           | -           | -                 | -           |
| (vi) Credit impaired                     | -        | -       | -  | -                 | -           | -           | -                 | -           |
| <b>Unbilled</b>                          | -        | -       | -  | -                 | -           | -           | -                 | -           |
| <b>Total</b>                             | -        | -       | <b>0.80</b>  | <b>0.35</b>       | <b>0.32</b> | <b>0.18</b> | <b>2.25</b>       | <b>4.28</b> |

As at 31 March 2022

| Particulars                              | Unbilled | Not due | Outstanding for following periods from due date of payment |                   |             |             |                   | Total       |
|--|----------|---------|--|-------------------|-------------|-------------|-------------------|-------------|
|  |          |         | Less than 6 months   | 6 months - 1 year | 1-2 years   | 2-3 years   | More than 3 years |             |
| <b>Undisputed</b>                        |          |         |  |                   |             |             |                   |             |
| (i) Considered good                      | -        | -       | -  | -                 | 0.75        | 1.40        | 1.71              | 3.86        |
| (ii) Significant increase in credit risk | -        | -       | -  | -                 | -           | -           | -                 | -           |
| (iii) Credit impaired                    | -        | -       | -  | -                 | -           | -           | -                 | -           |
| <b>Disputed</b>                          |          |         |  |                   |             |             |                   |             |
| (iv) Considered good                     | -        | -       | -  | -                 | -           | -           | -                 | -           |
| (v) Significant increase in credit risk  | -        | -       | -  | -                 | -           | -           | -                 | -           |
| (vi) Credit impaired                     | -        | -       | -  | -                 | -           | -           | -                 | -           |
| <b>Unbilled</b>                          | -        | -       | -  | -                 | -           | -           | -                 | -           |
| <b>Total</b>                             | -        | -       | -  | -                 | <b>0.75</b> | <b>1.40</b> | <b>1.71</b>       | <b>3.86</b> |

## 43. Dividend paid

No dividend was paid during the current year as well as in preceding financial year. Dividend is proposed for the current financial year.

44. The Code on Social Security, 2020 which would impact the contribution by the Company towards Provident Fund and Gratuity has received presidential assent on 28 September 2020. The effective date from which the changes are applicable is yet to be notified and the final rules are yet to be framed. The Company will carry out an evaluation of the impact and record the same in the financial statements in the period in which the Code becomes effective and the related rules are published.



**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

(All amounts in ₹ million, unless stated otherwise)

45 (a) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other persons or entities, including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Company has not received any funds from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

46 There are no transactions that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 which have not been recorded in the books of account.

47 Note on assets pledged as security as below table:-

|                                  |    | 31-March-2023 | 31-March-2022 |
|----------------------------------|----|---------------|---------------|
| <b>Current assets</b>            |    |               |               |
| a) Inventories                   |    |               |               |
| b) Financial assets              |    |               |               |
| (i) Trade receivables            | 1  | 4.28          | 1.86          |
| (ii) Cash and cash equivalents   | 1  | 36.47         | 192.70        |
| (iii) Other financial assets     | 11 | 64.52         | 73.23         |
| c) Other current assets          | 12 | 21.28         | 19.71         |
| <b>Total</b>                     |    | <b>176.55</b> | <b>287.50</b> |
| <b>Non-current assets</b>        |    |               |               |
| a) Property, plant and equipment | 4  | 115.24        | 114.71        |
| b) Capital work-in-progress      | 2  | 36.88         |               |
| c) Other intangible assets       | 3  | 1.52          | 1.37          |
| d) Financial assets              |    |               |               |
| (i) Others                       | 6  | 26.15         | 21.29         |
| <b>Total</b>                     |    | <b>199.87</b> | <b>137.38</b> |

48 The Company does not have any transactions or relationships with any companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

49 Previous period figures have been re-grouped / reclassified wherever necessary, to conform to (current period) classification in order to comply with the requirements of the amended Schedule III of the Companies Act, 2013 effective from 01 April 2022.

50 Provision for Litigation for (UGR and interest payable thereon) has been made based on certain management estimates due to the pending decision with the Hon'ble Supreme Court of India.

**51 GST Reconciliation**

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

**52 Leases**

**Company as a lessee**

The Company has taken various commercial premises under lease. These leases have varying terms, escalation clauses and renewal rights. On renewal the terms of the leases are renegotiated. Lease amounting to ₹4.31 million (March 31, 2022 - ₹4.57 year) has been debited to amortisation statement of profit and loss during the year.

53 The Company has continued to incur losses during the year ended 31.03.2023 and has negative net worth as at 31.03.2023. The company has defaulted in repayment of loan from institutions but in view of management due to the expected revenue growth/ cost cutting measures and improvement in operating margins and support from the Holding Company/promoters, the Company has followed the financial accounting assumption of 'Going concern' for preparation of the statement for the year ended 31st March 2023. In the opinion of the Board of Directors of the Company, the Company will meet all its financial obligations as they fall due for payment for at least 12 months from the date of signature of these statements.

54 The financial statements were approved for issue by the board of directors on 28/05/2023.

For Subhash C. Gupta & Co.  
Chartered Accountants  
Firm Regn. No. 084103N



(Subhash C. Gupta)  
Partner

M. No. 080222

Place: New Delhi

Date: 28/05/23

UDIN:

23080222 BGYUGI8167

For and on behalf of the Board of Directors of  
SITI BROADBAND SERVICES PVT. LTD.

Ramola Sharma  
DIN - 0166476

Anjan Jain  
DIN - 09529441



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### Independent Auditor's Report

To the Members of **SITI BROADBAND SERVICES PRIVATE LIMITED**

Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying Consolidated financial statements of SITI BROADBAND SERVICES PRIVATE LIMITED ('the Company'), and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), (its associates and joint ventures), which comprise the Consolidated Balance Sheet as at 31 March 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated 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 consolidated 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 consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2023, and its consolidated loss (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated 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.



### **Material Uncertainty Related to Going Concern**

4. We draw attention to note 51 to the accompanying Statement, which indicates that the Company has incurred a net loss (including other comprehensive income/loss) of Rs.212.02 millions during the year ended 31 March 2023, and as of that date, the Company's accumulated losses amount to Rs. 804.59 millions resulting in a negative net worth of Rs.804.49 millions and its current liabilities exceeded its current assets by Rs.619.98 millions resulting in negative working capital. As at 31 March 2023, there are delays/ defaults in repayment of obligations and borrowings. The above factors along with other matters as set forth in note 51, indicate a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. However due to the expected revenue growth/cost cutting measures and improvement in operating margins, support from the holding company/promoters and other factors mentioned in aforesaid note to the Statement, the management is of the view that going concern basis of accounting is appropriate for preparation of these results. Our opinion is not modified in respect of this matter.

### **Emphasis of Matter**

5. We draw attention to note 12 which indicates that Aditya Birla Finance Limited (lender) has filed application against the company under section 7 of the Insolvency and Bankruptcy Code, 2016 before National Company Law Tribunal (NCLT), Delhi for initiation of Corporate insolvency resolution process on the ground that the company has defaulted in making repayment of borrowings taken from the lender amounting to Rs. 47.80 millions. The case is still pending for order with principal bench of NCLT, Delhi and the Company has no negative assessment of Companies ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

6. The Holding Company's Board of Directors is responsible for the other information. Other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.





### **Responsibilities of Management for the Consolidated Financial Statements**

7. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors/management of the companies included in the Group and its associates and joint ventures are responsible for 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:





- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not



be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

15. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 73.65 millions (PY Rs.54.23 millions) and net assets of (-)Rs. 36.08 millions (PY(-) Rs.22.10 millions) as at 31 March 2023, total revenues of Rs.48.69 millions (PY Rs.8.17 millions) and net cash inflows/outflows amounting to Rs. 0.03 millions (PY Rs. 2.8.6 millions) for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report(s) have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these {subsidiaries, associates and joint ventures}, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associates and joint ventures, is based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

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

16. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiaries, associates and joint ventures, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
  - c) the Consolidated financial statements dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the aforesaid Consolidated financial statements comply with Ind AS specified under section 133 of the Act;
  - e) on the basis of the written representations received from the directors of Holding Company and taken on record by the Board of Directors of the Holding company,



none of the directors is disqualified as on 31 March 2023 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 Holding Company and its subsidiary company and the operating effectiveness of such controls, refer to our separate Report in **Annexure A**.
- g) According to the information and explanations given to us, and based on the reports, issued by the auditors of the subsidiaries included in the consolidated financial statements of the Company, to which reporting on matters specified in paragraph 3 and 4 of the Order is applicable, provided to us by the Management of the Company and based on the identification of matters of qualifications or adverse remarks in their Companies (Auditor's Report) Order, 2020 reports by the respective component auditors and provided to us, we report that the auditors of such companies have not reported any qualifications or adverse remarks in their CARO reports.
- h) As required by section 197(16) of the Act, we report that the Company has not paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
- i) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company, as detailed to the Consolidated financial statements, has disclosed the impact of pending litigation on its financial position as at 31 March 2023;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;
  - iv. a) Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(is), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate



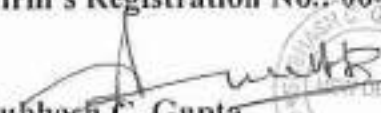
Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, and

(c) Based on the audit procedures adopted by us, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub clause (a) and (b) above, contain any material misstatement.

v. The company has not declared or paid any dividend during the year.

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

  
**Subhash C. Gupta**  
**(Partner)**  
**Membership No.: 080222**



**Date: 29.05.2023**

**Place- New Delhi**

**UDIN- 23080222-BGYVQ46468**



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

Referred to in paragraph 16 (f) of the Independent Auditors' Report of even date to the members of Siti Broadband Services Pvt. Ltd. on the consolidated financial statements for the year ended 31st March 2023.

