

SITI Sagar Digital Cable Network Pvt. Ltd.  
Balance Sheet as at March 31, 2019  
CIN NO:- U64203DL2014PTC269185

|  | Notes | March 31, 2019<br>` millions | Mar 31, 2018<br>` millions |
|--|-------|------------------------------|----------------------------|
| <b>A. Assets</b>   |       |                              |                            |
| <b>1. Non-current assets</b>   |       |                              |                            |
| <b>Fixed assets</b>  |       |                              |                            |
| (a) Property, plant and equipment  | 4     | 30.62                        | 34.69                      |
| (b) Deferred Tax Assets  | 5     | -                            | 1.41                       |
| <b>Sub-total of Non-current assets</b>   |       | <b>30.62</b>                 | <b>36.10</b>               |
| <b>2. Current assets</b>   |       |                              |                            |
| <b>(b) Financial assets</b>  |       |                              |                            |
| (i) Trade receivables  | 6     | 31.12                        | 25.80                      |
| (ii) Cash and bank balances  | 7     | 0.76                         | 11.32                      |
| (d) Other  | 8     | 0.17                         | 0.06                       |
| <b>Sub-total of Current assets</b>   |       | <b>32.05</b>                 | <b>37.18</b>               |
| <b>Total assets</b>  |       | <b>62.67</b>                 | <b>73.29</b>               |
| <b>B. Equity and liabilities</b>   |       |                              |                            |
| <b>Equity</b>  |       |                              |                            |
| (a) Equity share capital   | 9     | 0.10                         | 0.10                       |
| (b) Other equity   | 10    | (4.38)                       | (3.07)                     |
| <b>Sub-total - Equity</b>  |       | <b>(4.28)</b>                | <b>(2.97)</b>              |
| <b>Liabilities</b>   |       |                              |                            |
| <b>1. Non-current liabilities</b>  |       |                              |                            |
| (a) Other non-current liabilities  | 11    | -                            | 1.82                       |
| (b) Deferred Tax Liabilities   | 12    | 0.92                         | -                          |
| <b>Sub-total - Non-current liabilities</b>                                       |       | <b>0.92</b>                  | <b>1.82</b>                |
| <b>2. Current liabilities</b>  |       |                              |                            |
| <b>(a) Financial liabilities</b>   |       |                              |                            |
| <b>(i) Trade payables</b>  |       |                              |                            |
| (A) Total outstanding dues of micro enterprises and small enterprises            |       | -                            | -                          |
| (B) Total outstanding dues of other than micro enterprises and small enterprises | 13    | 49.49                        | 54.25                      |
| (b) Other current liabilities  | 14    | 16.55                        | 20.19                      |
| <b>Sub-total of current liabilities</b>  |       | <b>66.03</b>                 | <b>74.44</b>               |
| <b>Total equity and liabilities</b>  |       | <b>62.67</b>                 | <b>73.29</b>               |

Summary of significant accounting policies `1-3

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

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

For Sumit Gupta & Co.  
Firm Registration No:- 022622N  
Chartered Accountants

For and on behalf of the Board of Directors of  
SITI Sagar Digital Network Pvt. Ltd.

CA Sumit Gupta  
Partner  
M.NO:- 513086

Sd  
Director

Sd  
Director

Place : Delhi  
Date : 21-05-2019

**SITI Sagar Digital Cable Network Pvt.Ltd.**  
**Statement of Profit and Loss for the year ended March 31, 2019**  
**CIN NO:- U64203DL2014PTC269185**

|  | Notes | Year ended<br>March 31, 2019<br>` millions | Year ended<br>March 31, 2018<br>` millions |
|--|-------|--|--|
| <b>Revenue</b>   |       |  |  |
| Revenue from operations  | 15    | 17.77                                      | 19.10                                      |
| Other income   | 16    | -  | 0.05                                       |
| <b>Total revenue</b>   |       | <b>17.77</b>                               | <b>19.15</b>                               |
| <b>Expenses</b>  |       |  |  |
| Carriage sharing, pay channel and related costs                            |       | 3.59                                       | 4.79                                       |
| Employee benefits expense  | 17    | 1.16                                       | 1.67                                       |
| Finance costs  | 18    | 0.01                                       | 0.00                                       |
| Depreciation and amortisation expenses                                     | 19    | 5.85                                       | 5.73                                       |
| Other expenses   | 20    | 10.07                                      | 5.53                                       |
| <b>Total expenses</b>  |       | <b>20.67</b>                               | <b>17.72</b>                               |
| <b>Loss before Exceptional and tax</b>                                     |       | <b>(2.90)</b>                              | <b>1.44</b>                                |
| Execeptional items   |       |  |  |
| <b>Loss after exceptional items</b>  |       | (2.90)                                     | 1.44                                       |
| Income Tax   |       | -  | -  |
| Current Tax  |       | -  | -  |
| Deferred Tax   |       | 2.33                                       | (0.43)                                     |
| <b>Loss before and after tax</b>   |       | <b>(5.24)</b>                              | <b>1.86</b>                                |
| Earning Per Share  | 21    |  |  |
| Basic  |       | (523.53)                                   | 186.22                                     |
| Diluted  |       | (523.53)                                   | 186.22                                     |
| Summary of significant accounting policies                                 | 1-3   | -  | -  |
| The accompanying notes are an integral part of these financial statements. |       |  |  |

