SITI Networks Limited
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Noida, Uttar Pradesh-201301, India
Tel: +91-120-4526700
Website : www.sitinetworks.com

September 7, 2020

To,

The General Manager
Corporate Relationship Department
BSE Limited
Phiroze Jeejeeboy Towers
Dalal Street, Fort,
Mumbai- 400 001
BSE Scrip Code: 532795

The Manager
Listing Department
National Stock Exchange of India limited
Plaza, 5th Floor, Plot no. C/1, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai- 400 051
NSE Scrip Symbol: SITINET

Kind Attn. : Corporate Relationship Department

Subject : Annual Report of the Company for the Financial Year 2019-20 along with Notice calling the 14th Annual General Meeting scheduled to be held on September 29, 2020 at 3:00 p.m. through VC/OAVM

This is in reference to our intimation dated September 4, 2020 wherein we have informed that the 14th Annual General Meeting ('AGM') of the Equity Shareholders of the Company will be held on Tuesday, September 29, 2020 through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') and our intimation dated September 5, 2020 wherein a copy of Public Notice (both in Vernacular Language and English Language) published in newspaper which, *inter alia*, specifying that the Annual General Meeting will be held on September 29, 2020 at 3:00 p.m. through VC/OAVM facility and other requirements pertaining to AGM, in compliance with General Circular No. 20/2020 dated May 5, 2020 issued by Ministry of Corporate Affairs.

In this context, we wish to inform you that the 14th Annual General Meeting of the members of the Company is scheduled to be held on **Tuesday, September 29, 2020 at 03:30 PM (IST)** through Video Conferencing/Other Audio Visual Means.

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of Siti Networks Limited for the Financial Year ended on March 31, 2020, along with Notice calling the 14th Annual General Meeting.

The aforesaid documents have been dispatched electronically to those Members whose email IDs are registered with the Link Intime India Private Limited ("Registrar and Transfer Agents" of the Company) or the Depositories. The Company shall be providing facility to its shareholders to exercise their right to vote on all businesses proposed at the AGM by electronic means, by using remote e-voting facility and e-voting facility at AGM. The said facility is being provided by Central Depository Services (India) Limited ('CDSL').

The remote e-voting period shall commence from Friday, **September 25, 2020 at 9.00 a.m.** and will end on Monday, **September 28, 2020 at 5.00 p.m.**, and the Shareholders of the Company as at the Cut-Off date of September 22, 2020 shall be eligible to vote using the remote e-voting facility and e-voting facility.

The attached Annual Report of the Company is also available on the website of the Company https://www.sitinetworks.com/AnnualReport2019-20.pdf.

You are requested to kindly take the same on record and oblige.

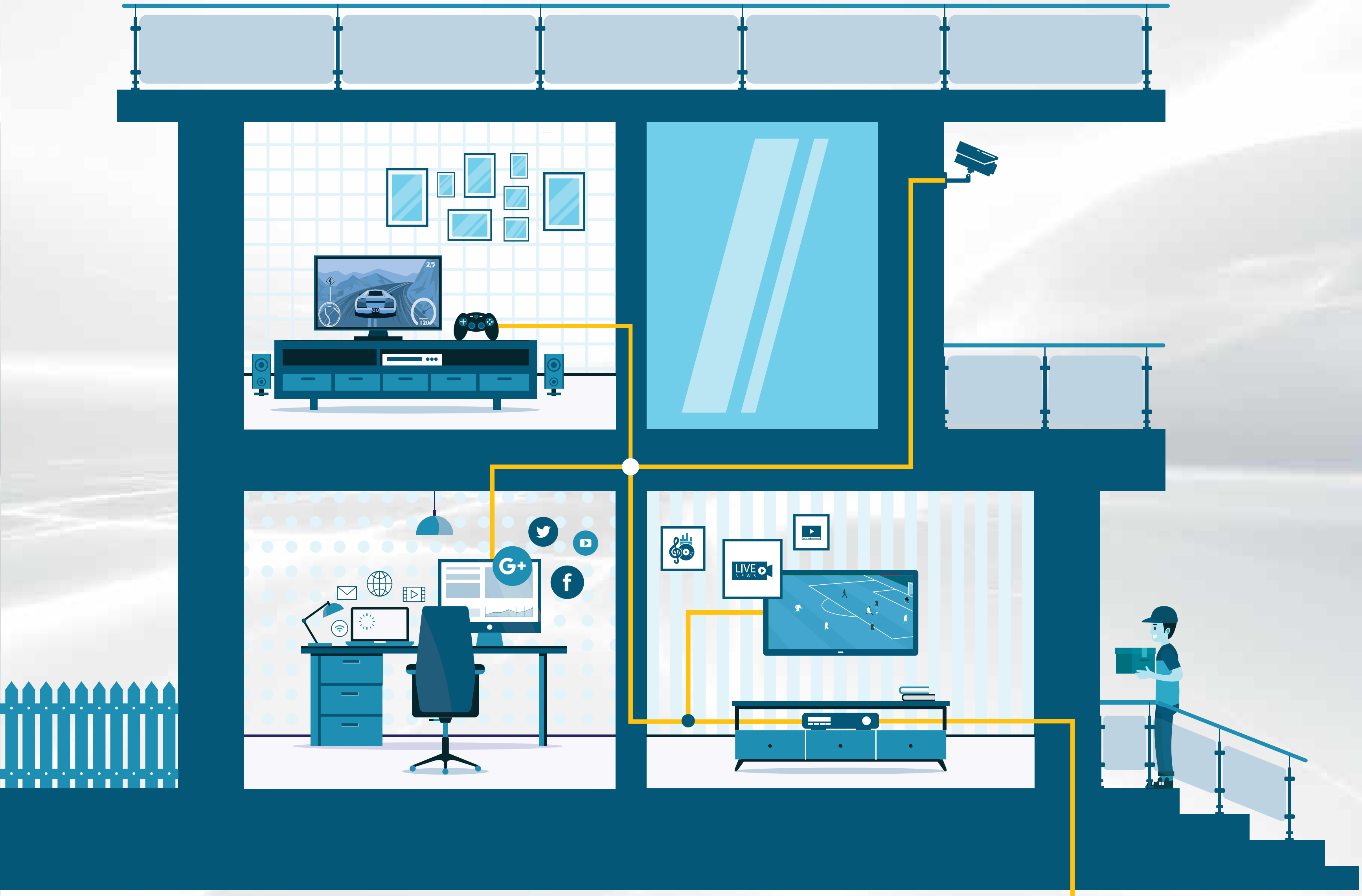
Thanking you,

Yours truly,
For **SITI Networks Limited**

Suresh Kumar
Company Secretary and Compliance Officer
Membership No. ACS 14390

SITI NETWORKS

ANNUAL REPORT
2019-2020



WIRED TO THE FUTURE

ONE PLATFORM. MANY SERVICES

WHAT'S INSIDE

01
Corporate Overview

33
Statutory Reports

90
Financial Statements

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Scan the above QR code to have a quick view of the report on your handheld device

ANY SIGNIFICANT CHANGE IN BUSINESS ENVIRONMENT DEMANDS A MINDSET REORIENTATION. IT NECESSITATES A BROAD-BASED TRANSFORMATION STEERED BY A PARADIGM SHIFT IN STRATEGY. THE NEW TARIFF ORDER (NTO) USHERED IN SUCH A SHIFT, ENCOURAGING MSOs, BROADCASTERS, AND LAST MILE DISTRIBUTION PARTNERS ALIKE, TO RETHINK THEIR BUSINESS STRATEGIES AND REALIGN THEIR OPERATIONAL MODELS TO THE NEW REGIME.

Moving with speed and agility, we, at SITI, have also unleashed a wave of innovations and initiatives to adapt to the change. Surging proactively to embrace the new opportunities unleashed by NTO, we are remodelling our business strategy to address the evolving consumer aspirations. We have initiated an unprecedented scale of convergence in our business segments.

Crafted to deliver a more holistic experience to consumers from a single platform, the strategy at SITI is designed to enrich consumer experience. It seeks to deliver to them engaging content and tech-powered services, not just in our CATV business but also across our Broadband and Value-Added Services (VAS) segments.

This approach is centered on our 'customer-first proposition', which we are continually sharpening in tandem with the changing market and consumer trends. Read on to find out how!

CHIEF PATRON'S MESSAGE

Dear Shareholders,

I am happy to share with you another year of SITI's positive performance, that remained steadily on track at the back of growing consumer demand and consumption, coupled with various strategic and operational initiatives under the New Tariff Order (NTO) regime.

Our numbers bear testimony to the success of our focussed on-ground initiatives. During the year, our concerted measures to improve efficiencies have translated into overall improvement in operational metrics. This growth has largely been fuelled by our deep ground connect with our 24,000+ LCO partners spread out across the country. Leveraging our powerful technology edge, we created stronger touch-points for our partners to reach out to SITI at the one end and our customers at the other. Concurrently, we harnessed this strength to open new revenue sources by onboarding allied services which had synergies with our distribution model.

The business-wide transformation unleashed by our multiple initiatives not only aligned SITI more intricately to the change that swept the industry in the post-NTO regime but also helped make effective use of the new opportunities triggered by the transformation. With our consumer-first approach guiding our strategy, we continued, during FY 2019-20, to enhance the experiential quotient which underlines the SITI proposition for the growing base of its customers.

At the same time, this evolution has paved the way for us to adopt the new-age IoT culture that is progressively capturing the imagination of more and more Indians. The robust platform that we have built, and our expansive reach that spans 800+ locations across 249 districts, has equipped us to be an active part of this new digital revolution sweeping the country. We feel that the time and technology is right for us to go beyond Video Content and scale the next level of Broadband growth by providing our customers with IoT - enabled equipment and services. The fact that 43% of cable operators are still not selling cable internet (as per a survey-based study by INTIN on Cable TV Fitness Check) underlines the huge potential for Broadband growth across the country.

Given the large opportunity landscape that still exists, we have judiciously focussed ourselves on augmenting the SITI foundations for future growth through strategic initiatives aimed at building a future-proof organisation. The robustness of these foundations can be gauged not only from the fact that we have efficaciously managed the fast-paced changes triggered by NTO 1.0, but also from our balanced response to the COVID pandemic. Even in the testing times of the Coronavirus, we continued to handle the needs of our LCO partners and our end customers seamlessly, without any disruption of service. The recognition of Cable TV and Broadband service as essential service during the pandemic helped us keep growth on track while ensuring best-in-class services to our customers.

Needless to say, this would not have been possible but for the collective and selfless efforts of our team, which, in line with our consumer-centric philosophy, fearlessly put the interests of customers before their own, through this unprecedented crisis.

I am sure with extensive ground connect, continuous optimisation of operational efficiencies, and the hard work of our dedicated teams, SITI would be able to deliver the best services to our customers for years to come.

Best Wishes

Dr. Subhash Chandra

Given the large opportunity landscape that still exists, we have judiciously focussed ourselves on augmenting the SITI foundations for future growth through strategic initiatives aimed at building a future-proof organisation.

MESSAGE FROM CEO

Dear Shareholders,

FY 2019-20 has proved to be an year of significant change in the new NTO regime and the post-COVID era. SITI's success in effectively managing both these challenges through its ground connect bears testimony to its deep-rooted understanding of consumer needs, and its experience in leveraging the same to deliver an enriching experience to customers, across its business segments.

Delivering performance excellence

We took concerted measures during the year to maintain strict control on expenses across all metrics and leveraged existing operating resources to report a 1.18X increase in consolidated Operating EBIDTA, with commensurate growth in Operating EBITDA Margins, which grew 1.02X on year-on-year basis. For FY20, Subscription Revenue surged 21.3% to ₹ 11,567 million, while Total Revenue (excluding activation) witnessed a 15.3% jump over the previous fiscal, to touch ₹ 16,354 million.

Aligning to the post-NTO environ

Propelling the Company's growth are its core strengths, which we have built through focussed futuristic measures over the years. Our differentiated service edge has emerged as a cutting-edge tool to drive growth in the post-NTO transformational environment. During the year, we moved forcefully to align our strategic approach to the need for creating a robust platform to reach out with speed to our customers in this new era.

Strengthening the technology edge

Technology, of course, proved the game-changer in this transformation, and a series of back-end and front-end technological initiatives armed our LCO partners and customers with the competencies needed to drive the necessary operational changes. Artificial Intelligence enabled Recommendation Engines, in particular, have emerged as a key propeller of the Company's customer-centric growth strategy.

Focussed on FTTx & IOT

Further sharpening our technological edge, we also launched, during the year, a composite FTTx based network architecture. The model is aimed at benefiting both SITI Networks and SITI Broadband, while providing IoT-based services to customers.

Creating new capabilities

All this would not, of course, have been possible without the commitment and cooperation of our people and LCO partners. With well-structured training and learning programmes to steer their transition, our People moved swiftly and efficaciously to create an enabling environment in which the demands of the end customers could be fulfilled with total ease despite the unprecedented challenges they had to face. On my own behalf, and that of the Management, I would like to thank all our teams/employees as well as our partners for ensuring business continuity in these unprecedented times, often at risk of their own well-being.

Responding effectively to COVID

The COVID outbreak pushed the boundaries of our capabilities even further, as our teams, along with our LCO partners, left no stone unturned to ensure the exceptional services to our customers, using the technologically-advanced FTTH optical fibre to deliver quality content into their homes. With two of our key services designated 'essential' amid the lockdown, we worked with speed and agility to empower our customers to maintain the work-life balance in the new 'work from home' normal. We also took several steps for the protection of our staff, including measures to help them work remotely from home with strict quality controls and service monitoring in place. We emerged as the trusted platform in the Government of India's efforts for promoting Online Education and COVID care (Aarogya Setu).

Going forward

Innovation will continue to be our guiding light as we further enhance our experiential customer touch-points through more technologically-advanced interfaces. We have always aimed at becoming a technologically-agile organisation, and the transformed business order has further accentuated the need to embrace new-age technologies even more comprehensively.

We believe this will help us create a more empowering environment for our people and partners to connect with our growing base of customers. It will help us accelerate the creation of the integrated robust platform required for further enhancing the multi-faceted experience of our customers through holistic offerings that span Cable, Broadband and Ancillary Services.

Best Regards

Anil Malhotra

We have always aimed at becoming a technologically-agile organisation, and the transformed business order has further accentuated the need to embrace new-age technologies even more comprehensively.

THE SITI PLATFORM

Our new strategic approach is driven by our efforts to build a single converged platform, with a robust wire giving us the last-mile access to seamlessly deliver to any service that our consumers may desire. It is designed to cater to the multiple choices of our diverse consumers across the length and breadth of the country in the transformed post-NTO era.

SITI stands out in the industry landscape today as a one-point provider of excellence across CATV, Broadband and VAS, with its ethos of creating `Zindagi Ka Network'. As India's leading Digital TV Network, it has emerged as the lifeline of information and entertainment for more than **45 Million consumers** across **800 locations** in **249 districts** across India. A growing family of **2 lac+ Broadband customers**, coupled with an ever increasing bouquet of IoT and affiliated offerings, makes SITI a powerful Integrated Service Provider, with a proven track record spanning 26 years.

BACKED BY ITS 24X7 SERVICE PROPOSITION, SITI IS WIRED NOT JUST TO CATER TO THE PRESENT NEEDS OF ITS EXPANDING CLIENTELE BUT ALSO TO ANTICIPATE AND ADDRESS THEIR FUTURE NEEDS IN THE EVER-EVOLVING INDUSTRY LANDSCAPE.

9.1 Mn
Active Digital Customers

1.7 Mn
Broadband Home Passes

4.1 Lacs
High Definition Customers

~6%
Pay TV Households in India

Legacy of Excellence

SITI is constantly building on the legacy of excellence it has inherited from the Essel Group, one of India's leading business houses with a diversified portfolio of assets across sectors, including a vertically integrated dominant presence in Media and Entertainment. A leading producer, aggregator and distributor of Indian programming around the world, the Essel Group has to its credit 250,000+ hours of original content, with a compelling bouquet of 75 channels. The Group reaches out to ~1.3 Billion viewers in 171 countries. It is this powerful legacy that we, at SITI, are continuously building on to drive full compliance to the new post-NTO regime through increased efficiencies.

Vision

TO GAIN THE LEADERSHIP POSITION IN THE INDUSTRY AS AN INTEGRATED SERVICE PROVIDER BY BEING THE PREFERRED CHOICE OF THE CONSUMER, AND ENHANCE CONSUMER DELIGHT THROUGH OFFERING SUPERIOR CONTENT, QUALITY AND SERVICES BY USING ADVANCED TECHNOLOGY AS AN EDGE.

A Story of Many Firsts

1st MSO

to provide local channels to customers

listed on Stock Exchange (SITINET listed on NSE in 2007)

to give CRM (OYC) tool to LCO Partners

launched in India (1994)

Key Strengths

Our value proposition is rooted in the multiple strengths that enable us to drive sustained growth across segments. Our multi-offering bouquet is founded on these continuously growing and expanding strengths.

Wired across India

Our pan-India presence is powered by our technology-led footprint, that helps us remain seamlessly connected to customers 24x7, across states and regions.

1. Delhi
2. Rajasthan
3. Punjab
4. Chandigarh
5. Haryana
6. Uttarakhand
7. Gujarat
8. Maharashtra
9. Karnataka
10. Kerala
11. Andhra Pradesh
12. Telangana
13. Chhattisgarh
14. Odisha
15. Madhya Pradesh
16. Jharkhand
17. Bihar
18. Uttar Pradesh
19. West Bengal
20. Assam
21. Meghalaya

WIRED IS THE NEW NORM.

IT IS THE PLATFORM THAT IS REVOLUTIONISING THE EXPERIENCE OF TELEVISION AND BROADBAND USERS.

IT IS THE INTERFACE THAT IS EMPOWERING CUSTOMERS WITH FLAWLESS CONNECTIVITY AND ASTONISHING SPEEDS, IN A SAFE AND SECURE ENVIRONMENT.

IT IS ALSO THE PROPELLER OF SITI'S GROWING CONNECT WITH CONSUMERS, PROVIDING THEM WITH EXTRAORDINARY EASE OF ACCESS TO SUIT THEIR UNIQUE NEEDS.

At SITI, we are leveraging the power of Wired Technology Network to harness the post-NTO changes in our business model to sustain growth, while ensuring business continuity. We are using it to deliver uninterrupted and enriching experience to our CATV, Broadband and VAS customers.

The benefits of the Wire were never so sharply defined as during the COVID-19 lockdown, when dependency on TV and Broadband went up multifold, as staying at home translated into staying entertained or working at home. With the pandemic forcing the world to value the Wire even more, India too witnessed a sweeping change in its consumption patterns, amid a marked shift from the 4G mobile to the wired Broadband. In the new normal, the limited Mobile data speeds were no solution to the growing demand for faster video connectivity on a wider bandwidth, with lower ping rates and greater speed in browsing and streaming experience.

Amid this change, which came as India was celebrating 25 years of Internet, we, at SITI, used our powerful one-wire connect with homes to provide uninterrupted 24x7 support to our customers, without undue delay or downtime, during the testing times of the pandemic.

WIRING TECHNOLOGY INTO HOMES

ONE WIRE, ONE HOME, AND A HOUSEFUL OF OFFERINGS.

These six words capture the essence of SITI's well-rounded business strategy. Technology is a key driver of this strategy and, amid the transforming business landscape, it has been our focussed endeavour to continually augment our technology edge. These efforts are aimed at empowering SITI with the capability to provide multiple offerings through a single wire. At the same time, we strive to bring the most advanced technological experience into the homes of consumers through the same single wire. This enables us to provide an integrated service delivery proposition for our customers via one integrated platform. This two-way service network has emerged as the main engine of our growth and expansion in the new environment.

Our Technology Infrastructure

To provide a personalised experience to consumers in the comfort of their homes, we have put in place a robust and future-ready technology infrastructure that bespeaks product quality and ensures uninterrupted service.

10
Digital Headends

~33,000 kms
Intra-city OFC and Coax Network

~500
IP Points

1.2 Gbps links
Pan-India transport of Digital CATV signals

DOCSIS + GPON
Hybrid technology to offer integrated Cable Broadband services

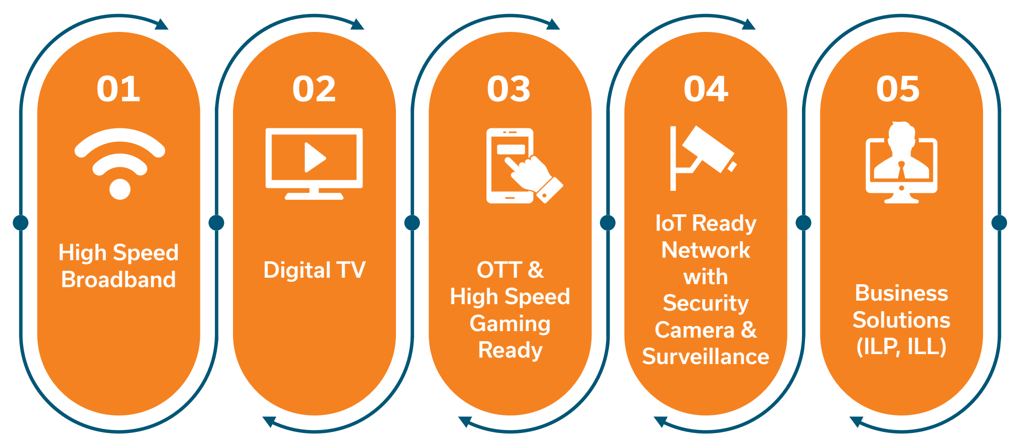
Augmenting the SITI connect

In the new business landscape, the high-bandwidth Optic Fibre has replaced the Copper Wire of the traditional Cable TV, to provide uninterrupted connectivity. Capable of withstanding the shock and vibration resulting from inclement weather conditions, the Fibre to The Home (FTTH) is capable of expanding its portfolio to encompass additional services in the years to come.

As we move forward with increasing focus on Integrated Services Play, we have also consciously adopted the Fibre route to enhance our Video and Broadband service offerings. With our technology infrastructure built around a Smart Network, FTTH has emerged as the ideal platform for users across India to partner with the future, while addressing the demands of their present.

The SITI Fibre to The Home (FTTH) is providing customers a host of services, across TV, Broadband, OTT, Gaming, Security and more, to deliver a platform-agnostic converged home and business experience.

SITI Fibre to Home brings a host of services



Continuity with Ease during COVID

SITI's technology strength is manifest in the secure and safe digital payment gateways, on which we have successfully integrated both our Video and Broadband BSS platforms. This facilitated business continuity during the COVID lockdown period, which also saw a strategic shift of our call centre operations to the work-from-home model. The resultant unceasing service to the customers ensured that they could continue staying safely at home and keep themselves protected at all times. At the same time, we harnessed technology to maintain strict quality control and monitoring of services even while our staff worked remotely from home to stay protected from the COVID risk.

ACROSS INDIA, THE SPIRALLING DEMAND FOR QUALITY CONTENT TRANSMITTED THROUGH THE TECHNOLOGICALLY-ADVANCED OPTICAL FIBRE IS POWERING A NEW WAVE OF CATV AND BROADBAND GROWTH.

IT IS PROPELLING THE CREATION OF A DIFFERENTIATED APPROACH TO HELP DELIVER CONTENT DIRECTLY INTO MILLIONS OF HOMES ACROSS THE COUNTRY AT THE TOUCH OF THE REMOTE BUTTON.

IT IS ENABLING AN ALL-ENCOMPASSING TRANSFORMATION IN THE WAY CONTENT IS CONSUMED BY AN EVER-EXPANDING CLIENTELE ACROSS THE COUNTRY.

The NTO interventions, coupled with the COVID-led transformations, have ensured that staying out of the digital revolution is no longer an option for the rural and the semi-urban consumers of Tier II, III and IV cities, whose tryst with CATV and Broadband had been limited so far. This means that we, at SITI, also no longer have the choice of sticking to the urban comfort zone in which we had hitherto been nurturing our growth strategy.

ALIGNING TO NEW TV CONSUMPTION TRENDS

The exemplar shift cause by the NTO regime in the way the MSO industry operates ushered in a new level of stability in business. It changed the rules of the game to make it more transparent and better equipped to promote inter-stakeholder trust across the value chain of the business. It created a level playing field for MSOs. At the same time, it lent the subscribers the freedom to choose, which had a cascading effect on the Broadcasters, who pushed the bar to create 'pull content' while weeding out the 'tail channels' that were earlier virtually dumped on the consumers.

At SITI, we responded swiftly to the transformations taking place in the Television business as a result of the game-changing NTO. Adapting quickly and efficaciously to the new regime, we transformed our business model to give consumers the choice that NTO mandated. Even as we brought in revolutionary changes to our systems and processes, we ensured that there was no disruption in service delivery.

The Evolving SITI Proposition

It has been our concerted endeavour, over the past one year, to strengthen our value proposition for Television viewers to suit their changing consumption patterns. We have leveraged our understanding, expertise and experience of the industry to bring in far-reaching changes in our methodologies and tools, both at the back end and the front-end.

On the operational front, at the back end, the migration to the prepaid model has enabled better efficiencies and improved cash flow, with significant reduction in month-on-month efforts of our field staff. The greater ease of doing business, backed by more predictability, has helped us rationalise business operations in the new environ. Content packaging has taken on a new meaning, with promotion of multiple DPO packs leading to better margins. Our negotiation powers with Broadcasters have also been augmented, helping us boost margins.

From enabling remote monitoring and management of all IP locations for ensuring better service uptime, to providing SMS-based channel addition/deletion service, we have enhanced our customer connect Pan-India. With CAS upgradation leading to improved turnaround time for new activations, we have made the entire recharge process more user-centric and efficient for them as well for customers.

The quick recharge functionality extended to customers helped them negotiate the turbulence of the COVID lockdown more smoothly. While the quick recharge functionality extended to customers helped them negotiate the turbulence of the COVID lockdown more smoothly. The customers can also now select the best-fit package on the website, while for the LCOs we have made the process easier through the unique Own Your Customer (OYC) platform.

Caring in COVID times

The pandemic was the time for SITI, with its exceptional consumer understanding, reach and technological prowess, to become the trusted partner for millions of Indians struggling to stay connected with the world. During this period, SITI became active partners in the Government of India's efforts to ensure seamless delivery of Online Education, which became critical to maintaining education continuity for lacs of students around the country, especially in the rural belt with limited Internet connectivity. In line with the State Government and Education Ministry directives, we ensured that all relevant educational channels were added to our portfolio on free of cost basis.

At the same time, we worked hard to ensure that the benefits of the complete range of our offerings could reach our customers from a single, aggregated platform, much in the way large B2C consumer e-Commerce portals have been doing for years. We partnered the Government in its fight against COVID-19 by using all our customer-facing platforms to promote the Aarogya Setu app and social distancing. Designated an essential service, we remained consistently focussed on ensuring that our customers get the best amenities even amid the lockdown.

BUILDING ON OUR BROADBAND PROPOSITION

A June 2020 report has projected the Indian Wired Broadband Market to grow from around $200 million in 2019 to $243 million by 2024. With penetration of wired Broadband in India extremely low, the potential for expansion across the country remains high. Convergence of Broadband with Cable TV, OTT and unlimited calling is expected to be the new norm, as we move towards bundled plans encompassing the entire gamut of wired offerings.

Source: India Wired Broadband (DSL, FTTH) Market Outlook 2020-2024

With our deep understanding of customer needs and robust consumer profiling, SITI's Wired Broadband has emerged as one of the most popular offerings in India's Media & Entertainment segment. Equipped with new-age technologies to support fast, secure and uninterrupted connectivity, we offer customers a variety of economical and affordable packages suited to their varied internet browsing needs in both personal and work domains.

Coupled with our strong service capability, which is smoothly delivered by our large network of distributors, franchisees and well-trained company service engineers, we provide quick and hassle-free redressal of any problem that our customers might face due to unexpected obstacles.

DEEPENING THE GROUND CONNECT

Customer First with FTTx

Amid the growing demand and need for uninterrupted high-speed internet access, we, at SITI, keep our customers connected to the digital world on multiple devices through a single wire.

Our focus on providing the best technology to customers was augmented during FY20 with the launch of a composite FTTx based network architecture, designed to empower customer premises with the best of online and linear content. Implementation of this model will benefit both SITI Networks and SITI Broadband, while providing IoT-based equipment and services to customers, such as Surveillance, Cloud Storage, Door-bells, Lights, etc.

We also enhanced our presence Pan-India through a mix of smart customer management and innovative offerings. A new SITI Broadband web and mobile interface has been introduced to enhance customer experience.

The launch of the SITI Broadband app further scaled up our customer service proposition during FY 2020. Extension of the Quick Recharge functionality to customers ensured it protected them from any connectivity downtime during the COVID lockdown period, which saw data consumption touch new highs.

Augmenting the Content Interface

The SITI Broadband edge is a blend of excellence in the delivery of the medium as well as the content for that medium. Even as we have continuously strengthened our delivery platform, from DOCSIS to FTTH, we also continue to enhance Content quality through innovative initiatives and strategic partnerships.

During the year, SITI Broadband and Zee 5 - India's fastest growing OTT platform, joined hands to provide premium content to our high-speed Broadband customers, thereby opening for us a new window of opportunity to scale up our business ambitions.

At the heart of SITI's consumer-oriented strategic approach lies its well-entrenched LCO network. With 24,000+ distributors, we have one of India's largest distribution networks, spread across the country.

Steered by our strong focus on continuous augmentation of our ground connect, we have put in place a highly energised eco-system that facilitates flexibility and convenience for our partners (LCOs). The LCOs are empowered with access to our systems through our in-house portals, with Own Your Customer (OYC), Subscriber Management System (SMS) and Standard Operating Procedures (SOPs), crafted to augment their service proposition.

Our partners, who are spread across the length and breadth of the country, can access the OYC secured platform from Web as well as Mobile services. This platform can handle material movement, new customer activation, packages selection/change, recharge payments, reports, etc.

Leveraging Distribution Network

With 24,000+ distributors branching out through thousands of representatives across the country, our distribution network has emerged as a powerful avenue for business expansion. We have initiated a focussed strategy to leverage this strength to create additional business sources for SITI's future growth by providing new delivery options to other corporate players. The modalities and processes for operationalising this strategy are currently being worked out.

Managing COVID Challenges

We enhanced our connect with LCOs further during the testing COVID times by extending the facility for creation of the customers' packs with the help of AI (Artificial Intelligence)-enabled Recommendation Engines. Besides providing cost benefits to the customers, the move helped the LCOs harness SITI's evolved digital eco-system with more swiftness and efficacy during this difficult period.

During the lockdown, our Distribution Partners worked closely and diligently with our field staff and the Contact Centre on the ground to ensure that the customers stayed indoors. We added more features to the OYC platform to enable LCOs to activate packages and recharge online for their customers with total ease. Their collective efforts helped the customers stay safely at home, while SITI provided them with best-in-class infotainment and kept them connected with the world.

FINANCIAL HIGHLIGHTS

With strict control on operational efficiencies, SITI continued its consistent growth focus during FY 2019-20. Our constant mantra of improving operational efficiencies while improving monetisation helped us deliver strong operating EBITDA. The concerted and collective efforts of our teams and partners during the COVID times were well appreciated.

Operating EBITDA leaps

₹ 3,538 Mn

1.18x y-o-y

Operating EBITDA Margin jumps

21.6%

1.02x y-o-y

Total Revenue rises

₹ 16,354 Mn

15.3% y-o-y

(Excluding activation)

Content Cost per Box increases

₹ 86

₹ 46 in FY 2018-19

1.87x

Placement/Marketing income per box up

₹ 36

₹ 23 in FY 2018-19

due to NTO

1.57x

Subscription Revenue surges

₹ 11,567 Mn

21.3% y-o-y

Subscription ARPU goes up

₹ 128

1.74x y-o-y

Gross Margin higher by

₹ 77

₹ 50 in FY 2018-19

1.54x y-o-y

BOARD OF DIRECTORS

1. Mr. Suresh Arora
Executive Director

Mr. Suresh Arora brings to the table extensive experience of about 34 years across diverse fields. A Commerce graduate from the University of Delhi, with a PG Diploma in Business Administration (specialisation in Marketing Management) from Symbiosis, Pune, the 56-year-old has worked extensively in the areas of Sales & Marketing, Finance & Accounts and Export/Import procedures & documentation.

During his previous assignment with Pan India Network Limited ("PINL") – an Essel Group company, he held a senior position in the Sales and Marketing Department. He was instrumental in creating a strong network of channel partners, including distributors and retail outlets, to spread and strengthen PINL's Online/Paper Lottery business operations in Punjab & Haryana. In this position, he liaised closely with senior officials of the Punjab government to take the PINL business to new levels of success.

2. Mr. Sunil Kumar Maheshwari
Independent Director

Currently Professor in Human Resource Management Area at the Indian Institute of Management, Ahmedabad, Prof. Sunil Kumar Maheshwari has served on Boards of many organisations, including UCO Bank and Andhra Bank.

He is an alumni of IIT Delhi and IIM Ahmedabad, and worked with BHEL and Indian Railways (IRPS Cadre) before getting into academics in 1998. He worked as Advisor to Minister of HRD from January 2009 to January 2013.

His research, consulting and teaching interests are in strategic human resource management, international human resource management and business turnaround. His book titled "Turnaround Excellence," published by Penguin Books India and based on study of 6 turnaround cases, has been among the business bestsellers.

He has widely published in both national and international journals of high repute. He has written more than 30 cases. He has been a consultant to many large national and international organisations, and has received many awards for excellence in his career.

3. Mr. Amitabh Kumar
Additional Director
(Non-Executive Non-Independent Director)

Mr. Amitabh Kumar, a Technology leader in the Media & Telecom industry, has been associated with Essel Group in various capacities since 2001. He is also serving as the Head of Broadcasting for Zee Network, responsible for its global broadcast operations spanning ~150 channels. He also played a major role in setting up operations for India's first DTH operator, Dish TV, where he currently also serves as Advisor Technology.

Mr. Kumar is an Electronics Engineering Graduate from BITS Pilani and holds PG Diploma in Telecommunications Management from TEMIC Canada. Prior to his association with Essel Group, Mr. Amitabh Kumar served as Director Operations for VSNL (1995-2001) and also its Acting Chairman & Managing Director in 1998-99, where he had a key role in setting up India's first Internet Services. He has served on the Board of Governors of Intelsat and was Council Member of Commonwealth Telecommunications Organization (CTO)

4. Ms. Kavita Kapahi
Independent Director

An entrepreneur in the security and surveillance industry, Ms. Kapahi is currently managing the business operations of APK Trading & Investment Pvt. Ltd. A Commerce Graduate from Bombay University, she is a Director on Minotaur Holdings and Finance Private Ltd., Indian Cable Net Company Limited and Shirpur Gold Refinery Limited. With a strong zeal for welfare work for the disadvantaged sections of the society, she has, over the past three years, been involved in grooming differently abled children and young adults, and empowering them with employment skills. She is also aiding various charitable organisations engaged in education among the marginalised, who otherwise would remain deprived of basic education.

5. Mr. Deepak Mittal
Independent Director

Armed with 20 years of industry experience and 10 years of entrepreneurship experience, Mr. Deepak Mittal is currently the CEO & Co-Founder of Intelligrape Software (TO THE NEW). Under his stewardship, Intelligrape Software (TO THE NEW), founded in 2008, has grown more than 30 times - from 25 people to 750 people in the past seven years, with presence in 5 countries.

Under the leadership of Mr. Mittal, who has acquired & integrated many companies in India and SEA, TO THE NEW has become a leading digital transformation services player with clients in India, US, Europe, UAE & ANZ regions. It figured in "Great Place to Work" in top 50 mid-size companies in 2015, 2017 and 2018.

An Engineering graduate from IIT Delhi, Mr. Mittal is currently Director of Blogmint Digital Private Limited, Intelligrape Software Private Limited, Thought Buzz India Private Limited, Ignitee Digital Services Private Limited and Daffodil Software Private Limited.

He is an industry veteran, author and a known speaker in digital technology, including Data Engineering, AI/ML, Block chain, Cloud and Analytics. Before founding Intelligrape, he played technology leadership roles in various software companies.

6. Mr. Bhanu Pratap Singh
Independent Director

A graduate from Duke University with a BA in Economics, Mr. Singh is Director of Bhavani Renewable Energy Private Limited, Shantanu Energy Private Limited, Cosmos Hydro Power Private Limited & Monte Cristo Hydro Private Limited, as well as Managing Director of Shree Bhavani Power Projects Private Limited & Monte Cristo Infrastructure Private Limited.

Mr. Singh did his MBA from the Tuck School of Business, Dartmouth College, USA, and worked as an MBA summer intern at Nomura Securities in the New York office in the Debt Private Placement Group.

He started his career with JP Morgan Chase as an investment banking analyst in the New York office, covering the Power sector. After graduation from his MBA programme, he joined the Leveraged Finance Group of Citigroup in New York, where he worked on structuring and financing leveraged loans and high yield bonds for large US corporates and Private Equity firms.

Beginning his entrepreneurial journey, Mr. Singh moved back to India to found the Bhavani Group focussing on small hydropower projects in Himachal Pradesh. Shree Bhavani Power Projects Pvt. Ltd. commissioned Manglad 5MW small hydro project in 2010 and it is generating power since then. In 2013, his group company Bhavani Renewable Energy commissioned Binwa 4MW small hydro project. His group company Cosmos Hydro Power is building a 22MW plant in Chamba, HP, which is under construction. Mr. Singh is simultaneously developing future hydroprojects and also working with new technologies in the Renewable Energy space.

MANAGEMENT TEAM

Sanjay Berry
Chief Financial Officer

Alok Govil
Chief Operating Officer - Video

Yogesh Sharma
Chief Operating Officer - Video

Ashish Goel
Chief Human Resources Officer

Sanjay Arya
Head Technology

Suresh Kumar
Company Secretary and Compliance Officer

AUGMENTING OUR PEOPLE PROPOSITION

SITI's evolution and alignment to the new-age business systems and processes would not be possible without the collective efforts of its people, working together for the realisation of shared goals. It cannot be successful without adaptation of employees to the new work order.

With our employees integral to our 3P philosophy of 'People. Processes. Performance', we have put in place a well-crafted Human Resource (HR) model to ensure that expectations and delivery are duly articulated at the outset of every individual's journey. We have also sharpened our strategic outreach to our existing employees. Using Aspect Oriented Programming (AOP), we are continuously strengthening our employee communication platform to ensure that each member of the SITI team speaks the same language and mirrors the organisational goals effectively.

Progress through Learning & Development

Discipline in the Company's DNA is ensured through a powerful competency framework, which further facilitates vertical and horizontal growth of employees. Learning and development, fuelled by the most advanced technology, is facilitated as a continuous tool of individual and collective progress.

Our Project Learn, launched in line with our 'Learning for All' objective, has helped make training and certification accessible to all employees through a multi-pronged approach. The foundation for this programme has been developed through free of cost training and certification by the SKILL INDIA initiative. This has been beneficial for our Techno Commercial Layer, and has also helped in enabling the merger of technical and sales roles for better customer servicing, both in B2B and B2C business segments.

In collaboration with SMEs and HODs, we have created training modules that are accessible to all employees from their desktops/laptops, through live training recordings. Processes for other avenues and modes of online training are being carved out and learning will remain the focus area for our HR function, as we create an enabling environment for growth of individuals by giving them greater visibility and predictability. Innovation-led initiatives for upskilling our talent pool, in both Broadband and Video business, remains a key agenda of our strategic charter.