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

1. In conjunction with our audit of the consolidated financial statements of the (Name of the company) ("the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group"), {its associates and jointly controlled entities/ joint ventures} as at and for the year ended 31 March 2023, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Holding Company, its subsidiary companies, its associate companies and {jointly controlled companies/ joint venture companies}, which are companies covered under the Act, as at that date.

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

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

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

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, {its subsidiary companies, its associate companies and jointly controlled companies/ joint venture companies}, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ("ICAI") prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and



plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained {and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter(s) paragraph below,} is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company, {its subsidiary companies, its associate companies and jointly controlled companies / joint venture companies} as aforesaid.

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

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

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

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





## Opinion

8. In our opinion {and based on the consideration of the reports of the other auditors on IFCoFR of the subsidiary companies, associate companies and jointly controlled companies/joint venture companies}, the Holding Company, {its subsidiary companies, its associate companies and jointly controlled companies/joint venture companies}, the Holding Company and its subsidiary has, in all material respects, adequate internal financial controls with reference to financial statements as at 31 March 2023, 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.

## Other Matter

9. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 73.65 millions (PY Rs.54.23 millions) and net assets of (-)Rs. 36.08 millions (PY(-) Rs.22.10 millions) as at 31 March 2023, total revenues of Rs.48.69 millions (PY Rs.8.17 millions) and net cash inflows/outflows amounting to Rs. 0.03 millions (PY Rs. 2.8.6 millions) for the year ended on that date, as considered in the consolidated financial statements.

The IFCoFR in so far as it relates to such subsidiary company have been audited by other auditors whose reports has been furnished to us by the management and our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company, its subsidiary companies, its jointly controlled company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such joint venture company is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

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

**Subhash C. Gupta**  
**(Partner)**  
**Membership No.: 080222**



**Date: 29.05.2023**  
**Place- New Delhi**

SITI Broadband Services Pvt. Ltd. - Consolidated  
Balance sheet as at March 31, 2023

|  |        | ( ₹ in Mn)              |                         |
|--|--------|-------------------------|-------------------------|
|  | Note   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>ASSETS</b>  |        |                         |                         |
| <b>Non-current assets</b>  |        |                         |                         |
| a) Property, plant and equipment   | 4 (a)  | 173.23                  | 157.18                  |
| b) Capital work-in-progress  | 4 (a)  | 56.85                   | -                       |
| c) Other intangible assets   | 4 (b)  | 1.52                    | 1.27                    |
| d) Goodwill  | 4 (b)  | 0.86                    | 0.86                    |
| e) Financial assets  |        |                         |                         |
| i) Others  | 5      | 26.15                   | 21.29                   |
| ii) Deferred Tax Assets  | 6      | 5.56                    | -                       |
|  |        | <u>254.18</u>           | <u>180.60</u>           |
| <b>Current assets</b>  |        |                         |                         |
| a) Financial assets  |        |                         |                         |
| i) Trade receivables   | 7      | 5.40                    | 4.08                    |
| ii) Cash and cash equivalents  | 8      | 5.66                    | 57.71                   |
| iii) Bank balance other than (ii) above  | 8      | 83.59                   | 137.00                  |
| iv) Others   | 9      | 64.56                   | 73.28                   |
| b) Other current assets  | 10     | 33.09                   | 28.09                   |
|  |        | <u>192.30</u>           | <u>301.35</u>           |
| <b>Total assets</b>  |        | <u>456.48</u>           | <u>481.95</u>           |
| <b>EQUITY AND LIABILITIES</b>  |        |                         |                         |
| <b>Equity</b>  |        |                         |                         |
| a) Equity share capital  | 11 (a) | 0.10                    | 0.10                    |
| b) Other equity  | 11 (b) | (804.59)                | (592.57)                |
|  |        | <u>(804.49)</u>         | <u>(592.47)</u>         |
| <b>Equity Attributable to owners of the parent</b>                                 |        |                         |                         |
| c) Non-controlling interest  | 52     | (17.68)                 | (10.83)                 |
| <b>Total Equity</b>  |        | <u>(822.17)</u>         | <u>(603.90)</u>         |
| <b>LIABILITIES</b>   |        |                         |                         |
| <b>Non-current liabilities</b>   |        |                         |                         |
| a) Financial liabilities   |        |                         |                         |
| i) Long Term Borrowings  | 12     | 127.42                  | 104.59                  |
| ii) Other financial liabilities  | 13     | 250.00                  | 250.00                  |
| b) Provisions  | 15     | 1.69                    | -                       |
| c) Deferred tax liability (net)  | 16     | 1.97                    | 5.63                    |
| d) Other non-current liabilities   | 14     | 85.30                   | 41.31                   |
|  |        | <u>466.37</u>           | <u>401.54</u>           |
| <b>Current liabilities</b>   |        |                         |                         |
| a) Financial liabilities   |        |                         |                         |
| i) Borrowings  | 18     | 51.11                   | 53.30                   |
| ii) Trade payables   | 17     |                         |                         |
| Total Outstanding dues of micro enterprises and small enterprises                  |        | 685.84                  | 609.36                  |
| Total Outstanding dues of creditors other than micro enterprises/small enterprises |        | 8.25                    | 0.24                    |
| iii) Other financial liabilities   | 19     | 8.25                    | 0.24                    |
| b) Provisions  | 20     | 0.10                    | -                       |
| b) Other current liabilities   | 21     | 96.99                   | 20.82                   |
|  |        | <u>812.28</u>           | <u>693.71</u>           |
| <b>Total equity and liabilities</b>  |        | <u>456.48</u>           | <u>481.95</u>           |

Summary of Significant accounting policies

1-3

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

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

For Subhash C. Gupta & Co.  
Chartered Accountants  
Firm Regn. No. 080103N

(Subhash C. Gupta)  
Partner  
M. No. 080222



Place : New Delhi  
Date : 29/05/23  
UQIN : 23080222BQYVGH6468

For and on behalf of the Board of Directors of  
SITI BROADBAND SERVICES PVT LTD

Ratnatar Sharma  
DIN - 08004776

Anjan Jain  
DIN - 09537441

SITI Broadband Services Pvt. Ltd.  
Statement of profit and loss for the quarter ended March 31, 2023  
CIN NO:- U64100DL2014PTC267911

|   | Note | March 31, 2023  | March 31, 2022  |
|---|------|-----------------|-----------------|
| (₹ in Mn)   |      |                 |                 |
| <b>Income</b>   |      |                 |                 |
| Revenue from operations   | 22   | 463.18          | 301.92          |
| Other income  | 23   | 9.44            | 6.10            |
| <b>Total income</b>   |      | <b>472.62</b>   | <b>308.02</b>   |
| <b>Expenses</b>   |      |                 |                 |
| Carriage sharing, pay channel and related costs                             |      | -               | -               |
| Employee benefits expense   | 24   | 42.87           | 2.42            |
| Finance costs   | 25   | 77.82           | 59.92           |
| Depreciation and amortisation of non-financial assets                       | 26   | 44.24           | 35.67           |
| Other expenses  | 27   | 535.78          | 353.96          |
| <b>Total expenses</b>   |      | <b>700.71</b>   | <b>451.96</b>   |
| <b>Loss before exceptional item and tax</b>                                 |      | <b>(228.09)</b> | <b>(143.94)</b> |
| Exceptional item  |      | -               | -               |
| <b>Loss before tax</b>  |      | <b>(228.09)</b> | <b>(143.94)</b> |
| <b>Tax expense</b>  |      |                 |                 |
| Current tax   |      |                 |                 |
| Deferred Tax  |      | (9.22)          | 0.62            |
| <b>Loss for the year</b>  |      | <b>(218.87)</b> | <b>(144.56)</b> |
| Minority interest   |      | 6.85            | 9.55            |
| <b>Other comprehensive income</b>   |      |                 |                 |
| Items that will not be reclassified to profit or loss in subsequent periods |      |                 |                 |
| Remeasurement of defined benefit liability                                  |      |                 |                 |
| <b>Total comprehensive income</b>   |      | <b>(212.02)</b> | <b>(135.01)</b> |
| <b>Earnings (loss) per share</b>  |      |                 |                 |
| Basic (loss) per share  | 28   | (21,202.03)     | (13,501.12)     |
| Diluted (loss) per share  | 28   | (21,202.03)     | (13,501.12)     |

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

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

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

(Subhash C. Gupta)  
Partner  
M. No.080222  
Date : 29/05/23  
Place : New Delhi