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

**For Sumit Gupta & Co.**  
**Firm Registration No:- 022622N**  
**Chartered Accountants**

For and on behalf of the Board of Directors of  
**SITI Sagar Digital Network Pvt. Ltd.**

**CA Sumit Gupta**  
**Partner**  
**M.NO:- 513086**

**Sd**  
**Director**

**Sd**  
**Director**

Name  
Din No

Name  
Din No

Place : Delhi  
Date : 21-05-2019

SITI Sagar Digital Cable Network Pvt. Ltd.NOTES TO BALANCE SHEET AS ON MARCH 31, 2019Note 4 : PROPERTY, PLANT & EQUIPMENT

|  | Plant and equipment | Computers   | Furniture and fixtures | Air conditioners | Set top boxes | Total         |
|--|---------------------|-------------|------------------------|------------------|---------------|---------------|
| <b>Year ended 31 March 2019</b>                        |                     |             |                        |                  |               |               |
| <b>Gross Carrying Amount</b>                           | 2.68                | 0.45        | 0.24                   | 0.13             | 44.10         | <b>47.60</b>  |
| Deemed cost  | -                   | -           | -                      | -                | -             | -             |
| Additions  | 0.05                | 0.08        | -                      | -                | 2.54          | <b>2.67</b>   |
| Disposals  |                     |             |                        |                  | (0.89)        | <b>(0.89)</b> |
| <b>Closing Gross Carrying Amount</b>                   | <b>2.73</b>         | <b>0.53</b> | <b>0.24</b>            | <b>0.13</b>      | <b>45.76</b>  | <b>49.38</b>  |
| <b>Accumulated Depreciation</b>                        |                     |             |                        |                  |               |               |
| Opening Accumulated Depreciation                       | 0.87                | 0.36        | 0.03                   | 0.06             | 11.58         | <b>12.90</b>  |
| Depreciation charge during the year                    | 0.32                | 0.15        | 0.02                   | 0.02             | 5.33          | <b>5.85</b>   |
| <b>Closing Accumulated Depreciation</b>                | <b>1.19</b>         | <b>0.51</b> | <b>0.06</b>            | <b>0.09</b>      | <b>16.91</b>  | <b>18.75</b>  |
| <b>Net Carrying Amount</b>                             | <b>1.54</b>         | <b>0.02</b> | <b>0.18</b>            | <b>0.04</b>      | <b>28.84</b>  | <b>30.62</b>  |
| <b>Year ended 31 March 2018</b>                        |                     |             |                        |                  |               |               |
| <b>Gross Carrying Amount</b>                           |                     |             |                        |                  |               |               |
| <b>Opening Gross Carrying Amount</b>                   | 2.57                | 0.45        | 0.12                   | 0.13             | 44.10         | <b>47.37</b>  |
| Additions  | 0.12                | -           | 0.11                   | -                |               | <b>0.23</b>   |
| Disposals  |                     |             |                        |                  |               | -             |
| <b>Closing Gross Carrying Amount</b>                   | <b>2.68</b>         | <b>0.45</b> | <b>0.24</b>            | <b>0.13</b>      | <b>44.10</b>  | <b>47.60</b>  |
| <b>Accumulated Depreciation and Impairment</b>         |                     |             |                        |                  |               |               |
| Opening Accumulated Depreciation                       | 0.55                | 0.22        | 0.02                   | 0.04             | 6.35          | <b>7.17</b>   |
| Depreciation change during the year                    | 0.32                | 0.14        | 0.01                   | 0.02             | 5.24          | <b>5.73</b>   |
| Disposals  |                     |             |                        |                  |               | -             |
| <b>Closing Accumulated Depreciation and Impairment</b> | <b>0.87</b>         | <b>0.36</b> | <b>0.03</b>            | <b>0.06</b>      | <b>11.58</b>  | <b>12.90</b>  |
| <b>Net Carrying Amount</b>                             | <b>1.82</b>         | <b>0.09</b> | <b>0.20</b>            | <b>0.07</b>      | <b>32.52</b>  | <b>34.69</b>  |