Aligning people to new work order

In the new work order, ushered in initially by the NTO and later by the COVID crisis, we undertook various measures during to adapt our internal and external partners to the transformed way of business functioning. Team meetings and Board meetings are now being conducted over MS Teams platform, while remote management of Headend configuration is helping in seamless evolution. Employees, as well as LCOs, have been trained to manage customer care over the Cloud solution, etc. These initiatives have helped in better time management, with faster decision-making leading to Resource and Opex optimisation. They also helped in better management of the situation arising in the wake of Amphan and Nisarga cyclones, as we were able to ensure seamless connectivity through these tough times.

Empowering People amid COVID

The COVID crisis forced a fast-paced change in the way organisations around the world operated. Challenged by the need to ensure uninterrupted delivery of our essential services, as designated by the Government of India, we moved the entire call centre operations to Work from Home during the lockdown period. Field teams on the ground were equipped to address customer grievances while ensuring that the customers did not have to step out of their homes.

Psychologists were roped in to motivate the teams and their families and emerge from the COVID fear quickly and effectively, in order to adjust to the new norms. Safety measures and guidelines, as laid down by Government, were strictly implemented at all office locations.

Other initiatives

Apart from training and development, we have also introduced several initiatives to reward excellence in performance across the organisation. To add an element of excitement to the journey of Sitizens, we organise celebrations and festivals through the year.

Psychologists were roped in to motivate the teams and their families and emerge from the COVID fear quickly and effectively, in order to adjust to the new norms.

POWERING AHEAD

OUR TRANSFORMATIONAL DRIVE, AIMED AT THE CONVERGENCE OF THE CATV AND BROADBAND PLATFORMS INTO A ROBUST SINGLE SERVICE DELIVERY PLATFORM, SHALL PROPEL SITI'S GROWTH IN THE COMING MONTHS.

WE SHALL EMBRACE AUTOMATION EVEN MORE AGGRESSIVELY, GOING FORWARD, IN OUR STRATEGIC EFFORTS TO EMPOWER OUR LCO PARTNERS AND THE END CUSTOMERS WITH NEW-AGE TECHNOLOGICAL TOOLS TO ENHANCE THEIR EXPERIENCE.

THE AI-BASED RECOMMENDATION ENGINE WILL BE FURTHER STRENGTHENED TO CREATE A MORE ENABLING ENVIRONMENT FOR BOOSTING SITI'S CONNECT WITH THEM.

The NTO interventions, coupled with the COVID-led transformations, have ensured that staying out of the digital revolution is no longer an option for the rural and the semi-urban consumers of Tier II, III and IV cities, whose tryst with CATV and Broadband had been limited so far. This means that we, at SITI, also no longer have the choice of sticking to the urban comfort zone in which we had hitherto been nurturing our growth strategy.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Suresh Arora
Executive Director

Mr. Sunil Kumar Maheshwari
Independent Director

Mr. Amitabh Kumar
Additional Director (Non-Executive Non-Independent Director)

Ms. Kavita Kapahi
Independent Director

Mr. Deepak Mittal
Independent Director

Mr. Bhanu Pratap Singh
Independent Director

SENIOR MANAGEMENT

Sanjay Berry
Chief Financial Officer

Alok Govil
Chief Operating Officer – Video

Yogesh Sharma
Chief Operating Officer – Video

Ashish Goel
Chief Human Resources

Sanjay Arya
Head Technology

Suresh Kumar
Company Secretary and Compliance Officer

INVESTOR RELATIONS

Vishwa Bandhu Sharma
Phone No: 120-4526740
Email: investorrelations@siti.esselgroup.com

STATUTORY AUDITORS

Walker Chandiok & Co. LLP
Chartered Accountants, New Delhi

BANKERS

IDBI Bank Limited
Axis Bank Limited
HDFC Limited
Kotak Mahindra Bank Limited
Standard Chartered Bank
RBL Bank Limited
IndusInd Bank Limited
Aditya Birla Finance Limited
ICICI Bank Limited

REGISTERED ADDRESS

Unit No. 38, 1st Floor, A Wing, Madhu Industrial Estate, Pandurang Budhkar Marg, Worli, Mumbai - 400 013
Phone No: +91- (022) 43605555
Email: csandlegal@siti.esselgroup.com

CORPORATE OFFICE

FC - 19 & 20, Upper Ground Floor, Sector - 16A, Film City, Noida - 201 301,
Phone No: +91- (0120) 4526707
Email: csandlegal@siti.esselgroup.com

STATUTORY REPORTS

NOTICE

Notice is hereby given that the 14th Annual General Meeting (AGM) of the Equity Shareholders of SITI Networks Limited will be held on Tuesday, the 29th day of September, 2020 at 3:00 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company prepared as per Indian Accounting Standards (Ind-AS), on a standalone and consolidated basis, for the financial year ended March 31, 2020 including the Balance Sheet as at March 31, 2020, the Statement of Profit & Loss for the financial year ended on that date and the Reports of the Auditors and Directors thereon.

2. To appoint a Director in place of Mr. Suresh Arora (DIN 00299232), who retires by rotation, and being eligible, offers himself for re-appointment.

3. To appoint Statutory Auditors in place of Auditors retiring on rotational basis and fix their remuneration by passing, with or without modification(s), the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Sections 139, 141 and 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. DNS & Associates, Chartered Accountants, Gurugram (Firm Registration No. 006956C), be appointed as Statutory Auditors of the Company, in place of retiring Auditors M/s Walker Chandiok & Co. LLP, Chartered Accountants (Firm Registration No. 001076N/ N500013), to hold such office until the conclusion of the 19th AGM to be held in the calendar year 2025, at such remuneration, as may be recommended by the Audit Committee and mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

4. ***To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:***

   "**RESOLVED THAT** pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013 ('Act') and the Rules made thereunder read with Schedule IV of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (including any statutory modification(s) or re-enactment thereof for the time being in force), Prof. Sunil Kumar Maheshwari (DIN 02317160), who has submitted the declaration that he meets the criteria for Independence as provided under the Act and the Listing Regulations and who holds the office of Independent Director of the Company until November 2, 2020, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his re-appointment for the second term, be and is hereby re-appointed for the second term as an Independent Director of the Company not liable to retire by rotation, for a period of three years commencing November 3, 2020 until November 2, 2023."

5. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any statutory modifications or re-enactment thereof for the time being in force, Mr. Amitabh Kumar (DIN 00222260), who, upon recommendations of the Nomination & Remuneration Committee, was appointed by the Board of Directors as an Additional Director in the category of Non-Executive Non-Independent Director on the Board of the Company pursuant to Section 161 of the Companies Act, 2013 with effect from December 30, 2019 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and such other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Cost Audit Fee of ₹ 75,000/- (Rupees Seventy Five Thousand Only), with addition of applicable taxes and reimbursement of out of expenses, payable to M/s. A.K. Gupta & Co., Cost Accountants (Firm Registration No. 100770) towards Cost Audit for the financial year 2020-21, as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby confirmed, ratified and approved."

By Order & on behalf of the Board

Suresh Kumar
Company Secretary

Noida, September 4, 2020

Registered Office:
Unit No. 38, 1st Floor,
A Wing, Madhu Industrial Estate,
Pandurang Budhkar Marg, Worli,
Mumbai-400013
CIN: L64200MH2006PLC160733
e-mail: csandlegal@siti.esselgroup.com

NOTES:

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos.4 to 6 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment at this Annual General Meeting ("AGM") are also annexed.

2. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 5, 2020 and SEBI Circulars including SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020. Therefore, AGM will thus be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the AGM through VC/OAVM.

3. Pursuant to MCA Circular No. 14/2020 dated April 8, 2020, the facility to appoint proxy to attend and cast vote for the Members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the Members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/ OAVM and cast their votes through e-voting.

4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail through its registered e-mail address to satshah@gmail.com with a copy marked to csandlegal@siti.esselgroup.com.

5. The details as required under Regulation 36(3) of SEBI Listing Regulations, in respect of Directors seeking appointment/re-appointment at the AGM forms integral part of this Notice. The requisite declarations have been received from the Directors seeking appointment. In connection with the proposed appointment/re-appointment of Prof. Sunil Kumar Maheshwari (DIN 02317160) as Independent Director for the second term, the Board of Directors have reviewed the declarations submitted by him confirming that he continues to meet the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations and the Board is of the opinion that Prof. Sunil Kumar Maheshwari fulfils the conditions specified in the Act and Rules made thereunder including SEBI Listing Regulations and is independent of the Management of the Company.

6. As per Regulation 40 of SEBI Listing Regulations, as amended, read with circulars issued by BSE and NSE in this regard, securities of listed companies can be transferred only in dematerialised form which effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risk associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holding to dematerialized form. However, the transfer deed(s) lodged prior to April 1, 2019 deadline and returned due to deficiency in the document, may be re-lodged for transfer even after the deadline with Company's Registrar & Share Transfer Agent at its address i.e. Link Intime India Private Limited, C-101, 247 Park, L.B.S. Marg, Vikroli (West), Mumbai – 400 083, India. Members can contact the Company or Company's Registrars and Transfer Agents, Link Intime India Pvt. Ltd. for assistance in this regard.

7. Members who wish to obtain information on Financial Statements for the financial year ended March 31, 2020

and operations of the Company, if any, may send their queries at least seven days in advance of the AGM to the Company Secretary at the registered office of the Company or at e-mail id csandlegal@siti.esselgroup.com.

8. In compliance with the aforesaid MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/ 2020/79 dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories.

9. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.sitinetworks.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the remote e-voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

10. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-voting's agency. The facility of casting votes by a Member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

11. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

12. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

13. The Members are requested to notify immediately about any change in their address/e-mail address / bank details to their Depository Participant (DP) in respect of their shareholding in demat mode and in respect of their physical shareholding to the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited at C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai- 400083. Shareholders holding Equity Shares of the Company in physical form may register their e-mail address with the Registrar and Share Transfer agent of the Company to receive all communications by the Company including Annual Report and Notice of Meeting(s) by e-mail, by sending appropriate communication on rnt.helpdesk@linkintime.co.in.

14. **Registration of e-mail id for Shareholders holding physical shares:**

    The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their e-mail addresses may get their e-mail addresses registered with Link Intime India Pvt. Ltd., by clicking the link: https://linkintime.co.in/emailreg/email_register.html in their web site www.linkintime.co.in at the Investor Services tab by choosing the e-mail / Bank Registration heading and follow the registration process as guided therein. The Members are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number and e-mail id and also upload the image of share certificate in PDF or JPEG format. (up to 1 MB).

    On submission of the Shareholders details an OTP will be received by the Shareholder which needs to be entered in the link for verification.

15. **For Permanent Registration for Demat Shareholders:**

    It is clarified that for permanent registration of e-mail address, the Members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant (DP) by following the procedure prescribed by the Depository Participant.

16. **For Temporary Registration for Demat Shareholders:**

    The Members of the Company holding Equity Shares of the Company in Demat Form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with Link Intime India Pvt Ltd by clicking the link: https://linkintime.co.in/emailreg/email_register.html in their website www.linkintime.co.in at the Investor Services tab by choosing the E mail Registration heading and follow the registration process as guided therein. The Members are requested to provide details such as Name, DPID, Client ID/ PAN, mobile number and e-mail id.

17. Registration of Bank Details for physical Shareholders:

    The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their bank details can get the same registered with Link Intime India Pvt. Ltd., by clicking the link: https://linkintime.co.in/emailreg/email_register.html in their web site www.linkintime.co.in at the Investor Services tab by choosing the e-mail/Bank Registration heading and follow the registration process as guided therein. The Members are requested to provide details such as Name, Folio Number, Certificate number, PAN, e – mail id along with the he copy of the cheque leaf with the first named Shareholders name imprinted in the face of the cheque leaf containing bank name and branch, type of account, bank account number, MICR details and IFSC code in PDF or JPEG format. It is very important that the Shareholder to submit the request letter duly signed.

    Link intime will verify the documents uploaded and will only take on records for all valid cases.

    On submission of the Shareholders details an OTP will be received by the Shareholder which needs to be entered in the link for verification.

18. Members who hold shares in dematerialised form are requested to write their DP ID and Client ID number(s) and those who hold share(s) in physical form are requested to write their Folio Number(s) in the attendance slip for attending the Meeting to facilitate identification of Membership at the Meeting.

19. In all correspondences with the Company, Members are requested to quote their account/folio numbers and in case their shares are held in the dematerialised form, they must quote their DP ID and Client ID No(s).

E-Voting

20. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as may be amended from time to time, Regulation 44 of the SEBI Listing Regulations and Secretarial Standard -2 issued by ICSI, the Company is pleased to provide Members facility to exercise their right to vote at the 14th Annual General Meeting (AGM) by electronic means. The facility of casting votes by a Member using an electronic voting system (remote e-voting) from a place other than venue of the AGM will be provided by Central Depository Services (India) Limited (CDSL) for all the business as detailed in this Notice.

21. The remote e-voting period for all items of business contained in this Notice shall commence from September 25, 2020 (Friday), at 9.00 a.m. and will end on September 28, 2020 (Monday), at 5.00 p.m. During this period Equity Shareholders of the Company holding shares either in physical form or in dematerialised form as on the cut-off date of September 22, 2020 (Tuesday), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by any Member, he/she shall not be allowed to change it subsequently.

22. The facility for voting by way of e-voting/ poll shall also be made available at the meeting and Members as on cut-off date i.e. September 22, 2020 (Tuesday), attending the meeting and who have not already cast their vote by remote e-voting, shall be able to exercise their right to vote at the meeting.

23. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

24. The voting rights of Members for remote e-voting prior to the meeting or by way of e-voting/ poll at the meeting shall be in proportion to their Equity Shareholding in the paid-up equity share capital of the Company as on the cut-off date of September 22, 2020 (Tuesday).

25. At the AGM, the Chairman of the meeting shall after discussions on all the resolutions on which voting is to be held, allow voting by use of e-voting / poll by all those Members who are present at the meeting but have not cast their votes by availing the remote e-voting facility.

26. The Company has appointed Mr. Satish K. Shah (C. P No. 3142) as a Scrutiniser to scrutinise the e-voting and/ or poll process in a fair and transparent manner and for conducting the scrutiny of the votes cast. The Scrutiniser shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutiniser's Report of the votes cast in favour or against, if any, and submit forthwith to the Chairman of AGM. The Results declared along with the Scrutiniser's Report shall be placed on the website of the Company www.sitinetworks.com and the website of the CDSL, besides communicating to the stock exchanges on which the shares of the Company are listed. The Resolutions, if approved, shall be deemed to be passed, on the date of AGM.

27. The instructions and process for e-voting are as under:

    i. The voting period begins on Friday the 25th day of September, 2020, at 9.00 a.m. and will end on Monday, the 28th day of September, 2020, at 5.00 p.m. During this period, Shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date

September 22, 2020 (Tuesday) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii. The Shareholders should log on to the e-voting website www.evotingindia.com.

iii. Click on Shareholders/Members.

iv. Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

v. Next enter the Image Verification as displayed and Click on Login.

vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders)
	Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by the Company/ RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/ yyyy format) as recorded in your demat account or in the Company records in order to login.
	If both the details are not recorded with the depository or Company please enter the Member id /folio number in the Dividend Bank details field as mentioned in instruction (iv).

viii. After entering these details appropriately, click on "SUBMIT" tab.

ix. Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi. Click on the EVSN for the relevant SITI NETWORKS LIMITED on which you choose to vote.

xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option 'YES' or 'NO' as desired. The option 'YES' implies that you assent to the Resolution and option 'NO' implies that you dissent to the Resolution.

xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xvii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii. Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while remote e-voting on your mobile.

xix. Note for Non – Individual Shareholders and Custodians

- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual Shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at their e-mail addresses viz; satshah@gmail.com and csandlegal@gmail.com, respectively, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an e-mail to helpdesk.evoting@cdslindia.com.

PROCESS FOR THOSE SHAREHOLDERS WHOSE E-MAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical Shareholders - please provide necessary details like Folio No., Name of Shareholder, scanned copy of the Share Certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by e-mail to **Company/RTA e-mail id**.

2. For Demat Shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **Company/RTA e-mail id**.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-voting system. Shareholders may access the same at https://www.evotingindia.com under Shareholders/ Members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/Members login where the EVSN of Company will be displayed.

2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

3. Further Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least seven (7) days prior to meeting mentioning their name, demat account number/folio number, e-mail id, mobile number at csandlegal@siti.esselgroup.com. The Shareholders who do not wish to speak during the AGM but have queries may send their queries in advance seven (7) days prior to meeting mentioning their name, demat account number/folio number, e-mail id, mobile number at csandlegal@siti.esselgroup.com. These queries will be replied to by the company suitably by e-mail.

6. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

3. If any votes are cast by the Shareholders through the e-voting available during the AGM and if the same Shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such Shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the Shareholders attending the meeting.

4. Shareholders who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

In conformity with Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the special business mentioned in the accompanying Notice and should be taken as forming part of the Notice.

Item Nos. 4

At the 12th Annual General Meeting held on September 25, 2018, Members of the Company had approved appointment of Prof. Sunil Kumar Maheshwari (DIN 02317160), as Independent Director of the Company not liable to retire by rotation. The current term of the said appointment of Prof. Sunil Kumar Maheshwari as Independent Director of the Company shall expire on November 2, 2020. As per Section 149(10) of the Act, an Independent Director shall be eligible for re-appointment for a second term of up to 5 years with Shareholders approval by passing a Special Resolution.

Since the current term of appointment of Prof. Sunil Kumar Maheshwari shall expire before the Annual General Meeting to be scheduled in 2021, your Board, based on the performance evaluation, recommendation of the Nomination and Remuneration Committee and after reviewing confirmation of independence received, recommends re-appointment of Prof. Sunil Kumar Maheshwari as an Independent Director for the second term of 3 years commencing from the expiry of his current term of appointment i.e. from November 3, 2020 until November 3, 2023. Appropriate notice has been received from a Member proposing appointment of Prof. Sunil Kumar Maheshwari as Independent Director of the Company and requisite consent has been received from the said Director pursuant to provisions of Section 152 of the Companies Act, 2013.

In the opinion of the Board, Prof. Sunil Kumar Maheshwari, who is proposed to be re-appointed for the second term as an Independent Director of the Company, has confirmed/ declared that he continues to qualify to be an Independent Director of the Company pursuant to and in term of Regulation 16(1)(b) & 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations and he fulfils the conditions specified under Section 149(6) and Schedule IV of the Companies Act, 2013 and is Independent of the management. Brief Profile and other details of Prof. Sunil Kumar Maheshwari forms part of this Notice.

Your Board recommends the special resolution as set out in Item No 4 for your approval.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Prof. Sunil Kumar Maheshwari (whose appointment is proposed in the special resolution) are in any way concerned or interested in the resolution.

Item No. 5

Based on the recommendation of Nomination & Remuneration Committee of the Board and after reviewing confirmation of independence received, the Board of Directors of the Company had appointed Mr. Amitabh Kumar (DIN 00222260) as an Additional Director of the Company, in the category of Non-Executive Non-Independent Director on the Board of the Company pursuant to Section 161 of the Companies Act, 2013 with effect from December 30, 2019. Pursuant to Section 161(1) of the Companies Act 2013, Mr. Amitabh Kumar holds office till the date of this Annual General Meeting.

Appropriate notice has been received from a Member proposing appointment of Mr. Amitabh Kumar as Non-Executive Non-Independent Director of the Company and requisite consent has been received from the said Director pursuant to provisions of Section 152 of the Companies Act, 2013. Brief Profile and other details of Mr. Amitabh Kumar forms part of the Corporate Governance Report.

Your Board recommends the ordinary resolution as set out in Item No. 5 of this Notice for your approval.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Mr. Amitabh Kumar (whose appointment is proposed in the resolution) is in any way concerned or interested in the resolution as set out in Item No. 5 of this Notice.

Item Nos. 6

The Board of Directors of the Company at its meeting held on June 29, 2020 has, after reviewing confirmation received and based on the recommendation of the Audit Committee, approved appointment of M/s A. K. Gupta & Co. Cost Accountants (Firm registration no. 100770), as Cost Auditor to audit the cost records of the Company for financial year 2020-21, at the remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand Only) with addition of applicable taxes and reimbursement of out of pocket expenses, subject however, to the approval of the Shareholders.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, approval/ratification of Shareholders is being sought for payment of remuneration to the Cost Auditor for financial year 2020-21.

Your Board recommends passing of the ordinary resolution as set out in Item No. 6 of the Notice.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in resolution as set out in Item No.6 of this Notice.

By Order & on behalf of the Board

Suresh Kumar
Company Secretary

Noida, September 4, 2020

Registered Office:
Unit No. 38, 1st Floor, A Wing,
Madhu Industrial Estate, Pandurang Budhkar Marg, Worli,
Mumbai-400013
CIN: L64200MH2006PLC160733
e-mail: csandlegal@siti.esselgroup.com

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 14th Annual Report of your Company, together with the Audited Financial Statements for the financial year ended March 31, 2020 prepared as per Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 (Act).

Financial Highlights

The financial performance of your Company for the year ended March 31, 2020 is summarised below:

(₹ in million)

Particular	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2017-18
Revenue from operations	8,189.39	8,212.75	16,185.85	14,421.34
Other Income	65.17	213.58	171.40	322.38
Total Income	**8,254.56**	**8,426.33**	**16,357.25**	**14,743.72**
Total Expenses	6,537.30	6,579.36	12,779.43	11,185.24
EBIDTA	**1,717.26**	**1,846.97**	**3,577.82**	**3,558.48**
Less : Finance cost	1,318.22	1,537.33	1,576.81	1,707.16
Less : Depreciation	1,964.96	2,093.03	3,457.07	3,649.67
Profit/(Loss) before share of profit/(loss) of associates and joint ventures, exceptional item and tax	**(1,565.92)**	**(1,783.39)**	**(1,456.06)**	**(1,798.35)**
Share of profit/(loss) of associates and joint ventures	0.00	0.00	10.33	(1.42)
Profit/(Loss) before exceptional item and tax	**(1,565.92)**	**(1,783.39)**	**(1,445.73)**	**(1,799.77)**
Exceptional items	280.03	1,940.88	501.75	742.66
Profit /(Loss) before tax	**(1,845.95)**	**(3,724.27)**	**(1,947.48)**	**(2,542.43)**
Provision for taxation (net)	47.75	-	(65.81)	100.40
Profit/(Loss) after tax	**(1,893.70)**	**(3,724.27)**	**(1,881.67)**	**(2,642.83)**
Remeasurement of defined benefit liability	(7.26)	(1.51)	(13.11)	(2.18)
Total comprehensive profit/(loss) for the period	**(1,900.96)**	**(3,725.78)**	**(1,894.78)**	**(2,645.01)**

There have been no material changes and commitments that have occurred after close of the financial year till the date of this report, which affect the financial position of the Company. Based on the internal financial control framework and compliance systems established in the Company, the work performed by Statutory, Internal, Secretarial Auditors and reviews performed by the Management and/or Audit Committee of the Board, your Board is of the opinion that the Company's internal financial controls were adequate and working effectively during financial year 2019-20.

Revenue from Operations

₹ 16,185.85 million

in 2019-20

Business Overview

FY19-20 year for your Company has been about taking the benefits of the New Regulatory Framework for Cable & Broadcasting Services, better known as New Tariff Order 1.0, to the end customers. Further optimisation of the business model with the complete migration to prepaid model, propelled your Company to end the year FY19-20 with subscription revenue of INR 11,567 million, a leap of 21.3 YoY.

With the complete migration to prepaid model, now your Company has fully optimised collection efficiency in the subscription segment. This has helped your Company to manage better cash flow and meet the working capital requirement. In Broadband segment as well as maintaining focus on expansion in the new territories and growth in the existing territories by improving the service support and upgradation of network.

Your Company has evolved and implemented new models of conducting business involving partners with aligned focus, in smaller territories for better control on the ground and improve the connect with the cable operators. Your Company also pioneered in introducing new business models that ensures that all our partners jointly manage the network in specified areas with a focus on growth and keeping control on the expenses. In smaller areas the Company introduced managed service partner (MSP) approach wherein we involved the local partners to manage the network at a fixed per subscriber cost.

In the broadband space, your Company has rolled out operations in new cities with a focus on profitable growth and truly transform into a multi services operator by reaching to the video subscriber with a bundled offer of broadband and Cable Tv multi service. The Company is also planning to enrich the customer experience with value added services in the near future for further stickiness of the customers.

With an eye on the developing landscape of consumer demand related to linear television distribution and need for high speed broadband services, your Company has focused on transformation of its workforce with multi-functional approach by imparting technological and commercial training to the employees. By imparting such training, the Company has been able to efficiently optimise the resources. Your Company envisions to bring a wide gamut of services through its wire that include linear television, broadband, IOT and other allied services. Your Company has tested and successfully deployed some of these services in the year FY19-20 and intends to transform to a fully Integrated Services Provider over the coming years.

Your Company has also focused on frugal spending during the year and optimised the space utilisation, electricity expenses and other overhead expenditure at its field offices. The Company has also saved a significant revenue on account of better negotiations of bandwidth charges for delivery of its services.

Your Company has continued to maintain its leadership position in terms of subscriber numbers. Though subscriber base was significantly reduced in the previous year due to New Tariff Order (NTO) implementation and migration to pre-paid model of billing, the Company has been able to retain its leadership position by focusing on its service support network and continuous engagement with partners.

Faced with COVID-19 pandemic and the ensuing lock-down, your Company and its employees were at the forefront to ensure that people remained at home, engaged with consistent and uninterrupted services, be it television or broadband. For partners too, your Company provided innovative offerings that allowed them to serve customers while maintaining social distancing and adhering to governmental and health guidelines.

Directors' Responsibility Statement

Pursuant to Section 134 of the Companies Act, 2013, in relation to Annual Financial Statements for the financial year 2019-20, your Directors hereby confirm that:

i. the Financial Statements of the Company comprising of the Balance Sheet as at March 31, 2020 and the Statement of Profit & Loss for the year ended on that date, have been prepared on a going concern basis;

ii. in preparation of these Financial Statements, the applicable accounting standards have been followed and there are no material departures;

iii. accounting policies selected were applied consistently and the judgments and estimates related to the financial statements have been made on a prudent and reasonable basis, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit/loss of the Company for the year ended on that date;

iv. proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act, to safeguard the assets of the Company and for preventing and detecting fraud and other irregularities;

v. requisite internal financial controls, to be followed by the Company, were laid down and that such financial controls are adequate and operating effectively; and

vi. proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Directors & Key Managerial Personnel

Your Board currently comprises of six (6) Directors including four (4) Independent Directors, one (1) Non-Executive Non-Independent Director and one (1) Executive Director. Independent Directors provide declarations both at the time of appointment and annually confirming that they meet the criteria of Independence as prescribed under the Act and SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). During the financial year 2019-20, your Board met seven (7) times, details of which are available in the Corporate Governance Report annexed to this report.

During the year under review, your Board had, based on recommendations of Nomination & Remuneration Committee, approved the appointment of Mr. Suresh Arora as a Whole Time Director of the Company for a period of 3 years with effect from June 14, 2019. Before his appointment as Whole Time Director, Mr. Suresh Aora was an Additional Director of the Company in the category of Non-Executive Non-Independent Director effective from March 29, 2019. The appointment and payment of remuneration of Mr. Suresh Arora, as Whole Time Director for a period of 3 (three) years with effect from June 14, 2019, was approved by the Shareholders at the 13th Annual General Meeting of the Company held on September 28, 2019. As per Section 152 of the Companies Act, 2013, Mr. Suresh Arora, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. The reappointment of Mr. Suresh Arora at the Annual General Meeting as a Director retiring by rotation would not constitute break in his appointment as Whole Time Director. Your Board recommends his re-appointment.

The Notice of ensuing Annual General Meeting includes proposals for re-appointment of Prof. Sunil Kumar Maheshwari for the second term as Independent Director, not liable to retire by rotation, for a period of 3 years from expiry of his current term on November 2, 2020. Based on performance evaluation and after review of confirmation(s) of continuity of compliance with the criteria of independence under applicable regulations, your Board recommends re-appointment of Prof. Sunil Kumar Maheshwari as Independent Director for second term for approval of Shareholders.

Your Board had, based on recommendations of Nomination & Remuneration Committee, approved the appointment of Mr. Deepak Mittal and Mr. Bhanu Pratap Singh as Additional Directors in the category of Independent Directors with effect from April 1, 2019. Pursuant to Section 149, 152 and other applicable provisions of Companies Act 2013 ('Act') and the rules made thereunder read with Schedule IV of the Act, the Shareholders of the Company at the 13th Annual General Meeting of the Company held on September 28, 2019, had approved the appointment of Mr. Deepak Mittal and Mr. Bhanu Pratap Singh as Independent Directors of the Company not liable to retire by rotation, for the period of three years commencing April 1, 2019.

During the year under review, your Board had, based on recommendations of Nomination & Remuneration Committee, approved the appointment of Mr. Amitabh Kumar as an Additional Director in the category of Non-Executive Non-Independent Director with effect from December 30, 2019. In terms of Section 161 of the Companies Act, 2013, Mr. Amitabh Kumar, shall hold office up to the date of the ensuing Annual General Meeting of the Company. The Company has received a notice under Section 160 from a member proposing appointment of Mr. Amitabh Kumar. Accordingly, necessary resolution is being placed for approval of the Members at the 14th Annual General Meeting of the Company.

Mr. Sidharth Balakrishna, who was Whole Time Director of the Company, had resigned from the Board and Committees of the Company with effect from close of business hours of April 15, 2019.

In compliance with the requirements of Section 203 of the Companies Act, 2013, Mr. Suresh Arora, Whole-Time Director, Mr.Anil Kumar Malhotra, Chief Executive Officer (CEO), Mr. Sanjay Berry, Chief Financial Officer (CFO) and Mr. Suresh Kumar, Company Secretary of the Company are Key Managerial Personnel of the Company. Pursuant to the provisions under Section 134(3)(d) of the Companies Act, 2013, with respect to statement on declaration given by Independent Directors under Section 149(6) of the Act, the Board hereby confirms that all the Independent Directors of the Company have given a declaration and have confirmed that they meet the criteria of independence as provided in Section 149(6) read with Regulation 16 of Securities and Exchange Board of Indian (Listing Obligations and Disclosures Requirements)Regulations 2015 (SEBI Listing Regulations).

Board Committees

In compliance with the requirements of Companies Act, 2013 and SEBI Listing Regulations, your Board had constituted various Board Committees including Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. Details of the constitution of these Committees, which are in accordance with regulatory requirements, have been uploaded on the website of the Company viz. www.sitinetworks.com.

Details of scope, constitution, terms of reference, number of meetings held during the year under review along with attendance of Committee Members therein form part of the Corporate Governance Report annexed to this report.

Board Evaluation

At a separate meeting of Independent Directors held without presence of other Directors and Management, the Independent Directors had, based on various criteria, evaluated performance of the Executive Directors and performance of the Board as a whole and various Board Committees. A report on such evaluation done by Independent Directors was taken on record by the Board and further, the Board had in compliance with the requirements of Companies Act, 2013 evaluated performance of all Independent Directors based on various parameters including attendance, contribution etc. The details of the evaluation process are set out in the Corporate Governance Report which forms part of this Report.

Auditors and Audit Report

Statutory Auditors

The Members of the Company at their 9th Annual General Meeting (AGM) had approved the appointment of M/s Walker Chandiok & Co. LLP, Chartered Accountants, New Delhi, having Firm Registration No. 001076N/N500013, as the Statutory Auditor of the Company to hold such office form the conclusion of the 9th AGM till the conclusion of AGM to be held in year 2020. Accordingly, M/s Walker Chandiok & Co. LLP, Chartered Accountants, being the Statutory Auditor of the Company shall retire on rotational basis on the conclusion of the ensuing AGM.

Accordingly, the Board, on recommendation of the Audit Committee, has proposed to the members, the appointment of M/s DNS & Associates, Chartered Accountants, Gurugram (Firm Registration No. 006956C) as the Statutory Auditor of the Company for a period of 5 years, i.e., from the conclusion of 14th Annual General Meeting until the conclusion of 19th Annual General Meeting to be held in the calendar year 2025 and also to fix their remuneration.

M/s DNS & Associates, Chartered Accountants, Gurugram, being eligible, have consented and offered themselves for appointment as Statutory Auditors of the Company. Pursuant to Section 141 of the Companies Act, 2013 and relevant Rules prescribed there under, the Company has received certificate dated September 3, 2020 from the Auditors to the effect, *inter-alia*, that their reappointment, if made, would be within the limits laid down by the Act, shall be as per the term provided under the Act, that they are not disqualified for such re-appointment under the provisions of applicable laws and also that there is no proceeding against them or any of their partners pending with respect to professional matter of conduct.

Audit Report

During the year the Statutory Auditors had reported the following reportable matters and modifications done in the Audit Report:

Reported matters:

- Managerial remuneration being paid in excess of the limits prescribed under the Companies Act- approvals from lenders awaited:

  The Shareholders of the Company at the 13th Annual General Meeting of the Company held on September 28, 2019, had approved the appointment and payment of remuneration to Mr.Suresh Arora, Whole Time Director. As the Company has default in payment of dues to Banks, therefore, approval of the Banks is also required for payment of remuneration to Mr.Suresh Arora. The Company has requested to concerned Banks seeking their approval in this regard. Based on the information of the Management, the Board is of the view that the concerned Banks would grant their approvals in this regard.

Modifications done:

- Accounting of revenue post new tariff order regime not in line with Ind AS 115 – Revenue from contracts with customers:

  As explained/clarified by the Management, the Board is of the view that as per its interpretation and Cable Industry/Sector practices of recognising revenue under Ind AS 115, the Company has appropriately shown gross revenue and content cost separately. Further, there is no impact on the net loss for the quarter and year ended March 31, 2020.

- Two subsidiary companies have been consolidated based on their unaudited financial statements and therefore, Auditors are unable to comment upon the impact, if any, had these been audited (only in the consol audit report):

  The reasons for not able to complete the Audit as informed by the concerned subsidiaries are as follows:

  (a) Siti Vision Digital Media Private Limited:

  (i) Due to lockdown in the country for a period of about 65 days and also disturbance even thereafter also for the reason of outburst of COVID-19, which has been declared as pandemic worldwide, the Subsidiary's Auditors / Management of the Company were not able to complete audit procedures within timelines;

  (ii) Further, due to sudden death of mother of managing director of Siti Vision Digital Media Private Limited, Mr. Siva Rama Krishna Kancharla, he could not be able to supervise and observe audit process timelines

(b) Siti Saistar Digital Media Private Limited:

(i) Due to lockdown in the country for a period of about 65 days and also disturbance even thereafter also for the reason of outburst of COVID-19, which has been declared as pandemic worldwide, the Subsidiary's Audit Team/ Management of the Company were not able to complete audit procedures timelines.

Secretarial Auditors

M/s Amit Agrawal & Associates, Company Secretaries in Whole Time Practice, having Firm Registration No. I2001DE191600, were appointed as Secretarial Auditors of the Company for the financial year 2019-20 pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by them in the prescribed form MR-3 is annexed to this report as Annexure – I and forms part thereof.

The reports of Statutory Auditors and Secretarial Auditor forming part of this Annual Report do not contain any qualification, reservation or adverse remark(s).

Additionally, in line with SEBI Circular No. CIR/CFD/CMD/1/27/2019 dated February 8, 2019, an Annual Secretarial Compliance Report confirming compliance of all applicable SEBI Regulations, Circulars and Guidelines by the Company was issued by the Secretarial Auditor and filed with Stock Exchanges.

Cost Auditors

In compliance with the requirement of Section 148 of the Companies Act, 2013, read with Companies (Cost Records and Audit) Rules, 2014, as amended, M/s A.K. Gupta & Co., Cost Accountant, having Firm Registration No. 100770, has been appointed to carry out Audit of the Cost Records of the Company during financial year 2020-21. Requisite proposal seeking ratification/approval of remuneration payable to the Cost Auditor for financial year 2020-21 by the Members as per Rule 14 of the Companies (Audit and Auditors) Rules, 2014, forms part of Notice of ensuing Annual General Meeting.

Subsidiaries & Joint Ventures

During the year under review, pursuant to sub-section (5) of Section 248 of the Companies Act, 2013, the Registrar of Companies, Delhi, has struck off from the register of companies, the name of Siti Godaari Digital Services Private Limited, wholly owned subsidiary company of the Company, on November 20, 2019 and the said subsidiary company stand dissolved. Accordingly, as on March 31, 2020, your Company had 22 no. of subsidiary companies and 1 (one) wholly owned Limited Liability Partnership as compared to 23 no. of subsidiary companies and 1 (one) wholly owned Limited Liability Partnership as on March 31, 2019.

Further, the wholly owned subsidiary company of the Company namely Variety Entertainment Pvt. Ltd. has acquired 50% Equity Shares in the paid-up Equity Share Capital of Paramount Digital Media Services Private Limited. Accordingly, Paramount Digital Media Services Private Limited has become Joint Venture company of the Company.

In line with amendments of threshold for determining Material Subsidiary as stated in Regulation 16(1)(c) of SEBI Listing Regulations, effective April 1, 2019, Indian Cable Net Company Limited, one of the subsidiary companies of the Company continues to be Material Subsidiary of your Company.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing the salient features of financial statements of the Company's subsidiaries and associate company(ies) in Form AOC-1 is annexed to this report as Annexure – II and forms part thereof.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company www.sitinetworks.com. These documents will also be available for inspection during business hours on all working days (except Saturday) at the Registered Office of the Company.

Deposits

During the year under review, your Company has not accepted or invited any deposits as defined under Section 2(31) read with Chapter V of the Companies Act, 2013 and Rule 2(1)(c) of the Companies (Acceptance of Deposits) Rules, 2014.

Dividend

With a view to conserve the resources for future business requirements and expansion plans and in view of losses during the year, your Board has not recommended dividend for the year under review.

Employee Stock Option Scheme

In pursuance of Employees Stock Option Scheme of the Company (SITI ESOP 2015), your Company had granted 4,663,500 options to eligible employees on September 3, 2015. During the year under review, neither any option was granted nor any grantee had exercised vested option(s).

The applicable disclosures as stipulated under Regulation 14 of the Securities and Exchange of India (Share Based Employee Benefits) Regulations, 2014 with regard to SITI ESOP 2015 are annexed to this report as Annexure - III. The said disclosures on SITI ESOP 2015 will also be available on Company's website www.sitinetworks.com. The Statutory Auditors of the Company M/s Walker Chandiok & Co. LLP, Chartered Accountants have certified that the SITI ESOP 2015 have been implemented in accordance with SEBI Regulations and the resolution passed by the shareholders, and the said certificate of Statutory Auditors will be placed at the14th Annual General Meeting of the Company.

Share Capital

During the period under review, there is no change in Authorised Share Capital of the Company. As on March 31, 2020, the Authorised Capital of the Company is ₹ 1,300 million comprising of 1,290,000,000 Equity Shares of ₹ 1/- each and 10,000,000 Preference Shares of ₹ 1/- each and the Paid-up Share Capital of the Company is ₹ 872.67 million comprising 872,053,848 Equity Shares of ₹ 1/- each fully paid-up and 23,436 Preference Shares of ₹ 1/- each fully paid-up and 1,227,123 forfeited Equity Shares of ₹ 1/- each, paid up ₹ 0.50/- per Equity Shares.

Registered Office

During the year under review, the Registered office of the Company is continued to be situated at 'Unit No. 38,1st Floor, A wing, Madhu Industrial Estate, P. B Marg, Worli, Mumbai – 400013'.