UDIN: 23080222B9YVG H6468

For and on behalf of the Board of Directors of  
SITI BROADBAND SERVICES PVT LTD

Ratnakar Sharma  
DIN - 08004776

Anjan Jain  
DIN - 09537441

Consolidate Cash Flow Statement

(₹ in Mr)

|  | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|--|-------------------------|-------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                    |                         |                         |
| Loss before tax  | (228.00)                | (344.56)                |
| Adjustment for:  |                         |                         |
| Depreciation and amortisation expenses                           | 44.24                   | 35.67                   |
| Interest income on bank deposits                                 | (6.39)                  | (6.10)                  |
| Deferred Tax   | 9.32                    |                         |
| Interest expense for borrowings at amortised cost                | 77.38                   | 59.69                   |
| Operating profit before working capital changes                  | <u>(103.64)</u>         | <u>(55.31)</u>          |
| Adjustments for changes in:                                      |                         |                         |
| Decrease in trade receivables                                    | (1.37)                  | 0.31                    |
| Decrease/(increase) in other financial assets                    | 8.71                    | (25.28)                 |
| Decrease in other current and non-current assets                 | (15.02)                 | (0.37)                  |
| (Increase)/decrease in inventories                               | -                       | -                       |
| (Decrease) in other financial liabilities                        | 22.83                   | 0.00                    |
| (Decrease)/increase in employee benefit obligations              | 0.10                    | -                       |
| (Decrease)/increase in other current and non-current liabilities | 93.99                   | 93.83                   |
| Increase in trade payables                                       | (1.30)                  | 137.65                  |
| Cash generated from operations                                   | <u>4.34</u>             | <u>150.87</u>           |
| Income taxes paid  | <u>4.34</u>             | <u>150.87</u>           |
| Net cash flow generated from operating activities                | <u>4.34</u>             | <u>150.87</u>           |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                    |                         |                         |
| Purchase of property, plant and equipment, and intangible assets | (117.31)                | (48.06)                 |
| Interest received (net)  | 6.39                    | 6.10                    |
| Net cash flow used in investing activities                       | <u>(111.00)</u>         | <u>(41.96)</u>          |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                    |                         |                         |
| Proceeds from borrowings (non-current, financial liabilities)    | -                       | 21.29                   |
| Interest and ancillary borrowing costs paid                      | 0.40                    | (8.76)                  |
| Net cash flow used in financing activities                       | <u>0.60</u>             | <u>(7.52)</u>           |
| Net decrease/(increase) in cash and cash equivalents             | (106.26)                | 121.44                  |
| Cash and cash equivalents at the beginning of the period         | 195.51                  | 74.08                   |
| Cash and cash equivalents at the end of the period               | <u>89.25</u>            | <u>195.52</u>           |
| Notes:   |                         |                         |
| a. Cash and cash equivalents include:                            | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| Cash on hand   | 5.66                    | 37.71                   |
| Balances with banks on current accounts                          | 83.59                   | 137.80                  |
|  | <u>89.25</u>            | <u>195.51</u>           |
| b. Amendment to Ind AS 7:  |                         |                         |

The non-cash changes in liabilities arising from financing activities pertains to impact of fair value changes and foreign exchange fluctuations which are considered to be insignificant.

c. The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 (Ind AS 7) on "Statement of Cash Flows".

d. Figures in brackets indicate cash outflow.

e. Purchase of property, plant and equipment and intangible assets includes movements of capital work-in-progress, intangible assets under development, capital advances and payables for property, plant and equipment during the period.

For Subhash C. Gupta & Co.  
 Chartered Accountants  
 Firms Regn. No. 004103M

(Subhash C. Gupta)  
 Partner  
 M. No.080222  
 Date: 29/06/23  
 Place: New Delhi

UDIN: 23080222B6YVGH6468

For and on behalf of the Board of Directors of  
 SITI BROADBAND SERVICES PVT LTD

Ratnaker Sharma  
 DIN - 98004776

Anjan Jain  
 DIN - 08537442

Consolidated statement of changes in equity for the quarter ended March 31, 2023  
 Equity share capital

(₹ in Lakhs)

|   | Amount |
|---|--------|
| Balance as at April 01, 2021                          | 0.10   |
| 10000 (Previous year 10000) equity shares of ₹10 each | -      |
| Balance as at March 31, 2022                          | 0.10   |
| 10000 (Previous year 10000) equity shares of ₹10 each | -      |
| Balance as at March 31, 2023                          | 0.10   |

Other equity

(₹ in Lakhs)

|   | Reserves and surplus       |                   |                 | Other Components of Equity              |                                 |                            |  | Total other equity |
|---|----------------------------|-------------------|-----------------|---|---------------------------------|----------------------------|--|--------------------|
|   | Securities premium reserve | Retained earnings | General reserve | Optionally fully convertible debentures | Money received against warrants | Other comprehensive income | Foreign currency monetary item translation difference account (FCMTDA) |                    |
| Balance as at April 01, 2022              | -                          | (392.57)          | -               | -                                       | -                               | -                          | -  | (392.57)           |
| Loss for the year                         | -                          | (212.02)          | -               | -                                       | -                               | -                          | -  | (212.02)           |
| Reassessment of defined benefit liability | -                          | -                 | -               | -                                       | -                               | -                          | -  | -                  |
| Total comprehensive income for the year   | -                          | (232.02)          | -               | -                                       | -                               | -                          | -  | (232.02)           |
| Balance as at March 31, 2023              | -                          | (634.59)          | -               | -                                       | -                               | -                          | -  | (634.59)           |

\* \* Transactions with owner in capacity as owners- Nil.

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

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

For Subhash C. Gupta & Co.  
 Chartered Accountants  
 Firm Regn. No. 004133M

For and on behalf of the Board of Directors of  
 SFR BROADBAND SERVICES PVT LTD

(Subhash C. Gupta)  
 Partner  
 M. No. 080222  
 Date: 28/05/23  
 Place: New Delhi



(Ajay Shah)  
 Director  
 DIN - 082004776



UDIN: 23080222B9YV6H6468

**NOTES: SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDING 31<sup>st</sup> MARCH, 2023**

**1 CORPORATE INFORMATION:**

SITI BROADBAND SERVICES PVT LTD (hereinafter referred to as the 'Company') is registered in New Delhi, and is a wholly owned subsidiary of SITI Networks Limited (hereinafter referred to as the 'Parent Company'). The Company is in the business of providing internet services to the end consumers.

**2 BASIS OF PREPARATION:**

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with relevant rules of the Companies (Accounts) Rules, 2014 read with companies (Indian Accounting Standard) Rules, 2015 and the provisions of the Act (to the extent notified).

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

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**

**3.01 OVERALL CONSIDERATION AND BASIS OF PREPARATION**

The financial statements have been prepared in accordance with the accounting principals generally accepted in India, including the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read together with Companies (Indian Accounting Standards) Rules, 2015 (as amended). These financial statements have been prepared and presented under the historical cost convention except for certain financial assets and financial liabilities that are measured at fair value at the end of each reporting period as stated in the accounting policies below.

**3.02 PRINCIPLES OF CONSOLIDATION**

The consolidated financial statements consolidates the financial statements of the Holding Company and its subsidiaries. All the group companies have reporting date of 31 March.

Subsidiaries are all entities over which the Company exercises control. The Company exercises control if and only if it has the following:

- power over the entity
- exposure, or rights, to variable returns from its involvement with the entity; and
- the ability to use its power over the entity to affect the amount of its returns.

The Company reassesses, whether it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of the financial statements of subsidiaries begins on the date control is established.

In preparing the consolidated financial statements, financial statements of the Holding company and its subsidiaries have been combined on a line by line basis by adding the book values of the like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group attributes total comprehensive income of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

**3.03 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES**

An associate is an entity over which the investor has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group accounts for its interest in joint venture using the equity method, after initially being recognised at cost in the consolidated balance sheet. Goodwill arising on the acquisition of joint venture is included in the carrying value of investments in joint venture. Investments in associates are accounted for using the equity method. Goodwill arising on the acquisition of associates is included in the carrying value of investments in associate.

Under the equity method of accounting applicable for investments in associates and joint ventures, investments are initially recorded at the cost to the Group and then, in subsequent periods, the carrying value is adjusted to reflect the Group's share of the post acquisition profits or losses of the investee in profit or loss, and the Group's share of other comprehensive income of the investee.

The consolidated statement of profit and loss include the Group's share of associate's results.

If the Group's share of losses in an associate or a joint venture equals or exceeds its interests in the associate or joint venture, the Group discontinues recognition of further losses. Additional losses are provided for, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate/joint venture. Unrealised gains and losses on transactions between the Group and its associate and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

**3.04 RECOGNITION OF REVENUE:**

Revenue is recognised when it is probable that the economic benefits will flow to the Company and it can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable net of rebates and taxes. The Company applies the revenue recognition criteria to each separately identifiable component of the sales transaction. Subscription income is recognized on completion of services and when no significant uncertainty exists regarding the amount of consideration that will be derived.



### 3.05 RECOGNITION OF INCOME AND EXPENSE:

Items of income and expenditure are recognized on accrual basis.

### 3.06 Cash & Cash Equivalents

Cash & Cash equivalents comprise of cash at bank and in hand, cheques in hand and short term investments with an original maturity of three months or less.

### 3.07 TRADE RECEIVABLES:

Trade Receivable are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. These are subsequently adjusted with the credit risk involved.

### 3.08 PLANT, PROPERTY AND EQUIPMENT

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

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives.

| Assets                                      | Life in Years |
|---|---------------|
| Buildings                                   | 60            |
| Plant & Equipment                           | 8             |
| Computers                                   | 3             |
| Office Equipment                            | 5             |
| Furniture & Fixtures                        | 10            |
| Air Conditioners                            | 5             |
| Studio Equipment                            | 11            |
| Vehicles                                    | 8             |
| Set Top Boxes                               | 8             |
| Integrated receiver and decoder (IRD) boxes | 10            |

Leasehold improvements are amortised over the lease term or estimated useful life, whichever is less. Leasehold land is amortized over the effective period of lease.

Plant and equipment taken over under scheme of arrangement in the earlier years are depreciated over the management's estimate of remaining useful life, a period of 5 years.

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

Assets costing less than Rs 5,000 each, are depreciated in full excluding residual value in year of purchase.

Intangible assets are amortised using straight line method over the estimated useful life.

No depreciation has been provided on tangible assets where the remaining carrying amount is equal to the 5% of the original cost.

### 3.09 INVESTMENTS:

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

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment. However, the company does not have any investments during the current year.

### 3.10 INVENTORIES:

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

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

### 3.11 INCOME TAXES:

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

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

During the current year, the company has incurred losses and hence there is no tax liability.