SITI Sagar Digital Cable Network Pvt. Ltd.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2019

| 5 Deffered Tax Assets   | Mar 31, 2019<br>` millions | Mar 31, 2018<br>` millions |
|---|----------------------------|----------------------------|
| Deffered Tax Assets   | -                          | 1.41                       |
|   | -                          | <b>1.41</b>                |
| 6 Trade receivables   | Mar 31, 2019<br>` millions | Mar 31, 2018<br>` millions |
| <b>Outstanding for a period exceeding six months from the date they are due for payment</b> |                            |                            |
| Unsecured, considered good  | 31.12                      | 25.80                      |
| Unsecured, considered doubtful  | -                          | -                          |
|   | 31.12                      | 25.80                      |
| Less: Provision for doubtful debts  | -                          | -                          |
|   | 31.12                      | 25.80                      |
|   | <b>31.12</b>               | <b>25.80</b>               |
| 7 Cash and bank balances  | Mar 31, 2019<br>` millions | Mar 31, 2018<br>` millions |
| <b>Cash and cash equivalents</b>  |                            |                            |
| Cash on hand  | 0.35                       | 0.38                       |
| Balances with banks   |                            |                            |
| On current accounts   | 0.41                       | 10.94                      |
| In deposit account (with maturity upto three months)  |                            |                            |
|   | <b>0.76</b>                | <b>11.32</b>               |
| 8 Other loans and advances (Unsecured, considered good)                                     | Mar 31, 2019<br>` millions | Mar 31, 2018<br>` millions |
| Advance to Vendor   | 0.10                       | -                          |
| Prepaid expenses- Security deposits   | 0.07                       | 0.06                       |
|   | <b>0.17</b>                | <b>0.06</b>                |
| 9 Share capital   | Mar 31, 2019<br>` millions | Mar 31, 2018<br>` millions |
| 10000 equity shares of Rs 10/- each   | 0.10                       | 0.10                       |
| <b>Total authorised capital</b>   | <b>0.10</b>                | <b>0.10</b>                |
| 10000 equity shares of Rs 10/- each   | 0.10                       | 0.10                       |
| <b>Total issued capital</b>   | <b>0.10</b>                | <b>0.10</b>                |
| 10000 equity shares of Rs 10/- each   | 0.10                       | 0.10                       |
| <b>Subscribed and fully paid up capital</b>   | <b>0.10</b>                | <b>0.10</b>                |
| 10 Other Equity   | Mar 31, 2019<br>` millions | Mar 31, 2018<br>` millions |
| Deficit in the Statement of profit and loss   |                            |                            |
| Balance at the beginning of the year  | (3.07)                     | (4.93)                     |
| ADD: Deferred Activation income   | 3.92                       |                            |
| Add: Adjustment on account of depreciation charge pursuant to implementation of             | -                          | -                          |
| Add: IND AS adjustment  | -                          | -                          |
| Add: Profit/Loss for the year   | (5.24)                     | 1.86                       |
| Balance at the end of the year  | <b>(4.38)</b>              | <b>(3.07)</b>              |
|   | <b>(4.38)</b>              | <b>(3.07)</b>              |

| <b>11 Other liabilities</b> | <b>Mar 31, 2019</b><br><b>` millions</b> | <b>Mar 31, 2018</b><br><b>` millions</b> |
|-----------------------------|--|--|
| Deferred revenue            | -  | 1.82                                     |
|                             | <b>-</b>                                 | <b>1.82</b>                              |

| <b>12 Deferred Tax Liabilities</b> | <b>Mar 31, 2019</b><br><b>` millions</b> | <b>Mar 31, 2018</b><br><b>` millions</b> |
|------------------------------------|--|--|
| Deferred Tax Liabilities (Net)     | 0.92                                     | -  |
|                                    | <b>0.92</b>                              | <b>-</b>                                 |

| <b>13 Trade payables</b>   | <b>Mar 31, 2019</b><br><b>` millions</b> | <b>Mar 31, 2018</b><br><b>` millions</b> |
|--|--|--|
| - Total outstanding dues of micro enterprises and small enterprises; and                 | -  | -  |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 49.49                                    | 54.25                                    |
|  | <b>49.49</b>                             | <b>54.25</b>                             |

| <b>14 Other Current Liabilities</b> | <b>Mar 31, 2019</b><br><b>` millions</b> | <b>Mar 31, 2018</b><br><b>` millions</b> |
|-------------------------------------|--|--|
| Advances from customers             | 13.82                                    | 14.94                                    |
| Payable for statutory liabilities   | 2.73                                     | 3.14                                     |
| Deferred Activation income          | -  | 2.11                                     |
|                                     | <b>16.55</b>                             | <b>20.19</b>                             |