Corporate Governance & Policies

Your Company is in compliance with the Corporate Governance requirements mentioned under SEBI Listing Regulations and applicable provisions of the Companies Act, 2013. In terms of Schedule V of the Listing Regulations, a detailed report on Corporate Governance together with the Compliance Certificate issued by Secretarial Auditor of the Company is attached to and forms an integral part of this report. Management Discussion and Analysis Report as per Listing Regulations are presented as separate section forming part of the Annual Report.

In compliance with the requirements of Companies Act, 2013 and SEBI Listing Regulations, your Board has approved various Policies including Code of Conduct for Directors & Senior Management, Material Subsidiary Policy, Insider Trading Code, Document Preservation Policy, Material Event Determination and Disclosure Policy, Fair Disclosure Policy, Corporate Social Responsibility Policy, Whistle Blower and Vigil Mechanism Policy, Related Party Transaction Policy, Dividend Policy and Remuneration Policy. All these policies and codes have been uploaded on Company's website www.sitinetworks.com. Additionally, Directors Familiarisation Programme and Terms and Conditions for appointment of Independent Directors can be viewed on Company's website www.sitinetworks.com.

In compliance with the requirements of Section 178 of the Companies Act, 2013, the Nomination & Remuneration Committee of your Board had fixed various criteria for nominating a person on the Board which inter alia include desired size and composition of the Board, age limits, qualification/experience, areas of expertise and independence of individual. The Committee had also approved in-principle that the term of an Independent Director shall not exceed three (3) years.

Corporate Social Responsibility

The provisions of Section 135(5) of the Companies Act, 2013, which provides for spending in every financial year at least two percent of the average net profits of the Company made during the three immediately preceding financial years, is not applicable to the Company as the Company had incurred losses during the three immediately preceding financial years.

Disclosures

i. **Particulars of Loans, Guarantee or Investments:** Particulars of loans, guarantees and investments made by the Company required under Section 186(4) of the Companies Act, 2013 are contained in Note No. 44 of the Standalone Financial Statements and are not reproduced for the sake of brevity.

ii. **Related Parties Transactions:** All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were on arm's length basis, in the ordinary course of business and in compliance with the applicable provisions of the Companies Act, 2013 and Listing Regulations.

During the financial year 2019-20, there are no materially significant related party transactions by the Company with Promoters, Directors, Key Managerial Personnel Financial Statements or other designated persons, if any, which may have a potential conflict with the interest of the Company at large. Details of related party transactions will be available on Company's website www.sitinetworks.com.

All related party transactions, specifying the nature, value and terms and conditions of the transactions including the arms-length justification, are placed before the Audit Committee for its approval and statement of all related party transactions carried out is placed before the Audit Committee for its review on a quarterly basis. During the year under review, there have been no materially significant related party transactions by the Company as defined under Section 188 of the Act and Regulation 23 of the Listing Regulations and accordingly, no transactions are required to be reported in Form AOC-2 as per Section 188 of the Companies Act, 2013.

iii. **Extract of Annual Return:** The extract of annual return in MGT-9 as required under Section 92(3) of the Companies Act 2013, read with Companies (Management &Administration) Rules, 2014 will be available on the website of the Company www.sitinetworks.com.

iv. **Internal Financial Control systems and their adequacy:** Your Company has approved internal financial controls and policies/ procedures for orderly and efficient conduct of the business including safeguarding of assets, prevention and detection of frauds and errors, ensuring accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The Audit Committee evaluates the internal financial control system periodically. Your Company has adopted accounting policies which are in line with the Indian Accounting Standards (Ind-AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015. These are in accordance with Generally Accepted Accounting Principles in India.

v. **Vigil Mechanisms/Whistle Blower Policy:** The Company has established a vigil mechanism/framed a whistle blower policy. The policy enables the employees and other stakeholders to report to the Management instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

vi. **Sexual Harassment:** The Company has zero tolerance for Sexual Harassment at work place and has adopted a Policy on prevention of Sexual Harassment in line with the provisions of Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. During the year under review, your Company has not received any complaint on sexual harassment.

vii. **Regulatory Orders:** No significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future, except as mentioned herein below.

BSE Ltd. and National Stock Exchange of India Limited vide their letter dated February 3, 2020 have separately imposed a fine of ₹ 5,31,000/- (Rupees Five Lakh Thirty One Thousand Only), inclusive of GST at applicable rates, for delay in compliance of Regulation 17(1)(c) of the SEBI Listing Regulations.

viii. **Reporting of frauds by auditors:** During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the Audit Committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

ix. **Secretarial standards**: The Company has complied with all the applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government.

x. **Listing on stock exchanges:** The Company's shares are listed on BSE Limited and the National Stock Exchange of India Limited.

Conservation of Energy, Technology Absorption And Foreign Exchange Earnings And Outgo

The Company is a Multi System Operator (MSO) and is carrying on business of, *inter alia*, reception of signals of channels of various Broadcasters and distribution of same through cable networks. Since this does not involve any manufacturing activity, most of the Information required to be provided under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, are nil / not applicable. The information, as applicable are given hereunder:

Conservation of Energy:

i. The steps taken or impact or conservation of energy ii. The steps taken by the Company for utilising alternate sources of energy iii. The capital investment on energy conservation equipments	Your Company, being a service provider, has minimal energy consumption. Though, every endeavour is made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible.

Technology Absorption:

i. The efforts made towards technology absorption ii. The benefits derived like product improvement, cost reduction, product development or import substitution iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- a. the details of technology imported b. the year of import; c. whether the technology been fully absorbed d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof iv. The expenditure incurred on Research and Development	Your Company uses latest technology and equipment for distribution of Cable TV signals. However, since the Company is not engaged in any manufacturing, the information in connection with technology absorption is Nil.

Foreign Exchange Earnings and Outgo: During the year under review, your Company had foreign exchange earnings of ₹ 289.76 million and outgo of ₹ 32.64 million.

Human Resources & Particulars of Employees

The 3 P's have been most critical and have been the mantra for propelling the growth of SITI Networks Limited ("SITI") and our focus has been on the:

- People
- Processes
- Performance

We have developed a competency model to ensure that the expectations and delivery are well articulated right in the beginning of every employee's journey & existing employees and is also communicated through the AOP.

People being the heart of our organisation it has been imperative that each one of us speaks the common language and is a mirror image of one another. While we have disciplined the DNA of our organisation through competency framework, we have also ensured that every new entrant right from the beginning falls comfortably in the discipline and this ubiquitous language gets entrenched in the organisation.

While it is imperative that the organisation grows vertically and so is very right for every individual, at granule level it has been made an integral part of the DNA that every individual grows horizontally and takes leaps vertically. To consolidate, we have taken initiatives for driving the learning and development with the technology fueled initiatives:

- LEARNING for ALL, launched the Project Learn and have made training accessible for all.
- Have made training and certification accessible to all through multi prong approach.

The base of the pyramid which works as our foundation for the organisation have been trained and certified by the SKILL INDIA initiative free of cost and have been very beneficial for our Techno Commercial Layer. This has also helped solidify the initiative of collapsing the Technical and sales role merging into one and everyone in the market facing role able to service the customer better, be it the B2B or B2C.

We have created training modules with the collaboration of HOD's & SME's have made them accessible to all by recording the live training and Sitizens can access them at their convenience from their desk top and laptops.

Processes for other avenues and modes of online training are being carved out and learning will remain the focus area. The processes will evolve continually.

Plotting of the high pots is moving to the next level of creating lattices and giving individuals and organisation more visibility and predictability.

While broad band expansion will be our thrust area in the times to come and equally so for the video business, we will be constantly making innovative endeavors to upskilling of our talent pool.

There have been several new initiatives in rewarding the superior performance and have been felicitated across the organisation.

Celebrations and festivals has kept the Sitizens in an upbeat mood round the year and have kept their work journey exciting and ensured that there is never a dull moment at SITI.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is attached as Annexure –IV which forms part of this report.

Acknowledgements

Your Directors place on record their sincere appreciation of the contribution made by the employees at all levels. Your Directors also express their heartfelt gratitude for valuable support and cooperation extended by the banks, financial institutions various Governmental Authorities including Ministry of Information and Broadcasting, Ministry of Communication and Information Technology, Telecom and Regulatory Authority of India, Stock Exchanges, Depositories and other stakeholders including local cable operators, viewers, broadcasters, vendors. The Directors look forward to their continued support.

For and on behalf of the Board

Suresh Arora	**Amitabh Kumar**
Whole Time Director	Non-Executive Director
DIN 00299232	DIN 00222260
Delhi, September 4, 2020	Noida, September 4, 2020

ANNEXURE-I

To,
The Members
SITI Networks Limited

Sir/Madam

Our report in form no. MR-3 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. That in view of the situation emerging out of the outbreak of COVID-19 Pandemic, we could not examine physical documents, records & other papers etc. of the Company for the year ended March 31st 2020 and the documents/information required by us were provided through electronic Mode.

7. The Secretarial Audit report is neither an assurance as to the viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

CS Amit Agrawal
Practicing Company Secretary
Membership No.5311
Certificate of Practice No. 3647

Place : Delhi
Date : June 29, 2020

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
SITI Networks Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SITI Networks Limited (hereinafter referred to as "the Company") having its registered office at Unit No.38, 1st Floor, A Wing, Madhu Industrial Estate, P.B. Marg, Worli, Mumbai - 400 0013 and corporate office at UG Floor, Plot No. 19 & 20, Sector -16A, Film City, Noida, Uttar Pradesh-201301. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2020**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by SITI Networks Limited for the financial year ended on **March 31, 2020** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client.

(g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

*No event took place under these regulations during the audit period.

(vi) Other laws:

1. Labour Laws:

(Central Act):

a. ESI Act

b. EPF Act

2. Fiscal Laws:

a. Income Tax Act and Rules and regulation made there under to the extent filing of the Return under the Act;

b. Service Tax Act

c. Indian Stamp Act to the extent applicable to the issue of Securities under the Companies Act, 2013.

d. Foreign Exchange Management act, 1999 and the rules and regulations made there under to the extent of foreign direct investment and Overseas Direct Investment.

3. **Industry Specific Laws:**

   a. The Telecom Regulatory Authority of India Act, 1997 and Regulations made thereunder.

   b. The Cable Television Network (Regulation) Act, 1995 and rules framed thereunder.

   We have also examined compliance with the applicable clauses of the following:

   (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

   (ii) The Listing Agreements entered into by the Company with the National Stock Exchange Limited and BSE Limited in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit by other designated professional.

We further report that during the audit period the Company has provide details of specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For **Amit Agrawal & Associates**
Company Secretaries

CS Amit Agrawal
Proprietor
FCS No. 5311, C.P.No. 3647
UDIN : F005311B000393292

Place : Delhi
Date : June 29, 2020

ANNEXURE – II

Statement containing salient features of the financial statement of subsidiaries/ associates companies/ joint ventures
(Pursuant to first proviso to sub- section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

PART "A": Subsidiaries

Name of the Subsidiary	Indian Cable Net Company Ltd.	[1] Master Channel Community Network Pvt. Ltd.	Siti Vision Digital Media Pvt. Ltd.	[2] Siti Maurya Cable Net Pvt. Ltd.	Siti Jai Maa Durgee Communications Pvt. Ltd.	Siti Guntur Digital Network Pvt. Ltd.	Siti Krishna Digital Media Pvt. Ltd.	Siti Faction Digital Pvt. Ltd.
Reporting Period	April 1, 2019	April 1, 2019	April 1, 2019	April 1, 2019	April 1, 2019	April 1, 2019	April 1, 2019	April 1, 2019
	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020
Reporting Currency	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million
Share Capital	864.01	0.50	14.78	90.28	0.10	0.10	0.10	0.10
Reserve & Surplus	3343.40	103.93	123.31	174.85	(74.01)	15.86	(6.64)	(33.67)
Total Asset	7656.20	842.09	1005.22	620.17	19.00	80.34	19.45	156.28
Total Liabilities	3448.80	737.66	867.13	355.04	92.91	64.38	25.98	189.85
Investments	186.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Turnover	4278.00	809.01	517.52	566.08	0.00	0.00	0.00	0.66
Profit before taxation	(185.70)	(2.11)	92.36	(21.79)	(0.65)	(0.22)	(3.83)	(8.12)
Provision for taxation	(104.70)	(0.95)	0	5.45	0.00	0	0.00	0.00
Profit after taxation	(81.00)	(1.16)	92.36	(18.32)	(0.65)	(0.20)	(3.83)	(8.12)
Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
% of shareholding	60.02	66.00	51.00	50.10	51.00	74.00	51.00	51.00

[1] Subsidiary of Central Bombay Cable Network Limited
[2] Subsidiary of Indian Cable Net Company Limited

Name of the Subsidiary	Siti Global Pvt. Ltd.	Siti Siri Digital Network Pvt. Ltd.	Siti Karnal Digital Media Network Pvt. Ltd.	Siti Broadband Services Pvt. Ltd.	Siti Jind Digital Media Communications Pvt. Ltd.	Siti Jony Digital Cable Network Pvt. Ltd.	Central Bombay Cable Network Ltd.	Wire and Wireless Tisai Satellite Ltd.	Siticable Broadband South Ltd.
Reporting Period	April 1, 2019	April 1, 2019	April 1, 2019	April 1, 2019	April 1, 2019	April 1, 2019	April 1, 2019	April 1, 2019	April 1, 2019
	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020
Reporting Currency	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million
Share Capital	0.10	0.10	0.10	0.10	2.00	0.10	0.50	0.50	2.33
Reserve & Surplus	(18.27)	37.59	(60.66)	(341.86)	1.85	(6.05)	(18.47)	(99.91)	(20.43)
Total Asset	51.35	1558.28	143.76	283.39	115.82	10.35	42.45	3.36	87.24
Total Liabilities	69.52	1520.59	204.32	625.15	111.97	16.30	60.42	102.76	105.34
Investments	0.00	0.00	0.00	0.00	0.00	0.00	0.39	0.00	3.50
Turnover	15.85	1373.76	2.00	128.33	73.72	0.00	0.00	0.00	0.00
Profit before taxation	(6.91)	12.83	(20.79)	(17.15)	1.07	(2.29)	(0.10)	(0.03)	(0.13)
Provision for taxation	0.64	(5.98)	0.00	0.00	0.58	0.00	0.00	0.00	0.00
Profit after taxation	(7.56)	18.81	(20.79)	(17.15)	0.49	(2.29)	(0.10)	(0.03)	(0.13)
Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
% of shareholding	51.00	51.00	51.00	100.00	[3] 57.50	51.00	100.00	51.00	100.00

[3] Include 6.50% held by Siticable Broadband South Limited.

Name of the Subsidiary	[4]Indinet Service Private Limited	Siti Prime Uttaranchal Communication Private Limited	Siti Sagar Digital Cable Network Private Limited	Siti Saistar Digital Media Private Limited	[5]Siti Godaari Digital Services Private Limited	Variety Entertainment Private Limited	Siti Networks LLP
Reporting Period	April 1, 2019	April 1, 2019	April 1, 2019	April 1, 2019	April 1, 2019	April 1, 2019	April 1, 2019
	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020
Reporting Currency	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million
Share Capital	0.10	0.20	0.10	0.10	0.10	0.10	0.10
Reserve & Surplus	(6.17)	18.65	(10.68)	(137.83)	(4.54)	(19.57)	(0.12)
Total Asset	289.81	151.04	54.67	538.69	144.98	878,76	240.49
Total Liabilities	295.87	132.18	65.26	676.41	149.43	898.23	240.51
Investments	0.00	0.00	0.00	0.00	0.00	95.27	0.00
Turnover	717.48	117.84	10.94	267.02	0.00	94.06	0.00
Profit before taxation	14.93	(10.54)	(6.76)	47.51	0.00	4.42	(0.03)
Provision for taxation	3.97	0.00	(0.46)	(3.21)	0.00	0.00	0.00
Profit after taxation	10.95	(10.54)	(6.30)	50.72	0.00	4.42	(0.03)
Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00
% of shareholding	100.00	51.00	51.00	51.00	100.00	100.00	

[4] Wholly owned subsidiary of Indian Cable Net Company Limited

[5] The Registrar of Companies, Delhi, has struck off from the register of companies, the name of Siti Godaari Digital Services Private Limited, wholly owned subsidiary company of the Company (wherein 49% Equity Shares were held through Variety Entertainment Pvt. Ltd.), on November 20, 2019 and the said subsidiary company stand dissolved.

PART "B" ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/ Joint Ventures	Voice Snap Services Private Limited	C&S Medianet Private Limited	Paramount Digital Media Services Private Limited
Latest Audited Balance Sheet date	July 10, 2020	June 24, 2020	June 27, 2020
Share of Associate/ Joint Ventures held by the Company on the year end			
• No.	*6,667	4,800	*10,000
• Amount of Investment in Associates/ Joint Ventures (₹ in million)	60.00	0.05	352.70
• Extend of Holding %	*40.00%	48.00%	*50.00%
Description of How there is significant influence	Control of more than 20% of the Total Share Capital through its subsidiary company Variety Entertainment Private Limited	Control of more than 20% of the Total Share Capital.	Control of more than 20% of the Total Share Capital.
Reason why the associate/ joint venture is not consolidated	-	-	-
Networth attributable to shareholding as per latest audited Balance Sheet	-	-	-
Profit/ Loss for the Year	-	-	-
i. Considered in Consolidation (₹ in million)			
ii. Not Considered in Consolidation	0.00	0.00	0.00

* Held through Variety Entertainment Private Limited

ANNEXURE – III
ANNEXURE TO DIRECTORS' REPORT

Disclosures as required under Regulation 14 of the SEBI (Share Based Employees Benefits) Regulations, 2014 read with SEBI Circular dated July 16, 2015

Sl. No.	Particulars	Details
1	Relevant disclosures in terms of the Guidance Note on Accounting for employees share-based payment issued by ICAI or any other relevant Accounting Standards as prescribed from time to time.	Refer Note no. 33 of standalone financial statements for the year ended March 31, 2020,
2	Diluted EPS on issue of shares pursuant to all the Schemes covered under the regulations shall be disclosed in accordance with Accounting Standard 20 - Earning Per Share issued by ICAI or any other relevant accounting standards as prescribed from time to time	Diluted EPS as per Indian Accounting Standards-33 is ₹ (2.17) (Refer Note 30 of standalone financial statements).
3	**Details relating to ESOS**	
i.	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS including:	Presently the Company has only one ESOP Scheme namely – SITI ESOP 2015.
	a. Date of Shareholders approval	August 27, 2015
	b. Total No. of Options approved under ESOP	33,881,656 Stock Options
	c. Vesting Requirements	The Options granted shall vest, not earlier than one year and not later than five years from the date of grant of options, so long as the employee continues to be in the employment of the Company, as the case may. Vesting shall happen in one or more tranches, subject to such terms and conditions of vesting as may be decided by the Board / Nomination & Remuneration Committee including but not limited to certain performance metrics subject to which the options would vest. The specific vesting schedule and conditions, if any, subject to which vesting would take place would be outlined in the Letter of Grant given to the Grantee at the time of the Grant of Options.
	d. Exercise Price or pricing formula	The exercise price shall be equal to the latest available closing market price (on that stock exchange where there is highest trading volume) on the date prior to the date on which the options are granted to the employees.
	e. Maximum term of Options granted	Options granted under SITI ESOP 2015 scheme shall be capable of being exercised within a period of four years from the date of each Vesting of the respective Stock Options.
	f. Source of share (primary, secondary or combination)	Primary
	g. Variation in terms of Options	None

Sl. No.	Particulars	Details
ii.	Method used to account for ESOS Intrinsic or fair value.	Fair Value Method
iii.	Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	Not applicable as the Company has accounted for the Stock Option at Fair Value using a variation of the binominal option pricing model as detailed in Note No. 33 of standalone financial statements for FY 2019-20.
iv.	Option movement during the year:	
	Number of options outstanding at the beginning of the FY 2019-20	2,852,275 Stock Options
	Number of options granted during FY 2019-20	Nil
	Number of options forfeited / lapsed during FY 2019-20	Nil
	Number of options vested during FY 2019-20	Nil
	Number of options exercised during FY 2019-20	Nil
	Number of shares arising as a result of exercise of options	Nil
	Money realised by exercise of options (INR), if scheme is implemented directly by the Company	Nil
	Loan repaid by the trust during the year from exercise price received	Nil
	Number of options outstanding at the end of FY 2019-20	2,852,275 Stock Options
	Number of options exercisable (vested) at the end of FY 2019-20	2,852,275 Stock Options
v.	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	No options were exercised during the financial year 2019-20. The weighted average share price per share at the date of exercise in the financial year 2016-17 was ₹ 39.05 per share.
vi.	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to (a) Senior Managerial Personnel; (b) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and (c) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	No options were exercised during the financial year 2019-20. Therefore, details under this head are nil.
vii.	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information viz. (a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model; (b) the method used and the assumptions made to incorporate the effects of expected early exercise; (c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and (d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	Refer Note 33 to the Notes to standalone financial statements for FY 2019-20 for description of method and significant assumptions used to estimate fair value of Options granted during FY 2019-20.

ANNEXURE – IV

PARTICULARS OF REMUNERATION OF EMPLOYEES

{Pursuant to Section 197 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

DISCLOSURE OF MANAGERIAL REMUNERATION PURSUANT TO SECTION 197 READ WITH RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A. Remuneration of each Director and Key Managerial Personnel (KMP) along with particulars of increase during the financial year, ratio of remuneration of Directors to the Median remuneration of employees and comparison of remuneration of each KMP against Company's standalone performance:

S. No.	Name of the Director-KMP and Designation	% increase in remuneration in FY 2019-20	Ratio of remuneration of each Director to median remuneration of employees
1.	Ms. Kavita Kapahi, Independent Director	Nil	-
2.	Prof. Sunil Kumar Maheshwari, Independent Director	Nil	-
3.	Mr. Bhanu Pratap Singh	Nil	-
4.	Mr. Deepak Mittal	Nil	-
5.	Mr. Amitabh Kumar	Nil	-
6.	Mr. Suresh Arora	Nil	2:1
7.	Mr. Sidhrath Balakrishna	Nil	9:1
8.	Mr. Sanjay Berry, Chief Financial Officer	7%	NA
7.	Mr. Suresh Kumar, Company Secretary	7%	NA

Note :

*Mr. Sidharth Balakrishna resigned from the office of Director w.e.f April 15,2019

S. No.	Requirements	Disclosure
1	The percentage increase in the median remuneration of employees in the financial year 2018-19.	7%
2	The number of permanent employees on the rolls of the Company	302 as on March 31, 2020
3	Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Non-managerial –5.90%, Managerial - nil This is based on Remuneration Policy of the Company that rewards personnel differently based on their contribution to the success of the Company and also ensures that external market competitiveness and internal relatives are taken care of.
4	Affirmation that the remuneration is as per the remuneration policy of the Company.	The Company affirms that the remuneration is as per the remuneration policy of the Company

B. DISCLOSURES RELATING TO REMUNERATION DRAWN BY EMPLOYEES IN TERMS OF SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

1. Top ten employees in terms of remuneration drawn:

Sl. No.	Name and age	Designation	Remuneration Received	Qualification and experience	Date of joining	Last Employment
1.	Alok Govil (59)	Chief Operating Officer - Video	15,337,602	PGDMM (39)	01-Jul-17	Zee Entertainment Enterprises Limited
2.	[1] Anil Kumar Malhotra (57)	Chief Executive Officer	6,373,096	M.Sc (Physics - Solid State) (35)	01-Sept-19	C&S Medianet Private Limited
3.	[1] Ashish Bhatia (57)	Chief Operating Officer - Broadband	9,476,869	MBA/PGDBM (22)	05-Jul-17	MTS (Sistema Shyam Teleservices)
4.	Ashish Goel (50)	Chief Human Resource Officer	5,647,956	MPM from Pune University (25)	01-Oct-18	Technicon Group – Technology & Solution Company Oil and Gas
5.	Girish Buttan (52)	Head - Legal	6,353,748	LLB, CS, MBA (27)	01-Jan-19	Essel Business Excellence Services Ltd.
6.	[1] Rajesh Sethi (49)	Chief Business Transformation Officer	31,338,547	BE, PGDM, PDIB and Executive Education from Harvard, INSEAD and Kellogg Business School (28)	01-Jul-17	Zee Entertainment Enterprises Limited
7.	Sanjay Berry (51)	Chief Financial Officer	12,880,188	CA, Executive Leadership Program (Cornell University) (28)	01-Sep-17	SITI Networks Limited
8.	Sanjay Kundra (51)	Associate Vice President - Sales & Operations	5,719,108	MBA-Marketing, MBA-HR (28)	01-Sep-17	Reliance Retail Ltd.
9.	[1] Vikas Bajaj (47)	Chief Operating Officer - Video	9,038,604	B.Tech, MBA & Certified Financial Risk Manager from GARP, USA (23)	01-Sep-17	Zee Entertainment Enterprises Limited
10	Yogesh Sharma (50)	Chief Operating Officer - Video	7,865,100	B.Tech (25)	15-Jan-18	Mediant System Pvt. Ltd.

Note :

1. Employed for a part of the year financial year
2. All appointments are contractual and terminable by notice on either side.
3. None of the employee are related to any Directors
4. Remuneration is as per provisions contained in section 17(1), 17(2) and 17(3) of the Income Tax Act, 1961.

2. Employed throughout the year and in receipt of remuneration aggregating ₹ 1.02 Crores or more per annum:

Sl. No.	Name and age	Designation	Remuneration Received	Qualification and experience	Date of joining	Last Employment
1.	Alok Govil (59)	Chief Operating Officer - Video	15,337,602	PGDMM (39)	01-Jul-17	Zee Entertainment Enterprises Limited
2.	Sanjay Berry (51)	Chief Financial Officer	12,880,188	CA, Executive Leadership Program (Cornell University) (28)	01-Sep-17	SITI Networks Limited

Note :

1. All appointments are contractual and terminable by notice on either side.
2. None of the employee are related to any Directors
3. Remuneration is as per provisions contained in section 17(1), 17(2) and 17(3) of the Income Tax Act, 1961.

3. Employed for part of the year and in receipt of remuneration aggregating ₹ 8.5 lakh or more per month:

Sl. No.	Name and age	Designation	Remuneration Received	Qualification and experience	Date of joining	Last Employment
1.	Anil Kumar Malhotra (57)	Chief Executive Officer	637,3096	M.Sc (Physics - Solid State) (35)	01-Sept-19	C&S Medianet Private Limited
2.	Ashish Bhatia (57)	Chief Operating Officer - Broadband	9,476,869	MBA/PGDBM (22)	05-Jul-17	MTS (Sistema Shyam Teleservices)
3.	Rajesh Sethi (49)	Chief Business Transformation Officer	31,338,547	BE, PGDM, PDIB and Executive Education from Harvard, INSEAD and Kellogg Business School (28)	01-Jul-17	Zee Entertainment Enterprises Limited
4.	Vikas Bajaj (47)	Chief Operating Officer - Video	9,038,604	B.Tech, MBA & Certified Financial Risk Manager from GARP, USA (23)	01-Sep-17	Zee Entertainment Enterprises Limited

Note :

1. Employed for a part of the year financial year
2. All appointments are contractual and terminable by notice on either side.
3. None of the employee are related to any Directors
4. Remuneration is as per provisions contained in section 17(1), 17(2) and 17(3) of the Income Tax Act, 1961.

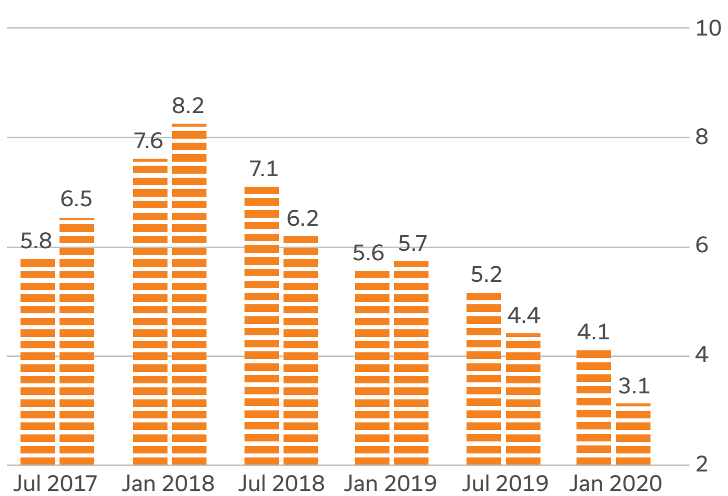
MANAGEMENT DISCUSSION AND ANALYSIS

Indian Economic Review

The Indian economy has been witnessing a deceleration in quarterly growth since the beginning of FY 2018-19. This downward trend in growth has been driven by a decline in private final consumption expenditure in Q2, on account of weak rural demand, coupled with deceleration in rural wages and a downturn in labour-intensive exports.

(Source: Monetary Policy Statement for 2019-20 - April 2020)

Quarterly GDP Growth (%)



Source: tradingeconomics.com | Ministry of Statistics and Programme Implementation (MOSPI)

The last quarter of FY 2019-20 was overcast with concerns regarding the spread of the COVID-19 pandemic. With protecting health as the primary focus, a prolonged nationwide lockdown was mandated from March, 2020 which brought most economic activities to a standstill. The impact of this mandate was marginally visible in the last quarter of FY 2018-19, as the Indian economy's growth slowed to 3.1%. This took the full year GDP growth to 4.2%, after the growth figures for previous quarters were revised downwards.

The Q4 figure was higher than most economists' estimates, buoyed by the performance of the agriculture and mining sectors, which delivered good growth during the year. Government spending also contributed to keeping the growth rate from falling further as private consumption, gross fixed capital formation and net exports continued to be sluggish.

The government (MOSPI) issued a caveat with respect to the figures released as the data flow from various economic entities have been impacted by the nationwide lockdown since March 2020. Accordingly, the estimates released were based on the available data, although some data collection and mining units were yet to resume operations. Additionally, as the statutory timelines for submitting the requisite financial returns have been extended by the Government, the quarterly and annual estimates could undergo revision as and when the data flow resumes and more reliable estimates are available.

To combat the economic impact of the lockdown, the Government and the RBI have announced a series of stimulus measures targeted at various sections of the economy. Some of these have been aimed at offering respite from procedural mandates, such as extending the deadlines for filing of returns, while others have been in the form of availability of credit or moratoriums from repayment, grants and amendments to policies to facilitate MSMEs and agriculture segment. Most pertinently, the PM unveiled a vision for the nation – Atmanirbhar Bharat Abhiyan – which advocates self-reliance by bringing the focus back to local-level enterprises and facilitation of those at the bottom of the pyramid.

Outlook

Predicting the path of recovery is a challenge on two counts – it is an unprecedented situation and simultaneously, the event is still playing out and therefore, could take a turn for the better or worse before a return to normalcy (or a new normal) emerges.

Nevertheless, estimates suggest that due to the unparalleled losses that resulted from the lockdown in the first quarter of FY 2020-21 (Apr-June), the Indian economy's GDP will contract substantially during this period. While a report by State Bank of India puts this figure at over 40% in Q1 FY 2020-21, ratings agency CRISIL expects a contraction of 25%.

Source: https://www.business-standard.com/article/economy-policy/fitch-ratings-crisil-sbi-research-see-india-economy-shrinking-in-fy21-120052700029_1.html

Estimates for growth during the rest of the financial year are more sanguine, based on expectations of pent-up demand that could unfold immediately after the lockdown. However, some economists point out that lower incomes and job losses could act as a drag on consumption. Further, the deep-seeded fear instilled in the minds of consumers may result in a change in consumption patterns and intensity, with a preference towards saving for future crises.

INDUSTRY REVIEW

Media & Entertainment Industry

The Media & Entertainment industry has grown by 9% in 2019 to reach ₹ 1.82 trillion (USD25.7 billion). This growth has largely been fuelled by online gaming, digital media & animation and VFX, which reporting growth rates of 39.8%, 30.9% and 20.3%, respectively, in 2019.[1]

Advertising revenue grew by 5.3%, showing a lower-grade growth due to the economic slowdown in 2019, whereas the subscription revenue grew by 9.3% in 2019, majorly driven by the jump in OTT video consumption.[2]

While Television and Print still dominated, the Digital media overtook Filmed entertainment to claim third largest spot in 2019. Sensing this, Digital advertising and Digital subscription accounted for a large share of marketers' incremental and performance-driven advertising spends. While digital ads grew 24% in 2019, accounting for a share of 24% of total advertising revenues, up from 20% in 2018, Digital subscription more than doubled in 2019.

	2018	2019	2020E	2022E	CAGR 2019-22
Television	740	787	790	882	4%
Print	305	296	301	309	1%
Digital media	169	221	279	414	23%
Filmed entertainment	175	191	207	244	8%
Animation and VFX	79	95	122	156	18%
Live events	75	83	94	122	14%
Online gaming	46	65	91	187	43%
Radio	34	31	33	36	5%
Music	14	15	17	20	10%
Total	**1,674**	**1,822**	**1,965**	**2,416**	**10%**

All figures are gross of taxes (₹ in billion) for calendar years | EY estimates

Certain segments of the video consumption space have witnessed a significant jump in their customer base, with Digital only[3] and Tactical digital[4] service consumers being the frontrunners, recording a growth of 220% and 183% respectively[5].

Television (TV) Industry

The television industry witnessed a growth of 6.4%, from ₹ 740 billion in 2018 to ₹ 788 billion in 2019. Advertising contributed ₹ 320 billion or approximately 41%, of the overall segment's revenue, whereas subscription comprised the majority of revenues standing at, ₹ 468 billion or 59% of the total revenues, as of 2019. In the television segment, while the advertising revenues grew by 5%, the subscription revenues recorded a growth of 7.5%, due to the increase in end-customer pricing in compliance with the NTO.

According to EY FICCI report 2020 figures, the number of MSO distribution platforms grew by a robust 11%, from 1,471 to 1,623, which can be attributed to the implementation of the NTO.

	2018	2019	2020E	2022E
Advertising	305	320	341	388
Distribution	435	468	449	495
Total	**740**	**788**	**790**	**883**

INR billion (gross of taxes | EY estimates

The dip in AD revenue happened in CY 2020 and FY 2021. This was followed by a subdued growth in the second half due to the fear of an economic slowdown.

TAM AdEx data suggests that while overall ad insertions reduced by 2%, the insertions in the top 10 sectors grew by 0.4%. The lead contributor to ad spends on television remained the FMCG industry, which was also the primary growth driver, contributing 40% towards growth of the value of ad spends. The number of advertisers using television stood at 11,525. While national channel ad volumes dropped 6%, the regional channel ad volumes increased by 4%, the growth of which is a result of the positive impact of the NTO.

The coronavirus had a two-fold impact on the TV industry as a whole, on the one hand the viewership increased during the lockdown due to outdoor entertainment activities being curbed. On the other hand, there was a lack of fresh content due to prohibition of outdoor activities, including filming. At the same time, advertisement monetisation revenues were setback due to advertisers holding back on ad spending with the fear of economic uncertainties brought about by the coronavirus crisis.

[1] *EY FICCI 'The era of A.R.T' report 2020*

[2] *The advertising and subscription revenue figures refer to the entire M&E industry's revenue, except live events, online gaming and Animation and VFX revenues. (FICCI EY M&E industry report 2020)*

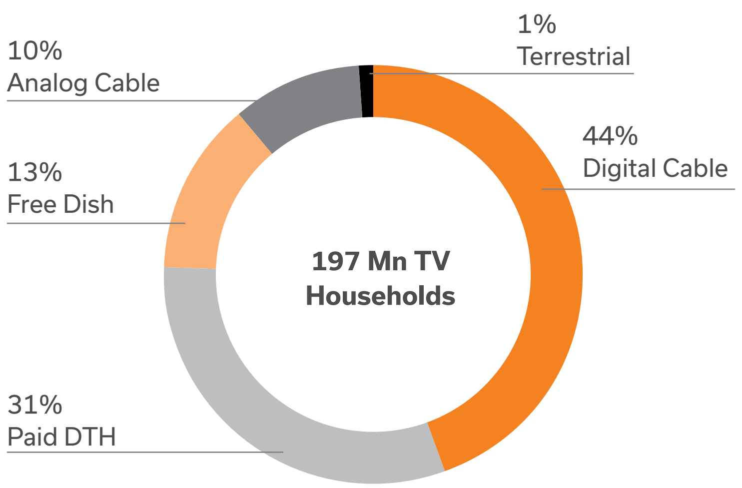
[3] *Definition: "consume content only on digital platforms, do not access television", EY FICCI 'The era of A.R.T' report 2020*

[4] *Definition: "consume pay TV and at least one paid OTT service", EY FICCI 'The era of A.R.T' report 2020*

[5] *EY FICCI 'The era of A.R.T' report 2020*

Cable and Satellite

Alongside the trend of penetration of TV households rising year after year, Cable (Digital + Analog) controls 54% of India's TV market.



Within that universe, the NTO brought about a significant change in active paid TV subscriptions. An emerging trend in 2019 was the shift from paid TV subscriptions to the free TV subscriptions due to a change in pricing models.

The number of paid TV subscriptions, including cable, DTH and HITS services fell from 161 million in 2018 to 133 million in 2019, whereas free TV subscriptions increased from 36 million to over 38 million subscribers.

	2018	2019
Pay TV (Cable+DTH*+HITS)	161	133
Free TV	36	38+
Total unidirectional TV	**197**	**171+**
Connected TV	<2	4.5
Total	**199**	**175+**

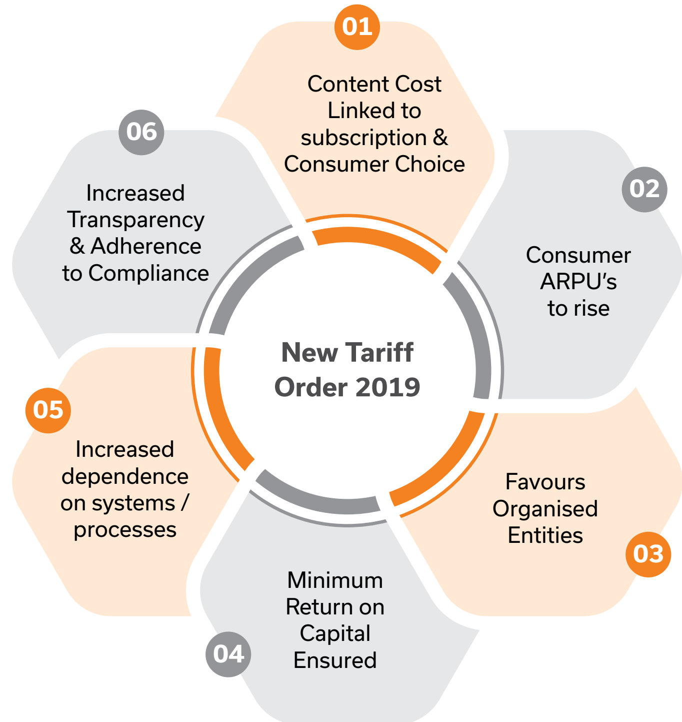
Television subscriptions in million | Industry discussions, billing reports, EY estimates for 2019; BARC's Broadcast India Survey for 2018

There was a sharp increase of over 56% in the viewership HD channels, due to the implementation of the NTO[6]. Moreover, broadcaster share of revenues grew by approximately 10-15% with a higher number of paid channels and higher ARPUs. Additionally, a prominent trend in the industry was an increase in news viewership as a percentage of total viewership from 7% in 2018 to 9% in 2019 due to an extra-normal number of major national events transpiring in 2019.