### 3.12 EVENTS OCCURRING AFTER BALANCE SHEET DATE:

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

### 3.13 PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES:

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





Contingent liability is disclosed for:

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

Contingent Liabilities are generally not provided for in the accounts are shown separately under notes to the accounts if any.  
Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

### 3.14 FOREIGN CURRENCY TRANSACTIONS:

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

### 3.15 REVENUE FROM CONTRACTS:

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

The standard permits two possible methods of transition:

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

### 3.16 Financial liabilities

**Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.



SITI Broadband Services Pvt. Ltd - Consolidated

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2023

4 (a) Property, plant and equipment

(₹ in Mn)

| Particulars                                     | Plant and equipment | CWIP Plant & Equipments | Total         |
|---|---------------------|-------------------------|---------------|
| <b>Gross carrying amount</b>                    |                     |                         |               |
| Balance as at March 31, 2021                    | 272.14              | -                       | 272.14        |
| Additions                                       | 48.06               | -                       | 48.06         |
| <b>Balance as at March 31, 2022</b>             | <b>320.20</b>       | <b>-</b>                | <b>320.20</b> |
| <b>Gross carrying amount</b>                    |                     |                         |               |
| Balance as at March 31, 2022                    | 320.20              | -                       | 320.20        |
| Additions                                       | 58.78               | 56.85                   | 115.63        |
| <b>Balance as at March 31, 2023</b>             | <b>378.98</b>       | <b>56.85</b>            | <b>435.83</b> |
| <b>Accumulated depreciation</b>                 |                     |                         |               |
| Balance as at March 31, 2021                    | 128.70              | -                       | 96.96         |
| Charge for the year                             | 34.33               | -                       | 34.33         |
| <b>Balance as at March 31, 2022</b>             | <b>163.02</b>       | <b>-</b>                | <b>131.28</b> |
| <b>Accumulated depreciation</b>                 |                     |                         |               |
| Balance as at March 31, 2022                    | 163.02              | -                       | 131.28        |
| Charge for the year                             | 42.73               | -                       | 42.73         |
| <b>Balance as at March 31, 2023</b>             | <b>205.75</b>       | <b>-</b>                | <b>174.01</b> |
| <b>Net carrying amount as at March 31, 2022</b> | <b>157.18</b>       | <b>-</b>                | <b>188.92</b> |
| <b>Net carrying amount as at March 31, 2023</b> | <b>173.23</b>       | <b>56.85</b>            | <b>261.82</b> |

i) Capital work-in-progress (CWIP) ageing schedule

| Particulars         | Amount in CWIP for a period of |           |           |                   | Total |
|---------------------|--------------------------------|-----------|-----------|-------------------|-------|
|                     | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years |       |
| As at 31 March 2023 | 56.85                          | -         | -         | -                 | 56.85 |
| As at 31 March 2022 | -                              | -         | -         | -                 | -     |

ii) For details related to assets pledged as security, refer note 45.



SITI Broadband Services Pvt. Ltd - Consolidated

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2023

4 (b) Other intangible assets (₹ in Mn)

| Particulars             | As at<br>31 March 2023 | As at<br>31 March 2022 |
|-------------------------|------------------------|------------------------|
| Goodwill                | 0.86                   | 0.86                   |
| Other intangible assets | 1.52                   | 1.27                   |
| <b>Total</b>            | <b>2.39</b>            | <b>2.13</b>            |

| Particulars                                     | Software    | Total       |
|---|-------------|-------------|
| <b>Gross carrying amount</b>                    |             |             |
| Balance as at March 31, 2021                    | 8.04        | 8.04        |
| <b>Balance as at March 31, 2022</b>             | <b>8.04</b> | <b>8.04</b> |
| <b>Gross carrying amount</b>                    |             |             |
| Balance as at March 31, 2022                    | 8.04        | 8.04        |
| Additions                                       | 1.77        | 1.77        |
| <b>Balance as at March 31, 2023</b>             | <b>9.81</b> | <b>9.81</b> |
| <b>Accumulated amortisation</b>                 |             |             |
| Balance as at March 31, 2021                    | 5.43        | 5.43        |
| Charge for the year                             | 1.34        | 1.34        |
| <b>Balance as at March 31, 2022</b>             | <b>6.77</b> | <b>6.77</b> |
| <b>Accumulated amortisation</b>                 |             |             |
| Balance as at March 31, 2022                    | 6.77        | 6.77        |
| Charge for the year                             | 1.51        | 1.51        |
| <b>Balance as at March 31, 2023</b>             | <b>8.29</b> | <b>8.29</b> |
| <b>Net carrying amount as at March 31, 2022</b> | <b>1.27</b> | <b>1.27</b> |
| <b>Net carrying amount as at March 31, 2023</b> | <b>1.52</b> | <b>1.52</b> |



|           |  | ( ₹ in Mn)   |               |
|-----------|--|--------------|---------------|
|           |  | As at        | As at         |
|           |  | 31-Mar-23    | 31-Mar-22     |
| <b>5</b>  | <b>Others (non-current, financial assets)</b>  |              |               |
|           | <b>Unsecured, considered good unless otherwise stated</b>  |              |               |
|           | Margin money deposit (pledged) and deposit with statutory authorities with maturity of more than twelve months | 25.97        | 21.11         |
|           | Security deposits (considered good)  | 0.18         | 0.18          |
|           |  | <b>26.15</b> | <b>21.29</b>  |
| <b>6</b>  | <b>Others (non-current, non- financial assets)</b>   |              |               |
|           | Deffered Tax Asset   | 5.56         | -             |
|           |  | <b>5.56</b>  | <b>-</b>      |
| <b>7</b>  | <b>Trade receivables</b>   |              |               |
|           | <b>Unsecured, considered good</b>  |              |               |
|           |  | 5.40         | 4.08          |
|           |  | <b>5.40</b>  | <b>4.08</b>   |
|           | <b>Classified as:</b>  |              |               |
|           | Non-current trade receivables  |              |               |
|           | Current trade receivables  | 5.40         | 4.08          |
|           |  | <b>5.40</b>  | <b>4.08</b>   |
| <b>8</b>  | <b>Cash and cash equivalents</b>   |              |               |
|           | Cash on hand   | 0.02         | 0.01          |
|           | Balances with banks  |              |               |
|           | on current accounts  | 5.64         | 57.70         |
|           | Cheques and drafts on hand   |              |               |
|           |  | <b>5.66</b>  | <b>57.71</b>  |
|           | <b>Other balances with banks</b>   |              |               |
|           | Deposits with maturity of upto one Year  | 83.59        | 137.80        |
|           |  | <b>89.25</b> | <b>195.51</b> |
| <b>9</b>  | <b>Others (current, financial assets)</b>  |              |               |
|           | <b>Unsecured, considered good</b>  |              |               |
|           | Amounts recoverable  | 64.52        | 63.17         |
|           | Interest accrued and not due on fixed deposits   | -            | 10.06         |
|           | Security deposits  | 0.04         | 0.05          |
|           |  | <b>64.56</b> | <b>73.28</b>  |
| <b>10</b> | <b>Other current assets</b>  |              |               |
|           | <b>Unsecured, considered good unless otherwise stated</b>  |              |               |
|           | Balances with Government authorities   | 31.53        | 25.07         |
|           | Taxes paid   | -            | -             |
|           | Prepaid expenses   | 1.56         | 3.42          |
|           | Other  | -            | -             |
|           |  | <b>33.09</b> | <b>28.49</b>  |



|   | (₹ in Mn)          |                    |
|---|--------------------|--------------------|
|   | As at<br>31-Mar-23 | As at<br>31-Mar-22 |
| <b>11 (a) Equity share capital</b>          |                    |                    |
| <b>Authorised share capital</b>             |                    |                    |
| 10,000 equity shares of ₹. 10 each          | 0.10               | 0.10               |
| <b>Total authorised capital</b>             | <b>0.10</b>        | <b>0.10</b>        |
| <b>Issued share capital</b>                 |                    |                    |
| 10,000 equity shares of ₹. 10 each          | 0.10               | 0.10               |
| <b>Total issued capital</b>                 | <b>0.10</b>        | <b>0.09</b>        |
| <b>Subscribed and fully paid up capital</b> |                    |                    |
| 10,000 equity shares of ₹. 10 each          | 0.10               | 0.10               |
| <b>Total paid up capital</b>                | <b>0.10</b>        | <b>0.10</b>        |
|   | <b>0.10</b>        | <b>0.10</b>        |

**(A) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period****Equity shares**

|  | 31-Mar-23     |             | 31-Mar-22     |             |
|--|---------------|-------------|---------------|-------------|
|  | No. of shares | (₹ in Mn)   | No. of shares | (₹ in Mn)   |
| Balance at the beginning of the year         | 10,000        | 0.01        | 10,000        | 0.01        |
| <b>Add:</b>                                  |               |             |               |             |
| Issued during the year                       | -             | -           | -             | -           |
| Issued on exercise of employee stock options | -             | -           | -             | -           |
| <b>Balance at the end of the year</b>        | <b>10,000</b> | <b>0.01</b> | <b>10,000</b> | <b>0.01</b> |

**(B) Details of shareholders holding more than 5% shares in the**

|                   | As at<br>31-Mar-23 |              | As at<br>31-Mar-22 |              |
|-------------------|--------------------|--------------|--------------------|--------------|
|                   | No. of shares      | % of holding | No. of shares      | % of holding |
| Equity shares     |                    |              |                    |              |
| SITI NETWORKS LTD | 10,000             | 100.00%      | 10,000             | 100.00%      |

|  | (₹ in Mn)          |                    |
|--|--------------------|--------------------|
|  | As at<br>31-Mar-23 | As at<br>31-Mar-22 |
| <b>11 (b) Other reserve</b>  |                    |                    |
| Securities premium reserve   | -                  | -                  |
| Retained earnings  | (804.59)           | (592.57)           |
| General reserve  | -                  | -                  |
| Other comprehensive income   | -                  | -                  |
| Foreign currency monetary item translation difference account (FCMTDA) | -                  | -                  |
| Employee shares based reserve  | -                  | -                  |
| <b>Particulars</b>   | <b>31-Mar-23</b>   | <b>31-Mar-22</b>   |
| <b>1 Retained earnings</b>   |                    |                    |
| Opening balance  | (592.57)           | (457.56)           |
| Addition during the year   | (212.02)           | (135.01)           |
| Closing balance  | <b>(804.59)</b>    | <b>(592.57)</b>    |