**Sd**

**Sd**

SITI Sagar Digital Cable Network Pvt. Ltd.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2019

|   | Year ended<br>March 31, 2019<br>` millions | Year ended<br>March 31, 2018<br>` millions |
|---|--|--|
| <b>15 Revenue from operations</b>             |  |  |
| Sale of services                              |  |  |
| Subscription income                           | 14.64                                      | 18.24                                      |
| Advertisement income                          | -  | -  |
| Carriage income                               | -  | -  |
| Activation and Set top boxes pairing charges  | 0.44                                       | 0.86                                       |
| Set top box pairing charges                   |  |  |
| Other operating revenue                       |  |  |
| Sale of traded goods*                         | -  | -  |
| Lease rental charges                          | -  | -  |
| Other networking and management income        | 2.69                                       | -  |
| Scrap sales                                   | -  | -  |
|   | <b>17.77</b>                               | <b>19.10</b>                               |
| <b>16 Other income</b>                        |  |  |
| Interest income on                            |  |  |
| Other non-operating income                    | -  | 0.05                                       |
|   | <b>-</b>                                   | <b>0.05</b>                                |
| <b>17 Employee benefits expense</b>           |  |  |
| Salaries, allowances and bonus                | 0.85                                       | 1.53                                       |
| Contributions to provident and other funds    | 0.05                                       | 0.04                                       |
| Employee benefits expenses                    |  |  |
| Staff welfare expenses                        | 0.26                                       | 0.10                                       |
|   | <b>1.16</b>                                | <b>1.67</b>                                |
| <b>18 Finance costs</b>                       |  |  |
| Interest                                      | -  | -  |
| Bank charges                                  | 0.01                                       | 0.00                                       |
| Amortisation of borrowing and ancillary costs | -  | -  |
|   | <b>0.01</b>                                | <b>0.00</b>                                |

SITI Sagar Digital Cable Network Pvt. Ltd.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2019

| 19 Depreciation and amortisation expenses         | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|---|------------------------------|------------------------------|
|   | ` millions                   | ` millions                   |
| Depreciation of tangible assets (Refer note 12)   | 5.85                         | 5.73                         |
| Amortisation of intangible assets (Refer note 13) | -                            | -                            |
|   | <b>5.85</b>                  | <b>5.73</b>                  |

| 20 Other expenses                           | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|---|------------------------------|------------------------------|
|   | ` millions                   | ` millions                   |
| Rent  | 0.53                         | 0.58                         |
| Rates and taxes                             | 0.02                         | -                            |
| Communication expenses                      | 0.06                         | 0.04                         |
| Repairs and maintenance                     |                              |                              |
| - Network                                   | 0.82                         | 0.14                         |
| - Others                                    | 0.11                         | 0.05                         |
| Electricity and water charges               | 0.04                         | 0.25                         |
| Legal, professional and consultancy charges | 0.22                         | 0.09                         |
| Printing and stationery                     | 0.03                         | 0.01                         |
| Travelling and conveyance expenses          | 0.22                         | 0.02                         |
| Auditors' remuneration*                     | -                            | 0.05                         |
| Vehicle expenses                            | 0.43                         | 0.16                         |
| Other operational cost                      | 5.25                         | 3.49                         |
| Business and sales promotion                | 0.04                         | 0.65                         |
| Miscellaneous expenses                      | 2.29                         | -                            |
|   | <b>10.07</b>                 | <b>5.53</b>                  |

| 21 Earnings per share                    | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|--|------------------------------|------------------------------|
|  | ` millions                   | ` millions                   |
| Loss attributable to equity shareholders | (5.24)                       | 1.86                         |
| Number of weighted average equity shares |                              |                              |
| Basic                                    | 10,000                       | 10,000                       |
| Diluted                                  | 10,000                       | 10,000                       |
| Nominal value of per equity share (₹)    | 10                           | 10                           |
| Loss per share after tax (₹)             |                              |                              |
| Basic                                    | (523.53)                     | 186.22                       |
| Diluted                                  | (523.53)                     | 186.22                       |

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

Sd

Sd

**SITI SAGAR DIGITAL CABLE NETWORK PRIVATE LIMITED (FORMERLY KNOWN AS PANCHSHEEL DIGITAL CABLE NETWORK PRIVATE LIMITED) CIN NO. U64203DL2014PTC269185**

**NOTES : SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDING 31<sup>st</sup> MARCH, 2019**

**1 CORPORATE INFORMATION:**

SITI Sagar Digital Cable Network Private Limited (formerly known as Panchsheel digital Cable Network Pvt Ltd) (hereinafter referred to as 'the Company') was incorporated in the state of Delhi on 21st July, 2014 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 cable TV 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

**3.1 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.

Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

**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.

**Income from Services**

Subscription revenue and other Services revenue are recognized on completion of services. Carriage fees are recognized on accrual basis over the terms of related agreements.

Advertisement revenue is recognized when the related advertisement appears before the public. Other Advertisement revenue for slot sale is recognized on period basis

Activation and set top box pairing charges are recognized as revenue to the extent it relates to pairing and transfer of the related boxes and when no significant uncertainty exists regarding the amount of consideration that will be derived and the upfront obligation is discharged. Where part of the revenue

**SITI SAGAR DIGITAL CABLE NETWORK PRIVATE LIMITED (FORMERLY KNOWN AS PANCHSHEEL DIGITAL CABLE NETWORK PRIVATE LIMITED) CIN NO. U64203DL2014PTC269185**

collected at the time of activation relates to future service to be provided by the company, a part of activation revenue is deferred and recognized over the associated service contract period or customer life. The Deferred activation revenue for last year is adjusted against the other equity under Equity and Liabilities.