[6] *EY FICCI 'The era of A.R.T' report 2020*

Modification to NTO and Highlights of NTO - 2020

Key Features of the NTO - 2019



New Tariff Order – January 2020

Modifications to the NTO – 2019 brought welcome changes, giving more power to DPOs. Some of the key highlights:

Twin Condition

- MRP of channels in a bouquet can't be more than 1.5x of Broadcaster bouquet price i.e. max 33% discount
- Channels in a bouquet can't be more than 3x the average channel price of that bouquet

Capping on Channel pricing

- Capping of ₹ 12 for Pay Channels to be part of Broadcaster Bouquet
- Currently this capping is at ₹ 19

Simplified NCF Structure

- Implementation of 2 slabs:
  - Up to 200 channels – ₹ 130 + tax
  - More than 200 channels – ₹ 160 + tax

Multi-TV Homes Addressed

- NCF on Multi-TV is capped at 40% of the NCF
- Definition of Multi-TV: Any HH having more than one STB in the name of same person

With the modifications, the number of broadcaster bouquets will be reduced, leading to an ease in selection and less load on DPO systems. It is estimated that tail-end Pay channels will turn FTA, leading to Placement/Carriage opportunity. With price capping, DPO packs with à la carte will become attractive proposition for DPOs. There is a potential revenue upside from LCNs as they have been freed from carriage / penetration commitments.

Broadband

According to the EY FICCI report, internet subscriptions grew 20% between December 2018 and December 2019, with 91% of internet users relying on broadband connections. Broadband subscriptions grew 26% during the same period, eating into the share of narrow band, which fell 23%, in terms of subscriptions. With more than 660 million broadband subscribers, India has the second largest broadband subscriber base in the world.

Number of Internet Subscribers by Category (million)

	Dec 2017[3]	Dec 2018[4]	Dec 2019[5]
Total internet subscribers	446	604	723
Narrow band subscribers	83	79	61
Broadband subscribers	363	525	661
Urban internet subscribers	314	391	463
Rural internet subscribers	132	213	261

3. *Yearly Performance indicators of the Indian Telecom Sector (second edition) 2017 released on May 4, 2018*
4. *The Indian Telecom Services Performance Indicators October – December 2018 released on April 4, 2019*
5. *Telecom Subscription Data as on November 30, 2019, Press release 09/2020, EY analysis*

Another trend that gained momentum was the increase in wired broadband subscribers, which supports the growing preference for high speed internet and purchase of smart television sets.

(in million)

	Dec 2017[7]	Dec 2018[8]	Dec 2019[9]
Wired broadband	18	18	20
Wireless broadband	345	507	641
Total broadband	**363**	**525**	**661**

Policy initiatives

National Broadband Mission

In December 2018, the Union Minister for Communication and Information Technology, Government launched the National Broadband Mission towards fast tracking growth of digital communications infrastructure, bridging the digital divide and providing affordable and universal access of broadband for all.

The Mission aims to provide broadband access to all villages by 2022. The Government envisages that this will entail laying down around 30 lac kilometres of Optical Fibre Cables, increasing tower density from 0.42 tower per thousand of population to 1.0 tower per thousand of population by 2024 and significantly improving the quality of services for mobile and internet users. Over the course of the mission, this will involve an investment of around ₹ 7 lac crore.

It will also entail developing innovative implementation models for Right of Way (RoW), Developing a Broadband Readiness Index (BRI) for measuring, Creating a digital fibre map, etc.

Industry Outlook

Overall, customer experience and choice have taken centre-stage with the implementation of NTO. The coming years will be focussed on providing more value on the wire, be it broadband, add-on services or hybrid set-top boxes.

The EY FICCI report estimates that the M&E industry as a whole can expect a growth of 7.8% in 2020 and an estimated CAGR of 10% in the period of FY 2019-22. However, it clarified that "The coronavirus' impact on various segments of M&E could include postponement / cancellation of events, impact on theatrical revenues due to loss of weekends, stoppage of print production / circulation in impacted areas, newsprint import blockage, stoppage / delay of content production and post production, etc. Positives could include increased time spent with media in the home."

The unprecedented economic trends that are unfolding in the wake of the coronavirus pandemic and the lockdowns that followed appear to be having had a dual impact on the industry. While television viewership, OTT content consumption and online gaming saw a considerable growth due the lockdown, the monetisation models of almost all mediums have been severely impacted for various reasons.

In the wake of the COVID-19 pandemic, and the economic uncertainty that ensued, the flow of advertising revenue towards the M&E industry has begun to dry up. Availability of fresh content has also become a challenge on account of the lockdowns and need for social distancing. This has resulted in leveraging of existing content through reruns.

Notwithstanding, the Government has declared the C&S segment as an essential service. It has acknowledged the importance of this service in enabling social distancing by facilitating work from home. This is a clear endorsement of the segment's relevance in the economic ecosystem.

Company Overview

SITI Networks Limited (the Company), a part of one of the leading business houses in the country – Essel Group, operates India's leading digital TV network. The Essel Group has a diverse portfolio of assets in media, packaging, entertainment, technology-enabled services, infrastructure development and education sectors. The Company is one of India's largest Multi System Operator (MSO) with 10 digital head ends, a network of over 33,000 kms of optical fibre and coaxial cables and over 24,000 LCO partner families. The Company has a footprint in ~800 locations, across 249 districts in 20+ states and UT in India. It serves a massive customer base of north of 45 million active customers.

The Company deploys state-of-the-art technology for delivering multiple TV signals to enhance consumer-viewing experience. Its product range includes High Speed Broadband, Digital Television, Broadband and Local Television Channels and Electronic Programming. The Company also provides a wide gamut of services ranging from OTT and High-speed gaming ready services to IoT Ready Network with security camera and surveillance services to even business solutions in the ILP & ILL domains.

The Company also runs an expansive partner platform, accessible through both online mediums in the form of an Android application and a website as well as a strong offline medium operated through a call centre.

Even during the pandemic and unprecedented lockdowns, our operations were not disrupted as they continued through cloud-based Call Centre services.

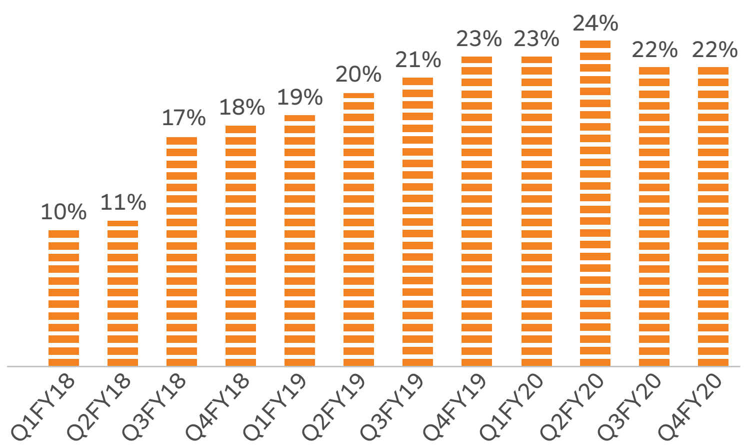
Operational Review

During FY 2019-20, due to continued focus on operational efficiencies and strict control over expenses, the Company's Operating EBITDA increased 1.18x YoY to ₹ 3,538 million as compared to ₹ 3,001 million in FY 2018-19. Operating EBITDA Margins have seen a consolidation in Q4FY20 and have remained largely stable, increasing to 21.6% from 21.2% in FY 2018-19.

The Company's continued focus on working closely with its distribution partners for increased utilisation of ground assets delivered results. Total revenues, excluding activation, increased to ₹ 16,354 million in FY 2019-20, registering 15.3% growth while subscription revenues surged 21.3% to ₹ 11,567 million during the same period. During the financial year, the subscription ARPU leaped to 1.74x YoY to ₹ 128.

Through the introduction of allied value-added services for its customers, as a result of the SITI Broadband's partnership with Zee 5, both entities have the opportunity to scale up their business and create value for their stakeholders with a strategic and focussed approach.

Operating EBITDA Margin Trends %



Operational Performance

During FY 2019-20, SITI Broadband expanded its presence through a mix of smart customer management and innovative offerings. A new SITI Broadband web and mobile interface has been introduced to enhance customer experience.

SITI's continuous efforts to improve operational efficiencies through improvement of its systems, processes and personnel has been yielding results. This has resulted in a better and more intimate ground connect with its 24,000+ strong distribution network and increased focus on being fully compliant to the Tariff regime.

The success of the various initiatives undertaken by the Company has been well reflected in its performance. It has significantly increased its collection efficiency by shifting to the prepaid module.

Moving ahead, this is expected to improve further as the Company leverages the advantages of being a formal sector player in the NTO regime.

Customer Focus

During FY 2019-20, with the implementation of NTO, customer experience and choice has taken centre stage. The customer-centric multi-tier packaging has begun to address both consumption behaviour and ARPU.

At the same time, access to the customers has improved via the self-service portal for payment, package change, invoices, etc. This has enhanced connect which was formerly limited only to call centre interaction.

Accordingly, the Company has initiated a mix of smart customer management and innovative offerings to engaged customers. To ensure transparency in pricing policies, the Company ensures uniform commercial policies and for better Subscriber Management, OYC Subscriber Management Systems, ConaxCAS and SAP-based systems are in place.

With superior technology offerings, including the latest MPEG4 STBs and broadband through Hybrid (DOCSIS 2/3 & GPON) Network, the Company ensured that its customers enjoyed superior viewing experiences through better visual quality as well as absence of lags and buffering.

ARPU and Monetisation

As the NTO (March 2019) played out, consumer ARPUs began to rise. In the pre-NTO era, there existed a single ARPU for the entire region with Fixed content cost baked in it, ranging from ~₹ 50 to 75 for the industry. Now, with the implementation, gross ARPU ranges around ₹ 120 to ₹ 130 (excl. Tax) per Subscription.

The Company registered a 21.3% YoY increase in Subscription Revenue to ₹ 11,567 million. The Subscription ARPU increased 1.74x YoY to ₹ 128. With the new tariff regulatory regime being reinforced and a range of curated offerings, the Company is well-positioned to benefit and grow its ARPUs further.

Content Cost

From content costs being fixed in nature, it is now based on the customer's choice, with the advent of the NTO. This gave MSOs more negotiating power over broadcasters with respect to discounts and incentives.

This has also eliminated the content risk for the Company, as the content cost are now collected directly from the subscribers and passed through to the broadcaster. The closer control over content costs has worked in favour of the Company.

Marketing and Packaging

With greater online connect with consumers, the Company has been communicating its packaging more effectively. During the year, it has focussed offering content for the entire family and widened the choices for subscribers. With multiple My SITI Value packs, it has been able to reach out to subscribers with varying tastes in content consumption as well as varying budgets.

The upgraded Website and enhanced Contact Centres capabilities were together able to cater to the increased subscriber base as they were equipped to meet the increased volume of customer connect which had various levels of tech comfort.

During FY 2019-20, the page views on SITI's website increased by 57.32% while the number of sessions grew by 40.6%.

The Company continued to make available subscriber education and support in multiple languages at Toll Free Support Numbers and on the Subscriber Information Channel through videos and tutorials.

All-in-all, with more customer-centric multi-tier packaging, the consumption behaviour of customers has become more demand-driven, which has reduced the push-factor that was earlier required.

Established Promoter Group

SITI Networks is a part of the prominent Essel Group, which was established almost a century ago. As one of India's leading business houses, with a dominant vertically integrated presence in Media and Entertainment, it is a foremost producer, aggregator and distributor of Indian programming across the world.

The Group has over 250,000 hours of original content, a bouquet of 75 channels, a reach of over 1.3 billion viewers spread across 171 countries. This deep reach facilitates SITI Network's strong business connect and enables the Company to capitalise on various business opportunities while adhering to the Group's high compliance standards and prompt migration to new applicable statutes.

The Group also has a presence in infrastructure, education, precious metal refineries, health, lifestyle and wellness, etc.

Experienced Management Team

The leadership and management teams are constantly finding ways to improve operations and enhance consumer experiences. While striving for business sustainability, disciplined execution, operating efficiencies and cost optimisation, it also dedicatedly upholds SITI's core value system which includes keeping customers first, setting audacious goals, being frugal, showing respect, humility and integrity, targeting speed and agility, being accountable for results and promptly solving problems. Most importantly, it fosters a work environment which supports best business practices and high work ethos. Most importantly, it fosters a work environment which supports best business practices and high work ethos, by hiring professionals with the desired skill sets to ensure.

Compliance, Integrity, and Work Ethics

SITI Networks basis all its business operations on a firm foundation of best-in-class industry standards of professionalism and compliance. It has always ensured high levels of compliance and ensures that its day-to-day operations are bound by ethics and a high level of transparency, across processes and in dealings with all stakeholders. As a case in point, the Company was one of the first MSOs to implement NTO-related compliance.

Financial Review

The Company has successfully incorporated the Ind AS form of book keeping for recording accounts in accordance with guidelines issued by the Ministry of Corporate Affairs.

The main highlight of FY 2019-20 has been the sterling expansion of operating EBITDA, through strict control on expenses and operational efficiencies across all metrics.

The total consolidated revenue from operations stood at ₹ 16,185.85 million in FY 2019-20 as compared to ₹ 14,421.34 million in FY 2018-19, registering a growth of 12.23%. On a standalone basis, revenue from operations fell from ₹ 8,212.75 million in FY 2018-19 to ₹ 8,189.39 million in FY 2019-20.

Total Expenditure

Total consolidated expenditure excluding depreciation, expenditure and finance costs stood at ₹ 17,813.31 million in FY 2019-20 compared to ₹ 16,542.07 million in FY 2018-19, up 7.68%. This included Cost of Materials consumed, Purchases of stock-in-trade, Pay channel, carriage sharing and related costs, Employee benefits, finance costs, depreciation and amortisation expenses and other expenses.

On a standalone basis, costs decreased from ₹ 10,209.72 million in FY 2018-19 to ₹ 9,820.48 million in FY 2019-20. This was due to a decline in purchase of stock-in-trade and a reduction in finance and employee costs, amongst other things.

EBITDA

Operating EBITDA of the Company stood at ₹ 3,538 million in FY 2019-20 rising 1.18x over the previous year.

Finance Cost

Finance cost stood at ₹ 1,318.22 million in FY 2019-20 as compared to ₹ 1,537.33 million in FY 2018-19 on a standalone basis, marking a decline of 14.25%.

Balance Sheet Metrics

Fixed Assets

On a standalone basis, Total assets declined from ₹ 18.99 billion in FY 2018-19 to ₹ 15.40 billion in FY 2019-20. Total Non-current assets also declined from ₹ 13.17 billion to ₹ 11.26 billion during the same period.

Current Assets

Current Assets declined from ₹ 5.82 billion in FY 2018-19 to ₹ 4.14 billion during the year under review.

Current Liabilities

Current Liabilities rose from ₹ 13.37 billion in FY 2018-19 to ₹ 14.5 billion in FY 2019-20, marking a growth of 8.45%.

Outlook

While deepening its presence in existing markets, over the years, SITI Networks has integrated forward and backward and moved into strategically associated segments as well. It has evolved into an integrated platform, which provides a host of services including High Speed Broadband, Digital TV and OTT & High-Speed Gaming Ready. Beyond Media and Entertainment facilitators, it also offers IoT Ready Network with Security Camera & Surveillance Business Solutions (ILP, ILL). Effectively, the current future-ready network architecture, comprising video and broadband network infrastructure, offers a complete Smart Network.

These services are offered on Customer-Friendly Platform that entails an intuitive mobile app, a responsive website and call centre support, with options to choose unique services or the entire FTTH Network for broadband and video.

While following a hybrid approach to delivering both the medium as well as content, it has upgraded the Cable Operator to an Integrated Service Provider who offers customers TVs, internet and IoT equipment.

With this opportunity to scale-up business ambitions, the Company looks forward to strengthening its Integrated Services Play in the future.

Risk Management and Mitigation

The Company has established systems and reporting structures in place as a part of an all-inclusive risk management framework. This framework is aimed at timely identification, evaluation and pre-emption of potential risks. Appropriate risk mitigation measures are established to overcome adverse situations which may arise on account of foreseeable risks.

Preference Risk: Within the ever-changing and evolving M&E industry, with more power being given to consumers to express their preferences, businesses in the industry must keep up with shifting preferences to pre-empt loss of consumer interest.

Mitigation: The Company proactively innovates, upgrades and renews its offerings. It constantly seeks to enhance the quality of infotainment content which it presents its consumers. Its focus on HD and OTT enables it to provide enriched subscriber experiences. Being an integrated player also facilitates the Company as it can offer the superlative broadband speed and striking data plans to the consumers to complement viewing experiences.

Awareness Risk: There is a constant need for the Company to conduct training of the Business Partners who are the main growth drivers of the business.

Mitigation: In addition to regularly collaborating with Business Partners to provide real-time training and branding know-how, the Company has provided its Business Partners with subscriber management software to help them efficiently manage their subscribers and to incentivise and motivate them, the carriage fees are shared with them. To ensure high brand recall, the Company undertakes an outreach programme for its broadband services and spreads awareness among subscribers about its offerings.

Further, its services are offered on a Customer-Friendly Platform that entails an intuitive mobile app, a responsive website and call centre support, with options to choose unique services or the entire FTTH Network for broadband and video.

Content Risk: The ability to provide content from broadcasters that is mapped to customer demand is crucial for companies in the segment. This forms the basis of their ability to successfully attract and retain subscribers and maintain competitiveness and brand equity.

Mitigation: SITI Broadband has recently partnered with Zee 5, India's fastest growing OTT platform, to promote premium content to SITI's high speed broadband customers. At a broader level, as a part of the Essel Group, it enjoys access to the parent company's diverse portfolio of assets in media, packaging, entertainment, technology-enabled services, infrastructure development and education segments. The Company has also entered into top agreements with all major broadcasters, which in turn will enable it to offer consumers a wide range of offerings.

Talent and Technology Risk: In the industry, attracting and retaining skilled professionals is imperative for the Company to execute and expand its business frontiers. At the same time, in an ever-changing environment, it becomes crucial for the Company to ensure that it utilizes the latest technologies.

Mitigation: The Company's cable and broadband businesses employs highly skilled professionals at the top rung from multiple consumer-facing industries. Similarly, the sales team also has rich experience. To encourage its employees to be decisive and responsible, the Company has in place a performance-linked culture.

Where technology is concerned, the Company is fast moving towards becoming an integrated provider of the entire range of devices that comprise a Smart Network with its Future-Ready Network Architecture.

Product Risk: With constant upgrades in available technology, there is a substantial risk arising from migration of subscribers from traditional cable to content which is available in a non-linear fashion.

Mitigation: Keeping up with the times, the Company has been shifting its focus to OTT and Broadband Services, which enables it to meet the evolving subscriber needs. Further, its strong subscriber relationships and committed substantial investments on broadband services puts the Company in a strong place to mitigate product-related risks.

Policy and Economic Risk: The outbreak of coronavirus and policy measures that had to be implemented to stem the contagion had an immense impact on the economy, in general. Such events could completely disrupt the functioning of corporates.

Mitigation: The Company has a robust Business Continuity Plan in place that not only covers its own survival but that of its downstream business partners as well.

Human Resource Development

At SITI, our valued mantra for propelling the growth has been our focus on 3 Ps – People, Processes and Performance. Towards this end, we have developed a competency model to ensure that expectations and delivery are well articulated right at the beginning of every employee's journey. We also communicate these essentials to existing employees through the AOP.

People are the heart of our organisation. This makes it imperative for each one of us to speak a common language and become mirror images for one another. While we have disciplined the DNA of our organisation through a competency framework, we have also ensured that every new entrant falls comfortably into the discipline, right from the beginning. This way, our ubiquitous language gets internalised by everyone in the organisation.

While we realise that it is imperative for the organisation to grow vertically, we believe that it is crucial for every individual, at a granular level, to grow horizontally and take leaps vertically. Accordingly, we promote the learning and development of all our people with technology-fuelled initiatives. LEARNING for ALL, launched 'Project Learn', which has made training accessible to all, through a multi-pronged approach.

The base of the pyramid which works as the foundation for our organisation has been trained and certified by the SKILL INDIA initiative, free of cost. This has been very beneficial for our Techno-Commercial Layer. It has also helped solidify the initiative of collapsing and merging the technical and sales roles into one. This has resulted in everyone in market-facing roles being able to service customers better, be it B2B or B2C.

We have created training modules in collaboration with HODs and SMEs and made them accessible to all by recording the live training sessions. Our Sitizens can access them at their convenience from their desktop and laptops.

Processes for other avenues and modes of online training are being carved out and learning will remain the focus area. The processes will evolve continually, giving individuals and the organisation more visibility, which in turn will give progress greater predictability too.

While broadband expansion will be our thrust area in the times to come and equally so for the video business, we will be constantly making innovative endeavours to upskill our talent pool.

There have been several new initiatives aimed at rewarding superior performances. These have been felicitated across the organisation.

Information Technology

Being in a highly digital and technology-based industry, the Company ensures that its IT infrastructure is state-of-the-art and constantly reviewed for scalability. At another level, since it communicates through business partners and directly with customers, it ensures that all its interfaces are intuitive and adaptive by tying up with consultancies, like Accenture and Conax, to create seamless experience on CRM, Web and Mobile.

Keeping an eye on business continuity in the face of critical subscriber facing needs, 100% capacity built-in Disaster Recovery setup was created in Chennai. To reduce the activation cycle time further, action processing has been streamlined.

Internal Control Systems

The Company has robust internal control systems to safeguard its assets and ensure efficient productivity commensurate with the size and industry in which it operates. The internal control mechanism ensures strict adherence to requisite laws and regulations and robust financial reporting and transaction reporting. Operational, financial and other areas covered by the Internal Audit are periodically monitored and reviewed by the Audit Committee of the Board. Any deviations from standards are corrected promptly and measures are taken to strengthen the internal control framework further.

Cautionary Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S GOVERNANCE PHILOSOPHY

Corporate Governance is about maximizing Shareholder value legally, ethically and on a sustainable basis. At SITI Networks Limited ("SITI"), the goal of corporate governance is to ensure fairness for every stakeholder – our customers, investors, vendor partners, the community, and the governments of the countries in which we operate. We believe that sound corporate governance is critical in enhancing and retaining investor trust. It is a reflection of our culture, our policies, our relationship with stakeholders and our commitment to values. Accordingly, we always seek to ensure that our performance is driven by integrity.

Corporate Governance provides a structure that works for the benefit of everyone concerned, by ensuring that the enterprise adheres to ethical standards, laws and accepted best practices. It imbibes the basic business ethics and values that need to be adhered to in letter and spirit. A transparent, ethical and responsible corporate governance framework essentially emanates from the intrinsic will and passion for good governance ingrained in the culture of the organisation.

A report on compliance with the principles of Corporate Governance as prescribed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) is given below:

BOARD OF DIRECTORS

Composition & Category of Directors

SITI has a balanced Board with combination of Executive and Non-Executive Directors. The Board currently comprises of 6 (six) Directors including 1 (one) Executive Director, 4 (four) Independent Directors, including 1(one) Women Independent Director and 1 (one) Non-Executive Non-Independent Director. The current composition of the Board is in conformity with Regulation 17(1) of SEBI Listing Regulations as well as the Companies Act, 2013.

Independent Directors of the Company provide appropriate annual certifications to the Board confirming satisfaction of the conditions of their being independent as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI Listing Regulations. In opinion of the Board, the Independent Directors fulfil the conditions specified in the Listing Regulations and are independent of the management. In compliance with the requirements of Companies Act, 2013, the Company has issued formal appointment letters to all the Independent Directors. Details of standard term of appointment of Independent Director has been uploaded on the website of the Company www.sitinetworks.com.

Number of Board Meetings

During the financial year under review, 7 (seven) meetings of the Board were held on May 30, 2019, June 14, 2019, August 12, 2019, August 30, 2019, November 6, 2019, December 17, 2019 and February 7, 2020. Your Board meets at least once a quarter to review the quarterly performance and financial results of the Company and the intervening period between any two Board Meetings were well within the maximum time gap of one hundred and twenty days under Regulation 17 of the Listing Regulations and Secretarial Standards. The annual calendar of meetings for consideration of financial results and Business Plan is broadly determined at the beginning of each financial year.

Attendance Record and their other Directorships/ Committee Memberships

Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings held during the Financial Year 2019-20 and also their other Directorships / Chairmanship held in Indian Public Companies and Membership/Chairmanship of various Board Committees of other Indian Public Companies as at March 31, 2020 are as under:

Name of the Director	Attendance at		No. of Directorship of other Public Companies	No. of Membership/ Chairmanship of Board Committees	
	Board Meeting (Total Board Meeting held 7)	13th AGM held on 28.09.2019		Membership	Chairmanship
Non – Executive Independent Director					
Prof Sunil Kumar Maheshwari	6	No	-	1	-
Ms. Kavita Anand Kapahi	7	Yes	2	5	1
Mr. Deepak Mittal*	5	No	-	-	-
Mr. Bhanu Pratap Singh*	7	Yes	-	2	1
Executive Director					
Mr. Suresh Arora**	7	Yes	-	1	-
Non – Executive Non Independent Director					
Mr. Amitabh Kumar***	1	N.A.	1	1	1
Mr.Sidharth Balakrishna****	-	-	-	-	-

* Mr. Deepak Mittal and Mr. Bhanu Pratap Singh were appointed in the category of Independent Director of the Company w.e.f. April 1, 2019.

** Mr. Suresh Arora was appointed as an Additional Director in the category of Non-Executive Non-Independent Director w.e.f. March 29, 2019 and subsequently, as a Whole Time Director of the Company for a period of 3 years with effect from June 14, 2019.

*** Mr. Amitabh Kumar was appointed in the category of Independent Director of the Company w.e.f. December 30, 2019.

**** Mr.Sidharth Balakrishna resigned from the office of Director with effect from April 15, 2020.

- *Directorships in Other Companies does not include Alternate Directorships.*
- *In accordance with Regulation 26 of the Listing Regulations, Chairmanships/Memberships of only Audit Committees and Stakeholders Relationship Committee in all Public Limited Companies (Listed and Unlisted) except Foreign Companies have been considered.*
- *None of the Directors held directorship in more than 8 listed companies. Further, none of the Independent Directors of the Company served as Independent Director in more than 7 listed Companies.*
- *None of the Directors held directorship in more than 20 Indian Companies, with not more than 10 public limited companies*
- *None of the Directors is a member of more than 10 Committees or Chairperson of more than 5 Committees across all the Public Limited Companies in which he/she is Director.*

Details of other directorships of Directors held in the listed entities as at March 31, 2020 are as under:

Name of the Director	Directorship in other Listed Companies	Category of Directorship
Mr. Suresh Arora	None	NA
Mr. Amitabh Kumar	Zee Media Corporation Limited	Non-Executive Non-Independent Director
Prof. Sunil Kumar Maheshwari	None	NA
Mr. Bhanu Pratap Singh	None	NA
Ms.Kavita Kapahi	Shirpur Gold Refinery Limited	Independent Director
Mr. Deepak Mittal	None	NA

Relationship between Directors inter-se

None of the Directors are, in any way related to each other.

Woman Director

In Compliance with Regulation 17(1) of Listing Regulations and applicable provisions of the Act, Ms. Kavita Kapahi, a Woman Director, in the category of Independent Director, is on the Board of your Company. Mr. Kavita Kapahi was re-appointed as an Independent Director of the Company at the 12th Annual General Meeting of the Company held on September 25, 2018, for a period of three (3) years from April 1, 2018 until March 31, 2021.

Shares held by Non-Executive Directors

As on March 31, 2020, the Non-Executive Directors of your Company held the following equity shares in the Company:

Name of the Non – Executive / Independent Directors	No. of Shares held
Ms. Kavita Kapahi	50
(Ms. Kavita Kapahi, Independent Director holds 50 Equity Shares (in joint holding) of ₹ 1/- each of the Company)	
Mr. Amitabh Kumar	1,000
(Mr.Amitabh Kumar, Non-Executive Non-Independent Director, holds 1000 Equity Shares of ₹ 1/- each of the Company)	
Prof. Sunil Kumar Maheshwari	-
Mr. Bhanu Pratap Singh	-
Mr. Deepak Mittal	-

Appointment and Tenure

The Directors of the Company are appointed / re-appointed by the Board on the recommendations of the Nomination and Remuneration Committee and approval of the Members at the General Meetings. In accordance with the Articles of Association of the Company and provisions of the Act, all Directors, except the Independent Directors of the Company, are liable to retire by rotation at the Annual General Meeting (AGM) each year and, if eligible, offer themselves for re-election/re-appointment. The Executive Directors on the Board have been appointed as per the provisions of the Act and serve in accordance with the terms of their contract of employment / contract of service with the Company.

None of the Independent Director(s) of the Company resigned before the expiry of their tenure.

As regards the appointment and tenure of Independent Directors, following is the policy adopted by the Board:

- The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Act and SEBI Listing Regulations.
- The Independent Directors can serve a maximum of two terms of three years each, after the introduction of the Act.
- The Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by provisions of the Act and the Listing Regulations.
- The Company shall ensure that the appointment of any Non-Executive Director who has attained the age of 75 years is approved by the Members of the Company by way of a Special Resolution.

Any person who becomes Director or Officer, including an employee who is acting in a managerial or supervisory capacity, shall be covered under Directors' and Officers' Liability Insurance Policy. The Company has provided insurance cover in respect of legal action against its Directors under the Directors' and Officers' Liability Insurance.

Key Skills, Expertise and Competencies of the Board

The Board of the Company comprises eminent personalities and leaders in their respective fields. These Members bring in the required skills, competence and expertise to the Board. These Directors are nominated based on well-defined selection criteria. Nomination and Remuneration Committee ('NRC') considers, *inter alia*, key skills, qualifications, expertise and competencies, whilst recommending to the Board the candidature for appointment of Director. The Board of Directors have, based on the recommendations of the NRC, identified the following core key skills/expertise/competencies of Directors as required in the context of business of the Company for its effective functioning which are currently possessed by the Board Members of the Company and mapped against each of the Directors:

Key Skills

Areas of Core Skills/Expertise/ Competence	Suresh Arora	Prof. Sunil Kumar Maheshwari	Amitabh Kumar	Bhanu Pratap Singh	Kavita Kapahi	Deepak Mittal
Strategy and strategic planning	√	√	√	√	√	√
Policy development	√	√	√	√	√	√
Financial Expertise	√	√	√	√		
Risk and compliance oversight	√	√	√	√	√	√
Executive management	√	√	√	√	√	√
Commercial experience	√	√	√	√		√

Industry Skills (Broadcasting/Cable TV Sector)

Areas of Core Skills/Expertise/ Competence	Suresh Arora	Prof. Sunil Kumar Maheshwari	Amitabh Kumar	Bhanu Pratap Singh	Kavita Kapahi	Deepak Mittal
Product Delivery	√	√	√			
Technology Innovation	√		√			
Client engagement	√	√	√	√	√	√
Community and stakeholder engagement	√	√	√	√	√	√
Marketing & Communication	√	√		√	√	√

Board Procedure

The Board Meetings of the Company are governed by a structured agenda. The Company Secretary in consultation with Executive Director prepares agenda of the Board Meetings. All major agenda items, backed up by relevant and comprehensive background information, are sent well in advance of the date of the Board Meeting(s) to enable the Board Members to take informed decision. Any Board Member may, in consultation with the Chairman of the Meeting and with the consent of all Independent Directors present at the meeting, bring up any matter at the meeting for consideration by the Board. Senior management personnel are invited, from time to time, to the Board Meetings to make presentations on relevant issues or provide necessary insights into the operations / working of the Company and corporate strategies.

All relevant information required to be placed before the Board as per SEBI Listing Regulations are considered and taken on record/approved by the Board. The Board reviews and guides the Company in strategic matters, risk policy and oversees the process of disclosure and communications to maintain highest standards of ethical conduct and integrity. Additionally, the Board periodically reviews Compliance Reports in respect of various laws and regulations applicable to the Company.

Independent Directors Meeting & Board Evaluation Process

In compliance with the requirements of Regulation 25 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Companies Act, 2013, the Independent Directors of the Company met on November 6, 2019 to evaluate performance of the Board and review flow of information between the management and the Board. The evaluation process was carried out based on an assessment sheet structured in line with ICSI guidance note and the guidance note issued by SEBI in this regard was also circulated to Independent Directors, well in advance.

The parameters for evaluation of performance of the Board & Board Committees includes the structure & composition, contents of agenda for the meeting, quality and timelines of information provided, the decision-making process & review thereof, attention to the Company's long-term strategic issues, evaluation of strategic risks, overseeing and guiding major plans of action, corporate restructuring, acquisitions, divestment, etc. The outcome of the evaluation exercise was discussed at subsequent board meeting. The Board of Directors also expressed satisfaction towards the evaluation process. The performance of the Independent Directors was also evaluated taking into account *inter alia* (i) Director comes well prepared and informed for the Board / Committee Meeting(s); (ii) Director demonstrates a willingness to devote time and effort to understand the Company and its business; (iii) Director has ability to remain focused at a governance level in Board/ Committee Meetings; (iv) Director's contributions at Board / Committee meetings are of high quality and innovative; (v) Director's proactively contributes in to development of strategy and to risk management of the Company; (vi) Director understands governance, regulatory, financial, fiduciary and ethical requirements of the Board / Committee; (vii) Director exercises objective independent judgment in the best interest of Company; (viii) Director has effectively assisted the Company in implementing best corporate governance practice and then monitors the same; (ix) Director helps in bringing independent judgment during Board deliberations on strategy, performance, risk management etc. and (x) Director keeps himself/ herself well informed about the Company and external environment in which it operates

Familiarisation Program for Independent Directors

Independent Directors are familiarised with their roles, rights and responsibilities in the Company as well as with the nature of industry and business of the Company through induction programs at the time of their appointment as Directors and at regular intervals through deep-dive on various business segments of the Company. While review and approval of quarterly and Annual Financial Statements of the Company are taken up, detailed presentation covering *inter alia* economy and industry overview, key regulatory developments, strategy and performance of the Company is made to the Board. Details of Directors familiarisation program is available on Company's website www.sitinetworks.com.

Code of Conduct

The Company has adopted a Code of Conduct for the Members of the Board of Directors and Senior Management and all the Directors and senior functionaries as defined in the said Code provide their annual confirmation of compliance with the Code. The Code is available on the website of the Company www.sitinetworks.com. Besides the Code, the Company has also put in place a Policy on Ethics at Work Place which is applicable to all employees. The role and responsibilities of Independent Directors (including Code of Conduct) as prescribed in Schedule IV of the Companies Act, 2013 and/or prescribed in SEBI Listing Regulations forms part of the appointment letters issued to Independent Directors.

A declaration affirming compliance with the Code of Conduct by the Members of the Board and Senior Management Personnel is given below:

DECLARATION

I confirm that the Company has obtained from all Directors and Senior Management Personnel of the Company their affirmation of compliance with the Code of Conduct for Members of the Board and Senior Management of the Company for the financial year ended March 31, 2020.

SURESH ARORA
Whole Time Director

June 12, 2020

Dividend Distribution Policy

In line with the requirements of SEBI Listing Regulations, the Board has approved and adopted Dividend Distribution Policy. The Dividend Distribution Policy is uploaded on the website of the Company and can be accessed on www.sitinetworks.com.

BRIEF PROFILE OF THE DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED AT THE ANNUAL GENERAL MEETING

Mr. Suresh Arora: Mr. Suresh Arora brings to the table extensive experience of about 34 years across diverse fields, A Commerce graduate from the University of Delhi, with a PG Diploma in Business Administration (specialisation in Marketing Management) from Symbiosis, Pune, the 57-year-old has worked extensively in the areas of Sales & Marketing, Finance & Accounts and Export/Import procedures & documentation.

During his previous assignment with Pan India Network Limited ("PINL") – an Essel Group company, he held a senior position in the Sales and Marketing Department. He was instrumental in creating a strong network of channel partners, including distributors and retail outlets, to spread and strengthen PINL's Online/Paper Lottery business operations in Punjab & Haryana. In this position, he liaised closely with senior officials of the Punjab government to take the PINL business to new levels of success.

Apart from the Company, he is also Director of Siti Broadband Services Private Limited and Indinet Sevice Private Limited.

Mr. Arora does not hold any securities in the Company.

Prof. Sunil Kumar Maheshwari: Prof. Sunil Kumar Maheshwari is a Professor in Human Resource Management Area at the Indian Institute of Management, Ahmedabad. He has served on boards of many organisations including UCO Bank and Andhra Bank.

He is an Alumni of IIT Delhi and IIM Ahmedabad, worked with BHEL and Indian Railways (IRPS Cadre) before getting into academics in 1998. He worked as Advisor to Minister of HRD from Jan, 2009 to Jan, 2013.

His research, consulting and teaching interests are in strategic human resource management, international human resource management and business turnaround. His book titled "Turnaround Excellence," published by Penguin Books India, has been among the business best sellers. The book is based on a study of six turnaround cases.

He has widely published in both national and international journals of high repute. He has written more than 30 cases. He has been a consultant to many large national and international organisations. He has received many awards for excellence in his career.

Apart from the Company, he does not directorship in any other Company.

Prof. Maheshwari does not hold any securities in the Company.

Mr. Amitabh Kumar: Mr. Amitabh Kumar, a Technology leader in the Media & Telecom industry has been associated with Essel Group in various capacities since 2001. He is also serving as the Head of Broadcasting for Zee Network, responsible for its global broadcast operations spanning ~150 channels. He also played a major role in setting up operations for India's first DTH operator, Dish TV, where he currently also serves as Advisor Technology.

Mr. Kumar is an Electronics Engineering Graduate from BITS Pilani and holds PG Diploma in Telecommunications Management from TEMIC Canada. Prior to his association with Essel Group, Mr. Amitabh Kumar served as Director Operations for VSNL (1995-2001) and also its Acting Chairman & Managing Director in 1998-99, where he had a key role in setting up India's first Internet Services. He has served on the Board of Governors of Intelsat and was Council Member of Commonwealth Telecommunications Organisation (CTO).

Apart from the Company, he is Director in Essel Realty Developers Private Limited, Leopard Infratech Private Limited, Realizum Enterprises Private Limited, Voice Snap Services Private Limited and Zee Media Corporation Limited.

Mr. Kumar holds 1000 Equity Shares of the Company.

BOARD COMMITTEES

Your Board has constituted Committees for smooth and efficient operation of day-to-day business of the Company. These Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/ activities which concern the Company and need a closer review. Each Committee of the Board is guided by and operates under the terms of reference, which has been framed in compliance with applicable laws defining the scope, powers and composition of the Committee. Minutes of the proceedings of Committees meetings are circulated to the Board members and are placed for record by the Board at its subsequent Meeting.

I. AUDIT COMMITTEE

The Board has constituted a well-qualified Audit Committee. The Company has framed the mandate and working procedures of the Audit Committee as required under Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations defining therein the term of reference, membership, powers, meeting procedures etc. of Audit Committee.

The Audit Committee also reviews internal financial controls and adequacy of disclosures and compliance with all relevant laws. In addition to the foregoing, in compliance with requirements of Regulation 24 of the Listing Regulations, the Audit Committee reviews operations of subsidiary companies viz., its financial statement, significant related party transactions, statement of investments and minutes of meeting of the Board and Committees.