## Summary of significant accounting policies and other explanatory information for the year ended March 31, 2023

|   | ( ₹ in Mn)    |               |
|---|---------------|---------------|
|   | As at         | As at         |
|   | 31-Mar-23     | 31-Mar-22     |
| <b>12 Borrowings (non-current, financial liabilities)</b> |               |               |
| Term loans from bank/financial institution*               | 44.00         | 44.00         |
| Loans from Directors                                      | 3.10          | 3.10          |
| Loan from Associate Companies                             | 80.32         | 57.49         |
|   | <u>127.42</u> | <u>104.59</u> |

\*Secured against exclusive charge on all movable and immovable fixed assets & current assets of the company both present and future

Secured by facility ISRA (Interest Service Reserve Account) equivalent to 1 quarter of interest to be created out of the disbursed amount of the facility Repayable in 19 structured quarterly instalments after moratorium of 5 quarters from date of first disbursement.  
Interest rate = Base rate+spread rate

The Company has made default in repayment of principal as well as interest due on Term Loan taken from Aditya Birla Finance Limited in Q4 of FY 2021-22, Quarter-1,2 &3 of FY 2022-23 & Current Quarter-4 of FY 2022-23. Aditya Birla Finance Limited has filed applications against the company under section 7 of the Insolvency and Bankruptcy Code, 2016 before National Company Law Tribunal (NCLT), Delhi for initiation of corporate insolvency resolution process on the ground that the company has defaulted in making repayment. The case is still pending for order with principal bench of NCLT, Delhi.

|  | ( ₹ in Mn)    |               |
|--|---------------|---------------|
|  | As at         | As at         |
|  | 31-Mar-23     | 31-Mar-22     |
| <b>13 Other (non-current, financial liabilities)</b> |               |               |
| Payables Others                                      | 250.00        | 250.00        |
|  | <u>250.00</u> | <u>250.00</u> |

|   | ( ₹ in Mn)   |              |
|---|--------------|--------------|
|   | As at        | As at        |
|   | 31-Mar-23    | 31-Mar-22    |
| <b>14 Other non-current liabilities</b>   |              |              |
| Security deposits received from customers | 85.30        | 41.32        |
|   | <u>85.30</u> | <u>41.32</u> |

|                                    | ( ₹ in Mn)  |           |
|------------------------------------|-------------|-----------|
|                                    | As at       | As at     |
|                                    | 31-Mar-23   | 31-Mar-22 |
| <b>15 Provisions (non-current)</b> |             |           |
| Provision for gratuity             | 1.03        | -         |
| Provision for compensated absences | 0.66        | -         |
|                                    | <u>1.69</u> | <u>-</u>  |

|  | ( ₹ in Mn)  |             |
|--|-------------|-------------|
|  | As at       | As at       |
|  | 31-Mar-23   | 31-Mar-22   |
| <b>16 Other (non-current, non-financial liabilities)</b> |             |             |
| Deferred Tax Liability                                   | 1.97        | 5.63        |
|  | <u>1.97</u> | <u>5.63</u> |

|                                       | ( ₹ in Mn)    |               |
|---------------------------------------|---------------|---------------|
|                                       | As at         | As at         |
|                                       | 31-Mar-23     | 31-Mar-22     |
| <b>17 Trade payables</b>              |               |               |
| - Total outstanding dues of creditors | 685.84        | 609.36        |
|                                       | <u>685.84</u> | <u>609.36</u> |

|                                       | ( ₹ in Mn)   |              |
|---------------------------------------|--------------|--------------|
|                                       | As at        | As at        |
|                                       | 31-Mar-23    | 31-Mar-22    |
| <b>18 Borrowings</b>                  |              |              |
| Bank overdraft                        | 51.11        | 53.30        |
| (Secured against deposits with banks) | 51.11        | 53.30        |
|                                       | <u>51.11</u> | <u>53.30</u> |







Summary of significant accounting policies and other explanatory information for the year ended March 31, 2023

|  | (₹ in Mn)     |               |
|--|---------------|---------------|
|  | 31-Mar-23     | 31-Mar-22     |
| <b>22 Revenue from operations</b>  |               |               |
| Sale of services   |               |               |
| Subscription income  | 493.08        | 301.92        |
| Amortisation and Set up/booster pairing charges  | 2.10          | -             |
|  | <u>495.18</u> | <u>301.92</u> |
|  |               | (₹ in Mn)     |
| <b>23 Other income</b>   | 31-Mar-23     | 31-Mar-22     |
| Interest income on   |               |               |
| Bank deposits  | 4.39          | 6.10          |
| Other non-operating income   | 2.05          | 0.60          |
|  | <u>6.44</u>   | <u>6.70</u>   |
|  |               | (₹ in Mn)     |
| <b>24 Employee benefits expense</b>  | 31-Mar-23     | 31-Mar-22     |
| Salaries, allowances and bonus   | 48.20         | 2.42          |
| Contributions to provident and other funds   | 1.98          | -             |
| Staff welfare expenses   | 0.69          | -             |
|  | <u>50.87</u>  | <u>2.42</u>   |
|  |               | (₹ in Mn)     |
| <b>25 Finance costs</b>  | 31-Mar-23     | 31-Mar-22     |
| Interest expense   | 72.18         | 56.22         |
| Bank charges   | 0.44          | 0.25          |
| Interest on Loans  | 5.20          | 1.46          |
|  | <u>77.82</u>  | <u>57.93</u>  |
|  |               | (₹ in Mn)     |
| <b>26 Depreciation and amortisation of non-financial assets</b>  | 31-Mar-23     | 31-Mar-22     |
| Depreciation of property, plant and equipment  | 42.73         | 34.33         |
| Amortisation of intangible assets  | 1.51          | 1.34          |
|  | <u>44.24</u>  | <u>35.67</u>  |
|  |               | (₹ in Mn)     |
| <b>27 Other expenses</b>   | 31-Mar-23     | 31-Mar-22     |
| Rent   | 4.62          | 0.31          |
| Taxes and duties   | 0.50          | 0.28          |
| Communication expenses   | 0.71          | 0.33          |
| Repairs and maintenance  |               |               |
| - Network  | 0.77          | -             |
| - Buildings  | 0.03          | -             |
| - Others   | 13.11         | 6.55          |
| Legal, professional and consultancy charges  | 10.30         | 1.88          |
| Printing and stationery  | 2.12          | 1.58          |
| Service charges  | 63.34         | 7.08          |
| Traveling and conveyance expenses  | 0.49          | 0.04          |
| Auditors' remuneration*  | 0.18          | 0.01          |
| Advertisement and publicity expenses   | 6.73          | 0.79          |
| Commission charges and incentives  | 161.55        | 94.50         |
| Other operational cost   | 232.84        | 229.53        |
| Business and sales promotion   | 8.35          | 0.58          |
| Miscellaneous expenses   | 10.12         | 1.14          |
|  | <u>535.78</u> | <u>353.56</u> |
|  |               | (₹ in Mn)     |
| *Auditors' remuneration as an auditor for other services (certifications) for reimbursement of expenses                          | 31-Mar-23     | 31-Mar-22     |
|  | 0.18          | 0.01          |
|  | <u>0.18</u>   | <u>0.01</u>   |
|  |               | (₹ in Mn)     |
| <b>28 Earnings (loss) per share</b>  | 31-Mar-23     | 31-Mar-22     |
| Loss attributable to equity shareholders   | (212.02)      | (135.01)      |
| Weighted average number of equity shares outstanding during the year (nos.)  | 10,000        | 10,000        |
| Weighted average number of equity shares outstanding during the year for calculating basic and diluted earnings per share (nos.) | 10,000        | 10,000        |
| Loss per share (₹)   |               |               |
| Basic  | (21,202.05)   | (13,501.12)   |
| Diluted  | (21,202.05)   | (13,501.12)   |



## 29 Employee benefit obligations

### Post-employment

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination equals the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of completed years of service. The expected contribution to the plan for next annual reporting period amounts to ₹ 0.43 million.

The weighted average duration of the defined benefit obligation as at 31 March 2023 is 16 years.

The plan exposes the Company to actuarial risks such as interest rate risk and inflation risk.

### Interest rate risk

The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of risk free securities.

### Inflation risk

A significant proportion of the defined benefit liability is linked to inflation. An increase in the inflation rate will increase the Company's liability.

The following tables summarises the components of net benefit expense recognised in the

| Changes in the present value of the defined benefit obligation are as follows | As at<br>31 March 2023 |
|---|------------------------|
| Present value of defined benefit obligation at the beginning of the year      | -                      |
| Interest cost   | -                      |
| Current service cost  | 1.07                   |
| Benefits paid   | -                      |
| Actuarial (gain)/loss   | -                      |
| Present value of defined benefit obligation at the end of the year *          | 1.07                   |

\* Includes current portion ₹ 0.04 million

The gratuity plan of the Company is unfunded.

### Amount recognised in the standalone statement of profit and loss:

|                      |             |
|----------------------|-------------|
| Current service cost | 1.07        |
| Interest cost        | -           |
|                      | <u>1.07</u> |

As at  
31 March 2023

### Amount recognised in the statement of other comprehensive income:

|                       |          |
|-----------------------|----------|
| Actuarial (gain)/loss | -        |
| Actuarial (gain)/loss | -        |
|                       | <u>-</u> |

The principal assumptions used in determining present value of defined benefit obligation and long term employee benefit obligation are given below:



| Actuarial assumptions used  | Gratuity        | Compensated absences |
|-----------------------------|-----------------|----------------------|
|                             | 31 March 2023   | 31 March 2023        |
| Discount rate (per annum)   | 7.50%           | 7.50%                |
| Rate of escalation in       | 5.00%           | 5.00%                |
| Mortality                   | IALM<br>2012-14 | IALM 2012-14         |
| Withdrawal rate (per annum) | 5.00%           | 5.00%                |
| Normal retirement age       | 60 years        | 60 years             |

These assumptions were developed by management with the assistance of independent actuary. Discount factors are determined close to each year-end by reference to market yields of risk free securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

The present value of the defined benefit obligation was measured using the projected unit credit.