**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 comprises 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 at amortized cost using the effective interest method, loss promise for impairment.

**3.6 PLANT, PROPERTY AND EQUIPMENT**

Plant, properties and equipment 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.

| <b>Assets</b>                               | <b>Life in Years</b> |
|---|----------------------|
| 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 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.

**SITI SAGAR DIGITAL CABLE NETWORK PRIVATE LIMITED (FORMERLY KNOWN AS PANCHSHEEL DIGITAL CABLE NETWORK PRIVATE LIMITED) CIN NO. U64203DL2014PTC269185**

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 as per Schedule II, in year of purchase.

Intangible assets are amortized 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 for the year and reversal of timing differences of earlier years.

During the current year, the company has incurred profit but there are carry forward losses 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:

**SITI SAGAR DIGITAL CABLE NETWORK PRIVATE LIMITED (FORMERLY KNOWN AS PANCHSHEEL DIGITAL CABLE NETWORK PRIVATE LIMITED) CIN NO. U64203DL2014PTC269185**

- 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 FROEIGN 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, 2019, 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 REVENUE RECOGNITION:**

The Company has adopted Ind As 115 with effect from 01 April 2018 and accordingly these financial results are prepared in accordance with recognition and measurement principals laid down in Ind AS 115 "Revenue from Contracts with Customers". The Impact of the recognition of activation revenue over the initial contract period under Ind AS 115 in consolidated financial result has led to the following impact:

| Particulars  | Year ended 31.03.2019    |                         | Quarter ended 31.03.2019 |                         |
|--|--------------------------|-------------------------|--------------------------|-------------------------|
|  | Amount as per Ind AS 115 | Amount as per Ind AS 18 | Amount as per Ind AS 115 | Amount as per Ind AS 18 |
| Revenue from operations (including activation, subscription, advertisement and other revenue from operation) | 173.27                   | 177.70                  | 26.90                    | 26.90                   |

Further under the modified retrospective approach, the following adjustments are made to the retained earnings as at April 01, 2018 pursuant to adoption of INDAS 115.

| Particulars  | Amount |
|--------------|--------|
| Other Equity | 39.24  |

### **3.15 Appendix C, Uncertainty over Income Tax Treatment to Ind AS 12, Income Taxes:**

The Appendix clarifies how to apply the recognition and measurement principles while recognizing current tax, deferred tax, taxable profits (losses), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over tax treatments under Ind AS 12. As per the Appendix, the Company needs to assess whether it is probable that a tax authority will accept an uncertain tax treatment used or a treatment which is being proposed to be used in its income tax filings.

In view of the management, the impact of the Appendix on the Financial Statements, as assessed by the Company, is expected to be not material.

### **3.16 Amendment to Ind AS 12, Income Taxes:**

The amendment clarifies that an entity shall recognize income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The Company will apply these amendments for annual reporting periods beginning on or after April 01, 2019. In view of the management, the impact on the Financial Statements, as assessed by the Company, is expected to be not material.

**SITI SAGAR DIGITAL CABLE NETWORK PRIVATE LIMITED (FORMERLY KNOWN AS PANCHSHEEL DIGITAL CABLE NETWORK PRIVATE LIMITED) CIN NO. U64203DL2014PTC269185**

### **Notes to the financial statement for the year ended March 31, 2019**

- A. No dividend has been proposed by the Directors of the Company due to nominal loss of the company.
- B. Balances of sundry creditors and debtors are subject to confirmation from the respective parties.
- C. In the opinion of the Board, current assets, loans & advances have a value in the ordinary course of business at least equal to that stated in Balance Sheet.

**D. Auditors Remuneration:2018-19**

| <b>SL. NO.</b> | <b><u>PARTICULARS</u></b> | <b><u>F/Y 2018-19</u></b> | <b><u>F/Y 2017-18</u></b> |
|----------------|---------------------------|---------------------------|---------------------------|
| 1.             | <b>AUDIT FEES</b>         | <b>Rs. 45,000/-</b>       | <b>Rs. 45,000/-</b>       |