Term of reference

The Terms of reference and role of the Audit Committee are as per Regulation 18 and Schedule II Part C of the Listing Regulations and Section 177 of Companies Act, 2013. The Committee meets periodically and *inter alia*:

- Reviews Accounting and financial reporting process of the Company;
- Reviews Audited and Un-audited financial results;
- Reviews Internal Audit reports, risk management policies and reports on internal control system;
- Discusses the larger issues that are of vital concern to the Company including adequacy of internal controls, reliability of financial statements/other management information, adequacy of provisions for liabilities and whether the audit tests are appropriate and scientifically carried out in accordance with Company's current business and size of operations.;
- Reviews and approves transactions proposed to be entered into by the Company with related parties including any subsequent modifications thereto;
- Reviews functioning of Whistle Blower & Vigil Mechanism Policy; and
- Recommends proposals for appointment and remuneration payable to the Statutory Auditor and Internal Auditor and approves the appointment of Chief Financial Officer.

The Audit Committee also reviews adequacy of disclosures and compliance with all relevant laws. Additionally, in compliance with requirements of Regulation 24 of the Listing Regulations, the Audit Committee reviews operations of Subsidiary Companies viz. its financial statements, significant related party transactions, statement of investments and minutes of meetings of its Board and Committees.

Composition and Meetings of the Audit Committee

As at March 31, 2020, the Audit Committee of the Board comprised of three (3) Directors including Mr. Bhanu Pratap Singh, Independent Director as the Chairman and Prof. Sunil Kumar Maheshwari and Ms.Kavita Kapahi, Independent Directors of the Company as Members of the Audit Committee. All the Members of the Committee are Independent Directors including Chairman and have accounting and financial management knowledge. Mr. Bhanu Pratap Singh, the Chairman of the Audit Committee has accounting and financial management expertise. The Company Secretary of the Company acts as the secretary to the Committee.

During the year under review, the Audit Committee met four (4) times on May 30, 2019, August 12, 2019, November 6, 2019 and February 7, 2020 and the necessary quorum was present at the meetings. Mr. Bhanu Pratap Singh, Chairman of Audit Committee had attended the Annual General Meeting and answered the queries raised by the Shareholders.

The Chief Executive Officer, Chief Financial Officer, the Partner/Representative(s) of the Statutory Auditors and Partner/Representative(s) of the Internal Auditors are some of the invitees to the Audit Committee. Internal Auditors attend Audit Committee Meetings wherein the Internal Audit Reports were considered by the Committee.

All recommendations made by the Audit Committee during the year under review were accepted by the Board.

The details of attendance of Audit Committee meetings during the financial year ended March 31, 2020 are as under:

Name of the Director	Category	No. of meeting attended
Mr. Bhanu Pratap Singh *(Independent Director)*	Chairman	4
Prof Sunil Kumar Maheshwari *(Independent Director)*	Member	3
Ms. Kavita Kapahi *(Independent Director)*	Member	4

II. NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of Listing Regulations read with Section 178 of the Companies Act, 2013.

Term of reference

The terms of reference of the Nomination and Remuneration Committee include:

1. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
2. Formulate the criteria for determining qualification, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
3. Ensure the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
4. Ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
5. Formulate policy with regard to remuneration to Directors, Key Managerial Personnel and Senior Management involving a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Composition and Meetings of the Nomination and Remuneration Committee

During the year under review, the Nomination and Remuneration Committee of the Company comprised of Ms. Kavita Kapahi, Independent Director as the Chairman, Prof. Sunil Kumar Maheshwari and Mr.Deepak Mittal (w.e.f. June 14, 2019), Independent Directors of the Company as Members of the Committee. Mr.Suresh Arora, who was Non-Executive Director and appointed as Whole Time Director w.e.f. June 14, 2019, ceased to be Member of Nomination and Remuneration Committee w.e.f. June 14, 2019.

During the year under review, the Nomination and Remuneration Committee met four (4) times on April 17, 2019, May 30, 2019, June 14, 2019 and August 30, 2019 and the necessary quorum was present at the meetings.

The details of attendance of Nomination and Remuneration Committee meetings during the financial year ended March 31, 2020 are as under:

Name of the Director	Category	No. of meeting attended
Ms. Kavita Kapahi *(Independent Director)*	Chairman	4
Prof. Sunil Kumar Maheshwari *(Independent Director)*	Member	3
Mr. Deepak Mittal* *(Independent Director)*	Member	1
Suresh Arora** *(Whole Time Director)*	Member**	2

** Mr. Deepak Mittal was appointed as the Members of the Committee w.e.f June 14, 2019.*

** Mr. Suresh Arora, who was Non-Executive Director and was appointed as Whole Time Director w.e.f. June 14, 2019, ceased to be Member of Nomination and Remuneration Committee w.e.f. June 14, 2019*

Performance Evaluation Criteria for Independent Directors

Performance of each of the Independent Directors are evaluated every year by the entire Board with respect to various factors like personal traits which include business understanding, communicate skills, ability to exercise objective judgment in the best interests of the Company and on specific criteria which include commitment, guidance to Management, deployment of knowledge and expertise, management of relationship with various stakeholders, independence of behaviour and judgment, maintenance of confidentiality and contribute to corporate governance practice within the Company.

Remuneration Policy

The guiding principle of the remuneration policy of the Company is that the remuneration and other terms of engagement / employment shall be competitive enough to ensure that the Company is in a position to attract, retain and motivate right kind of human resource(s) for achieving the desired growth set by the Company's Management year on year thereby creating long-term value for all stakeholders of the Company. Focus on productivity and pay-for-performance have been the cornerstones of the Company's reward philosophy with differentiated compensation growth to high-performance employees. With a view to bring performance-based growth approach, the remuneration of employees of the Company have been moderated and structured as a mix of fixed and variable pay depending on the grade and level of employee. The increments and variable pay of all employees of the Company is deliberated and approved by the Nomination & Remuneration Committee of the Board. The Remuneration policy of the Company has been uploaded and can be accessed on Company's website www.sitinetworks.com.

The proposal relating to increments and variable pay of all employees of the Company is deliberated and approved by the Nomination & Remuneration Committee of the Board. The Nomination & Remuneration Committee considers and recommends for approval of the Board, the compensation package of Executive Director(s) which inter alia includes fixed pay (Salary, Allowances & Perquisites) and Variable Pay. The compensation packages are in accordance with applicable laws, in line with the Company's objectives, Shareholders interest and as per the Industry standards.

Remuneration of Executive Directors

During the year under review, your Board comprises of one Whole-Time Director *viz.* Mr. Suresh Arora. He was appointed by the Shareholders of the Company in 13th Annual General Meeting of the Company held on September 28, 2019, for a period of three (3) years with effect from June 14, 2019.

The detail of remuneration paid to the Mr. Suresh Arora, Whole Time Director of the Company during the year ended March 31, 2020 is as under:

Particulars	(₹ in million)
Salary*	0.81
Benefits Perquisites and Allowances*	-
Provident Fund Contribution	-
Total Amount	-
Employee Stock Options Granted (unvested)	Nil
Notice period and severance fees	Either party (i.e. the Company or Mr.Suresh Arora) shall have right to terminate the contact of Employment by giving ninety (90) days notice or basic pay and special allowance in lieu of notice. However, in the event of cessation is due to misconduct, disloyalty, act or omission involving moral turpitude or any act of indiscipline, contract of employment of Mr.Suresh Arora is liable to be terminated without any notice.

*As per provisions contained in section 17(1), 17(2) and 17(3) of the Income Tax Act, 1961.

Remuneration of Non -Executive Directors

The Non- Executive Directors shall be entitled to sitting fees of ₹ 20,000/- per meeting for attending the meeting(s) of the Board and Committees thereof. The Company also reimburses the out of pocket expenses incurred by the Directors for attending meetings.

Details of the Sitting fees paid to the Non-Executive Directors of the Company for the period April 1, 2019 to March 31, 2020:

(₹ in million)

Name of the Director	Amount Paid as Sitting Fees
Prof Sunil Kumar Maheshwari	0.26
Ms. Kavita Anand Kapahi	0.40
Mr. Bhanu Pratap Singh	0.32
Mr. Deepak Mittal	0.12
Mr. Suresh Arora*	0.08

* Details of sitting fee paid to Mr. Suresh Arora pertains to period prior to his appointment as Whole Time Director of the Company w.e.f. June 14, 2019

The Non-Executive Independent Directors of the Company do not have any other material pecuniary relationship or transactions with the Company, its Promoters, its Directors, its Senior Management, its Subsidiary and/or its Associate, other than in the normal course of business, which may affect the independence. The Non-Executive Independent Directors of the Company shall not be entitled to participate in Stock Option Scheme of the Company.

III. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of Listing Regulations read with Section 178 of the Companies Act, 2013.

Terms of reference

The terms of reference of Stakeholders Relationship Committee include satisfactory redressal of investors grievances / complaints; review measures taken for effective exercise of voting rights; review adherence of service standards by Company and RTA and recommends measures for overall improvement in the quality of investor services. The Committee has delegated the power of approving requests for transfer, transmission, rematerialisation, and dematerialisation etc of shares of the Company to the Company Secretary of the Company.

Composition and Meeting of the Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee of the Company comprised of Ms. Kavita Kapahi, Independent Director as the Chairman and Mr. Bhanu Pratap Singh, Independent Director and Mr. Suresh Arora, Executive Director as the Members. Mr. Suresh Kumar, Company Secretary of the Company is Compliance Officer of the Company, who oversees the redressal of the investors' grievances.

During the year under review, the Stakeholders' Relationship Committee met 4 (four) times i.e. on May 30, 2019, August 12, 2019, November 6, 2019 and February 7, 2020 and the necessary quorum was present at the meeting.

The details of attendance of Stakeholders' Relationship Committee meetings during the financial year ended March 31, 2020 are as under :-

Name of the Director	Category	No. of meeting attended
Ms. Kavita Kapahi *(Independent Director)*	Chairman	4
Mr. Bhanu Pratap Singh *(Independent Director)*	Member	4
Mr. Suresh Arora *(Executive Director)*	Member	4

Ms. Kavita Kapahi, Chairman of Stakeholders Relationship Committee, attended the 13th Annual General Meeting of the Company held on September 28, 2019 and answered the queries raised by the Shareholders.

Details of number of requests/complaints received from investors and resolved during the year ended March 31, 2020, are as under:

Nature of Correspondence	Received	Resolved/ Replied	Pending
Non - Receipt of Dividend	1	1	0
Non - Receipt of Annual Report	0	0	0
Non - Receipt of Shares	0	0	0
Complaint Received from SEBI/NSE/BSE	0	0	0
Complaint Received from ROC/ Others	0	0	0
Total	1	1	0

IV. OTHER BOARD COMMITTEES

In addition to the above, the Board has, *inter alia*, constituted following Committees to exercise powers delegated by the Board as per the scope mentioned herein:

Corporate Social Responsibility Committee

In compliance with the requirements of Section 135 read with Schedule VII of the Companies Act 2013, during the under review, Corporate Social Responsibility Committee comprising of Ms. Kavita Kapah, Mr. Bhanu Pratap Singh, the Independent Directors and Mr. Suresh Arora, Executive Director are the Members of the Corporate Social Responsibility Committee.

The broad term of reference includes:-

i. To formulate and recommend to the Board, a CSR policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

ii. To recommend the amount to be spent on the CSR activities;

iii. To periodically monitor the Company's CSR policy;

iv. To institute a transparent monitoring mechanisms for the implementation of CSR Projects.

During the year, no meeting was held of Corporate Social Responsibility Committee.

Corporate Management Committee

The Board has also constituted a Corporate Management Committee comprising of Key Managerial Personnel of the Company to review, approve and/or grant authorities for managing day-to-day affairs of the Company within the powers delegated by the Board. The Corporate Management Committee meet as and when required to deliberate and decide on various matters within their respective scope or powers delegated by the Board.

Finance Committee

With a view to facilitate monitoring and expediting any debt fund raising process, approve financing facilities offered and/or sanctioned to the Company by various Banks and/or Indian Financial Institution from time to time, in the form of Term Loans, Working Capital facilities, Guarantee Facilities, etc., including the acceptance of terms and conditions of such facilities being offered and exercising such other authorities as may be delegated by the Board. During the year under review, the Finance Committee comprised of three members namely Mr. Bhanu Pratap Singh, Independent Director, Ms. Kavita Kapahi, Independent Director and Mr. Suresh Arora, Non-Executive Non-Independent Director of the Company.

Investment Committee

The Board has also constituted an Investment Committee comprising of Executive Director and Key Managerial Personnel of the Company. As at March 31, 2020, the Investment Committee comprises of Mr. Suresh Arora, Whole Time Director, Mr. Anil Kumar Malhotra, CEO of the Company and Mr. Sanjay Berry, CFO of the Company as Members. The Investment Committee meet as and when required to deliberate and decide on various matters within their respective scope or powers delegated by the Board.

The broad term of reference includes:-

(i) to explore and evaluate the proposal(s) pertaining to restructuring of the investments of the Company in Joint Venture Companies / Subsidiary Companies / Associate Companies / Joint Venture Limited Liability Partnership(s), in consultation with Advisors/ Consultants and to make necessary alterations/ modifications in such investment proposals, as and when required, in the interest of the Company, subject to compliances of the laws for the time being in force;

(ii) to form and incorporate:

a. public or private company(ies) under the Companies Act, 2013;

b. Limited Liability Partnership(s) under the Limited Liability Partnership Act, 2008.

Including any statutory modification(s), amendment(s), or re-enactment(s) thereof, for the time being in force;

(iii) to invest the funds of the Company in public or private company(ies) or Limited Liability Partnership(s)

(iv) to nominate person(s) on behalf of the Company for the appointment as:

a. director(s) in any public or private company(ies);

b. designated partner(s) in any Limited Liability Partnerships;

(v) to give consent/approval/no objection for the use of the word(s) "SITI" / "SITI CABLE" / "SITI NETWORKS", which are registered trade-marks of the Company, as suffix or prefix in the name of any public or private company(ies) or in the name of any Limited Liability Partnership(s);

(vi) to approve the Limited Liability Partnership Agreement in respect of such Limited Liability Partnership(s) and to authorise the employee(s) of the Company to sign and execute the same on behalf of the Company;

(vii) to acquire/purchase the equity holding/capital/share of Joint Venture Partner(s) in Joint Venture Company(ies)/ Subsidiary Company(ies)/ Limited Liability Partnership(s);

(viii) to sell/dispose of share held/investments made in Joint Venture Company(ies)/Subsidiary Company(ies)/Limited Liability Partnership(s).

The Board has provided for detailed guidelines on constitution, quorum, scope and procedures to be followed by these Committees in discharging their respective functions. Minutes of the proceedings of Committee meetings are circulated to the Board members and are placed for record by the Board at its subsequent Meeting.

GENERAL MEETINGS

The 14th Annual General Meeting of the Company for the Financial Year 2019-20 will be held on Tuesday, September 29, 2020 at 3:00 PM through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

The location, date and time of the Annual General Meetings held during last 3 years along with Special Resolution(s) passed at these meetings are:

Meeting	Day, Date and Time of the Meeting	Venue	Special Resolution passed
2018-19	Saturday, September, 28, 2019 at 3:00 p.m.	'Hall of Harmony', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400018	Nil
2017-18	Tuesday, September 25, 2018 at 3:00 p.m.	The Orchid, 70-C, Nehru Road, Near Mumbai Domestic Airport, Vile Parle (E), Mumbai, Maharashtra 400099	a. Re-appointment of Ms. Kavita Kapahi as an Independent Director of the Company for the second term.
2016-17	Tuesday, September 26, 2017 at 3:00 p.m	The Orchid, 70-C, Nehru Road, Near Mumbai Domestic Airport, Vile Parle (E), Mumbai, Maharashtra – 400099	a. Appointment of Mr. Sidharth Balakrishna as a Whole Time Director of the Company for a period of three year. b. Maintaining all the Registers, which are maintained by the Company under Section 88 of the Companies Act, 2013, including the Register and Index of Members, Register and Index of Debenture holders and other Security holders etc. and copies of all Annual Returns prepared under Section 92 of the Act, together with the copies of certificates and documents relevant to the said Registers / Annual Returns be kept and maintained at the office of the Registrar and Share Transfer Agent of the Company namely Link Intime India Private Limited at C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083, instead of the Registered Office of the Company.

All the above special resolutions were passed with requisite majority.

No Special Resolution was passed through Postal Ballot during the financial year 2019-20.

No Extra Ordinary General Meetings of the Members were held during FY 2019-20.

None of the resolutions proposed at the ensuing Annual General Meeting need to be passed by Postal Ballot.

MEANS OF COMMUNICATION

The Company has promptly reported all material information including declaration of quarterly financial results, press releases, etc. to all Stock Exchanges, where the securities of the Company are listed by uploading on the online portal of the stock exchanges i.e. NEAPS (NSE) & Corporate Filing (BSE). Such information is also simultaneously displayed immediately on the Company's website www.sitinetworks.com. The financial results quarterly, half yearly and annual results and other statutory information were generally communicated to the Shareholders by way of an advertisement in a English newspaper viz. 'Business Standard' and in a vernacular language newspaper viz. 'Punya Nagri /Navshakti/Mumbai Lakshadeep (Marathi)' as per requirements of the Listing Regulations.

In Compliance with Regulations 46 of the Listing Regulations, a separate dedicated section under 'Investors' on the Company's website gives information on various announcements made by the Company. Annual Report, quarterly/half-yearly/annual financial statements, shareholding patterns, Stock Exchanges filings along with applicable policies of the Company. Official press releases and presentations made to institutional investors or to analysts, if any, are displayed on Company's website www.sitinetworks.com.

Management Discussion and Analysis Report forming part of this Annual Report is annexed separately.

Annual Report: Annual Report of the Company is also available on the website of the Company for download. Further, the Management Discussion and Analysis (MDA) Report, highlighting operations, business performance, financial and other important aspects of the Company's functioning, forms an integral part of the Annual Report.

GENERAL SHAREHOLDERS INFORMATION

1. Annual General Meeting		
• **Day & Date**	:	Tuesday, September 29, 2020
• **Time**	:	3:00 P.M.
• **Venue**	:	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
2. Financial year	:	April 1, 2019 to March 31, 2020
3. Registered Office	:	Unit No. 38, 1st Floor, A Wing, Madhu Industrial Estate, Pandurang Budhkar Marg, Worli, Mumbai 400013. Phone No : +91- (022) 43605555 Email : csandlegal@siti.esselgroup.com
4. Corporate Office	:	UG Floor, FC-19 & 20, Sector-16A, Film City, Noida - 201301. **Ph No.: +91-(0120) 4526707** Email : csandlegal@siti.esselgroup.com
5. Listing on Stock Exchange	:	**BSE Limited (BSE)** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 **The National Stock Exchange of India Limited (NSE)** Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai 400 051 Company has paid requisite Listing Fees to the Stock Exchanges for FY 2018-19. None of the Company's Securities have been suspended from trading.
6. Stock Code	:	BSE - 532795 NSE - SITINET-EQ
7. Corporate Identification Number (CIN)	:	L64200MH2006PLC160733
8. ISIN No.	:	INE965H01011 (Equity Shares of ₹1each, fully paid up)
9. Registrar & Share Transfer Agent	:	Link Intime India Pvt Ltd C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083, India Tel: +91 22 49186000 Fax: +91 22 49186060 E.Mail: rnt.helpdesk@linkintime.co.in

12. SHARE TRANSFER SYSTEM

99.96% of the Equity Shares of the Company are in electronic form. Transfers of these shares are done through the depositories with no involvement of the Company.

Requests for physical transfer and/or for dematerialisation of Equity Shares received by the Company and/or its Registrar are generally registered and returned within a period of 15 days from the date of receipt of completed and validly executed documents.

Effective April 1, 2019, SEBI has amended Regulation 40 of the Listing regulations, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

However, the transfer deed(s) lodged prior to the April 1, deadline and returned due to deficiency in the document, may be re-lodged for transfer even after the deadline of April 1, 2019 with the Registrar and Share transfer Agents of the Company.

Pursuant to Regulation 13(2) of the Listing Regulations, a statement on the pending investor complaints is filed with the stock exchanges and placed before the Board on a quarterly basis.

Reconciliation of Share Capital Audits were also carried out by the practicing Company Secretary to reconcile the total admitted capital with NSDL and CDSL. The reports for the same were submitted to BSE and NSE. The audit confirms that the total issued / paid up and listed capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

A half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations is obtained from the Company Secretary in Practice and a copy of the certificate is filed with the Stock Exchanges simultaneously.

13. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with all the applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government.

14. INVESTOR SAFEGUARDS:

In order to serve you better and enable you to avoid risks while dealing in securities, you are requested to follow the general safeguards as detailed hereunder:

- **Dematerialise your Shares**

  Members are requested to convert their physical holding to demat / electronic form through any of the nearest Depository Participants (DPs) to avoid the hassles involved in the physical shares such as possibility of loss, mutilation etc., and also to ensure safe and speedy transaction in securities.

- **Consolidate your multiple folios**

  Members are requested to consolidate their shareholding held under multiple folios to save them from the burden of receiving multiple communications.

- **Register Nomination**

  To help your successors get the share transmitted in their favour, please register your nomination. Member(s) desirous of availing this facility may submit nomination in Form SH-13. Member(s) holding shares in dematerialised form are requested to register their nominations directly with their respective DPs.

- **Prevention of frauds**

  We urge you to exercise due diligence and notify us of any change in address / stay in abroad or demise of any Shareholder as soon as possible. Do not leave your demat account dormant for long. Periodic statement of holding should be obtained from the concerned DP and holding should be verified.

- **Confidentiality of Security Details**

  Do not disclose your Folio No. / DP ID / Client ID to an unknown person. Do not hand-over signed blank transfer deeds / delivery instruction slip to any unknown person.

15. DEMATERIALISATION OF SHARES & LIQUIDITY

The Company's Equity Shares are compulsorily traded in electronic (dematerialised) form on NSE and BSE. As at March 31, 2020, 99.96% of the Equity Share Capital of the Company are held in electronic form. Under the Depository system, the ISIN allotted to Company's Equity Shares is INE965H01011. Entire equity shareholding of the entities forming part of promoter/promoter group in the Company is held in dematerialised form.

There are two Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to facilitate trading in demat form. The Company has entered into agreements with both these Depositories. The Shareholders can open account with any of the Depository Participant registered with any of these two Depositories.

16. SERVICE OF DOCUMENTS THROUGH E-MAIL

Your Company will be sending the Notice and Annual Report for the Financial Year 2019-20 in electronic form to the Members whose e-mail address have been made available to the Company/Depository Participant(s). For Members who have not registered their email addresses, Members holding shares in electronic form but who have not registered their e-mail address (including those who wish to change their already registered e-mail id) with their DP and Members' holding shares in physical form are requested to register their e-mail address with their DP / Company, as the case may be, by following the process as provided in the Notes forming part of the Notice.

17. E-VOTING FACILITY

In compliance with Section 108 of the Act and Regulation 44 of the Listing Regulations, your Company is providing e-voting facility to all Members to enable them to cast their votes electronically on all resolutions set forth in the Notice of Annual General Meeting, using the e-voting platform of CDSL. The instructions for e-Voting have been provided in the Notice of Annual General Meeting.

18. OUTSTANDING GLOBAL DEPOSITORY RECEIPTS OR AMERICAN DEPOSITORY RECEIPTS OR WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY;

There are no outstanding Securities issued by the Company and convertible into Equity Shares of the Company as at March 31, 2020.

The Company has not issued any GDRs/ADRs in the past and hence as March 31, 2020, the Company does not have any outstanding any GDRs/ADRs.

19. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The Company is engaged in distribution of signals of channels of various broadcasters through cable networks, there are no risk associated with Commodity Price. Further the Company has not carried out any activity for hedging of foreign exchange risk.

20. SHAREHOLDERS' CORRESPONDENCE

The Company has attended to all the investors' grievances/ queries/ Information requests except for the cases where the Company is restrained due to some pending legal proceedings or court/statutory orders. It is the endeavor of the Company to reply all letters / communications received from the Shareholders within a period of 5 working days.

All correspondence may be addressed to the Registrar & Share Transfer Agent at the address given in this Shareholders Information section. In case any Shareholder is not satisfied with the response or do not get any response within reasonable period, they may approach the Company Secretary of the Company.

SCORES' (SEBI Complaints Redress System): The Investors' complaints are also being resolved by your Company through the Centralised Web Base Complaint Redressal System 'SCORES' (SEBI Complaints Redress System) initiated by Securities and Exchange Board of India (SEBI). The salient features of SCORES are availability of centralised data base of the complaints, uploading online Action Taken Reports (ATRs) by the Company. Through SCORES the investors can view online, the actions taken and current status of the complaints.

21. CREDIT RATING

During the period under review, CARE Ratings Limited (CARE) has withdrawn its rating based on credit enhancement extended to the Company's bank facilities on account of non-adherence to the pre-determined structure on the basis of which rating was assigned to the bank facilities of the Company, and simultaneously assigned a standalone credit ratings, the details whereof are as follows:

Facilities	Amount (₹ Crs)	Rating	Rating Action
Long-Term Bank Facilities	₹ 87 crore	-	Withdrawn
Long-Term Bank Facilities	₹ 87 crore	CARE D, issuer not cooperating	Assigned

Further, during the year under review, Birckwork Ratings India Private Limited ("Brickworks") has reviewed the ratings assigned for Company's Bank Loan facilities on account of delays in the debt servicing and based on the said review, the revised credit rating(s) is as follows:

Facilities	Amount (₹ Crs)	Previous Rating	Revised Rating
Long – Term Bank Loan Facilities (Fund Based	₹ 883.46	BWR BB (negative)	BWR D

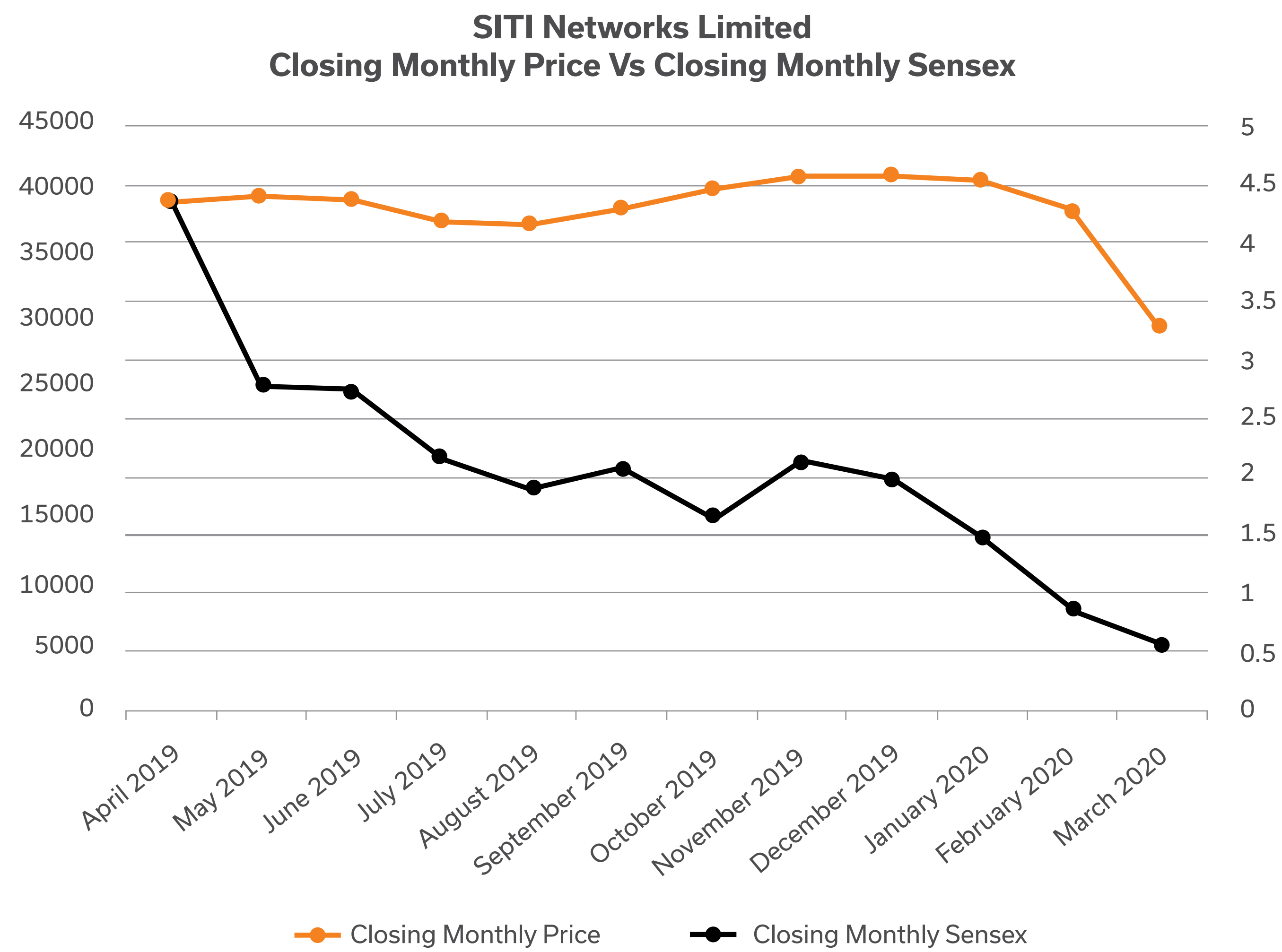
22. MARKET PRICE DATA

Monthly high and Low quotation and volume of Equity Shares traded on BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) for the Financial year 2019-20 are given as under:

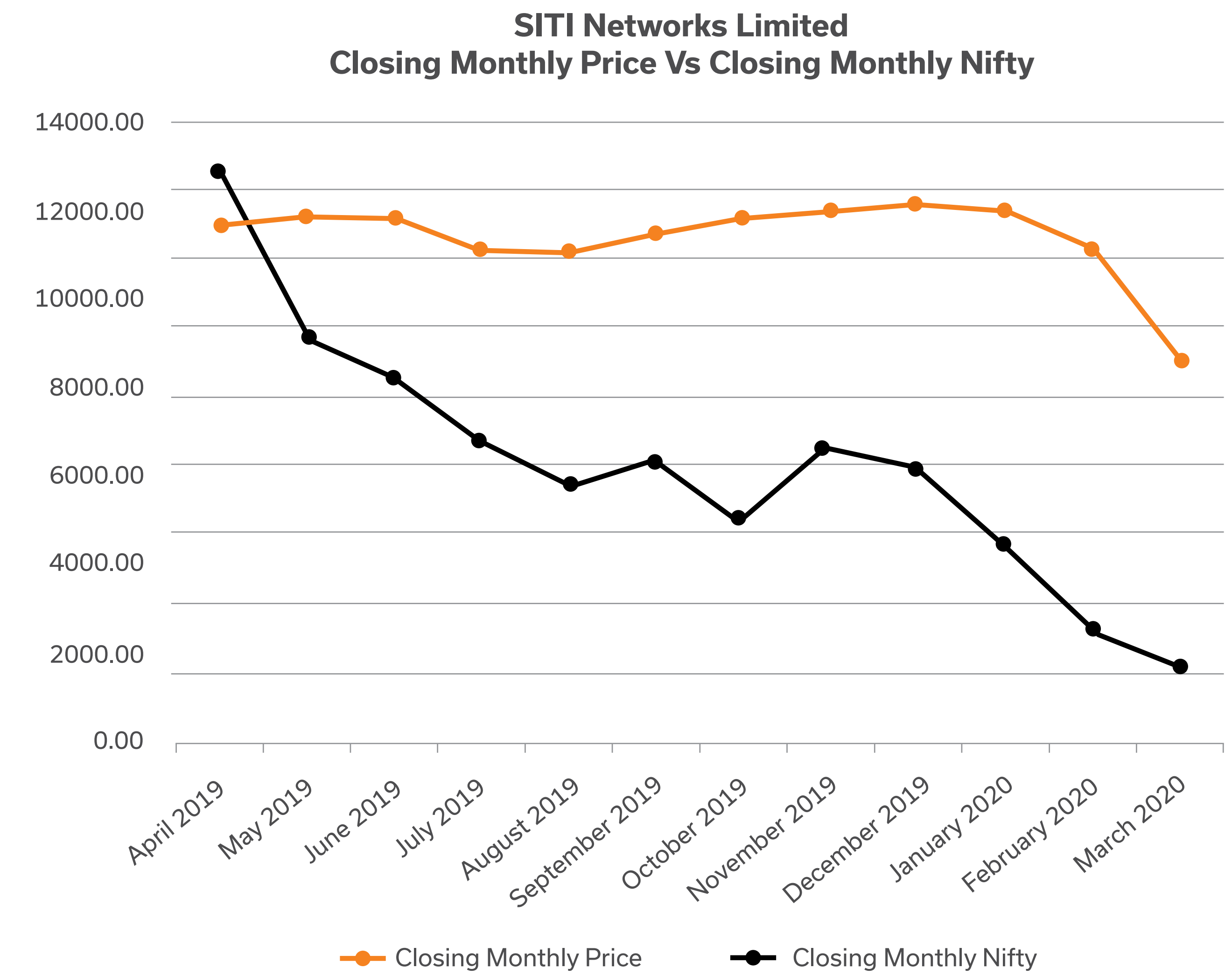
Month	BSE			NSE		
	High (in ₹)	Low (in ₹)	Traded Quantity	High (in ₹)	Low (in ₹)	Traded Quantity
April 2019	5.34	3.85	1,250,035	5.45	3.85	5,393,007
May 2019	4.35	2.79	1,306,185	4.3	2.85	5,615,405
June 2019	3.08	2.5	1,344,107	3.15	2.50	2,968,978
July 2019	2.96	2.17	1,142,425	3.00	2.15	4,636,826
August 2019	2.21	1.77	988,814	2.20	1.80	4,650,640
September 2019	2.45	1.8	1,080,906	2.45	1.80	3,985,956
October 2019	2.06	1.5	1,760,484	2.05	1.50	3,831,323
November 2019	2.27	1.65	3,361,193	2.30	1.65	2,268,320
December 2019	2.27	1.84	501,870	2.30	1.80	1,296,703
January 2020	2.19	1.45	2,541,395	2.10	1.45	6,407,729
February 2020	1.55	0.83	1,732,745	1.50	0.80	4,179,522
March 2020	0.82	0.54	17,532,234	0.85	0.50	17,201,609

23. RELATIVE PERFORMANCE OF SHARES OF SITI NETWORKS LIMITED VS. BSE SENSEX & NIFTY INDEX

Monthly Closing Price (Month End) Vs Monthly Closing Sensex (Month End)



Monthly Closing Price (Month End) Vs Monthly Closing Nifty (Month End)



24. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2020

Description	Shareholders		No. of Shares	
	Number	% of Shareholders	Number	% of Shares
Less than 5000	87,946	98.28	24,775,992	2.84
5001-10000	714	0.80	5,469,991	0.63
10001-20000	341	0.38	5,121,627	0.59
20001-30000	115	0.13	2,896,439	0.33
30001-40000	66	0.07	2,339,369	0.27
40000-50001	62	0.07	2,912,572	0.33
50001-100000	105	0.12	7,778,119	0.89
100000 and above	139	0.16	820,759,739	94.12
Total	**89,488**	**100.00**	**872,053,848**	**100.00**

25. CATEGORIES OF EQUITY SHAREHOLDER AS ON MARCH 31, 2020

Particulars	No. of Share held	% of shareholding
Promoters	57,27,25,985	65.68
Individuals	9,05,75,354	10.39
Financial Institutions, Mutual Funds & Banks	3,42,75,557	3.93
Indian Companies	5,89,24,781	6.76
FII (s),NRI(s),Foreign Bodies & OCBs	11,10,08,960	12.73
Others	45,43,211	0.52
Total	**87,20,53,848**	**100.00**

26. PROMOTER'S SHAREHOLDING AS ON MARCH 31, 2020

EQUITY SHARES

Sl. No.	Name of the Shareholder	No. of Share held	% of total shareholding
1.	Digital Satellite Holdings Private Limited	151,045,816	17.32
2.	Direct Media Solutions LLP	121,000,000	13.88
3.	Bioscope Cinemas Private Limited	112,008,946	12.84
4.	Direct Media And Cable Private Limited	85,714,285	9.83
5.	Arrow Media & Broadband Private Limited	0	0.00
6.	Digital Satelite Media And Broadband Private Limited	40,790,273	4.68
7.	Manaaska Fashions LLP	19,000,000	2.18
8.	Essel Media Ventures Limited	43,166,665	4.95
	Total	**57,27,25,985**	**65.68**

PREFERENCE SHARES

Sl. No.	Name of the Shareholder	No. of Share held	% of total shareholding
1.	Churu Trading LLP	23,436	100.00

27. TOP 10 PUBLIC SHAREHOLDERS AS ON MARCH 31, 2020

S. No	Name of Shareholder	No. of Shares held	% of shareholding
1.	Morgan Stanley Asia (Singapore) Pte.	56,393,310	6.47
2.	HDFC Trustee Company Limited- HDFC Capital Builder Value Fund	34,255,317	3.92
3.	Pricomm Media Distribution Ventures Pvt Ltd	18,235,000	2.09
4.	Moon Capital Trading Pte. Ltd.	12,558,282	1.44
5.	Citigroup Global Markets Mauritius Private Limited	12,365,357	1.42
6.	Polus Global Fund	11,925,000	1.37
7.	JSGG Infra Developers LLP	10,638,298	1.22
8.	Rushabh Vinod Sheth	7,320,000	0.84
9.	Copthall Mauritius Investment Limited	6,446,624	0.74
10.	Ohm Stock Broker Private Limited	5,200,000	0.60

28. EQUITY SHARES IN THE SUSPENSE ACCOUNT

In accordance with requirement of Regulation 34(3) and Schedule V Part F of SEBI Listing Regulations, the Company reports the following details in respect of the Equity Shares, which were issued by the Company from time to time and lying in the suspense account is as under:

Description	No. of Shareholders	No. of Equity Shares
Aggregate number of Shareholders and the outstanding shares in the suspense account lying as on April 1, 2019	83	46,417
Number of Shareholders who approached the Company for transfer of shares from suspense account during the year	0	0
Number of Shareholders to whom shares were transferred from the suspense account during the year	0	0
Aggregate number of Shareholders and the outstanding shares in the suspense account lying as on March 31, 2020	83	46,417

The voting rights on the shares outstanding in suspense account as on March 31, 2020 shall remain frozen till the rightful owner of such shares claims the shares.

29. SHARE CAPITAL BUILD-UP

(a) Equity Shares

Particulars	No. of Equity Shares Allotted	Date of Issue
Subscribers to the Memorandum of Association of the Company	50,000	March 25,2006
Subdivision of equity shares of ₹10/- each into equity shares of ₹ 1/- each	500,000	July 25, 2006
Allotted to the Shareholders of Zee Entertainment Enterprises Limited pursuant to Scheme of Arrangement	216,717,753	December 29, 2006
Right Issue	236,222,285	October 29, 2009
Allotted upon conversion of warrants as per terms of issue of Preferential Issue	68,500,000	March 25, 2014
Allotted upon conversion of warrants as per terms of issue of Preferential Issue	93,500,000	April 2, 2014
ESOP Allotment	77,840	February 4, 2015
QIP Allotment	63,174,540	March 9, 2015
ESOP Allotment	167,840	March 26, 2015
Allotted upon conversion of warrants as per terms of issue of Preferential Issue	85,714,285	February 19, 2016
Allotted upon conversion of OFCD as per terms of issue of Preferential Issue	30,800,000	March 28, 2017
ESOP Allotment	135,000	February 14, 2017
Allotted upon conversion of warrants as per terms of issue of Preferential Issue	57,142,857	February 27, 2017
Allotted upon conversion of OFCD as per terms of issue of Preferential Issue	20,628,571	February 27, 2017
Less: Forfeiture of shares	1,227,123	October 19, 2011
Paid up equity share capital of the Company as on March 31, 2020	**872,053,848**	

(b) Preference Shares

Particulars	No. of Equity Shares Allotted	Date of Issue
Issued pursuant to Scheme of Arrangement	23,436	December 29, 2006
Paid up preference share capital of the Company as on March 31, 2020	**23,436**	

30. OTHER DISCLOSURES

i. All transactions entered into by the Company with related parties during the financial year 2019-20 were in ordinary course of business and on arm's length basis. The related party transactions undertaken by the Company during the year under review were in compliance with the applicable provisions of Companies Act, 2013 and Listing Regulations. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of the Annual Report. All ongoing related party transactions along with the estimated transaction value and terms thereof are approved by the Audit Committee before the commencement of financial year and thereafter reviewed on quarterly basis by the Audit Committee.