Amounts of experience adjustment for the current and previous four years are as follows -

|   | 31 March 2023 |
|---|---------------|
| Defined benefit obligations                               | 1.07          |
| Experience (gain)/loss adjustments on planned liabilities | -             |

#### 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: 31/03/2023   |
|--|---|
| Defined Benefit Obligation (Base)                | 10,74,924 @ Salary Increase Rate : 5%, and discount rate :7.50% |
| Liability with x% increase in Discount Rate      | 9,80,961; x=1.00% [Change (9)%]                                 |
| Liability with x% decrease in Discount Rate      | 11,82,753; x=1.00% [Change 10%]                                 |
| Liability with x% increase in Salary Growth Rate | 11,84,325; x=1.00% [Change 10%]                                 |
| Liability with x% decrease in Salary Growth Rate | 9,78,099; x=1.00% [Change (9)%]                                 |
| Liability with x% increase in Withdrawal Rate    | 10,82,371; x=1.00% [Change 1%]                                  |
| Liability with x% decrease in Withdrawal Rate    | 10,65,229; x=1.00% [Change (1)%]                                |

#### Sensitivity Analysis for Leave Encashment

| Period   | As on: 31/03/2023               |
|--|---------------------------------|
| Defined Benefit Obligation (Base)                | 708539                          |
| Liability with x% increase in Discount Rate      | 6,44,678; x=1.00% [Change (9)%] |
| Liability with x% decrease in Discount Rate      | 7,82,499; x=1.00% [Change 10%]  |
| Liability with x% increase in Salary Growth Rate | 7,83,593; x=1.00% [Change 11%]  |
| Liability with x% decrease in Salary Growth Rate | 6,42,696; x=1.00% [Change (9)%] |
| Liability with x% increase in Withdrawal Rate    | 7,22,393; x=1.00% [Change 2%]   |
| Liability with x% decrease in Withdrawal Rate    | 6,93,062; x=1.00% [Change (2)%] |



30 Fair value measurements

A. Financial instruments by category

|   |       | in million     |                |               |
|---|-------|----------------|----------------|---------------|
|   |       | March 31, 2023 |                |               |
|   | Notes | FVTPL          | Amortised cost | Total         |
| <b>Financial assets</b>                   |       |                |                |               |
| Trade receivables                         | 7     | -              | 5.40           | 5.40          |
| Cash and cash equivalents                 | 8     | -              | 89.25          | 89.25         |
| Loans & other recoverables                | 9     | -              | 64.56          | 64.56         |
| Other financial assets (current)          | 10    | -              | 33.09          | 33.09         |
| <b>Total financial assets</b>             |       | <b>-</b>       | <b>192.30</b>  | <b>192.30</b> |
| <b>Financial liabilities</b>              |       |                |                |               |
| Other financial liabilities (non current) | 13    | -              | 250.00         | 250.00        |
| Trade payables                            | 17    | -              | 685.84         | 685.84        |
| <b>Total financial liabilities</b>        |       | <b>-</b>       | <b>935.84</b>  | <b>935.84</b> |
|   |       | March 31, 2022 |                |               |
|   | Notes | FVTPL          | Amortised cost | Total         |
| <b>Financial assets</b>                   |       |                |                |               |
| Trade receivables                         | 7     | -              | 4.08           | 4.08          |
| Cash and cash equivalents                 | 8     | -              | 195.51         | 195.51        |
| Loans & other recoverables                | 9     | -              | 73.28          | 73.28         |
| Other financial assets (current)          | 10    | -              | 28.49          | 28.49         |
| <b>Total financial assets</b>             |       | <b>-</b>       | <b>301.35</b>  | <b>301.35</b> |
| <b>Financial liabilities</b>              |       |                |                |               |
| Other financial liabilities (non current) | 13    | -              | 250.00         | 250.00        |
| Trade payables                            | 17    | -              | 597.18         | 597.18        |
| <b>Total financial liabilities</b>        |       | <b>-</b>       | <b>847.18</b>  | <b>847.18</b> |

B. Financial instruments measured at fair value

The following tables present financial assets and liabilities measured at fair value in the Balance sheet in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The financial assets measured at fair value in the statement of financial position are grouped into the fair value hierarchy as on March 31, 2023 and March 31, 2022 as follows:

| March 31, 2023          | Date of Valuation | Level 1 | Level 2 | Level 3 |
|-------------------------|-------------------|---------|---------|---------|
| <b>Financial assets</b> |                   |         |         |         |
|                         |                   | -       | -       | -       |
| March 31, 2022          | Date of Valuation | Level 1 | Level 2 | Level 3 |
| <b>Financial assets</b> |                   |         |         |         |



| C. Fair value of financial assets and liabilities measured at amortised cost |                 |               |                 | * In million  |
|--|-----------------|---------------|-----------------|---------------|
|  | March 31, 2023  |               | March 31, 2022  |               |
|  | Carrying amount | Fair value    | Carrying amount | Fair value    |
| <b>Financial assets</b>  |                 |               |                 |               |
| Investment (Non Current, financial assets)                                   | -               | -             | -               | -             |
| Trade receivables  | 5.40            | 5.40          | 4.08            | 4.08          |
| Cash and cash equivalents  | 89.25           | 89.25         | 195.51          | 195.51        |
| Loans & other recoverables   | 64.56           | 64.56         | 73.28           | 73.28         |
| Other financial assets (current)   | 33.09           | 33.09         | 28.49           | 28.49         |
| <b>Total financial assets</b>  | <b>192.30</b>   | <b>192.30</b> | <b>301.35</b>   | <b>301.35</b> |
| <b>Financial liabilities</b>   |                 |               |                 |               |
| Other financial liabilities (non current)                                    | 250.00          | 250.00        | 250.00          | 250.00        |
| Trade payables   | 685.84          | 685.84        | 597.18          | 597.18        |
| <b>Total financial liabilities</b>   | <b>935.84</b>   | <b>935.84</b> | <b>847.18</b>   | <b>847.18</b> |

#### D. Financial risk management objectives and policies

##### Financial risk management

The Company is exposed to various risks in relation to financial instruments. The main types of risks are credit risk, liquidity risk and market risk.

The Company's risk management is coordinated in close co-operation with the board of directors, and focuses on securing Company's short to medium term cash flows.

This note explains the sources of risk which the Company is exposed to and how the Company manages the risk and the related impact in these standalone financial statements.

##### A. Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due to the Company causing financial loss. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

##### 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      | Provision for expected credit loss                   |
|------------------|--|
| Low credit risk  | 12 month expected credit loss                        |
| High credit risk | Life time expected credit loss or fully provided for |

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

|   | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| A: Low credit risk (Investment, Cash and cash equivalents and other financial assets except security deposits and amount recoverable) | 89.25          | 195.51         |
| B: High credit risk Trade receivables, security deposits and amount recoverable   | 103.05         | 105.84         |



#### Concentration of trade receivables

The Company has widespread customers and there is no concentration of trade

#### Credit risk exposure

##### Provision for expected credit losses

The Company provides for 12 month expected credit losses for its

For the purpose of computation of expected credit loss, the Company has analysed the trend of provisions for doubtful debts created in earlier years. The average rate of provision has been computed based on the adjusted sales (excluding those where the Company does not have any historical provision) and provision for doubtful debtors created against those sales. As per this methodology, the Company has determined the expected credit loss as 5% for customers of subscription and carriage.

Expected credit loss for trade receivables under simplified approach  
as at March 31, 2023

| Particulars          | ₹ in million                               |                        |   |
|----------------------|--|------------------------|---|
|                      | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
| Trade receivables    | 5.40                                       | -                      | 5.40  |
| Advances recoverable | 64.56                                      | -                      | 64.56                                       |

as at March 31, 2022

| Particulars          | ₹ in million                               |                        |   |
|----------------------|--|------------------------|---|
|                      | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
| Trade receivables    | 4.08                                       | -                      | 4.08  |
| Advances recoverable | 73.28                                      | -                      | 73.28                                       |

#### 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.

#### Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows.

| Contractual maturities of financial liabilities | Less than one year    | One to two years | More than two years |
|---|-----------------------|------------------|---------------------|
|   | <u>March 31, 2023</u> |                  |                     |
| Trade payables                                  | 599.71                | 77.52            | 8.61                |
| <u>March 31, 2022</u>                           |                       |                  |                     |
| Trade payables                                  | 570.60                | 38.26            | 0.50                |

#### C. Market Risk

The Company has foreign currency borrowings in the form of buyers credit and is exposed to change in the exchange rates. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (₹). The risk is measured through a forecast of highly probable foreign currency cash flows.