**E. RELATED PARTY DISCLOSURES:-**

**Names of related parties:**

|   |                   |
|---|-------------------|
| Siti Networks Limited (formerly Siti Cable Network Limited)     | Holding Company   |
| Wire And Wireless Tisai Satellite Limited, Mumbai               | Fellow Subsidiary |
| Indian Cable Net Company Limited, Kolkata                       | Fellow Subsidiary |
| Central Bombay Cable Network Limited, Delhi                     | Fellow Subsidiary |
| Siti Faction Digital Private Limited, Delhi                     | Fellow Subsidiary |
| Siti Cable Broadband South Limited, Bangalore                   | Fellow Subsidiary |
| C&S Mediant Private Limited, Delhi                              | Fellow Subsidiary |
| Master Channel Community Network Pvt. Ltd., Vijayawada          | Fellow Subsidiary |
| Siti Vision Digital Media Private Limited, Delhi                | Fellow Subsidiary |
| SitiJind Digital Media Communications Private Limited, Delhi    | Fellow Subsidiary |
| Siti Jai MaaDurge Communications Private Limited, Delhi         | Fellow Subsidiary |
| Siti Bhatia Network Entertainment Private Limited, Chhattisgarh | Fellow Subsidiary |
| Siti Krishna Digital Media Private Limited                      | Fellow Subsidiary |
| SitiJony Digital Cable Network Private Limited                  | Fellow Subsidiary |
| Siti Guntur Digital Network Private Limited                     | Fellow Subsidiary |
| Siti Global Private Limited                                     | Fellow Subsidiary |
| SitiChhatisgarh Media Network Private Limited                   | Fellow Subsidiary |
| SitiKarnal Digital Media Private Limited                        | Fellow Subsidiary |

**SITI SAGAR DIGITAL CABLE NETWORK PRIVATE LIMITED (FORMERLY KNOWN AS PANCHSHEEL DIGITAL CABLE NETWORK PRIVATE LIMITED) CIN NO. U64203DL2014PTC269185**

|  |   |
|--|---|
| Siti Broadband Services Private Limited  | Fellow Subsidiary                                     |
| SitiMaurya Cable Net Private Limited   | Fellow Subsidiary                                     |
| Indinet Service Private Limited  | Fellow Subsidiary                                     |
| Axom Communications & Cable Private Limited  | Fellow Subsidiary                                     |
| Siti Siri Digital Network Pvt. Ltd.  | Fellow Subsidiary                                     |
| Siti Godaari Digital Services Private Limited (formerly known as Bargachh Digital Communication Network Private Limited) | Fellow Subsidiary                                     |
| Siti Prime Uttaranchal Communication Private Limited   | Fellow Subsidiary                                     |
| Siti Saistar Digital Media Pvt. Ltd. (formerly known as Saistar Digital Media Private Limited)                           | Fellow Subsidiary                                     |
| Variety Entertainment Private Limited  | Fellow Subsidiary                                     |
| Voice Snap Services Private Limited  | Associate   |
| Sagar Cable Network  | Proprietor is Relative of Director Mrs. Shilpa Rajput |

**Other Related Parties:**

|                    |   |          |
|--------------------|---|----------|
| Mrs. Shilpa Rajput | - | Director |
| Mr. Sanjay Kundra  | - | Director |
| Mr. Sanjay Arya    | - | Director |

F. Transactions entered into by the Company with its holding company during the relevant Financial Year are as under:

**- Sale/ purchase of goods and services**

|                            | Year ended     | Amount Received | Amount Paid  | Amount owed by related parties | Amount owed to related parties |
|----------------------------|----------------|-----------------|--------------|--------------------------------|--------------------------------|
| <b>Holding Company</b>     |                |                 |              |                                |                                |
| Siti Cable Network Limited | March 31, 2019 | 68,96,155       | 1,52,75,264  |                                | 4,58,00,839.25/-               |
|                            | March 31, 2018 | 1,09,61,887     | 59,54,299.25 |                                | 5,42,05,248.25/-               |

G. The basic earnings per share (“EPS”) is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year.

| Particulars             | 31-March-2019     | 31-March-2018    |
|-------------------------|-------------------|------------------|
| Profit/(Loss) after Tax | <b>-52,35,259</b> | <b>18,62,248</b> |

**SITI SAGAR DIGITAL CABLE NETWORK PRIVATE LIMITED (FORMERLY KNOWN AS PANCHSHEEL DIGITAL CABLE NETWORK PRIVATE LIMITED) CIN NO. U64203DL2014PTC269185**

|                                  |                |               |
|----------------------------------|----------------|---------------|
| Number of Equity Shares          | 10,000         | 10,000        |
| Nominal Value of Equity Shares   | 10             | 10            |
| <b>Basics Earnings per Share</b> | <b>-523.52</b> | <b>186.22</b> |

H. Other disclosures are made as under:

|  |   |     |
|--|---|-----|
| i. Value of Import on CIF Basis          | - | NIL |
| ii. Expenses in Foreign Currency         | - | NIL |
| iii. Amount remitted in Foreign Currency | - | NIL |
| iv. Earnings in Foreign Currency         | - | NIL |