In compliance with the requirements of Regulation 23 of Listing Regulations, the Board of Directors of the Company has approved a Related Party Transaction Policy, to facilitate management to report and seek approval for any Related Party Transaction proposed to be entered into by the Company. The said Related Party Transaction Policy can be viewed on www.sitinetworks.com.

There are no materially significant related party transactions between the Company and its promoters, directors or key management personnel or their relatives, having any potential conflict with interests of the Company at large.

ii. Except as mentioned herein below, there has not been any non-compliance by the Company and no penalties or strictures imposed by SEBI or Stock Exchanges or any other statutory authority on any matter relating to capital markets, during the last three years.

BSE Ltd. and National Stock Exchange of India Limited vide their dated February 3, 2020 have separately imposed a fine of ₹ 5,31,000/- (Rupees Five Lakh Thirty One Thousand Only), inclusive of GST at applicable rates, for delay in compliance of Regulation 17(1)(c) of the SEBI Listing Regulations

The securities of the Company have not been suspended for trading at any point of time during the year and the Company has duly complied with corporate governance requirements as specified under Regulations 17 to 27 and clause (b) to (i) of Regulation 46 (2) of the Listing Regulations.

Quarterly reports on compliance with Corporate Governance as per Regulation 27 of the Listing Regulations were duly filed with the stock exchanges within the stipulated time.

iii. As per Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations, a comprehensive Whistle Blower and Vigil Mechanism Policy has been approved and implemented within the organisation. The policy enables the employees and Directors to report instances of any unethical act or suspected incidents of fraud or violation of Companies Code of Conduct or ethics policy. This Policy, a copy of which is uploaded on the website of the Company, safeguards whistle blowers from reprisals or victimisation. Your Board affirms that no personnel has been denied access for making disclosure or report under the Policy to the Vigilance Officer and/or Audit Committee.

iv. In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated and approved (i) an Insider Trading Code to regulate dealing in the securities of the Company by designated persons in compliance with the regulations; and (ii) a Policy for Fair Disclosure of Unpublished Price Sensitive Information. Mr. Suresh Kumar, Company Secretary of the Company is Compliance Officer for the purposes of Insider Trading Code, while the Chief Financial Officer of the Company has been assigned responsibility under Fair Disclosure policy as Investor Relations Officer. In line with the amendment to SEBI (Prohibition of Insider Trading) Regulations, 2015, the Insider Trading Code and Policy for Fair Disclosure of Unpublished Price Sensitive Information was revised with effect from April 1, 2019. The revised Code and Policy can be viewed on Company's website www.sitinetworks.com.

v. The Company has one material non-listed Subsidiary namely Indian Cable Net Company Limited, in terms of Regulation 16 of Listing Regulations. Detailed secretarial activity reports along with the minutes of the Meetings of Subsidiaries are placed before the Board at the meeting on periodical basis. The Audit Committee reviews the Financial Statements including investments by the unlisted subsidiaries. The policy on determining material subsidiaries has been uploaded and can be accessed on the website of the Company www.sitinetworks.com.

Additionally, the Board has in accordance with the requirements of Companies Act, 2013 and Listing Regulations approved and adopted various other policies including Material Events Determination and Disclosure Policy, Document Preservation Policy, etc. These Policies can be viewed on Company's website www.sitinetworks.com.

vi. The Company is engaged in distribution of signals of channels of various broadcasters through cable networks, there are no risk associated with Commodity Price. Further the Company has not carried out any activity for hedging of foreign exchange risk.

vii. Your Board hereby confirms that the Company has obtained a certificate from the Company Secretary in practice Mr.Amit Agarwal & Associate (CP No.3647), proprietor of M/s Amit Agarwal and Associates, Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

viii. During the financial year, the Board of Directors of the Company has accepted all the recommendation of any Committee of the Board where prior approval of the relevant Committee is required for undertaking any transaction under these Regulations.

ix. Total fees for all services paid by SITI networks and its subsidiaries, on a consolidated basis, to the Walker Chandiok & Co. LLP, Statutory Auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

During the year under review, the Statutory Auditors of the Company, Walker Chandiok & Co. LLP, Chartered Accountant were paid an aggregate remuneration of ₹ 7,505,628 (including Statutory Audit Fees of ₹ 6,500,000).

Apart from the Company, the Statutory Auditors and its network firms didn't provide any services to any subsidiary company of the Company

Particulars of payments made to the Statutory Auditors and its Network firms on consolidated basis (excluding taxes) are given below.

Particulars	Amount In ₹
Audit /Limited Reviews fee / fee for retesting the internal controls and issuing opinion on the adequacy and operating effectiveness of internal controls over financial reporting	6,500,000
for other services including certifications	570,000
Reimbursement of expenses	435,628
Total	**7,505,628**

x. The Company is committed to provide safe and conducive working environment to all its employees and has zero tolerance for sexual harassment at workplace. In line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder, the Company has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace and has constituted Internal Complaints Committee functioning at various locations to redress complaints received regarding sexual harassment.

During the year the Company, the Company has not received any complaint under sexual harassment.

xi. The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and applicable requirements of Regulation 46 of SEBI Listing Regulations, as amended.

xii. Your Company has put in place procedures and guidelines to inform the Board Members about the risk assessment and minimisation procedures. Such procedures are periodically reviewed in light of industry dynamics to ensure that executive management controls risk through means of a properly defined framework.

The Company has in place a risk management policy and the same is periodically reviewed by the Board. The Risk Management and Internal Control is discussed in detail in the Management Discussion and Analysis that forms part of this Annual Report.

xiii. In line with the requirements of the Listing Regulations, the Board has approved and adopted a Dividend Distribution Policy. The Dividend Distribution Policy is available on the website of the Company and can be accessed at www.sitinetworks.com.

xiv. Other Policies: Apart from the above policies, the Board has in accordance with the requirements of Act and the Listing Regulations, approved and adopted policy for Determining Material Events, Policy for Preservation of Documents & Archival of Records, Corporate Social Responsibility Policy etc. The required policies can be viewed on Company's Website at www.sitinetworks.com.

31 COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and applicable requirements of Regulation 46 of the Listing Regulations, as amended. The status of compliance with non-mandatory requirements of the Listing Regulations are as detailed hereunder:

- **Internal Auditor –** The Internal Auditor reports directly to the Audit Committee and make comprehensive presentations at the Audit Committee meeting on the Internal Audit Report.

32. MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on Management discussion and analysis is provided separately as a part of this Annual Report.

33. CERTIFICATION ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

The Certificate from Practicing Company Secretary confirming compliance with conditions of Corporate Governance as stipulated in Listing Regulations is annexed to this Annual Report.

34. CEO/ CFO CERTIFICATION

In terms of the provisions of Regulation 17 (8) of the Listing Regulations, the certification on the financial statements of the Company, as certified by the Chief Executive Officer and Chief Financial Officer of your Company is annexed to this Annual Report.

COMPLIANCE CERTIFICATE

[Regulation 17(8)]

We, Anil Kumar Malhotra, Chief Executive Officer and Sanjay Berry, Chief Finance Officer of SITI Networks Limited (hereinafter referred to as 'the Company') certify that:

a) We have reviewed the financial statements and cash flow statement for the year ended March 31, 2020 and that to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year ended March 31, 2020 which are fraudulent, illegal or violative of the Company's Code of Conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) During the year:

   i. there have not been any significant change in internal control over financial reporting;

   ii. there have not been any significant changes in accounting policies; and

   iii. there have been no instances of significant fraud of which we are aware that involve management or other employees having significant role in the Company's internal control system over financial reporting.

Noida, June 29, 2020

Anil Kumar Malhotra
Chief Executive Officer

Sanjay Berry
Chief Finance Officer

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
SITI Networks Limited.

We have examined the compliance of conditions of Corporate Governance by SITI Networks Limited (hereinafter referred to as 'the Company'), for the year ended March 31, 2020, as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Amit Agrawal & Associates**
Company Secretaries

CS Amit Agrawal
Proprietor
FCS No. 5311, C.P.No. 3647
UDIN : F005311B000393182

Place : Delhi
Date : June 29, 2020

Pg 90

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of SITI Networks Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

QUALIFIED OPINION

1. We have audited the accompanying standalone financial statements of SITI Networks Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required 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 of the Company as at 31 March 2020, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

BASIS FOR QUALIFIED OPINION

3. As described in note 47 to the accompanying standalone financial statements, the Company's 'Revenue from operations' includes broadcasters' share in subscription income from pay channels, which has correspondingly been presented as an expense which is not in accordance with the requirements of Ind AS-115, 'Revenue from contracts with customers'. Had the management disclosed the same on net basis, the 'Revenue from operations' and the 'Carriage sharing, pay channel and related costs' each would have been lower by ₹ 3,902.38 million for the year ended 31 March 2020, while there would have been no impact on the net loss for the year ended 31 March 2020.

4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

5. We draw attention to note 50 to the accompanying standalone financial statements, which indicates that the Company has incurred a net loss (including other comprehensive income) of ₹ 1900.96 million during the year ended 31 March 2020, and as of that date, the Company's accumulated losses amount to ₹ 18,614.11 million resulting in a negative net worth of ₹ 1,678.82 million and its current liabilities exceeded its current assets by ₹ 10,364.83 million resulting in negative working capital. As at 31 March 2020, there are delays/ defaults in repayment of obligations and borrowings. The above factors along with other matters as set forth in note 50, indicate a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. However, basis the impact of Tariff Order 2017, ongoing discussion with the lenders of the Company, and other factors mentioned in aforesaid note to the accompanying standalone financial statements, the management is of the view that going concern basis of accounting is appropriate for preparation of these financial statements.

   The above assessment of the Company's ability to continue as going concern is by its nature considered as key audit matter in accordance with SA 701. In relation to the above key audit matter, our audit work included, but was not limited to, the following procedures:

   - We obtained an understanding of the management's process for identification of events or conditions that may cast significant doubt over the Company's ability to continue as a going concern and the process to assess the corresponding mitigating factors existing against each such event or condition.
   - Evaluated the design and tested the operating effectiveness of key controls around aforesaid identification of events or conditions and mitigating factors, and controls around cash flow projections prepared by the management.
   - We obtained the projected cash flows for the next twelve months from the management, basis their future business plans and considering the impact of Tariff Order, 2017.

- We held discussions with the management personnel to understand the assumptions used and estimates made by them for determining the future cash flow projections.
- The key assumptions such as revenue growth rate, changes in direct and administrative expenses, and capital expenditure outflows, were assessed for reasonableness by reference to historical data, future market trends, existing market conditions, business plans and our understanding of the business and the industry in which the Company operates.
- We tested mathematical accuracy of the projections and applied independent sensitivity analysis to the key assumptions mentioned above to determine inputs leading to high estimation uncertainty of the cash flow projections.
- We read the relevant correspondences with the lending banks.
- We assessed the appropriateness and adequacy of disclosures made by the Company with respect to the aforesaid events and conditions in accordance with the provisions requirements of Ind AS 1 Presentation of Financial Statements.

KEY AUDIT MATTERS

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

7. In addition to the matters described in the Basis for Qualified Opinion and Material Uncertainty Related to Going Concern sections, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of non-current investments As described in Note 6 to the standalone financial statements, the Company has investments of ₹ 3,519.62 million in its subsidiaries, associates and joint venture entities, as at 31 March 2020 (hereinafter together referred to as 'Component entities'). Certain Component entities have been incurring losses in the current year and previous year and have negative cash flows from operations during the current as well as previous years, thus resulting in possible impairment indicators. In view of the above, management during the year ended 31 March 2020, has carried out impairment test for such investments, whereby the carrying amount of the investments was compared with the fair value of the business of respective component entity. To determine the fair value, management of the Company has prepared detailed cash flow projections, based on business plans of the respective component entity, expected growth rates of the business and other market related factors including the discount rates, etc. Based on the result of the aforesaid impairment tests, no impairment has been noted. Considering the materiality of the amount involved and significant degree of judgement and subjectivity involved in the estimates and key assumptions used in determining the cash flows used in the impairment evaluation, we have determined impairment of such investments as a key audit matter.	Our audit procedures included, but were not limited to the following: • We obtained understanding of the management process for identification of possible impairment indicators and process performed by the management for impairment testing. • We have performed detailed discussions with the management throughout the year to understand the impairment assessment process, assumptions used and estimates made by management to assess the reasonableness of the recoverable amount and tested the operating effectiveness of controls implemented by management. • We obtained from the management of the Company, the approved future business plans of the subsidiary companies and held detailed discussions with the management to understand the assumptions used and estimates made by them for determining the cash flow projections. • We referred to the economic conditions prevalent in the jurisdiction in which the subsidiary company operates and understood from the management about the future business plans. • We assessed the reasonableness of the assumptions used and appropriateness of the valuation methodology applied. • Working with our valuation specialists, we have assessed the reasonableness of assumptions around discount rate, beta, etc, used and valuation methodology applied for valuation of certain investment in optionally convertible debentures of the Component entities. • Evaluated the appropriateness and adequacy of the related disclosures made in the standalone financial statements in accordance with the applicable accounting standards.

Key audit matter	How our audit addressed the key audit matter
Provision for expected credit losses (ECL) Refer note 3(j) for significant accounting policy and note 35 for credit risk disclosures. As described in note 10, trade receivables comprise a significant portion of the current financial assets of the Company. As at 31 March 2020 trade receivables aggregate to ₹ 2,073.25 million (net of allowance for expected credit losses of ₹ 4,524.03 million). In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Company has analysed the trend of trade receivables under different ageing bracket for last three years and calculated credit loss rate basis such ageing. The complexity in calculation of ECL is mainly related to calculations performed for different type of revenue streams in which the Company operates and the different recovery period for different categories of customers. Additional provision is recognised for the receivables which are specifically identified as doubtful or non-recoverable. Further, the management regularly assess each class of trade receivables for recoverability. Provision for ECL is adjusted considering the recovery trends noted for the respective class, adjusted for forward looking estimates. Estimation of provisions and assessment of recoverability of amounts involves significant degree of judgement and evaluation basis the ongoing communications with the respective parties and is therefore considered as a key audit matter.	Our audit procedures included, but were not limited to the following: • We obtained an understanding of the management process for segregating receivables into appropriate groups, computation of average historical loss rate by age-band and adjustments made to historical loss rates (if any). • We assessed and tested the design and operating effectiveness of controls around management's assessment of the recoverability of trade receivables and corresponding provisioning for ECL. Also, evaluated the controls over the modelling process, validation of data and related approvals. • We obtained from the management of the Company, detailed assessment, including computation, of the ECL. • We audited the underlying data and assessed reasonableness of the assumptions used for each age-band of trade receivables. • We analyzed the methodology used by the management and considered the credit and payment history of specific parties to determine the trend used for arriving at the expected credit loss provision. • We obtained the details of receivables specifically identified by the management for provisioning, over and above the ECL, and corroborated them from the ageing schedule and held discussions with management on their recoverability. • We assessed the appropriateness of disclosures made by the management for the ECL recognized in accordance with applicable accounting standards.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

8. 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 standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

9. The accompanying standalone financial statements have been approved by the Company's Board of Directors. 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 financial position, 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.

10. 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.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

12. 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.

13. 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 expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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;

14. 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.

15. 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.

16. 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

17. Based on our audit, we report that, as also detailed in note 49 of the accompanying standalone financial statements, the Company has paid managerial remuneration to its director amounting to ₹ 0.81 million, which is in excess of the limits prescribed under Section 197 of Act read with Schedule V of the Act, in respect of which approvals from the shareholders have been obtained within the prescribed time limit, however, prior approvals from the lenders as required under Section 197 have not been obtained by the Company.

18. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

19. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, 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 of the accompanying standalone financial statements;

   b) except for the effects of the matter described in the Basis of Qualified Opinion section, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) the standalone financial statements dealt with by this report are in agreement with the books of account;

   d) except for the effects of the matter described in the Basis of Qualified Opinion section, in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

   e) the going concern matter described in paragraph 5 under the Material Uncertainty Related to Going Concern section, in our opinion, may have an adverse effect on the functioning of the Company;

   f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;

   g) the qualification relating to the maintenance of accounts and other matters connected therewith is as stated in the Basis for Qualified Opinion section;

   h) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 29 June 2020 as per Annexure II expressed modified opinion; and

   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 in note 39 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;

      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 2020;

      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 2020; and

      iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rajni Mundra
Partner
Membership No.: 058644
UDIN: 20058644AAAABF4958

Place: New Delhi
Date: 29 June, 2020

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT

OF EVEN DATE TO THE MEMBERS OF SITI NETWORKS LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Annexure I

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, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment ('PPE'), except for some of the network equipment acquired in a scheme of arrangement in an earlier year where the records are maintained for a group of similar assets and not for each individual asset. However, the written down value of these assets is nil.

(b) The Company has a regular program of physical verification of its PPE that are verified in a phase manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets, other than 'set top boxes' and 'broadband consumer premises equipment (CPE)' which are installed either at customer premises or lying with the distributors/ cable operators, and 'distribution equipment comprising overhead and underground cables', since the physical verification of such items of PPE is not feasible owing to the nature and location of these assets. Further, the Company has not been able to reconcile the physical verification of certain 'network equipment' acquired in a scheme of arrangement in an earlier year to the books of account due to lack of records thereof as mentioned in paragraph (a) above. According to the information and explanations given to us, the existence of 'set top boxes' and CPE installed at customer premises is verified on the basis of the 'active user' status of the customers. No material discrepancies were noticed on the physical verification of the PPE of the Company. However, 'set top boxes' and CPE lying with the distributors/ cable operators, 'distribution equipment comprising overhead and underground cables' and 'network equipment' acquired in a scheme of arrangement as aforementioned have not been physically verified by the management during the year as explained above and we are therefore unable to comment on the discrepancies, if any, which could have arisen on verification thereof.

(c) The title deeds of all the immovable properties (which are included under the head PPE) are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Sections 186 in respect of investments. 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.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) The dues outstanding in respect of income-tax, sales tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of disputed dues

Name of the statute	Nature of dues	Amount (₹ in million)	Amount paid under protest (₹ in million)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	141.22	2.03	July 2003 to June 2008, Financial year 2005-2006 to Financial year 2008-2009 and Financial year 2011-2012	The Customs Excise and Service Tax Appellate Tribunal
Karnataka Value Added Tax Act, 2003	Value added tax	8.61	-	Financial year 2010-2011	High Court of Karnataka
Karnataka Value Added Tax Act, 2003	Value added tax	2.79	-	Financial year 2012-2013	Joint Commissioner, Commercial Taxes (Appeals)
Kerala Value Added Tax Act, 2003	Value added tax	4.49	-	Financial year 2015-2016	State Tax Officer
Andhra Pradesh Value Added Tax Act, 2005	Value added tax	1.70	-	Financial year 2015- 2016	Additional Commissioner of Appeals
Andhra Pradesh Value Added Tax Act, 2005	Value added tax	16.80	-	Financial year 2016-2017	High Court of Andhra Pradesh
Andhra Pradesh Value Added Tax Act, 2005	Value added tax	3.11	1.66	Financial year 2010-2017	Telangana Value Added Tax Appellate Tribunal
Delhi Value Added Tax Act, 2004	Value added tax	0.71	-	Financial year 2013-2014	Additional Commissioner (Appeals)
The Uttar Pradesh Value Added Tax Act, 2008	Value added tax	8.19	-	Financial year 2015-2016 to Financial year 2017-18	Appellate Deputy Commissioner, Commercial Taxes (Appeals)
The Haryana Value Added Tax Act, 2003	Value added tax	33.80	16.60	Financial year 2014-2015 to Financial year 2017-18	The Joint Excise and Taxation Commissioner (Appeals)
The Maharashtra Value Added Tax Act, 2002	Value added tax	6.78	-	Financial Year 2007-2008	Joint Commissioner Of Commercial Taxes (Appeals)
Custom Act, 1962	Custom Duty	1,011.22	20	Financial Year 2014-2015 till 2018-2019	Additional Director General (Adjudication), Directorate of Revenue Intelligence, Delhi

(viii) The Company has no loans or borrowings payable to government and no dues payable to debenture-holders. The Company has defaulted in repayment of loans/borrowings to the following banks and financial institution:

- which were paid on or before the Balance Sheet date:

Name of the lenders	Amount of default during the year ended 31 March 2020 (₹ in million)		Period of default (in days)		Remarks
	Principal	Interest	Principal	Interest	
In case of:					
(a) Banks					
Axis Bank	424.59	44.79	1-91	1-91	
	49.97	-	92-183	-	
Indus Ind Bank	145.92	72.15	1-88	1-88	
Kotak Mahindra Bank	313.74	4.06	1-88	1-88	
IDBI Bank	208.20	14.86	1-91	1-91	
	-	3.11	-	92-183	

Name of the lenders	Amount of default during the year ended 31 March 2020 (₹ in million)		Period of default (in days)		Remarks
	Principal	Interest	Principal	Interest	
HDFC Limited	-	20.00	-	1-91	
	15.00	20.00	92-183	92-183	
RBL Bank Limited	37.50	5.69	1-91	1-91	
	-	4.55	-	92-183	
Standard Chartered Bank	555.74	31.09	1-91	1-91	
	20.50	-	92-183	-	
(b) Financial institution					
Aditya Birla Finance Limited	112.50	140.27	1-89	1-89	

- which were unpaid as at 31 March 2020:

Name of the lenders	Amount of default during the year ended 31 March 2020 (₹ in million)		Period of default (in days)		Remarks
	Principal	Interest	Principal	Interest	
In case of:					
(a) Banks					
Axis Bank	281.25	53.42	1-91	1-91	
	187.50	54.00	92-183	92-183	
	312.50	56.33	184-275	184-275	
	187.50	21.02	276-366	276-366	
Indus Ind Bank	-	20.70	-	1-32	
Kotak Mahindra Bank	31.25	12.36	1	1-88	
IDBI Bank	100.00	6.87	1-91	1-91	
	104.00	6.97	92-183	92-183	
	-	2.58	-	184-275	
HDFC Limited	330.00	64.09	1-91	1-91	
	-	64.79	-	92-183	
	330.00	64.87	184-275	184-275	
	315.00	24.48	276-366	276-366	
RBL Bank Limited	-	13.35	-	1-91	
	-	13.50	-	92-183	
	525.00	12.72	184-275	184-275	
Standard Chartered Bank	107.95	31.58	1-91	1-91	
	344.29	31.70	92-183	92-183	
	-	9.57	-	184-275	
(b) Financial institution					
Aditya Birla Finance Limited	37.50	26.52	1-33	1-33	

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The Company has paid managerial remuneration which is in excess of the limits prescribed under Section 197 of the Act read with Schedule V of the Act, in respect of which approvals from the shareholders have been obtained within the prescribed time limit, however, prior approvals from the lenders as required under Section 197 have not been obtained by the Company. The details of the such excess managerial remuneration paid are as follows:

S. No	Payment made to	Amount Paid in excess of limits prescribed (₹ in million)	Amount due for Recovery as at 31 March 2020 (₹)	Steps taken to secure the recovery of the amount	Remarks (if any)
1	Whole time Director	0.81 million	0.81 million	-	The Company has submitted representation before lenders for reconsideration of remuneration so paid and approval is awaited for the same.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rajni Mundra
Partner
Membership No.: 058644
UDIN: 20058644AAAABF4958

Place: New Delhi
Date: 29 June, 2020

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT

OF EVEN DATE TO THE MEMBERS OF SITI NETWORKS LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

ANNEXURE II

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS 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 Networks Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR INTERNAL FINANCIAL CONTROLS

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('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 WITH REFERENCE TO FINANCIAL STATEMENTS

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 qualified audit opinion on the Company's internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements 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 WITH REFERENCE TO FINANCIAL STATEMENTS

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

QUALIFIED OPINION

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements as at 31 March 2020:

   The Company's internal financial controls over preparation of financial statements with respect to presentation and disclosure of 'Revenue from operations' in accordance with the requirement of Ind AS 115 'Revenue from contracts with customers', were not operating effectively which has resulted in a material misstatement in the amounts recognised as 'Revenue from operations' and 'Carriage sharing, pay channel and related costs' including the relevant disclosures in the standalone financial statements, while there is no impact on the net loss for the year ended 31 March 2020.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

10. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI and except for the effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as at 31 March 2020.

11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March 2020, and the material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rajni Mundra
Partner
Membership No.: 058644
UDIN: 20058644AAAABF4958

Place: New Delhi
Date: 29 June, 2020

STANDALONE BALANCE SHEET

as at March 31,2020

(₹ in million)

	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
a) Property, plant and equipment	4	5,803.59	7,091.09
b) Capital work-in-progress	4	277.30	396.91
c) Other intangible assets	5	1,327.71	1,413.02
d) Intangible assets under development	4	11.07	46.47
e) Financial assets			
i) Investments	6	3,519.62	3,520.73
ii) Other financial assets	7	220.26	396.17
f) Other non-current assets	8	101.62	307.30
		11,261.17	**13,171.69**
Current assets			
a) Inventories	9	4.64	7.13
b) Financial assets			
i) Trade receivables	10	2,073.25	2,902.90
ii) Cash and cash equivalents	11	25.31	114.17
iii) Bank balances other than (ii) above	12	20.86	40.00
iv) Other financial assets	13	948.81	1,672.07
c) Other current assets	14	1,069.83	1,082.66
		4,142.70	**5,818.93**
Total assets		**15,403.87**	**18,990.62**
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	15 (a)	872.67	872.67
b) Other equity	15 (b)	(2,551.49)	(650.52)
		(1,678.82)	**222.15**
Liabilities			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	16	2,487.31	5,315.32
ii) Other financial liabilities [other than those specified in item (b)]	17	39.57	31.31
b) Provisions	18	48.28	51.68
		2,575.16	**5,398.31**
Current liabilities			
a) Financial liabilities			
i) Borrowings	19	1,381.69	1,534.82
ii) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	20	0.66	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	20	4,911.18	4,397.87
iii) Other financial liabilities [other than those specified in item (c)]	21	7,502.01	6,530.96
b) Other current liabilities	22	708.95	902.72
c) Provisions	23	3.04	3.79
		14,507.53	**13,370.16**
Total equity and liabilities		**15,403.87**	**18,990.62**

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 **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Rajni Mundra
Partner
Membership No.: 058644

For and on behalf of the Board of Directors of
SITI Networks Limited

Suresh Arora
Whole Time Director
DIN: 00299232

Amitabh Kumar
Non-Executive Director
DIN: 00222260

Anil Kumar Malhotra
Chief Executive Officer

Sanjay Berry
Chief Financial Officer

Suresh Kumar
Company Secretary
Membership No: ACS 14390

Place : New Delhi
Date : June 29, 2020

Place : Noida
Date : June 29, 2020

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31,2020

(₹ in million)

	Note	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from operations	24	8,189.39	8,212.75
Other income	25	65.17	213.58
Total income		**8,254.56**	**8,426.33**
Expenses			
Cost of materials consumed		3.94	2.72
Purchase of stock-in-trade		12.14	189.74
Carriage sharing, pay channel and related costs		3,902.38	3,658.69
Employee benefits expense	26	447.18	538.83
Finance costs	27	1,318.22	1,537.33
Depreciation and amortisation expenses	28	1,964.96	2,093.03
Other expenses	29	2,171.66	2,189.38
Total expenses		**9,820.48**	**10,209.72**
Loss before exceptional items and tax		**(1,565.92)**	**(1,783.39)**
Exceptional items	46	280.03	1,940.88
Loss before tax		**(1,845.95)**	**(3,724.27)**
Tax expense			
Current tax	41	47.75	-
Deferred tax	41	-	-
Loss for the year		**(1,893.70)**	**(3,724.27)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability	32	(7.26)	(1.51)
Income tax relating to items that will not be reclassified to profit or loss		-	-
Total comprehensive income for the year		**(1,900.96)**	**(3,725.78)**
Earnings per share			
Basic and diluted earnings per share	30	(2.17)	(4.27)

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 **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Rajni Mundra
Partner
Membership No.: 058644

For and on behalf of the Board of Directors of
SITI Networks Limited

Suresh Arora
Whole Time Director
DIN: 00299232

Amitabh Kumar
Non-Executive Director
DIN: 00222260

Anil Kumar Malhotra
Chief Executive Officer

Sanjay Berry
Chief Financial Officer

Suresh Kumar
Company Secretary
Membership No: ACS 14390

Place : New Delhi
Date : June 29, 2020

Place : Noida
Date : June 29, 2020

STANDALONE CASH FLOW STATEMENT

for the year ended March 31, 2020

(₹ in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(1,845.95)	(3,724.27)
Adjustment for:		
Depreciation and amortisation expenses	1,964.96	2,093.03
Interest income on bank deposits	(15.89)	(34.27)
Excess provisions written back	(1.40)	(44.65)
Loss/(profit) on sale of property, plant and equipment, and other intangible assets (net)	23.36	(48.32)
Interest expense for borrowings at amortised cost	1,266.12	1,359.76
Interest expense on lease liabilities	2.15	-
Bad debts written off	90.11	7.69
Unrealised foreign exchange loss/(gain)	25.97	(13.66)
Allowance for expected credit losses	115.00	310.07
Employee stock compensation expense	-	(0.15)
Effect of recognising other expense on security deposits as per effective interest method	3.31	1.26
Measurement of financial assets and financial liabilities at amortised cost	(2.90)	(1.52)
Measurement of optionally convertible debentures at fair value through profit and loss	(8.83)	-
Exceptional items	280.03	1,940.88
Operating profit before working capital changes	**1,896.04**	**1,845.85**
Adjustments for changes in:		
Decrease in trade receivables	354.44	78.61
Decrease in other financial assets	75.69	108.51
Decrease in other current and non-current assets	76.76	343.05
Decrease in inventories	2.49	7.71
(Decrease)/increase in other financial liabilities	(50.60)	403.65
(Decrease)/increase in employee benefit obligations	(11.42)	7.41
(Decrease)/increase in other current and non-current liabilities	(193.77)	140.06
Increase in trade payables	515.73	1,009.73
Cash generated from operations	**2,665.36**	**3,944.58**
Income taxes (paid)/refund	(119.83)	8.77
Net cash flow generated from operating activities	**2,545.53**	**3,953.35**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, and intangible assets	(489.84)	(1,200.18)
Proceeds from sale of property, plant and equipment	643.58	1.97
Sale of investment (current and non-current, financial asset)	-	1.10
Interest received	2.36	35.47
Margin money deposits and bank deposits matured (net)	224.91	292.86
Net cash flow generated from/(used in) investing activities	**381.01**	**(868.78)**

(₹ in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment)/proceeds from borrowings (current, financial liabilities) (net)	(244.64)	42.33
Proceeds from borrowings (non-current, financial liabilities)	-	1,560.40
Repayment of borrowings (non-current, financial liabilities)	(1,999.29)	(3,619.64)
Repayment of lease liabilities	(6.10)	-
Interest and ancillary borrowing costs paid	(765.37)	(1,264.66)
Net cash flow used in financing activities	**(3,015.40)**	**(3,281.57)**
Net decrease in cash and cash equivalents	(88.86)	(197.00)
Cash and cash equivalents at the beginning of the year	114.17	311.17
Cash and cash equivalents at the end of the year	**25.31**	**114.17**

Notes:

	As at March 31,2020	As at March 31,2019
a. Cash and cash equivalents include (refer note 11):		
Balances with banks on current accounts	21.84	85.97
Cheques and drafts on hand	0.23	18.52
Cash on hand	3.24	9.68
	25.31	**114.17**

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 year.

This is the standalone cash flow statement referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Rajni Mundra
Partner
Membership No.: 058644

Place : New Delhi
Date : June 29, 2020

For and on behalf of the Board of Directors of
SITI Networks Limited

Suresh Arora
Whole Time Director
DIN: 00299232

Amitabh Kumar
Non-Executive Director
DIN: 00222260

Anil Kumar Malhotra
Chief Executive Officer

Sanjay Berry
Chief Financial Officer

Suresh Kumar
Company Secretary
Membership No: ACS 14390

Place : Noida
Date : June 29, 2020

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2020

A EQUITY SHARE CAPITAL (INCLUDING FORFEITED EQUITY SHARES)

(₹ in million)

	Amount
Balance as at April 01, 2018	**872.67**
Issued during the year	-
Balance as at March 31, 2019	**872.67**
Issued during the year	-
Balance as at March 31, 2020	**872.67**

B OTHER EQUITY

(₹ in million)

	Reserves and surplus			Other components of equity		
	Securities premium (refer note 15(b))	Retained earnings (refer note 15(b))	General reserve (refer note 15(b))	Foreign currency monetary item translation difference account (FCMITDA) (refer note 15(b))	Employee share based payments reserve (refer note 15(b))	Total other equity
Balance as at April 01, 2018	**16,017.37**	**13,754.96**	**3.23**	**13.66**	**42.18**	**2,321.48**
Adjustment on adoption of Ind AS 115 (Refer note 3(c))	-	767.59	-	-	-	767.59
Loss for the year	-	(3,724.27)	-	-	-	(3,724.27)
Other comprehensive income for the year (net of tax)						
Remeasurement of defined benefit liability	-	(1.51)	-	-	-	(1.51)
Total comprehensive income for the year	**-**	**3,725.78**	**-**	**-**	**-**	**(3,725.78)**
FCMITDA created during the year	-	-	-	(47.54)	-	(47.54)
FCMITDA expensed during the year	-	-	-	33.88	-	33.88
Employee share based payments reserve reversed	-	-	-	-	(0.15)	(0.15)
Balance as at March 31, 2019	**16,017.37**	**(16,713.15)**	**3.23**	**-**	**42.03**	**(650.52)**
Balance as at April 01, 2019	**16,017.37**	**(16,713.15)**	**3.23**	**-**	**42.03**	**(650.52)**
Loss for the year	-	(1,893.70)	-	-	-	(1,893.70)
Remeasurement of defined benefit liability	-	(7.26)	-	-	-	(7.26)
Total comprehensive income for the year	**-**	**(1,893.70)**	**-**	**-**	**-**	**(1,900.96)**
Balance as at March 31, 2020	**16,017.37**	**(18,614.11)**	**3.23**	**-**	**42.03**	**(2,551.49)**

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Rajni Mundra
Partner
Membership No.: 058644

Place : New Delhi
Date : June 29, 2020

For and on behalf of the Board of Directors of
SITI Networks Limited

Suresh Arora
Whole Time Director
DIN: 00299232

Amitabh Kumar
Non-Executive Director
DIN: 00222260

Anil Kumar Malhotra
Chief Executive Officer

Sanjay Berry
Chief Financial Officer

Suresh Kumar
Company Secretary
Membership No: ACS 14390

Place : Noida
Date : June 29, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2020

1. NATURE OF OPERATIONS

SITI Networks Limited (hereinafter referred to as the 'Company' or 'SNL') was incorporated in the state of Maharashtra, India. The Company is engaged in distribution of television channels through digital cable distribution network and allied services.

2. GENERAL INFORMATION

SNL, is a public company incorporated and domiciled in India. Its registered office is at Unit no. 38, 1st Floor, A Wing Madhu Industrial Estate, Pandurang Budhkar Marg, Worli, Mumbai 400013, India. The Company's shares are listed on the National Stock Exchange of India Limited and BSE Limited.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

a) Overall consideration, basis of preparation and statement of compliance with Indian Accounting Standards ('Ind AS')

The standalone financial statements have been prepared in accordance with the accounting principles generally accepted in India, including the Ind AS as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act'). These standalone financial statements have been prepared ongoing concern basis and presented under the historical cost convention except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period as stated in the accounting policies below.

These standalone financial statements have been prepared using the significant accounting policies and measurement basis summarised below. These accounting policies have been used consistently throughout all periods presented in these standalone financial statements unless stated otherwise.

The standalone financial statements have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on June 29, 2020.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Act. The Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the aquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

b) Foreign currency translation

Functional and presentation currency

These standalone financial statements are presented in currency Indian Rupee (₹), which is also the functional currency of the Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions (spot exchange rate).

Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

c) 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 as set out below.

Revenue from rendering of services

Subscription income and support and service charges is recognised on completion of services and when no significant uncertainty exists regarding the amount of consideration that will be derived.

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

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

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

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

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

Revenue from sale of set top box (STBs) & viewing cards (VCs)

Revenue from sale of goods is recognised when the significant risks and rewards in respect of ownership of the goods are transferred to the buyer, usually on delivery of the goods and when no uncertainty exists regarding the amount of consideration that will be derived. The Company collects goods and services tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Interest

Interest income is reported on an accrual basis using the effective interest method.

d) Operating expenses

Operating expenses are recognised in statement of profit and loss upon utilisation of the related service or as incurred.

e) Borrowing costs

Borrowing costs include interest, amortisation 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. Capitalisation of borrowing cost 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 statement of profit and loss as incurred.

f) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price (net of CENVAT/GST credit availed), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted.

Subsequent expenditure relating to the assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Set top boxes are treated as part of capital work in progress till the end of the month of activation thereof post which the same are capitalised.

Subsequent measurement (depreciation and useful lives)

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

	Life in years
Buildings	60
Plant and equipment	8
Computers	3
Office equipment	5
Furniture and fixtures	10
Air conditioners	5
Studio equipment	13
Vehicles	8
Set top boxes	8
Integrated receiver and decoder (IRD) boxes	10

Leasehold improvements are amortised over their lease term or estimated useful lives, whichever is less.

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 are reviewed at each financial year end and adjusted prospectively, if appropriate.

De-recognition

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

g) Goodwill

Goodwill is not amortised but is tested for impairment at least annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

h) Other Intangible assets

Recognition and initial measurement

Other Intangible assets acquired separately are stated at their cost of acquisition. Following initial recognition, Other intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Subsequent measurement

Software are amortised over a period of six years on straight-line-basis.

Cost of news, current affairs, chat shows and events including sports events etc. are fully expensed on first telecast.

Program, film and cable rights are amortised on a straight-line-basis over the license period or 5 years from the date of purchase, whichever is shorter.

Subsequent expenditures on the maintenance of other intangible assets are expensed as incurred.

When an intangible asset is disposed off, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the respective intangible asset, and is recognised in profit or loss.

i) Impairment of non-financial assets

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

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

Goodwill is tested for impairment annually when circumstances indicate that the carrying value may be impaired.

j) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments and are measured initially at:

a) fair value, in case of financial instruments subsequently carried at fair value through profit or loss (FVTPL);

b) fair value adjusted for transaction costs, in case of all other financial instruments.

Subsequent measurement

Financial instruments at amortised cost – the financial instrument is measured at the amortised cost if both the following conditions are met:

i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

All other debt instruments are measured at fair value through other comprehensive income or FVTPL based on Company's business model.

Equity investments – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification is made on initial recognition and is irrevocable.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

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.