(i) Foreign currency risk

Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows:

|  | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Financial assets (A)                       | -              | -              |
| Trade receivables                          | -              | -              |
| Financial liabilities (B)                  | -              | -              |
| Buyer's credit                             | -              | -              |
| Payable to vendors for property, plant and | -              | -              |
| Net exposure (B-A)                         | -              | -              |

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

|                                      | Impact on loss after tax |                |
|--------------------------------------|--------------------------|----------------|
|                                      | March 31, 2023           | March 31, 2022 |
| (₹)/USD and (₹)/EURO increased by 5% | -                        | -              |
| (₹)/USD and (₹)/EURO decreased by 5% | -                        | -              |

(ii) Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. The Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates.

|                          | March 31, 2023 | March 31, 2022 |
|--------------------------|----------------|----------------|
| Variable rate borrowings | -              | -              |
| Fixed rate borrowings    | -              | -              |
| Total borrowings         | -              | -              |

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from

|   | Impact on loss after tax |                |
|---|--------------------------|----------------|
|   | March 31, 2023           | March 31, 2022 |
| Interest rates – increase by 100 basis points | -                        | -              |
| Interest rates – decrease by 100 basis points | -                        | -              |

31 Related party transactions

(i) Names of related parties where control exists

Fellow Subsidiary companies

|   |                   |
|---|-------------------|
| Siti Networks Limited                                       | Holding Company   |
| Indian Cable Net Company Limited                            | Fellow Subsidiary |
| Central Bombay Cable Network Limited                        | Fellow Subsidiary |
| Siticable Broadband South Limited                           | Fellow Subsidiary |
| Master Channel Community Network Private                    | Fellow Subsidiary |
| Siti Vision Digital Media Private Limited                   | Fellow Subsidiary |
| Siti Jind Digital Media Communications Private Limited      | Fellow Subsidiary |
| Siti Jai Maa Durgaa Communications Private Limited          | Fellow Subsidiary |
| Siti Jony Digital Cable Network Private Limited             | Fellow Subsidiary |
| Siti Krishna Digital Media Private Limited                  | Fellow Subsidiary |
| Siti Faction Digital Private Limited                        | Fellow Subsidiary |
| Siti Guntur Digital Network Private Limited                 | Fellow Subsidiary |
| Siti Maurya Cable Net Private Limited (Subsidiary of Indian | Fellow Subsidiary |
| Siti Karnal Digital Media Network Private Limited           | Fellow Subsidiary |
| Siti Global Private Limited                                 | Fellow Subsidiary |
| Siti Siri Digital Network Private Limited                   | Fellow Subsidiary |
| Variety Entertainment Private Limited                       | Fellow Subsidiary |
| Siti Prime Uttaranchal Communication                        | Fellow Subsidiary |
| Siti Sagar Digital Cable Network Private                    | Fellow Subsidiary |



Paramount Digital Media Services Private Limited

Siti Networks India LLP

Siti Saistar Digital Media Private Limited  
Indinet Service Private Limited  
E-Net Entertainment Private Limited

Joint Venture (Joint Venture of Variety Entertainment Private Limited)(w.e.f. 30/01/2020)  
Fellow Subsidiary (w.e.f May 07, 2018)  
Fellow Subsidiary  
Fellow Subsidiary  
Fellow Subsidiary

(ii) Associate companies

Voice Snap Services Private Limited w.e.f. September 19, 2016

(iii) Key Management Personnel (KMP)

Ratnakar Sharma  
Surash Bakaria  
Anjan Jain

|   | (in Million)   |                |
|---|----------------|----------------|
|   | March 31, 2023 | March 31, 2022 |
| <b>a) Sale of goods and services during the year</b>          |                |                |
| <b>Holding companies</b>                                      |                |                |
| Siti Networks Limited   | 0.25           | 0.36           |
| <b>Fellow Subsidiary</b>                                      |                |                |
| SITI Jind Digital Media Communications Pvt. Ltd.              | 0.10           | 0.10           |
| Master Channel Community Network Pvt.                         | 0.01           | -              |
| <b>b) Purchase of services during the year</b>                |                |                |
| <b>Holding companies</b>                                      |                |                |
| Siti Networks Limited   | 17.88          | 87.72          |
| <b>Fellow Subsidiary</b>                                      |                |                |
| Siti Sini Digital Network Pvt Ltd.                            | 2.87           | 3.46           |
| Master Channel Community Network Pvt.                         | 0.07           | -              |
| <b>c) Balance (payable)/receivable at the end of the year</b> |                |                |
| <b>Holding companies</b>                                      |                |                |
| Siti Networks Limited   | (128.93)       | (157.12)       |
| <b>Fellow Subsidiary</b>                                      |                |                |
| Central Bombay Cable Network Ltd.                             | 56.83          | 56.83          |
| Variety Entertainment Pvt. Ltd                                | (3.83)         | (0.17)         |
| SITI Jind Digital Media Communications Pvt. Ltd.              | 0.18           | 0.06           |
| Siti Sini Digital Network Pvt Ltd.                            | (2.63)         | (57.33)        |
| Master Channel Community Network Pvt.                         | 0.08           | -              |
| Indinet Service Private Limited                               | (8.87)         | (8.87)         |

32 Previous year's amounts have been regrouped wherever deemed appropriate.

33 The breakup of year end deferred tax assets and liabilities into major components of the respective balance is as under:

| Particulars   | * in million   |                |
|---|----------------|----------------|
|   | March 31, 2023 | March 31, 2022 |
| <b>Deferred tax liabilities</b>   |                |                |
| Temporary difference in depreciation and amortisation of property, plant and equipment and other intangible assets. | 1.97           | 5.63           |
| <b>Gross deferred tax liabilities</b>   | 1.97           | 5.63           |
| <b>Deferred tax assets</b>  |                |                |
| Provision for doubtful debts  | 5.56           | -              |
| <b>Gross deferred tax assets</b>  | 5.56           | -              |

34 Information under Section 186 (4) of the Companies Act, 2013

There are no investments or loan given or guarantee provided or security given by the Company in these standalone financial statements, which have been made predominantly for the purpose of business.

35 The Company predominantly operates in a single business segment of cable distribution in India only. Hence there are no separately reportable business or geographical segments as per Indian Accounting Standard ('Ind AS') 108 on Operating Segments. The aforesaid is in line with the way operating results are reviewed and viewed by the chief

36 Post reporting date events

No adjusting or significant non-adjusting events have occurred between March 31, 2023 and the date of authorisation of these financial statements.



37 Promoters Shareholding in Share Capital Note

| Sno. | Promoter's Name       | No. of Shares | % of Total Shares | % Change during the year |
|------|-----------------------|---------------|-------------------|--------------------------|
| 1    | Siti Networks Limited | 10000         | 100               | -                        |

38 Financial Ratios

(All amounts in ₹ million, unless stated otherwise)

| Sr. No. | Particulars  | 31 March 2023 | 31 March 2022 | Change           |
|---------|--|---------------|---------------|------------------|
| i)      | Current Ratio (A/B)                                  | 0.24          | 0.44          | -46%             |
|         | Current assets (A)                                   | 192.30        | 301.35        | refer note 6 (a) |
|         | Current liabilities (B)                              | 812.28        | 683.71        |                  |
| ii)     | Debt-equity ratio (A/B)                              | (0.16)        | (0.18)        | -10%             |
|         | Total Debt (A)                                       | 127.42        | 104.39        | refer note 6 (b) |
|         | Total equity (B)                                     | (804.69)      | (592.47)      |                  |
| iii)    | Debt-service coverage ratio (A/B)                    | (0.83)        | (0.46)        | 80%              |
|         | Earnings available for debt services (i.e. EBDI) (A) | (106.03)      | (48.36)       | refer note 6 (c) |
|         | Borrowings including finance cost (B)                | 127.42        | 104.39        |                  |
| iv)     | Return on equity ratio (A/B)                         | 0.27          | 0.24          | 12%              |
|         | Net profit for the year (A)                          | (218.87)      | (144.56)      |                  |
|         | Total equity (B)                                     | (804.49)      | (592.47)      |                  |
| v)      | Inventory turnover ratio (A/B)                       | NA            | NA            |                  |
|         | Cost of goods sold (A)                               | -             | -             |                  |
|         | Average inventory (B)                                | -             | -             |                  |
| vi)     | Trade receivables turnover ratio (A/B)               | 97.75         | 71.38         | 37%              |
|         | Revenue from operations (A)                          | 463.18        | 301.92        | refer note 6 (d) |
|         | Average trade receivables (B)                        | 4.74          | 4.23          |                  |
| vii)    | Trade payables turnover ratio (A/B)                  | 0.83          | 0.67          | 24%              |
|         | Credit purchases (A)                                 | 535.73        | 353.95        |                  |
|         | Average trade payables (B)                           | 647.60        | 531.40        |                  |
| viii)   | Net capital turnover ratio (A/B)                     | (0.58)        | (0.51)        | 13%              |
|         | Revenue from operations (A)                          | 463.18        | 301.92        |                  |
|         | Capital employed or net assets (B)                   | (804.49)      | (592.47)      |                  |
| ix)     | Net profit ratio (A/B)                               | (0.47)        | (0.48)        | -1%              |
|         | Net profit after tax                                 | (218.87)      | (144.56)      |                  |
|         | Revenue from operations                              | 463.18        | 301.92        |                  |
| x)      | Return on capital employed (A/B)                     | 0.27          | 0.24          | 12%              |
|         | Earning before interest but after taxes (A)          | (218.87)      | (144.56)      |                  |
|         | Capital employed or net assets (B)                   | (804.49)      | (592.47)      |                  |
| xi)     | Return on investment                                 | 0.27          | 0.24          | 12%              |
|         | Net profit after tax (A)                             | (218.87)      | (144.56)      |                  |
|         | Capital employed or net assets (B)                   | (804.49)      | (592.47)      |                  |

Notes:

- Ratios relating to balance sheet items have been presented as at 31 March 2023 and 31 March 2022. Whereas, ratios relating to items of statement of profit and loss account has been presented for financial year ended 31 March 2023 and 31 March 2022.
- Net profit after tax excludes other comprehensive income
- Net assets is the total of equity share capital and other equity.
- Total debt comprise of borrowings from external lenders.
- Credit purchases comprise of purchases during the year and other expenses
- Reason for change by more than 25%:

(a) Due to decrease in Current Assets

(b) Declined due to higher accumulated losses due to current year loss due to which total equity has declined whereas there is no major movement in total debt.