**I TAX EXPENSE**

| <b>Tax Expense</b>  |  |                       |                       |
|---|--|-----------------------|-----------------------|
| The major components of income tax for the year are as under:   |  |                       | <b>Rs in million</b>  |
|   |  | <b>March 31, 2019</b> | <b>April 01, 2018</b> |
| <b>Income tax related to items recognised directly in the statement of profit and loss</b>  |  |                       |                       |
| Current tax - current year  |  | -                     | -                     |
| Deferred tax charge / (benefit)   |  | 2.33                  | -0.43                 |
| <b>Total</b>  |  | <b>2.33</b>           | <b>-0.43</b>          |
| Effective tax rate  |  |                       | 29.76%                |
| <b>A reconciliation of the income tax expense applicable to the profit before income tax at statutory rate to the income tax expense at the Company's effective income tax rate for the year ended 31 March, 2019 and 31 March, 2018 is as follows:</b> |  |                       |                       |
| Profit/(Loss) before tax  |  | (-2.90)               | 1.44                  |
| Effective tax rate  |  |                       | 30.9%                 |
| Tax at statutory income tax rate (due to unabsorbed losses)   |  | 0                     | 0                     |
| Tax effect on non-deductible expenses   |  |                       |                       |
| Additional allowances for tax purposes  |  |                       |                       |
| Effect of tax on group companies incurring losses   |  |                       |                       |
| Effect of tax rate difference of subsidiaries   |  |                       |                       |
| Other permanent difference  |  | 2.33                  | -0.43                 |
| <b>Tax expense recognised in the statement of profit and loss</b>   |  | <b>2.33</b>           | <b>-0.43</b>          |

**J FAIR VALUE MEASUREMENT**

| <b>Fair value measurements</b>              |  |              |                       |                       |
|---|--|--------------|-----------------------|-----------------------|
| <b>A. Financial instruments by category</b> |  |              |                       | <b>Rs in million</b>  |
|   |  | <b>NOTES</b> | <b>March 31, 2019</b> |                       |
|   |  |              | <b>FVTPL</b>          | <b>Amortised cost</b> |
| <b>Financial assets</b>                     |  |              |                       |                       |
| Bank deposits                               |  |              | -                     |                       |

**SITI SAGAR DIGITAL CABLE NETWORK PRIVATE LIMITED (FORMERLY KNOWN AS PANCHSHEEL DIGITAL CABLE NETWORK PRIVATE LIMITED) CIN NO. U64203DL2014PTC269185**

|  |  |  |              |                       |
|--|--|--|--------------|-----------------------|
| Amount recoverable                                     |  |  | -            |                       |
| Interest accrued and not due on fixed deposits         |  |  | -            |                       |
| Security deposits                                      |  |  | -            | 0.17                  |
| Unbilled revenues                                      |  |  | -            |                       |
| Trade receivables                                      |  |  | -            | 31.12                 |
| Investments (Current, financial assets)                |  |  | -            |                       |
| Cash and cash equivalents                              |  |  | -            | 0.76                  |
| <b>Total financial assets</b>                          |  |  | -            | <b>32.05</b>          |
| <b>Financial liabilities</b>                           |  |  |              |                       |
| Borrowings (Non-current, financial liabilities)        |  |  | -            |                       |
| Borrowings (Current, financial liabilities)            |  |  | -            |                       |
| Payables for purchase of property, plant and equipment |  |  | -            |                       |
| Security deposits received from customer               |  |  | -            |                       |
| Trade payables   |  |  | -            | 49.49                 |
| Other financial liabilities (current)                  |  |  | -            |                       |
| <b>Total financial liabilities</b>                     |  |  | -            | <b>49.49</b>          |
|  |  |  |              |                       |
|  |  |  |              | <b>Rs in million</b>  |
|  |  |  |              | <b>March 31, 2018</b> |
|  |  |  | <b>FVTPL</b> | <b>Amortised cost</b> |
| <b>Financial assets</b>                                |  |  |              |                       |
| Bank deposits  |  |  | -            |                       |
| Amount recoverable                                     |  |  | -            |                       |
| Interest accrued and not due on fixed deposits         |  |  | -            |                       |
| Security deposits                                      |  |  | -            | 0.06                  |
| Unbilled revenues                                      |  |  | -            |                       |
| Trade receivables                                      |  |  | -            | 25.80                 |
| Investment (Current, financial assets)                 |  |  | -            |                       |
| Cash and cash equivalents                              |  |  | -            | 11.32                 |
| Other bank balances                                    |  |  | -            |                       |
| <b>Total financial assets</b>                          |  |  | -            | <b>37.18</b>          |
| <b>Financial liabilities</b>                           |  |  |              |                       |
| Borrowings (non-current, financial liabilities)        |  |  | -            |                       |
| Borrowings (Current, financial liabilities)            |  |  | -            |                       |
| Payables for purchase of property, plant and equipment |  |  | -            |                       |
| Security deposits                                      |  |  | -            |                       |
| Trade payables   |  |  | -            | 54.47                 |
| Other financial liabilities (current)                  |  |  | -            |                       |
| <b>Total financial liabilities</b>                     |  |  | -            | <b>54.47</b>          |