Subsequent measurement

Subsequent to initial recognition, these liabilities are measured at amortised cost using the EIR method.

De-recognition of financial liabilities

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

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

Offsetting of financial instruments

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

Impairment of financial assets

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

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company consider the following –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

As a practical expedient, the Company has adopted 'simplified approach' for recognition of lifetime expected loss on trade receivables. The estimate is based on three years average default rates observed over the expected life of the trade receivables and is adjusted for forward-looking estimates. These average default rates are applied on total credit risk exposure on trade receivables at the reporting date to determine lifetime expected credit losses.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

k) 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 further payment obligation 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.

Defined benefit plans

Gratuity

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at the reporting date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to 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 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.

Short term employee benefits

Short-term employee benefits, are current liabilities, measured at the undiscounted amount that the Company expects to pay as a result of the unused entitlement.

l) Share based employee remuneration

The Company operates equity-settled share-based remuneration plans for its employees, where the fair value of employee's services is determined indirectly by reference to the fair value of the equity instruments granted.

This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions). All share-based remuneration is ultimately recognised as an expense in the statement of profit and loss with a corresponding credit to employee stock option plan reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period. The number of vested options ultimately exercised by holders does not impact the expense recorded in any period.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as securities premium.

m) Provisions, contingent assets and contingent liabilities

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

Contingent liability is disclosed for:

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

Contingent assets are disclosed when probable and recognised when realisation of income is virtually certain.

n) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for the effects of mandatorily convertible instrument in compliance with Ind AS 33.

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

o) Leases

Accounting Policy adopted for leases from April 01, 2019

The Company has adopted Ind AS 116-Leases effective April 01, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application. Accordingly, previous period information has not been restated. The Company's lease asset classes primarily consist of leases for buildings.

The Company assesses whether a contract is, or contains, a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

The Company has made the following adjustments in the presentation of financial statements as a result of the adoption of Ind AS 116 at April 01, 2019:

i) ROU assets has been presented under the head property, plant and equipment.

ii) Lease liabilities has been presented under the head borrowings (non-current, financial liabilities) and other financial liabilities (current).

iii) Cash payments under operating leases, which were classified within operating activities in the statement of cash flows under earlier standard which meets the recognition under Ind AS 116, are now classified within financing activities, except for short-term leases and leases of low-value assets.

Accounting Policy adopted for leases till March 31,2019

Where the Company is a lessee

Finance leases

Management applies judgement in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include i) the length of the lease term in relation to the economic life of the asset ii) the present value of the minimum lease payments in relation to the asset's fair value and iii) whether the Company obtains ownership of the asset at the end of the lease term.

For leases of land and buildings, the minimum lease payments are first allocated to each component based on the relative fair values of the respective lease interest. If the minimum lease payments cannot be allocated reliably between the two components, entire lease is classified as a finance lease, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease. Each component is then evaluated separately for possible treatment as a finance lease, taking into consideration the fact that land normally has an indefinite economic life.

The interest element of lease payments is charged to profit or loss, as finance costs over the period of the lease.

Operating leases

Where the Company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Associated costs, such as maintenance and insurance, are expensed as incurred.

Where the Company is a lessor

Operating leases

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

p) Tax expense

Tax expense comprises current tax and deferred tax. Current tax is the amount of the tax for the period determined in accordance with the Income-tax Act, 1961. Current tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted at the end of the reporting period. Current income-tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Such assets are reviewed at each balance sheet date to reassess realisation. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss, in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income-tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

q) Inventories

Stores and spares are valued at cost on weighted average basis or at net realisable value whichever is lower.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is a multi-system operator providing cable television network services and allied services which is considered as the only reportable segment. The Company's operations are based in India.

s) Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

t) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition. Cash and cash equivalent are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

u) **Equity and reserves**

Share capital represents the nominal (par) value of shares that have been issued.

Securities premium includes any premium received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from securities premium, net of any related income tax benefits.

Other components of equity include the following:

Re-measurement of net defined benefit liability- comprises the actuarial losses from changes in demographic and financial assumptions and the return on plan assets.

Retained earnings includes all current and prior period retained profits and share-based employee remuneration (refer note 15)

All transactions with owners of the parent are recorded separately within equity.

v) **Recent accounting pronouncements (standards issued but not yet effective)**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. However, there are no such notifications which have been issued but are not yet effective or would have been applicable from April 1, 2020.

w) **Significant management judgement in applying accounting policies and estimation uncertainty**

These standalone financial statements have been prepared in accordance with generally accepted accounting principles in India which require management to make estimates and assumptions that affect the reported balances of assets, liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the periods. Although these estimates and assumptions used in accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of date of these standalone financial statements which in management's opinion are prudent and reasonable, actual results may differ from estimates and assumptions used in preparing accompanying financial statements. Any revision to accounting estimates is recognised prospectively from the period in which results are known materialise in accordance with applicable accounting standards.

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect.

Recognition of deferred tax assets - The extent to which deferred tax assets can be recognised is based on the assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised.

Evaluation of indicators for impairment of non-financial assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Property, plant and equipment - Management assess the remaining useful lives and residual values of property, plant and equipment and believes that the assigned useful lives and residual values are reasonable.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below:

Recoverability of advances/receivables- The management from time to time reviews the recoverability of advances and receivables. The review is done at least once in a financial year and such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors.

Defined benefit obligation - Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may impact the defined benefit obligation amount and the annual defined benefit expenses.

Contingencies- Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies, claim, litigations etc against the Company as it is not possible to predict the outcome of pending matters with accuracy.

Fair value measurement

The Company measures certain financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Company uses following measurement techniques:

- The fair value measurement for financial instruments where active market quotes are available is based on the quotes available in the principal market for selling the asset or transferring the liability.
- The Company uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.
- The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

4 PROPERTY, PLANT AND EQUIPMENT

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Owned assets	5,788.74	7,091.09
Right-of-use assets	14.85	-
Total	**5,803.59**	**7,091.09**

A Owned assets

(₹ in million)

	Buildings	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Air conditioners	Studio equipment	Vehicles	Leasehold improvements	Set top boxes	IRD boxes	Total
Gross carrying amount												
Balance as at April 01, 2018	25.31	4,468.20	115.98	34.01	21.77	15.14	33.47	20.07	53.62	10,541.68	1.26	15,330.51
Additions	-	198.30	5.26	0.47	1.30	-	-	-	-	839.87	-	1,045.20
Disposals	-	8.18	-	-	-	-	13.52	-	-	1,739.83	-	1,761.53
Balance as at March 31, 2019	**25.31**	**4,658.32**	**121.24**	**34.48**	**23.07**	**15.14**	**19.95**	**20.07**	**53.62**	**9,641.72**	**1.26**	**14,614.18**
Additions	-	46.09	1.53	0.05	0.04	-	-	-	-	230.44	-	278.15
Disposals	-	168.43	-	3.29	0.09	-	-	16.23	-	79.65	-	267.69
Balance as at March 31, 2020	**25.31**	**4,535.98**	**122.77**	**31.24**	**23.02**	**15.14**	**19.95**	**3.84**	**53.62**	**9,792.51**	**1.26**	**14,624.64**
Accumulated depreciation												
Balance as at April 01, 2018	8.81	2,590.00	95.65	30.61	17.08	11.98	26.82	13.64	49.00	3,933.86	0.66	6,778.11
Charge for the year	0.39	355.80	6.34	1.90	1.19	-	0.59	1.48	0.73	1,335.88	-	1,704.30
Disposals	-	7.79	-	-	-	-	12.84	-	-	938.69	-	959.32
Balance as at March 31, 2019	**9.20**	**2,938.01**	**101.99**	**32.51**	**18.27**	**11.98**	**14.57**	**15.12**	**49.73**	**4,331.05**	**0.66**	**7,523.09**
Charge for the year	0.39	350.87	5.33	1.23	0.52	-	0.59	0.91	0.77	1,184.53	-	1,545.14
Disposals	-	151.96	-	3.12	0.07	-	-	13.08	-	64.10	-	232.33
Balance as at March 31, 2020	**9.59**	**3,136.92**	**107.32**	**30.62**	**18.72**	**11.98**	**15.16**	**2.95**	**50.50**	**5,451.48**	**0.66**	**8,835.90**
Net carrying amount as at March 31, 2019	**16.11**	**1,720.31**	**19.25**	**1.97**	**4.80**	**3.16**	**5.38**	**4.95**	**3.89**	**5,310.67**	**0.60**	**7,091.09**
Net carrying amount as at March 31, 2020	**15.72**	**1,399.06**	**15.45**	**0.62**	**4.30**	**3.16**	**4.79**	**0.89**	**3.12**	**4,341.03**	**0.60**	**5,788.74**

a) Capital work-in-progress and intangible assets under development include set top boxes, viewing cards (softwares) and plant and equipment amounting to ₹ 107.80 million, ₹ 11.07 million and ₹ 169.50 million respectively (previous year : ₹ 218.44 million, ₹ 46.47 million and ₹ 178.47 million respectively) which are yet to be installed.

b) For details related to assets pledged as security, refer note 43.

c) Refer note 34 for vehicle finance lease.

d) The Company has capitalised foreign exchange differences on long term monetary liabilities related to set top boxes amounting to ₹ nil million in current year (previous year: ₹ 272.98 million).

B Right-of-use assets

(₹ in million)

	Buildings	Total
Gross carrying amount		
Balance as at April 01, 2019	-	-
Addition on account of transition to Ind AS - 116	17.96	17.96
Disposals	-	-
Balance as at March 31, 2020	**17.96**	**17.96**
Accumulated depreciation		
Balance as at April 01, 2019	-	-
Charge for the year	3.11	3.11
Disposals	-	-
Balance as at March 31, 2020	**3.11**	**3.11**
Net carrying amount as at March 31, 2020	**14.85**	**14.85**

Disclosures on lease pursuant to Ind AS 116 - Leases

a) The Company has leases for office buildings. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

b) Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises, the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company is required to pay maintenance fees in accordance with the lease contracts.

c) The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use asset	Number of ROU assets leased	Range of remaining term (in years)	Number of leases with extension options	Number of leases with termination options
Buildings	10	1 - 5	-	-

d) Lease payments not included in measurement of lease liability -

The expense relating to payments not included in the measurement of the lease liability is as follows:

(₹ in million)

	March 31, 2020
Short-term and leases of low value assets	96.33
Variable lease payments	-

e) Total cash outflow against the lease liabilities for the year ended 31 March 2020 is ₹ 6.10 million. Interest on lease liabilities is ₹ 2.15 millions for the year ended March 31, 2020.

f) Effective 01 April 2019, the Company has adopted Ind AS 116 "Leases" and applied modified retrospective approach to all lease contracts existing as at 1 April 2019. On transition, the adoption of new standard resulted in recognition of lease liability of ₹17.96 million and corresponding right of use asset of ₹17.96 million.

g) For contracts in place as at 1 April 2019, Company has elected to apply the definition of a lease from Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17.

h) The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being 01 April 2019.

i) On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straightline basis over the remaining lease term.

j) For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under Ind AS 17 immediately before the date of initial application.

k) On transition to Ind AS 116, the weighted average incremental borrowing rate applied to lease liabilities recognised was 12%.

l) **The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements for the year ended 31 March 2019) to the lease liabilities recognised at 1 April 2019:**

(₹ in million)

	March 31, 2020
Total operating lease commitments disclosed as at 31 March 2019	161.29
Recognition exemptions:	
Leases of short-term and low value assets	136.82
Variable lease payments not recognised	-
Operating lease liabilities before discounting	**24.47**
Discounting impact (using incremental borrowing rate)	(6.51)
Total lease liabilities recognised under Ind AS 116 at 01 April 2019	**17.96**

m) Refer note 35 for contractual maturity of lease liabilities.

5 Other intangible assets

(₹ in million)

	Goodwill	Program, film and cable rights	Software	Total
Gross carrying amount				
Balance as at April 01, 2018	11.31	50.35	2,236.08	2,297.74
Additions	-	-	449.42	449.42
Disposals	-	-	136.44	136.44
Balance as at March 31, 2019	**11.31**	**50.35**	**2,549.06**	**2,610.72**
Additions	-	-	331.77	331.77
Disposals	-	-	0.72	0.72
Balance as at March 31, 2020	**11.31**	**50.35**	**2,880.11**	**2,941.77**
Accumulated amortisation				
Balance as at April 01, 2018	10.74	49.49	861.48	921.71
Charge for the year	-	-	388.73	388.73
Disposals	-	-	112.74	112.74
Balance as at March 31, 2019	**10.74**	**49.49**	**1,137.47**	**1,197.70**
Charge for the year	-	-	416.71	416.71
Disposals	-	-	0.35	0.35
Balance as at March 31, 2020	**10.74**	**49.49**	**1,553.83**	**1,614.06**
Net carrying amount as at March 31, 2019	**0.57**	**0.86**	**1,411.59**	**1,413.02**
Net carrying amount as at March 31, 2020	**0.57**	**0.86**	**1,326.28**	**1,327.71**

6 INVESTMENTS

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Investment in equity instruments (trade, unquoted) (at cost)		
Subsidiary companies		
51,831,000 (previous year : 51,831,000) equity shares of ₹10 each fully paid up of Indian Cable Net Company Limited	2,361.14	2,361.14
50,000 (previous year : 50,000) equity shares of ₹10 each fully paid up of Central Bombay Cable Network Limited	13.53	13.53
753,587 (previous year : 753,587) equity shares of ₹10 each fully paid up of Siti Vision Digital Media Private Limited	82.39	82.39
10,000 (previous year : 10,000) equity shares of ₹10 each fully paid up of Siticable Broadband South Limited	0.10	0.10
5,100 (previous year : 5,100) equity shares of ₹10 each fully paid up of Siti Jai Maa Durgee Communications Private Limited	16.83	16.83
102,000 (previous year : 102,000) equity shares of ₹10 each fully paid up of Siti Jind Digital Media Communications Private Limited	18.98	18.98
5,100 (previous year : 5,100) equity shares of ₹10 each fully paid up of Siti Jony Digital Cable Network Private Limited	0.05	0.05
5,100 (previous year : 5,100) equity shares of ₹10 each fully paid up of Siti Krishna Digital Media Private Limited	0.05	0.05
7,400 (previous year : 7,400) equity shares of ₹10 each fully paid up of Siti Guntur Digital Network Private Limited	0.07	0.07
5,100 (previous year : 5,100) equity shares of ₹10 each fully paid up of Siti Faction Digital Private Limited	0.05	0.05
5,100 (previous year : 5,100) equity shares of ₹ 10 each fully paid up of Siti Global Private Limited	0.05	0.05
10,000 (previous year : 10,000) equity shares of ₹10 each fully paid up of Siti Broadband Services Private Limited	0.10	0.10
5,100 (previous year : 5,100) equity shares of ₹10 each fully paid up of Siti Karnal Digital Media Network Private Limited	0.05	0.05
5,100 (previous year : 5,100) equity shares of ₹10 each fully paid up of Siti Siri Digital Network Private Limited	0.05	0.05
10,200 (previous year : 10,200) equity shares of ₹10 each fully paid up of Siti Prime Uttaranchal Communication Private Limited	24.99	24.99
5,100 (previous year : 5,100) equity shares of ₹10 each fully paid up of Siti Saistar Digital Media Private Limited	14.61	14.61
5,100 (previous year : 5,100) equity shares of ₹10 each fully paid up of Siti Sagar Digital Cable Network Private Limited	2.48	2.48
Nil (previous year : 5,100) equity shares of ₹10 each fully paid up of Siti Godaari Digital Services Private Limited	-	9.94
1,000 (previous year : 1,000) equity shares of ₹100 each fully paid up of Variety Entertainment Private Limited	7.50	7.50
Investment in LLP		
Subsidiary company		
99.90% (previous year : 99.90%) capital contribution in SITI Networks India LLP	0.10	0.10
Joint venture		
25,500 (previous year : 25,500) equity shares of ₹10 each fully paid up of Wire and Wireless Tisai Satellite Limited	0.26	0.26
Associate		
4,800 (previous year : 4,800) equity shares of ₹10 each fully paid up of C&S Medianet Private Limited	0.05	0.05

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Investment in optionally convertible debenture at fair value through profit and loss (trade, unquoted)		
744,900,000 (previous year : 744,900,000) 0.01%, cumulative optionally convertible debentures of ₹ 1 each fully paid up of Siti Siri Digital Network Private Limited	744.89	735.86
231,300,000 (previous year : 231,300,000) 0.01%, cumulative optionally convertible debentures of ₹ 1 each fully paid up of Siti Saistar Digital Media Private Limited	231.30	231.50
	3,519.62	**3,520.73**
Investment other than investment in subsidiaries and joint ventures		
Investment in equity instruments (trade, unquoted)		
480 (previous year : 480) equity shares of ₹100 each fully paid up of Master Ads Private Limited	0.05	0.05
9,500 (previous year : 9,500) equity shares of ₹10 each fully paid up of Dakshin Communications Private Limited	1.77	1.77
3,000 (previous year : 3,000) equity shares of ₹10 each fully paid up of Centre Channel Private Limited	0.23	0.23
Less: Aggregate amount of impairment in value of investments	(2.05)	(2.05)
	-	-
	3,519.62	**3,520.73**
Aggregate amount of unquoted investments	3,521.67	3,522.78
Aggregate amount of impairment in value of investments	2.05	2.05

7 OTHER FINANCIAL ASSETS (NON-CURRENT)

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Margin money deposits (pledged)	103.51	309.28
Security deposits	116.75	86.89
	220.26	**396.17**

8 OTHER NON-CURRENT ASSETS (NON-FINANCIAL)

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Capital advances	0.56	213.96
Advances other than capital advances		
Prepaid expenses	11.18	0.29
Balance with Government authorities (paid under protest)	89.88	93.05
	101.62	**307.30**

9 INVENTORIES (valued at lower of cost and net realisable value)

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Stores and spares	4.64	7.13
	4.64	**7.13**

10 TRADE RECEIVABLES

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Trade receivable - considered good unsecured	2,073.25	2,902.90
Trade receivable - credit impaired	4,524.03	4,383.47
Less: Allowance for expected credit loss	(4,524.03)	(4,383.47)
	2,073.25	**2,902.90**

For amounts due and terms and conditions relating to related party receivables see note 36.

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. No trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

11 CASH AND CASH EQUIVALENTS

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Balances with banks on current accounts	21.84	85.97
Cheques and drafts on hand	0.23	18.52
Cash on hand	3.24	9.68
	25.31	**114.17**

Note : There are no repatriation restriction with regard to cash and cash equivalents as at the end of reporting period and prior period.

12 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
-Deposits with original maturity of more than 3 but less than 12 months	20.86	40.00
	20.86	**40.00**

13 OTHER FINANCIAL ASSETS (CURRENT)

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good unless otherwise stated		
Amounts recoverable (considered good)	433.70	1,064.94
Amounts recoverable (considered doubtful)	59.65	59.65
Less: Impairment allowance	(59.65)	(59.65)
Interest accrued on fixed deposits	41.27	27.75
Unbilled revenues	473.84	529.38
Security deposits	-	50.00
	948.81	**1,672.07**

14 OTHER CURRENT ASSETS (NON-FINANCIAL)

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good unless otherwise stated		
Advances other than capital advances		
Balances with Government authorities	339.78	451.31
Taxes paid	535.45	463.37
Prepaid expenses	19.83	17.68
Amounts recoverable (considered good)	169.77	150.30
Amounts recoverable (considered doubtful)	569.21	569.21
Less: Impairment allowance	(569.21)	(569.21)
Security deposits	5.00	-
	1,069.83	**1,082.66**

15 (a) EQUITY SHARE CAPITAL

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Authorised share capital		
1,290,000,000 (previous year : 1,290,000,000) equity shares of ₹ 1 each	1,290.00	1,290.00
10,000,000 (previous year : 10,000,000) 7.25% non cumulative redeemable preference shares of ₹ 1 each	10.00	10.00
Total authorised capital	**1,300.00**	**1,300.00**
Issued share capital		
873,280,971 (previous year : 873,280,971) equity shares of ₹ 1 each	873.28	873.28
Less: Forfeited shares 1,227,123 (previous year : 1,227,123) equity shares of ₹ 1 each	(1.23)	(1.23)
23,436 (previous year : 23,436) 7.25% non-cumulative redeemable preference shares of ₹ 1 each	0.02	0.02
Total issued capital	**872.07**	**872.07**
Subscribed and fully paid up capital		
872,053,848 (previous year : 872,053,848) equity shares of ₹ 1 each fully paid up	872.05	872.05
Total paid up capital	**872.05**	**872.05**
Forfeited equity shares 1,227,123 (previous year : 1,227,123) equity shares of ₹ 1 each	0.62	0.62
	872.67	**872.67**

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares

There is no movement in equity share capital during current and previous year.

Preference shares

There is no movement in preference share capital during current and previous year.

(ii) Terms/rights attached to:

Equity shares

The Company has only one class of equity shares having par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Preference shares

The Company has only one class of 7.25% Non-cumulative redeemable preference shares of ₹ 1 each. The said preference shares were allotted to Zee Telefilms Limited (now Zee Entertainment Enterprises Limited) on December 29, 2006, pursuant to the scheme of arrangement for demerger of cable business undertaking of Zee Telefilms Limited

approved by the Hon'ble Bombay High Court vide its order dated November 17, 2006. Initially, as per the terms of the issue and allotment, the said preference shares were due for redemption on December 29, 2008. However, with the written consent/approval of Zee Entertainment Enterprises Limited, the terms of the issue of said preference shares were varied by extending the period of redemption by another three years i.e. till December 29, 2011. Later on June 6, 2011 these shares were transferred to Churu Enterprises LLP by Zee Entertainment Enterprises Limited.

Period for redemption of preference shares was extended by a period of five years till December 29, 2016 which has been further extended for period of five years till December 29, 2021 by Churu Enterprises LLP. The preference shares are redeemable at par.

In the event of liquidation of the Company the holders of preference shares will have priority over equity shares in the payment of dividend and repayment of capital. These instruments are accounted for as liability in accordance with the Ind AS.

(iii) Details of shareholders holding more than 5% shares in the Company

Equity shares

	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% of holding	No. of shares	% of holding
Bioscope Cinemas Private Limited	11,2,008,946	12.84%	112,008,946	12.84%
Direct Media Solutions LLP	12,1,000,000	13.88%	121,000,000	13.88%
Digital Satellite Holdings Private Limited	151,045,816	17.32%	151,045,816	17.32%
Direct Media and Cable Private Limited	85,714,285	9.83%	85,714,285	9.83%

Preference shares

	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% of holding	No. of shares	% of holding
Churu Enterprises LLP	23,436	100%	23,436	100%

(iv) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 33.

(v) No shares were issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issue or brought back during the current and last 5 years.

15(b) OTHER EQUITY

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Securities premium	16,017.37	16,017.37
Retained earnings	18,614.11	16,713.15
General reserve	3.23	3.23
Employee share based payment reserve	42.03	42.03
	(2,551.49)	**(650.52)**

A) Notes:

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
1 Securities premium		
Opening balance	16,017.37	16,017.37
Addition during the year	-	-
Closing balance	**16,017.37**	**16,017.37**

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
2 Retained earnings		
Opening balance	(16,713.15)	(13,754.96)
Adjustment on adoption of Ind AS 115 (refer Note 3(c))	-	767.59
Addition during the year	(1,893.70)	(3,724.27)
Other comprehensive income (net of tax)	(7.26)	(1.51)
Closing balance	**(18,614.11)**	**(16,713.15)**
3 General reserve		
Opening balance	3.23	3.23
Addition during the year	-	-
Closing balance	**3.23**	**3.23**
4 Foreign currency monetary item translation difference account (FCMITDA)		
Opening balance	-	13.66
Addition during the year	-	(47.54)
Amortised during the year	-	33.88
Closing balance	**-**	**-**
5 Employee share based payments reserve		
Opening balance	42.03	42.18
Reversal during the year	-	(0.15)
Closing balance	**42.03**	**42.03**

B) Nature and purpose of reserves:

1 **Securities premium**
Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Act.

2 **Retained earnings**
Retained earnings represent the accumulated earnings, net of losses (if any) made by the Company over the years.

3 **General reserve**
General reserve is a free reserve which is created by transferring funds from retained earnings to meet future obligations or other purposes.

4 **Foreign currency monetary item translation difference account (FCMITDA)**
FCMITDA includes exchange differences arising on restatement of long term foreign currency monetary items, other than for acquisition of property, plant and equipment, and is being amortised over the term of such monetary items.

5 **Employee shares based reserve**
The reserve is used to recognised the grant date fair value of the options issued to employees under Company's employee stock option plan.

16 BORROWINGS (NON-CURRENT, FINANCIAL LIABILITIES)

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Secured loans from banks*	2,476.98	5,313.88
Lease liabilities	10.31	1.42
7.25% non cumulative redeemable preference shares (refer note 15 (a))	0.02	0.02
	2,487.31	**5,315.32**

* For details of repayment, nature of securities and interest rate of borrowings, refer note 16.1

* For details of period and amount of delays/defaults in repayment of borrowings, refer note 16.2

16.1 Details of terms of repayment, nature of security and interest rate of borrowings

(Refer note 16 and 21)

(₹ in million)

Nature of loan	March 31, 2020		March 31, 2019		Nature of securities	Interest rate	Tenure of repayment*
	Non-current	Current	Non-current	Current			
Term loan							
1	3.66	468.75	385.11	89.25	Term loans from banks are secured by first pari passu charge on entire movable fixed assets, both present and future, of the Company and on the receivables, cash flow and bank account of the Company. Also secured by corporate guarantee of an associated company for maintaining revolving debt service reserve account (DSRA) for 1 quarter of the interest and principal repayment to be funded ten days before each due date, for the entire tenure of the loan.	Base rate + 1.20% p.a.	Eight (previous year: Eight) quarterly instalments payable as per the terms of underlying agreement.
2	-	1,295.08	547.31	932.28		Base rate + 1.20% p.a.	Seven (previous year: Eight) quarterly instalments payable as per the terms of underlying agreement.
3	-	125.00	-	249.78		Base rate + 1.20% p.a.	One (previous year: Two) quarterly instalments payable as per the terms of underlying agreement.
4	-	-	-	152.36		Base rate + 1.20% p.a.	Nil (previous year: Two) quarterly instalments payable as per the terms of underlying agreement.
5	-	204.00	-	411.91	Term loans from banks are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/or pledge of the Company's current assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA) for 2 quarter's interest.	Base rate + 2.50% p.a.	Two (previous year: Four) quarterly instalments payable as per the terms of underlying agreement.
6	-	-	-	187.33	Term loans from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/or pledge of the Company's current assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA) for 1 quarter's interest.	Base rate + 0.45% p.a.	Nil (previous year: Three) quarterly instalments payable as per the terms of underlying agreement.

(₹ in million)

Nature of loan	March 31, 2020		March 31, 2019		Nature of securities	Interest rate	Tenure of repayment*
	Non-current	Current	Non-current	Current			
7	-	93.75	62.38	155.53	Term loans from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/or pledge of the Company's current assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA) for 1 quarter's interest.	Base rate + 0.45% p.a.	Three (previous year: Seven) quarterly instalments payable as per the terms of underlying agreement.
8	1,044.38	262.50	1,269.16	147.65	Term loans from financial institution are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's movable fixed assets, both present and future, and as well as current assets. Also secured by the Company for maintenance of interest service reserve account (ISRA) for 1 quarter's interest.	Base rate + spread rate	Sixteen (previous year: Twenty) quarterly instalments payable as per the terms of underlying agreement.
9	349.62	1,631.94	996.41	993.96	Term loans from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as current assets.	Bank corporate prime lending rate	Six (previous year: six) half yearly instalments payable as per the terms of underlying agreement.
10	-	525.00	-	561.64	Term loans from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's movable fixed assets and as well as current assets. Also secured by corporate guarantee of an associated company.	Base rate + 0.5% p.a.	One (previous year: Two) quarterly instalments payable as per the terms of underlying agreement.
11	-	174.79	-	365.58	Term loans from bank are secured by pari passu charge in favour of lender in a form satisfactory to the lender of all of the Company's fixed and current assets excluding immovable assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA).	6 months margin cost of funds based lending rate ('MCLR') + margin	One (previous year: Two) half yearly instalments payable as per the terms of underlying agreement.
12	-	549.50	380.00	380.00	Term loans from bank are secured by pari passu charge in favour of lender in a form satisfactory to the lender of all of the Company's fixed and current assets excluding immovable assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA).	6 months MCLR + margin	Three (previous year: Four) half yearly instalments payable as per the terms of underlying agreement.

(₹ in million)

Nature of loan	March 31, 2020		March 31, 2019		Nature of securities	Interest rate	Tenure of repayment*
	Non-current	Current	Non-current	Current			
13	-	249.40	141.45	282.90	Term loans from bank are secured by pari passu charge in favour of lender in a form satisfactory to the lender of all of the Company's fixed and current assets excluding immovable assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA).	6 months MCLR + margin	Two (previous year: Three) half yearly instalments payable as per the terms of underlying agreement.
14	260.01	270.51	530.80	118.11	Term loans from bank are secured by pari passu charge in favour of lender in a form satisfactory to the lender of all of the Company's fixed and current assets excluding immovable assets.	1 Year MCLR + margin	Three (previous year: Five) half yearly instalments payable as per the terms of underlying agreement.
15	819.31	-	811.86	-	Term loans from bank are secured by pari passu charge in favour of lender in a form satisfactory to the lender of all of the Company's fixed and current assets excluding immovable assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA).	1 Year MCLR + margin	Eight (previous year: Eight) quarterly instalments payable as per the terms of underlying agreement.
16	-	-	189.40	-	Term loans from bank are secured by pari passu charge in favour of lender in a form satisfactory to the lender of all of the Company's fixed and current assets excluding immovable assets.	6 months London Interbank Offer Rate ('LIBOR') + 300 bps	Nil (previous year: One) instalment payable in financial year 2020 as per the terms of underlying agreement.
Sub total	**2,476.98**	**5,850.22**	**5,313.88**	**5,028.28**			

* The above mentioned loan instalments range from ₹31.25 million to ₹525 million per installment as per the terms of respective underlying agreement. The count of installment has not been reduced in cases where part of an installment has been settled.

16.2 Details of delays/defaults in repayment of borrowings (current and non-current)

The Company has delayed in repayment of following dues to the banks and financial institution during the year, which were unpaid as at March 31, 2020:

Name of the bank	Amount of default as on March 31, 2020 (₹ in million)		Period of default upto the date of balance sheet (maximum days)	
	Principal	Interest	Principal	Interest
Axis Bank	968.75	184.77	276	276
Indus Ind Bank	-	20.70	-	32
Kotak Mahindra Bank	31.25	12.36	1	88
IDBI Bank	204.00	16.42	183	184
HDFC Limited	975.00	218.24	366	276
RBL Bank Limited	525.00	39.56	214	213
Aditya Birla Finance Limited	37.50	26.52	33	33
Standard Chartered Bank	452.24	72.85	177	184

The Company has delayed in repayment of following dues to the banks and financial institution which were however paid on or before the Balance Sheet date:

Name of the bank	Amount of default during the year ended March 31, 2020 (₹ in million)		Period of default (maximum days)		Amount of default during the year ended March 31, 2019 (₹ in million)		Period of default (maximum days)	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Axis Bank	474.56	44.87	123	90	108.13	-	15	-
Indus Ind Bank	145.92	72.15	88	88	-	-	-	-
Kotak Mahindra Bank	313.74	4.06	88	88	-	-	-	-
IDBI Bank	208.20	17.97	89	93	-	-	-	-
HDFC Limited	15.00	40.00	145	145	-	-	-	-
RBL Bank Limited	37.50	10.24	88	107	-	-	-	-
Aditya Birla Finance Limited	112.50	140.27	89	89	-	-	-	-
Standard Chartered Bank	576.24	31.09	179	61	324.24	-	30	-

17 OTHER FINANCIAL LIABILITIES (NON-CURRENT)

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Security deposits received from customers	39.57	31.31
	39.57	**31.31**

18 PROVISIONS (NON-CURRENT)

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Provision for gratuity	29.43	28.58
Provision for compensated absences	18.85	23.10
	48.28	**51.68**

19 BORROWINGS (CURRENT, FINANCIAL LIABILITIES)

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Loans repayable on demand from banks (including interest accrued on borrowings of ₹ 96.56 million (previous year ₹ Nil million))	1,381.69	1,534.82
	1,381.69	**1,534.82**

i) As at March 31, 2020 and March 31, 2019 the cash credit facilities are secured by first pari passu charge on the future and current assets of the Company with minimum assets cover ratio 1:1. The Company is required to maintain Debt Service Reserve Account ('DSRA') for 2 quarter's interest. The same are further secured by corporate guarantee of an associate Company to maintain DSRA and carries an interest rate of bank borrowing rate+250 basis points ('BBR+250 BPS'), intrinsic value base rate ('IVBR') and six months marginal cost of funds based lending rate+1.70% ('MCLR + 1.70%') respectively.

20 TRADE PAYABLES

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
- Total outstanding dues of micro enterprises and small enterprises; and	0.66	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	4,911.18	4,397.87
	4,911.84	**4,397.87**

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Dues to micro and small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006	0.66	-
Principle amount remaining unpaid	0.66	-
Interest due thereon	-	-
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Interest accrued and remaining unpaid	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

The details of amounts outstanding to micro enterprises and small enterprises under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006 are as per available information with the Company.

21 OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Current maturities of long-term borrowings* (including interest accrued on borrowings of ₹ 544.09 million (previous year ₹ 135.06 million))	6,394.31	5,163.34
Lease liabilities	4.00	0.97
Payable for purchase of property, plant and equipment	657.34	861.42
Book overdraft	205.97	105.23
Amount refundable to a related party	240.39	400.00
	7,502.01	**6,530.96**

*For details of period and amount of delay / defaults in repayment of borrowings refer note 16.2

22 OTHER CURRENT LIABILITIES (NON-FINANCIAL)

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Statutory dues payable	456.50	740.20
Advance from customers	252.45	162.52
	708.95	**902.72**

23 PROVISIONS (CURRENT)

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Provision for gratuity	1.70	1.92
Provision for compensated absences	1.34	1.87
	3.04	**3.79**

24 REVENUE FROM OPERATIONS

(₹ in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of services		
Subscription income	5,856.39	5,052.64
Advertisement income	441.02	-
Carriage and placement income	1,173.83	1,873.84
Activation and set top boxes pairing charges	10.55	307.10
Other operating revenue		
Sale of traded goods*	13.39	184.30
Management charges and other networking income	623.32	792.19
Support and service charges	70.33	-
Scrap sales	0.56	2.68
	8,189.39	**8,212.75**
*** Details of sale of traded goods**		
Set top box (STB) and viewing cards (VC)	10.62	181.55
Stores and spares	2.77	2.75
	13.39	**184.30**

Disclosure of revenue pursuant to Ind AS 115 'Revenue from Contracts with Customers':

A. Reconciliation of revenue from sale of services and other operating revenue with contracted price

(₹ in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Contracted price	8,189.39	8,212.75

B. Disaggregation of revenue

(₹ in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations		
Sale of services		
Subscription income	5,856.39	5,052.64
Advertisement income	441.02	-
Carriage and placement income	1,173.83	1,873.84
Activation and set top boxes pairing charges	10.55	307.10
Other operating revenue		
Sale of traded goods	13.39	184.30
Management charges and other networking income	623.32	792.19
Support and service charges	70.33	-
Scrap sales	0.56	2.68
	8,189.39	**8,212.75**

The Company has disaggregated the revenue from contracts with customers on the basis of nature of services/goods sold. The Company believes that the disaggregation of revenue on the basis of nature of services/goods sold has no impact on the nature, amount, timing & uncertainty of revenues and cash flows.

C. Contract balances

The following table provides information about receivables and contract liabilities from contract with customers.

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Contract liabilities		
Advance from customers (including deferred revenue)	252.45	162.52
	252.45	**162.52**

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Contract assets		
Trade receivable	6,597.28	7,286.37
Less: Allowance for expected credit loss	(4,524.03)	(4,383.47)
	2,073.25	**2,902.90**
Unbilled revenue	473.84	529.38

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance.

D. Significant changes in the contract liabilities and contract assets balances during the year are as follows:

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Contract liabilities		
Opening balance	162.52	864.34
Revenue recognised (net of collections)	89.93	(701.82)
Closing balance	252.45	162.52

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Contract assets		
Trade receivables		
Opening balance	2,902.90	5,181.60
Amount invoiced, collected and other adjustments (net)	(829.65)	(2,278.70)
Closing balance	2,073.25	2,902.90

There has been no significant changes in unbilled revenue during the current and previous year.

E. The Company has applied Ind AS 115 with modified retrospective approach from April 1, 2018 and the adoption of this standard had the following impact during previous year:

(₹ in million)

	For the year ended March 31, 2019	
Particulars	**Amount as per Ind AS 115**	**Amount as per Ind AS 18**
Revenue from operations	8,212.75	8,450.81

Impact of adoption of Ind AS 115 on retained earning has been seperately disclosed in note 15 (b).

25 OTHER INCOME

(₹ in million)

	For the year ended March 31,2020	For the year ended March 31,2019
Interest income on		
Bank deposits	15.89	34.27
Others	26.49	32.86
Excess provisions written back	1.40	44.65
Profit on sale of property, plant and equipment, and other intangible assets (net)	-	48.32
Exchange fluctuation gain (net)	-	14.64
Other non-operating income	21.39	38.84
	65.17	**213.58**

26 EMPLOYEE BENEFITS EXPENSE

(₹ in million)

	For the year ended March 31,2020	For the year ended March 31,2019
Salaries, allowances and bonus	407.40	495.45
Contributions to provident and other funds	22.81	26.86
Staff welfare expenses	16.97	16.52
	447.18	**538.83**

27 FINANCE COSTS

(₹ in million)

	For the year ended March 31,2020	For the year ended March 31,2019
Interest expense on financial liabilities	1,266.12	1,359.76
Interest on lease liabilities	2.15	-
Others	49.95	177.57
	1,318.22	**1,537.33**

28 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in million)

	For the year ended March 31,2020	For the year ended March 31,2019
Depreciation on property, plant and equipment (owned assets)	1,545.14	1,704.30
Depreciation on property, plant and equipment (right-of-use assets)	3.11	-
Amortisation of other intangible assets	416.71	388.73
	1,964.96	**2,093.03**

29 OTHER EXPENSES

(₹ in million)

	For the year ended March 31,2020	For the year ended March 31,2019
Rent	96.33	104.08
Rates and taxes	28.76	44.68
Communication expenses	14.98	14.62
Repairs and maintenance		
- Network	33.32	27.67
- Buildings	0.37	0.37
- Others	18.88	17.96
Electricity and water charges	51.04	57.71
Legal, professional and consultancy charges	64.24	83.62
Printing and stationery	2.40	3.10
Contractual service charges	285.84	293.67
Travelling and conveyance expenses	19.79	27.92
Auditor's remuneration	7.51	8.75
Vehicle running expenses	24.89	31.77
Insurance expenses	2.30	2.20
Allowance for expected credit losses	115.00	310.07
Advertisement and publicity expenses	5.12	14.29
Commission charges and incentives	640.19	578.13
Bad debts/unbilled revenue written off	90.11	7.69
Program production expenses	24.05	30.79
Other operational cost	511.32	484.63
Business and sales promotion	21.77	22.84
Loss on sale of property, plant and equipment (net)	23.36	-
Exchange fluctuation loss (net)	15.47	-
Miscellaneous expenses	74.62	22.82
	2,171.66	**2,189.38**

Payment to the auditor's :

(₹ in million)

	For the year ended March 31,2020	For the year ended March 31,2019
- As auditors	6.50	6.50
- For other services	0.57	1.71
- for reimbursement of expenses	0.44	0.54
	7.51	**8.75**

30 EARNINGS PER SHARE

(₹ in million)

	For the year ended March 31,2020	For the year ended March 31,2019
Loss attributable to equity shareholders	(1,893.70)	(3,724.27)
Weighted average number of equity shares outstanding during the year (nos.)	87,20,53,848	87,20,53,848
Weighted average number of equity shares outstanding during the year for calculating basic and diluted earnings per share (nos.)	**87,20,53,848**	**87,20,53,848**
Effect of dilutive potential equity shares		
Employee stock options (nos.)*	-	-
Nominal value of per equity share (₹)	1	1
Earnings per share (₹)		
Basic and diluted earnings per share	(2.17)	(4.27)

* The employee stock option have not been considered, being anti-dilutive.