(c) Declined due to lower earning before interest and depreciation as compared to previous year

(d) Increase due to revenue from operation



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023  
(All amounts in ₹ million, unless stated otherwise)

39 Trade payable ageing schedule

As at 31 March 2023

| Particulars                | Unbilled      | Not due     | Outstanding for following periods from due date of payment |              |             |                   | Total         |
|----------------------------|---------------|-------------|--|--------------|-------------|-------------------|---------------|
|                            |               |             | Less than 1 year   | 1-2 years    | 2-3 years   | More than 3 years |               |
| (i) MSME                   | -             | -           | -  | -            | -           | -                 | -             |
| (ii) Others                | 481.67        | 5.62        | 112.41   | 77.52        | 0.29        | 8.41              | 665.91        |
| (i) Dispute dues - MSME    | -             | -           | -  | -            | -           | -                 | -             |
| (ii) Dispute dues - Others | -             | -           | -  | -            | -           | -                 | -             |
| <b>Total</b>               | <b>481.67</b> | <b>5.62</b> | <b>112.41</b>  | <b>77.52</b> | <b>0.29</b> | <b>8.41</b>       | <b>665.91</b> |

As at 31 March 2022

| Particulars                | Unbilled      | Not due      | Outstanding for following periods from due date of payment |              |           |                   | Total         |
|----------------------------|---------------|--------------|--|--------------|-----------|-------------------|---------------|
|                            |               |              | Less than 1 year   | 1-2 years    | 2-3 years | More than 3 years |               |
| (i) MSME                   | -             | -            | -  | -            | -         | -                 | -             |
| (ii) Others                | 491.98        | 27.07        | 120.55   | 38.26        | -         | 0.50              | 656.16        |
| (i) Dispute dues - MSME    | -             | -            | -  | -            | -         | -                 | -             |
| (ii) Dispute dues - Others | -             | -            | -  | -            | -         | -                 | -             |
| <b>Total</b>               | <b>491.98</b> | <b>27.07</b> | <b>120.55</b>  | <b>38.26</b> | <b>-</b>  | <b>0.50</b>       | <b>656.16</b> |

40 Trade receivable ageing schedule

As at 31 March 2023

| Particulars                              | Unbilled | Not due | Outstanding for following periods from due date of payment |                   |             |             |                   | Total       |
|--|----------|---------|--|-------------------|-------------|-------------|-------------------|-------------|
|  |          |         | Less than 6 months   | 6 months - 1 year | 1-2 years   | 2-3 years   | More than 3 years |             |
| <b>Undisputed</b>                        |          |         |  |                   |             |             |                   |             |
| (i) Considered good                      | -        | -       | 0.80   | 1.10              | 0.20        | 0.05        | 2.23              | 4.40        |
| (ii) Significant increase in credit risk | -        | -       | -  | -                 | -           | -           | -                 | -           |
| (iii) Credit impaired                    | -        | -       | -  | -                 | -           | -           | -                 | -           |
| <b>Disputed</b>                          |          |         |  |                   |             |             |                   |             |
| (iv) Considered good                     | -        | -       | -  | -                 | -           | -           | -                 | -           |
| (v) Significant increase in credit risk  | -        | -       | -  | -                 | -           | -           | -                 | -           |
| (vi) Credit impaired                     | -        | -       | -  | -                 | -           | -           | -                 | -           |
| <b>Unbilled</b>                          |          |         |  |                   |             |             |                   |             |
| <b>Total</b>                             |          |         | <b>0.80</b>  | <b>1.10</b>       | <b>0.20</b> | <b>0.05</b> | <b>2.23</b>       | <b>5.60</b> |

As at 31 March 2022

| Particulars                              | Unbilled | Not due | Outstanding for following periods from due date of payment |                   |             |             |                   | Total       |
|--|----------|---------|--|-------------------|-------------|-------------|-------------------|-------------|
|  |          |         | Less than 6 months   | 6 months - 1 year | 1-2 years   | 2-3 years   | More than 3 years |             |
| <b>Undisputed</b>                        |          |         |  |                   |             |             |                   |             |
| (i) Considered good                      | -        | -       | -  | 0.24              | 0.79        | 1.48        | 1.71              | 4.56        |
| (ii) Significant increase in credit risk | -        | -       | -  | -                 | -           | -           | -                 | -           |
| (iii) Credit impaired                    | -        | -       | -  | -                 | -           | -           | -                 | -           |
| <b>Disputed</b>                          |          |         |  |                   |             |             |                   |             |
| (iv) Considered good                     | -        | -       | -  | -                 | -           | -           | -                 | -           |
| (v) Significant increase in credit risk  | -        | -       | -  | -                 | -           | -           | -                 | -           |
| (vi) Credit impaired                     | -        | -       | -  | -                 | -           | -           | -                 | -           |
| <b>Unbilled</b>                          |          |         |  |                   |             |             |                   |             |
| <b>Total</b>                             |          |         |  | <b>0.24</b>       | <b>0.79</b> | <b>1.48</b> | <b>1.71</b>       | <b>4.08</b> |

41 Dividend paid

No dividend was paid during the current year as well as in preceding financial year. Further no dividend is proposed for the current financial year.

42 The Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity has received presidential assent on 28 September 2020. The effective date from which the changes are applicable is set to be notified and the final rules are yet to be framed. The Company will carry out an evaluation of the impact and record the same in the financial statements in the period in which the Code becomes effective and the related rules are published.



**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**  
(All amounts in Rupees, unless stated otherwise)

43 (a) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The Company has not received any funds from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

44 There are no transactions that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, which have not been recorded in the books of account.

45 Note on assets pledged as security as below table:-

|                                  | 31-March-2023 | 31-March-2022 |
|----------------------------------|---------------|---------------|
| <b>Current assets</b>            |               |               |
| a) Inventories                   |               |               |
| b) Financial assets              |               |               |
| (i) Trade receivables            | 4.28          | 3.80          |
| (ii) Cash and cash equivalents   | 86.47         | 180.70        |
| (iii) Other financial assets     | 04.52         | 79.23         |
| c) Other current assets          | 21.28         | 10.71         |
| <b>Total</b>                     | <b>116.55</b> | <b>269.51</b> |
| <b>Non-current assets</b>        |               |               |
| a) Property, plant and equipment | 116.84        | 114.79        |
| b) Capital work-in-progress      | 56.85         | -             |
| c) Other intangible assets       | 1.51          | 1.87          |
| d) Financial assets              |               |               |
| (i) Others                       | 26.15         | 31.29         |
| <b>Total</b>                     | <b>199.87</b> | <b>147.95</b> |

46 The Company does not have any transactions or relationships with any companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

47 Previous year figures have been re-grouped / reclassified wherever necessary.

48 Provision for Income tax (MAT) and interest payable thereon has been made based on certain management estimates due to the pending decision with the Hon'ble Supreme Court of India.

49 **GST Reconciliation**

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

50 **Leases**

**Company as a lessee**

The Company has taken various commercial premises under lease. These leases have varying terms, escalation clauses and renewal rights. On renewal the terms of the leases are renegotiated. Rent amounting to Rs.4.51 million (March 31, 2022: Rs.9.57m) has been debited to standalone statement of profit and loss during the year.

51 The Company has continued to incur losses during the year ended 31.03.2023 and has negative net worth as at 31.03.2023. The company has defaulted in repayment of term loan installments but in view of management due to the expected revenue growth/cost cutting measures and improvement in operating margins and support from the holding Company/promoters, the Company has followed the fundamental accounting assumption of "Going concern" for preparation of the statement for the year ended 31st March 2023. In the opinion of the Board of Directors of the Company, the Company will meet all its financial obligation as they fall due for payment for at least 12 months from the date of signature of these statements.

52 **Non controlling interest**

( ₹ in lacs)

| Particulars | Balance at the<br>01.04.2022 | Share of<br>profit/loss<br>for the year | Balance as<br>on<br>31.03.2023 |
|-------------|------------------------------|---|--------------------------------|
| 2022-23     | (10.83)                      | (5.85)                                  | (17.68)                        |
| 2021-22     | (1.38)                       | (9.55)                                  | (10.93)                        |

53 **Additional information pursuant to Schedule II of the Companies Act, 2013**

| Name of Entity                   | Net assets                            |            | Share in profit and loss                   |            |
|----------------------------------|---------------------------------------|------------|--|------------|
|                                  | As % of<br>consolidated<br>net assets | ( ₹ in Mn) | As % of<br>consolidated<br>Profit & (Loss) | ( ₹ in Mn) |
| <b>Mar-2023</b>                  |                                       |            |  |            |
| Siti Broadband Services Pvt Ltd. | 95.61                                 | (781.07)   | 95.61                                      | (204.89)   |
| <b>Mar-2022</b>                  |                                       |            |  |            |
| Siti Broadband Services Pvt Ltd. | 96.33                                 | (580.78)   | 88.53                                      | (125.07)   |
| <b>Subsidiaries</b>              |                                       |            |  |            |
| <b>Mar-2023</b>                  |                                       |            |  |            |
| E-Net Entertainment Pvt. Ltd.    | 4.39                                  | (36.08)    | (5.39)                                     | (13.98)    |
| <b>Mar-2022</b>                  |                                       |            |  |            |
| E-Net Entertainment Pvt. Ltd.    | 3.67                                  | (22.18)    | 11.48                                      | (10.49)    |

54 The financial statements were approved for issue by the board of directors on 28/05/2023.

For Subhash C. Gupta & Co.  
Chartered Accountants  
Firm Reg. No. 005199N

(Subhash C. Gupta)  
Partner  
M. No. 990222  
Place : New Delhi  
Date : 25/05/23



For and on behalf of the Board of Directors of  
SITI BROADBAND SERVICES PVT LTD

Anjan Jain  
DIN - 08004776