**SITI SAGAR DIGITAL CABLE NETWORK PRIVATE LIMITED (FORMERLY KNOWN AS PANCHSHEEL DIGITAL CABLE NETWORK PRIVATE LIMITED) CIN NO. U64203DL2014PTC269185**

| B. Fair value of financial assets and liabilities measured at amortised cost |                 |              | Rs in million   |              |
|--|-----------------|--------------|-----------------|--------------|
|  | March 31, 2019  |              | March 31, 2018  |              |
|  | Carrying amount | Fair value   | Carrying amount | Fair value   |
| <b>Financial assets</b>  |                 |              |                 |              |
| Bank deposits  | -               | -            | -               | -            |
| Amount recoverable   | -               | -            | -               | -            |
| Interest accrued and not due on fixed deposits                               | -               | -            | -               | -            |
| Security deposits  | 0.17            | 0.17         | 0.06            | 0.06         |
| Unbilled revenue   | -               | -            | -               | -            |
| Trade receivables  | 31.12           | 31.12        | 25.80           | 25.80        |
| Cash and cash equivalents  | 0.76            | 0.76         | 11.32           | 11.32        |
| Other bank balances  |                 |              |                 |              |
| <b>Total financial assets</b>  | <b>32.05</b>    | <b>32.05</b> | <b>37.18</b>    | <b>37.18</b> |
| <b>Financial liabilities</b>   |                 |              |                 |              |
| Borrowings (non-current, financial liabilities)                              | -               | -            | -               | -            |
| Borrowings (current, financial liabilities)                                  | -               | -            | -               | -            |
| Payables for purchase of property, plant and equipment                       | -               | -            | -               | -            |
| Security deposits  | -               | -            | -               | -            |
| Trade payables   | 49.49           | 49.49        | 54.47           | 54.47        |
| Other financial liabilities (current)  | -               | -            | -               | -            |
| <b>Total financial liabilities</b>   | <b>49.49</b>    | <b>49.49</b> | <b>54.47</b>    | <b>54.47</b> |

**K CREDIT RISK**

|                             | Credit rating       | Particulars  | March 31, 2019                | March 31, 2018                                     |
|-----------------------------|---------------------|--|-------------------------------|--|
|                             | A: Low credit risk  | Investment, Cash and cash equivalents and other financial assets except security deposits and amount recoverable | 0.76                          | 11.32  |
|                             | B: High credit risk | Trade receivables, security deposits and amount recoverable  | 31.29                         | 25.86  |
| <b>As at March 31, 2019</b> |                     |  |                               | <b>Rs in million</b>                               |
| <b>Particular</b>           |                     | <b>Estimated gross carrying amount at default</b>  | <b>Expected credit losses</b> | <b>Carrying amount net of impairment provision</b> |
| Trade receivables           |                     | 31.12  | -                             | 31.12  |

**SITI SAGAR DIGITAL CABLE NETWORK PRIVATE LIMITED (FORMERLY KNOWN AS PANCHSHEEL DIGITAL CABLE NETWORK PRIVATE LIMITED) CIN NO. U64203DL2014PTC269185**

|   |  |   |                               |  |
|---|--|---|-------------------------------|--|
| Security deposits                       |  | 0.17  | -                             | 0.17   |
| Advances recoverable                    |  | -   | -                             | -  |
| <b>As at March 31, 2018</b>             |  |   |                               | <b>Rs in million</b>                               |
| <b>Particular</b>                       |  | <b>Estimated gross carrying amount at default</b> | <b>Expected credit losses</b> | <b>Carrying amount net of impairment provision</b> |
| Trade receivables                       |  | 25.49   | -                             | 25.49  |
| Security deposits                       |  | 0.06  | -                             | 0.06   |
| Advances recoverable                    |  | -   | -                             | -  |
| <b>Loss allowance on March 31, 2018</b> |  |   |                               | <b>-</b>   |
| Changes in loss allowance               |  |   |                               | -  |
| <b>Loss allowance on March 31, 2019</b> |  |   |                               | <b>-</b>   |

**L. LIQUIDITY RISK**

| Particulars    | 2019<br>Rs in million |          |       |
|----------------|-----------------------|----------|-------|
|                | Less than 1 year      | 1-5 year | Total |
| Borrowings     | -                     | -        | -     |
| Trade payables | 49.49                 | -        | 49.49 |

| Particulars    | 2018<br>Rs in million |          |       |
|----------------|-----------------------|----------|-------|
|                | Less than 1 year      | 1-5 year | Total |
| Borrowings     | -                     | -        | -     |
| Trade payables | 54.47                 | -        | 54.47 |

**Sumit Gupta & Co.**  
Chartered Accountants  
Firm Regn. No. 022622N

**For SITI Sagar Digital Cable Network Private Limited**

CA Sumit Gupta  
(Partner)  
Membership No 513086

**Sd**  
(Director)

**Sd**  
(Director)

Place- Delhi  
Date- 21-05-2019