31 GROUP COMPOSITION STRUCTURE

Name of the subsidiary company	Country of incorporation	Percentage of ownership	
		As at March 31, 2020	As at March 31, 2019
Indian Cable Net Company Limited (hereinafter referred as "ICNCL")*	India	60.02%	60.02%
Central Bombay Cable Network Limited (hereinafter referred as "CBCNL")	India	100.00%	100.00%
Siticable Broadband South Limited (hereinafter referred as "SBSL")	India	100.00%	100.00%
Master Channel Community Network Private Limited (hereinafter referred as "MCCNPL")**	India	66.00%	66.00%
Siti Vision Digital Media Private Limited (hereinafter referred as "SVDMPL")	India	51.00%	51.00%
Siti Jind Digital Media Communications Private Limited (hereinafter referred as "SJDMCPL")****	India	57.50%	57.50%
Siti Jai Maa Durgee Communications Private Limited (hereinafter referred as "SJMDCPL")	India	51.00%	51.00%
Siti Jony Digital Cable Network Private Limited (hereinafter referred as "SJDCNPL")	India	51.00%	51.00%
Siti Krishna Digital Media Private Limited (hereinafter referred as "SKDMPL")	India	51.00%	51.00%
Siti Faction Digital Private Limited (hereinafter referred as "SFDPL")	India	51.00%	51.00%
Siti Guntur Digital Network Private Limited (hereinafter referred as "SGDNPL")	India	74.00%	74.00%
Siti Maurya Cable Net Private Limited (hereinafter referred as "SMCNPL") ***	India	50.10%	50.10%
Siti Karnal Digital Media Network Private Limited (hereinafter referred as "SKDMNPL")	India	51.00%	51.00%
Siti Global Private Limited (hereinafter referred as "SGPL")	India	51.00%	51.00%

Name of the subsidiary company	Country of incorporation	Percentage of ownership	
		As at March 31, 2020	As at March 31, 2019
Siti Siri Digital Network Private Limited (hereinafter referred as "SDNPL")	India	51.00%	51.00%
Siti Broadband Services Private Limited (hereinafter referred as "SBSPL")	India	100.00%	100.00%
Siti Prime Uttaranchal Communication Private Limited (hereinafter referred as "SPUCPL")	India	51.00%	51.00%
Siti Sagar Digital Cable Network Private Limited (hereinafter referred as "SSDCNPL")	India	51.00%	51.00%
Siti Saistar Digital Media Private Limited (hereinafter referred as "SSDMPL")	India	51.00%	51.00%
Siti Godaari Digital Services Private Limited (hereinafter referred as "SGDSPL")******* (till November 20, 2019)	India	-	100.00%
Variety Entertainment Private Limited (hereinafter referred as "VEPL")	India	100.00%	100.00%
Indinet Service Private Limited (hereinafter referred as "ISPL")***	India	100.00%	100.00%
Siti Networks India LLP (w.e.f. May 07, 2018)	India	99.90%	99.90%

*Include 0.30% held through CBCNL

** Subsidiary of CBCNL

*** Subsidiary of ICNCL

**** Include 6.50% held through SBSL

******* Include 49% held through VEPL

Name of the associates and joint ventures	Country of incorporation	Percentage of ownership	
		As at March 31, 2020	As at March 31, 2019
C&S Medianet Private Limited (hereinafter referred as "CSMPL")	India	48.00%	48.00%
Voice Snap Services Private Limited (hereinafter referred as "VSSPL")******	India	40.00%	40.00%
Paramount Digital Media Services Private Limited (hereinafter referred as "PDMSPL")*******(w.e.f. January 30, 2020)	India	50.00%	-
Wire and Wireless Tisai Satellite Limited (hereinafter referred as "WWTSL")	India	51.00%	51.00%

****** Associate of VEPL

******* Joint Venture of VEPL

32 EMPLOYEE BENEFIT OBLIGATIONS

Post-employment obligations - gratuity

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 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 ₹ 6.36 million (previous year : ₹ 7.82 million).

The weighted average duration of the defined benefit obligation as at March 31, 2020 is 15 years (previous year 15 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 profit and loss and the amount recognised in the standalone balance sheet for the respective plans.

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

(₹ in million)

	March 31, 2020	March 31, 2019
Present value of defined benefit obligation at the beginning of the year	30.50	25.04
Interest cost	2.14	1.94
Current service cost	5.22	6.43
Benefits paid	(13.99)	(4.42)
Actuarial loss on remeasurement of obligation	7.26	1.51
Present value of defined benefit obligation at the end of the year *	**31.13**	**30.50**

* Includes current portion ₹ 1.70 million (previous year: ₹ 1.92 million)

The gratuity plan of the Company is unfunded.

Amount recognised in the standalone statement of profit and loss:

(₹ in million)

	March 31, 2020	March 31, 2019
Current service cost	5.22	6.43
Interest cost	2.14	1.94
	7.36	**8.37**

Amount recognised in the statement of other comprehensive income:

(₹ in million)

	March 31, 2020	March 31, 2019
Actuarial loss arising from change in financial assumptions	1.31	1.06
Actuarial loss arising from experience adjustments	5.95	0.45
	7.26	**1.51**

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

Actuarial assumptions used

	Compensated absences		Gratuity	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount rate (per annum)	7.00%	7.75%	7.00%	7.75%
Rate of escalation in salary (per annum)	4.75%	5.0%	4.75%	5.0%
Mortality	IALM 2012-14	IALM 2006-08 Ultimate	IALM 2012-14	IALM 2006-08 Ultimate
Withdrawal rate (per annum)	5.0%	5.0%	5.0%	5% (18 to 30 Years) 3% (30 to 44 Years) 2% (44 to 60 Years)
Normal retirement age	60 years	60 years	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.

Amount of experience adjustment for current and previous four years are as follows :

(₹ in million)

	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
Defined benefit obligations	31.13	30.50	25.04	29.66	22.63
Experience loss/ (gain) adjustments on planned liabilities	5.95	0.45	(1.05)	(0.05)	0.30

Sensitivity analysis of the defined benefit obligation for significant actuarial assumptions

(₹ in million)

	March 31, 2020	March 31, 2019
Impact of the change in discount rate		
Present value of obligation at the end of the year	31.13	30.50
Decrease in liability due to increase of 8% (previous year 8%)	(2.55)	(2.49)
Increase in liability due to decrease of 9% (previous year 9%)	2.92	2.85
Impact of the change in salary growth rate		
Present value of obligation at the end of the year	31.13	30.50
Increase in liability due to increase of 9% (previous year 10%)	2.95	2.91
Decrease in liability due to decrease of 8% (previous year 8%)	(2.62)	(2.58)

Defined contribution plans

Contribution to defined contribution plan, recognised as expense for the year is as under :-

Employer's contribution to provident fund and other funds ₹ 22.81 million (previous year: ₹ 26.86 million)

33 SHARE-BASED EMPLOYEE REMUNERATION

Employee Stock Option Plan –ESOP-2015

The Company instituted the Employee Stock Option Scheme -2015 ("SITI ESOP 2015" or "New Plan") to grant equity based incentives to eligible employees. The SITI ESOP-2015 has been approved by the Board of Directors of the Company at their meeting held on May 28, 2015 and by the shareholders of the Company by way of special resolution passed at their Annual General Meeting held on August 27, 2015 to grant upto 33,881,656 options, representing one share for each option upon exercise by the eligible employee at an exercise price determined by the Board/remuneration committee.

The options granted under the Scheme shall vest not less than one year and not more than five years from the date of grant of options. Under the terms of the Scheme, 50%, 35% and 15% of the options will vest in the employee(s) after expiry of one year, two years and three years, respectively, from the date of grant of options. The option grantee must exercise all vested options within a period of four years from the date of vesting and the shares arising on exercise of such options shall not be subject to any lock-in period.

	Employee Stock Option Plan – ESOP-2015
Date of grant	September 3, 2015
Date of Board approval	May 28, 2015
Date of shareholders' approval	August 27, 2015
Number of options granted	46,63,500
Method of settlement (cash/equity)	Equity
Vesting period	Three years
Exercise period	Four years

The details of activity under New Plan have been summarised below:

	March 31, 2020		March 31, 2019	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	28,52,275	30.85	28,52,275	30.85
Outstanding at the end of the year	28,52,275	30.85	28,52,275	30.85
Exercisable at the end of the year	28,52,275	30.85	28,52,275	30.85

No options were exercised and forfeited during the current and previous financial year.

The fair values of options granted under new plan were determined using a variation of the binomial option pricing model that takes into account factors specific to the share incentive plans, such as the vesting period. The following principal assumptions were used in the valuation:

	March 31, 2020			March 31, 2019		
	Options (50%)	Options (35%)	Options (15%)	Options (50%)	Options (35%)	Options (15%)
Number of options	23,31,750	16,32,225	6,99,525	23,31,750	16,32,225	6,99,525
Fair value on grant date	14.63	17.49	19.14	14.63	17.49	19.14
Share price at grant date	30.85	30.85	30.85	30.85	30.85	30.85
Fair value at exercise date	Not Applicable (NA)	NA	NA	NA	NA	NA
Exercise price	30.85	30.85	30.85	30.85	30.85	30.85
Expected volatility	39.82%	44.49%	43.47%	39.82%	44.49%	43.47%
Expected life	Three years	Four years	Five years	Three years	Four years	Five years
Expected dividends	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Risk-free interest rate (based on government bonds)	7.77%	7.97%	7.98%	7.77%	7.97%	7.98%

The underlying expected volatility was determined by reference to historical data of the Company's shares over a period of time since its listing on the Stock Exchange. No special features inherent to the options granted were incorporated into measurement of fair value.

The employee remuneration expense has decreased by ₹ Nil million (previous year: decreased by ₹ 0.15 million), all of this relates to options lapsed/expired during the year due to resignation of eligible employees.

34 DISCLOSURE UNDER IND AS 17 - LEASES FOR THE YEAR ENDED MARCH 31,2019

Finance lease: Company as lessee

Vehicles obtained on finance lease are for 4 years after which the legal title gets transferred is passed to the lessee. There is escalation clause in the lease agreement. There are restrictions imposed by the lease arrangements.

Finance lease liabilities are secured by hypothecation of vehicles purchased thereunder.

Future minimum lease payments and their present values are given below:

(₹ in million)

	Minimum lease payments due			
	Within 1 year	1 to 5 years	after 5 years	Total
March 31, 2019				
Lease payments	1.15	1.51	-	2.66
Finance charges	0.18	0.09	-	0.27
Net present value	**0.97**	**1.42**	**-**	**2.39**

Operating lease : Company as a lessee

The Company has taken various commercial premises under operating leases. These leases have varying terms, escalation clauses and renewal rights. On renewal the terms of the leases are renegotiated. Rent amounting to ₹ 104.08 million has been debited to standalone statement of profit and loss during the year ended March 31, 2019.

35 FAIR VALUE MEASUREMENTS

A. Financial instruments by category

(₹ in million)

	Notes	March 31, 2020		
		FVTPL	Amortised cost	Total
Financial assets				
Margin money deposits (pledged)	7	-	103.51	103.51
Amount recoverable (net)	13	-	433.70	433.70
Interest accrued and not due on fixed deposits	13	-	41.27	41.27
Security deposits	7 and 13	-	116.75	116.75
Investment (non- current, financial assets)	6	976.19	2,543.43	3,519.62
Unbilled revenues	13	-	473.84	473.84
Trade receivables (net)	10	-	2,073.25	2,073.25
Cash and cash equivalents	11	-	25.31	25.31
Bank deposits	12		20.86	20.86
Total financial assets		**976.19**	**5,831.92**	**6,808.11**
Financial liabilities				
Borrowings (non-current, financial liabilities)	16	-	2,487.31	2,487.31
Borrowings (current, financial liabilities)	19	-	1,381.69	1,381.69
Security deposits	17	-	39.57	39.57
Trade payables	20	-	4,911.84	4,911.84
Other financial liabilities (current)	21	-	7,502.01	7,502.01
Total financial liabilities		**-**	**16,322.42**	**16,322.42**

(₹ in million)

	Notes	March 31, 2019		
		FVTPL	Amortised cost	Total
Financial assets				
Margin money deposits (pledged)	7	-	309.28	309.28
Amount recoverable (net)	13	-	1,064.94	1,064.94
Interest accrued and not due on fixed deposits	13	-	27.75	27.75
Security deposits	7 and 13	-	136.89	136.89
Investment (non- current, financial assets)	6	967.36	2,553.37	3,520.73
Unbilled revenues	13	-	529.38	529.38
Trade receivables (net)	10	-	2,902.90	2,902.90
Cash and cash equivalents	11	-	114.17	114.17
Bank deposits	12		40.00	40.00
Total financial assets		**967.36**	**7,678.68**	**8,646.04**
Financial liabilities				
Borrowings (non-current, financial liabilities)	16	-	5,315.32	5,315.32
Borrowings (current, financial liabilities)	19	-	1,534.82	1,534.82
Security deposits	17	-	31.31	31.31
Trade payables	20	-	4,397.87	4,397.87
Other financial liabilities (current)	21	-	6,530.96	6,530.96
Total financial liabilities		**-**	**17,810.28**	**17,810.28**

B. Financial instruments measured at fair value

The following tables present financial assets and liabilities measured at fair value as at 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, 2020 and March 31, 2019 as follows:

(₹ in million)

March 31, 2020	Date of Valuation	Level 1	Level 2	Level 3
Financial assets				
Investment in optionally convertible debentures	At March 31, 2020	-	-	976.19

(₹ in million)

March 31, 2019	Date of Valuation	Level 1	Level 2	Level 3
Financial assets				
Investment in optionally convertible debentures	At March 31, 2019	-	-	967.36

Valuation technique to determine fair value

Optionally convertible debentures (Level 3)

For the year ended March 31, 2020 and March 31, 2019:

The valuation of optionally convertible debentures ('OCD') has been done using the binomial option pricing model where at each node, the investor allocates an expected value of OCD as the highest of each of following:

* Fair value expected to be received upon conversion of OCDs into equity shares as of each of the respective nodes based on the underlying stock price of the investee as of those nodes.

* Present value of fair value expected to be received upon conversion of OCDs into equity shares as of a future node vis a vis each of reference nodes.

* Face value which is expected to be received by the investor upon redemption of OCDs as of each of the nodes, given the investor has the right to redeem the OCDs at any time prior to the end of the tenure.

The key assumptions used in binomial option pricing model is the fair value of equity share of investee companies, which have been valued using the discounted cash flow method as mentioned below:

The discounted cash flow method involves discounting the investee companies free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows are discounted by weighted average cost of capital comprising of debt and equity. The risk free rate of 7.64% is considered on the 10 year zero coupon government bond.

There have been no transfer between level1, level 2 and level 3 during the year ended March 31, 2020 and March 31, 2019.

The following table presents the changes in level 3 items for the year ended March 31, 2020 and March 31, 2019:

Particulars	(₹ in million)
As at April 01, 2018	**967.36**
Gain recognised in standalone statement of profit and loss	-
As at March 31, 2019	**967.36**
Gain recognised in standalone statement of profit and loss	8.83
As at March 31, 2020	**976.19**

As at March 31, 2020

Significant unobservable input	Estimate of the input	Sensitivity of the fair value measurement to input
Probability of meeting of cash flow	20%	An increase to 20% would increase fair value by ₹ 14.94 million and decrease by 20% would decrease fair value by ₹ 3.98 million

As at March 31, 2019

Significant unobservable input	Estimate of the input	Sensitivity of the fair value measurement to input
Probability of meeting of cash flow	20%	An increase to 20% would increase fair value by ₹ 15.49 million and decrease by 20% would decrease fair value by ₹ Nil million

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

(₹ in million)

	March 31, 2020		March 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Margin money deposits (pledged)	103.51	103.51	309.28	309.28
Amount recoverable (net)	433.70	433.70	1,064.94	1,064.94
Interest accrued and not due on fixed deposits	41.27	41.27	27.75	27.75
Security deposits	116.75	116.75	136.89	136.89
Investment (non- current, financial assets)	2,543.43	2,543.43	2,553.37	2,553.37
Unbilled revenue	473.84	473.84	529.38	529.38
Trade receivables (net)	2,073.25	2,073.25	2,902.90	2,902.90
Cash and cash equivalents	25.31	25.31	114.17	114.17
Bank deposits	20.86	20.86	40.00	40.00
Total financial assets	**5,831.92**	**5,831.92**	**7,678.68**	**7,678.68**
Financial liabilities				
Borrowings (non-current, financial liabilities)	2,487.31	2,487.31	5,315.32	5,315.32
Borrowings (current, financial liabilities)	1,381.69	1,381.69	1,534.82	1,534.82
Security deposits	39.57	39.57	31.31	31.31
Trade payables	4,911.84	4,911.84	4,397.87	4,397.87
Other financial liabilities (current)	7,502.01	7,502.01	6,530.96	6,530.96
Total financial liabilities	**16,322.42**	**16,322.42**	**17,810.28**	**17,810.28**

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	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, bank deposit, margin money deposits, interest accrued and other financial assets except security deposits	12 month expected credit loss
High credit risk	Investment, trade receivables, security deposits, amount recoverable and unbilled revenue	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.

(₹ in million)

Credit rating	Particulars	March 31, 2020	March 31, 2019
A: Low credit risk	Cash and cash equivalents, bank deposit, margin money deposits, interest accrued and other financial assets except security deposits	190.95	491.20
B: High credit risk	Investment, trade receivables, security deposits, amount recoverable (net) and unbilled revenue	6,617.16	8,154.84

Concentration of trade receivables

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

Credit risk exposure

Provision for expected credit losses

The Company provides for 12 month expected credit losses for following financial assets.

For the purpose of computation of expected credit loss, the Company has analysed the trend of provisions for doubtful trade receivables 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 at approximately 5% for customers.

Expected credit loss for trade receivables under simplified approach

As at March 31, 2020

(₹ in million)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	6,597.28	(4,524.03)	2,073.25
Security deposits	116.75	-	116.75
Amounts recoverable	433.70	(59.65)	374.05
Investment	3,519.62	-	3,519.62
Unbilled revenues	41.27	-	41.27

As at March 31, 2019

(₹ in million)

	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	7,286.37	(4,383.47)	2,902.90
Security deposits	136.89	-	136.89
Amounts recoverable	1,064.94	(59.65)	1,005.29
Investment	3,520.73	-	3,520.73
Unbilled revenues	529.38	-	529.38

Reconciliation of loss allowance provision – Trade receivable

Particulars	(₹ in million)
Loss allowance on March 31, 2018	**(2,362.83)**
Changes in loss allowance	(2,020.64)
Loss allowance on March 31, 2019	**(4,383.47)**
Changes in loss allowance (refer note 29 and note 46)	(140.56)
Loss allowance on March 31, 2020	**(4,524.03)**

B. Liquidity risk

Liquidity risk is the risk that suitable sources of funding for the Company's business activities may not be available.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. Short term liquidity requirements comprises mainly of trade payables, employee dues and other current payables arising during normal course of business as on each balance sheet date. Long term liquidity requirement is assessed by the management on periodical basis and is managed through internal accruals and through funding commitments from shareholders. As at each balance sheet date, the Company's liabilities having contractual maturities (including interest payments where applicable) are summarised as follows:

Maturities of financial liabilities

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

(₹ in million)

Contractual maturities of financial liabilities March 31, 2020	Less than one year	One to two years	More than two years
Non-derivatives			
Borrowings (non-current, financial liabilities) and interest on borrowings	7,131.39	1,552.55	1,416.36
Borrowings (current, financial liabilities) and interest on borrowings	1,381.69	-	-
Payable for purchase of property, plant and equipment	657.34	-	-
Security deposits received from customers (non-current, financial liabilities)	-	-	39.57
Book overdraft	205.97	-	-
Trade payables	4,911.84	-	-
Lease liabilities and interest on lease liabilities	5.68	4.16	8.53
Amount refundable to a related party	240.39	-	-
Others (including redeemable preference shares)	0.02	-	-
Total non-derivative liabilities	**14,534.32**	**1,556.71**	**1,464.46**

(₹ in million)

Contractual maturities of financial liabilities March 31, 2019	Less than one year	One to two years	More than two years
Non-derivatives			
Borrowings (non-current, financial liabilities) and interest on borrowings	5,960.17	3,332.60	2,856.53
Borrowings (current, financial liabilities) and interest on borrowings	1,598.72	-	-
Payable for purchase of property, plant and equipment	861.42	-	-
Security deposits received from customers (non-current, financial liabilities)	-	-	31.31
Book overdraft	105.23	-	-

(₹ in million)

Contractual maturities of financial liabilities March 31, 2019	Less than one year	One to two years	More than two years
Trade payables	4,397.87	-	-
Amount refundable to a related party	400.00	-	-
Others (including redeemable preference shares and finance lease obligation)	2.41		
Total non-derivative liabilities	**13,325.82**	**3,332.60**	**2,887.84**

C. Market Risk

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:

(₹ in million)

	March 31, 2020	March 31, 2019
Financial assets (A)	**39.05**	**24.60**
Trade receivables	39.05	24.60
Financial liabilities (B)	**390.38**	**728.04**
Payable to vendors for property, plant and equipment	390.38	728.04
Net exposure (B-A)	**351.33**	**703.44**

Sensitivity

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

(₹ in million)

	Impact on loss after tax	
	March 31, 2020	March 31, 2019
(₹)/USD and (₹)/EURO increased by 5% (previous year (₹)/USD and (₹)/EURO increased by 5%)	(17.57)	(35.17)
(₹)/USD and (₹)/EURO decreased by 5% (previous year (₹)/USD and (₹)/EURO decreased by 5%)	17.57	35.17

(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 and 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.

(₹ in million)

	March 31, 2020	March 31, 2019
Variable rate borrowings	9,708.91	11,876.98
Total borrowings	**9,708.91**	**11,876.98**

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(₹ in million)

	March 31, 2020	March 31, 2019
Interest rates – increase by 100 basis points (previous year 100 bps)	97.09	118.77
Interest rates – decrease by 100 basis points (previous year 100 bps)	(97.09)	(118.77)

36 RELATED PARTY TRANSACTIONS

(i) Promoter and Promoter Group**

Dr. Subhash Chandra

Direct Media Solutions LLP

(ii) Enterprises owned or significantly influenced by Promoter/Promoter Group**

Zee Entertainment Enterprises Limited

Zee Media Corporation Limited

Zee Turner Limited

(iii) Names of related parties where control exists

Subsidiary companies

Indian Cable Net Company Limited

Central Bombay Cable Network Limited

Siticable Broadband South Limited

Master Channel Community Network Private Limited (Subsidiary of Central Bombay Cable Network Limited)

Siti Vision Digital Media Private Limited

Siti Jind Digital Media Communications Private Limited

Siti Jai Maa Durgee Communications Private Limited

Siti Bhatia Network Entertainment Private Limited (till June 14, 2018)

Siti Jony Digital Cable Network Private Limited

Siti Krishna Digital Media Private Limited

Siti Faction Digital Private Limited

Siti Guntur Digital Network Private Limited

Siti Maurya Cable Net Private Limited (Subsidiary of Indian Cable Net Company Limited)

Siti Karnal Digital Media Network Private Limited

Siti Global Private Limited

Siti Siri Digital Network Private Limited

Siti Broadband Services Private Limited

Siti Prime Uttaranchal Communication Private Limited

Siti Sagar Digital Cable Network Private Limited

Siti Saistar Digital Media Private Limited

Siti Godaari Digital Services Private Limited (till November 20, 2019)

Variety Entertainment Private Limited

Indinet Service Private Limited (Subsidiary of Indian Cable Net Company Limited)

Axom Communication & Cable Private Limited (Subsidiary of Indian Cable Net Company Limited) (till December 31, 2018)

Siti Networks India LLP (with effect from 'w.e.f.' May 07, 2018)

(iv) Associate companies

Siti Chhattisgarh Multimedia Private Limited (Associate of Siti Bhatia Network Entertainment Private Limited) (till June 14, 2018)

Voice Snap Services Private Limited (Associate of Variety Entertainment Private Limited)

C&S Medianet Private Limited (with effect from 'w.e.f' November 01, 2018)

(v) Joint ventures

C&S Medianet Private Limited (till October 31, 2018)
Wire and Wireless Tisai Satellite Limited
Paramount Digital Media Services Private Limited (Joint Venture of Variety Entertainment Private Limited) (w.e.f. January 30, 2020)

(vi) Key management personnel (KMP)

Mr. Anil Kumar Malhotra, Chief Executive Officer (w.e.f. September 01, 2019)
Mr. Sidharth Balakrishna, Whole Time Director (till April 15, 2019)
Mr. Sanjay Berry, Chief Financial Officer
Mr. B.K. Syngal, Independent Director (till March 31, 2019)
Mr. Vinod Kumar Bakshi, Independent Director (till March 31, 2019)
Ms. Kavita Kapahi, Independent Director
Prof. Sunil Kumar Maheshwari, Independent Director
Mr. Suresh Arora (Non Executive Director w.e.f. March 29, 2019 till June 13, 2019 and Whole Time Director w.e.f. June 14, 2019)
Mr. Bhanu Pratap Singh, Independent Director (w.e.f. April 01, 2019)
Mr. Deepak Mittal, Independent Director w.e.f. (April 01, 2019)
Mr. Amitabh Kumar, Additional Director w.e.f. (December 30, 2019)

(vii) Enterprises owned or significantly influenced by KMP or their relatives**

Essel Realty Developers Private Limited (w.e.f December 30, 2019)

** with whom the Company has transactions during the current year and previous year

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

a) Sale of goods and services during the year

Subsidiary companies

(₹ in million)

	March 31, 2020	March 31, 2019
Indian Cable Net Company Limited	205.72	258.28
Master Channel Community Network Private Limited	108.03	175.72
Siti Vision Digital Media Private Limited	1.99	33.85
Siti Jind Digital Media Communications Private Limited	8.29	35.14
Siti Krishna Digital Media Private Limited	-	0.01
Siti Jony Digital Cable Network Private Limited	1.21	0.62
Siti Maurya Cable Net Private Limited	2.22	3.29
Siti Faction Digital Private Limited	2.42	1.72
Siti Karnal Digital Media Network Private Limited	0.16	0.14
Siti Siri Digital Network Private Limited	154.00	174.38
Siti Global Private Limited	0.12	11.75
Siti Prime Uttaranchal Communication Private Limited	0.46	2.43
Siti Broadband Services Private Limited	60.00	60.00
Siti Sagar Digital Cable Network Private Limited	0.40	6.13
Siti Saistar Digital Media Private Limited	8.66	105.86
Variety Entertainment Private Limited	79.36	64.38
Axom Communication & Cable Private Limited	-	4.14
Enterprises owned or significantly influenced by Promoter/Promoter Group		
Zee Entertainment Enterprises Limited	261.25	252.47
Zee Media Corporation Limited	0.27	80.02
Enterprises owned or significantly influenced by KMP or their relatives		
Essel Realty Developers Private Limited	1.02	-

b) Purchase of goods and services during the year

Subsidiary companies

(₹ in million)

	March 31, 2020	March 31, 2019
Indian Cable Net Company Limited	119.25	119.66
Siti Faction Digital Private Limited	-	3.00
Siti Jony Digital Cable Network Private Limited	-	0.44
Siti Global Private Limited	12.59	4.06
Siti Sagar Digital Cable Network Private Limited	8.25	3.58
Siti Jind Digital Media Communications Private Limited	9.41	-
Siti Karnal Digital Media Network Private Limited	2.00	-
Enterprises owned or significantly influenced by Promoter/Promoter Group		
Zee Entertainment Enterprises Limited	985.42	924.34
Zee Media Corporation Limited	-	3.44
Joint Ventures/Associate companies		
C&S Medianet Private Limited	7.57	13.90
Enterprises owned or significantly influenced by KMP or their relatives		
Essel Realty Developers Private Limited	1.37	-

c) Set top boxes hiring charge paid during the year

Subsidiary companies

(₹ in million)

	March 31, 2020	March 31, 2019
Siti Faction Digital Private Limited	-	0.86
Siti Jony Digital Cable Network Private Limited	-	0.15
Siti Krishna Digital Media Private Limited	-	0.26
Siti Godaari Digital Services Private Limited	-	1.14

d) Trade receivables and investment written off (including amounts under exceptional item)

Subsidiary companies

(₹ in million)

	March 31, 2020	March 31, 2019
Siti Bhatia Network Entertainment Private Limited	-	63.09
Siti Godaari Digital Services Private Limited	100.03	-
Siti Broadband Services Private Limited	82.76	-

e) Balance (payable)/receivable (net of provision created) at the end of the year

Subsidiary companies

(₹ in million)

	March 31, 2020	March 31, 2019
Indian Cable Net Company Limited	(78.37)	(102.46)
Master Channel Community Network Private Limited	247.68	306.74
Siti Vision Digital Media Private Limited	93.32	160.29
Siti Jind Digital Media Communications Private Limited	-	6.85
Siti Krishna Digital Media Private Limited	0.60	-
Siti Jony Digital Cable Network Private Limited	1.71	-
Siti Guntur Digital Network Private Limited	-	25.63
Siti Maurya Cable Net Private Limited	19.12	18.98

(₹ in million)

	March 31, 2020	March 31, 2019
Siti Faction Digital Private Limited	2.97	-
Siti Siri Digital Network Private Limited	80.13	238.58
Siti Global Private Limited	5.86	0.72
Siti Godaari Digital Services Private Limited	-	45.04
Siticable Broadband South Limited	(3.44)	-
Siti Prime Uttaranchal Communication Private Limited	-	3.02
Siti Broadband Services Private Limited	3.46	172.08
Siti Sagar Digital Cable Network Private Limited	2.00	-
Siti Saistar Digital Media Private Limited	138.72	156.69
Axom Communications & Cable Private Limited	-	52.27
Variety Entertainment Private Limited	-	(28.70)
Indinet Service Private Limited	0.01	0.01
Joint ventures/Associate companies		
Wire and Wireless Tisai Satellite Limited	0.05	-
C&S Medianet Private Limited	-	(1.92)
Enterprises owned or significantly influenced by Promoter/Promoter Group		
Trade receivables		
Zee Entertainment Enterprises Limited	216.60	86.74
Zee Media Corporation Limited	18.36	79.04
Trade payables		
Zee Entertainment Enterprises Limited	2,131.32	1,154.56
Zee Turner Limited	10.00	10.00
Zee Media Corporation Limited	4.05	3.66
Security deposit given		
Zee Turner Limited	12.72	12.72
Enterprises owned or significantly influenced by KMP or their relatives		
Trade payables		
Essel Realty Developers Private Limited	5.04	-
Security deposit given including prepaid expense		
Essel Realty Developers Private Limited	49.79	-

f) Expenditure paid by the Company on behalf of others, concession received and expenditure paid by others on behalf of the Company:

Subsidiary companies

(₹ in million)

	Expenditure paid by the Company on behalf of the others and concession received		Expenditure paid by others on behalf of the Company	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Siti Vision Digital Media Private Limited	0.15	1.24	-	-
Siticable Broadband South Limited	0.14	0.10	-	-
Central Bombay Cable Network Limited	0.17	-	-	-
Master Channel Community Network Private Limited	0.12	0.02	-	-
Siti Jai Maa Durgee Communications Private Limited	0.20	0.14	-	-
Siti Faction Digital Private Limited	0.21	0.16	-	-

(₹ in million)

	Expenditure paid by the Company on behalf of the others and concession received		Expenditure paid by others on behalf of the Company	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Indian Cable Net Company Limited	4.12	11.85	25.57	34.20
Siti Jind Digital Media Communications Private Limited	0.15	0.01	-	-
Siti Krishna Digital Media Private Limited	0.60	0.07	-	-
Siti Karnal Digital Media Network Private Limited	0.27	0.39	-	-
Siti Guntur Digital Network Private Limited	0.03	0.02	-	-
Siti Global Private Limited	0.39	1.04	-	-
Siti Godaari Digital Services Private Limited	0.01	0.04	-	-
Siti Prime Uttaranchal Communication Private Limited	0.14	1.33	-	-
Siti Maurya Cable Net Private Limited	0.13	-	-	-
Siti Siri Digital Network Private Limited	0.14	0.01	19.80	12.30
Siti Broadband Services Private Limited	0.02	0.01	-	-
Siti Sagar Digital Cable Network Private Limited	0.10	1.27	-	-
Siti Saistar Digital Media Private Limited	0.13	0.03	-	-
Siti Jony Digital Cable Network Private Limited	0.59	0.35	-	-
Indinet Service Private Limited	-	0.28	-	-
Variety Entertainment Private Limited	0.01	0.05	-	-
Siti Networks India LLP	0.05	-		
Joint ventures				
Wire and Wireless Tisai Satellite Limited	0.05	0.04	-	-
Enterprises owned or significantly influenced by Promoter/Promoter Group				
Zee Entertainment Enterprises Limited	0.48	275.60	12.52	12.80

g) Advances given and repayment thereof

Subsidiary companies

(₹ in million)

		Advances given	Repayment/ Adjustments	Balance owed by related parties
Siticable Broadband South Limited	March 31, 2020	-	0.10	-
	March 31, 2019	0.10	-	0.10
Siti Vision Digital Media Private Limited	March 31, 2020	-	-	31.82
	March 31, 2019	3.35	31.82	31.82
Master Channel Community Network Private Limited	March 31, 2020	-	-	2.88
	March 31, 2019	-	-	2.88
Siti Jai Maa Durgee Communications Private Limited	March 31, 2020	-	-	-
	March 31, 2019	0.15	-	-
Variety Entertainment Private Limited	March 31, 2020	202.99	412.91	-
	March 31, 2019	2,493.64	2,283.72	209.92

h) **Investment in Optionally Convertible Debenture**

(₹ in million)

	March 31, 2020	March 31, 2019
Siti Siri Digital Network Private Limited	744.89	735.86
Siti Saistar Digital Media Private Limited	231.30	231.50

i) **Remuneration to KMP**

(₹ in million)

	March 31, 2020	March 31, 2019
Mr. Sidharth Balakrishna	2.52	5.77
Mr. Anil Kumar Malhotra	6.37	-
Mr. Sanjay Berry	12.88	10.74
Mr. Suresh Arora	0.81	-

j) **Compensated absences**

(₹ in million)

	March 31, 2020	March 31, 2019
Mr. Sidharth Balakrishna	0.04	0.20
Mr. Anil Kumar Malhotra	1.15	-
Mr. Sanjay Berry	-	0.01
Mr. Suresh Arora	0.02	-

k) **Director sitting fees**

(₹ in million)

	March 31, 2020	March 31, 2019
Mr. B.K. Syngal	-	0.26
Mr. Vinod Kumar Bakshi	-	0.34
Ms. Kavita Kapahi	0.44	0.16
Mr. Bhanu Pratap Singh	0.32	-
Prof. Sunil Kumar Maheshwari	0.22	0.08
Mr. Deepak Mittal	0.12	-
Mr. Suresh Arora	0.08	-

l) **Corporate guarantee given by**

(₹ in million)

	March 31, 2020	March 31, 2019
Zee Entertainment Enterprises Limited	1,166.00	976.00

m) **Trade receivables assigned**

(₹ in million)

	March 31, 2020	March 31, 2019
Variety Entertainment Private Limited		
Assignment of trade receivables	-	642.95
Commission paid	-	14.25
Reversal of trade receivable assignment (along with related commission)	-	(657.20)
Balance payable at the end of year	**-**	**-**

(₹ in million)

	March 31, 2020	March 31, 2019
Siti Networks India LLP		
Opening balance	400.00	-
Assignment of trade receivables	-	530.71
Commission paid	-	15.00
Amount received against assigned trade receivable	-	400.00
Reversal of trade receivable assignment (along with related commission)	-	(545.71)
Amount adjusted during the year	(159.61)	-
Balance payable at the end of year	**240.39**	**400.00**

n) Direct Media Solutions LLP, a stakeholder of the Company, has provided financial support as is necessary to enable the Company to fulfil all its obligations incurred in foreseeable future, atleast upto and including March 31, 2021, to enable it to continue as a going concern until such time period.

Further, Direct Media Solutions LLP has indemnified the Company against certain advances and receivables, if such are not adjusted/recovered in near future. The aforementioned indemnity shall also cover any amounts further advanced and receivable from such parties.

Note :- The Company provides long term benefits in the form of gratuity to its KMP alongwith all employees, the cost and liability of the same is not identifiable for each KMP and hence could not be disclosed.

37 CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed and not provided for (net of advances) amounting to ₹ 5.97 million (previous year: ₹ 93.67 million).

38 During the year ended March 31, 2020, the Company reclassified/regrouped certain previous year's amount i.e. March 31, 2019. Considering the nature and materiality of these reclassification/regrouping, the Company does not intend to present the opening balance sheet of previous year reported. Refer below the reclassified/regrouped amount in the previous year amount-

Reclassification of financial information of previous year ended March 31, 2019		**₹ in million**
From	**To**	
Trade payables	Other financial liabilities - current	133.38
Other current assets	Other non-current assets	93.05
Trade receivables	Other financial assets - current	(59.65)

There is no impact of the above reclassification/regrouping on the profit/loss and earnings per share for the previous year.

39 CONTINGENT LIABILITIES AND LITIGATIONS

i) Claims against the Company not acknowledged as debts ₹ 95.22 million* (previous year: ₹ 103.94 million).

ii) Demands raised by the statutory authorities being contested by the Company:

(₹ in million)

	March 31, 2020	March 31, 2019
Service tax matters*	69.83	119.21
VAT/ Sales tax matters*	88.00	45.58

* excludes pending cases/litigations including ones with business associates/statutory authorities where the management believes that no material liability will devolve on the Company in respect of these litigations or where amount of liability is not ascertainable. These are net of amounts deposited under protest amounting to ₹ 20.29 million (previous year ₹ 23.06 million).

The Directorate of Revenue Intelligence (DRI), Bangalore, under section 108 of the Custom Act, 1962, had inquired about the classification of viewing cards for applicability of customs duty. The Company had, suo-moto, paid ₹ 20 million under protest and had received a show cause notice with a demand for ₹ 1,011.22 million. During the current financial year, the company had filed a reply to DRI in response to the show cause notice. On hearing, the matter was adjourned to May 05, 2020 and further adjourned for unidentified time due to COVID-19. The Company is confident that the demand will not sustain, therefore no provision has been made in these financial statements and the amount demanded has been considered as contingent liability.

iii) The company has received orders from income - tax authorities for (a) assessment year 2013-14 on account of disallowance under section 14A read with rule 8D aggregating to ₹ 17.84 million and (b) assessment year 2007-08 and 2008-09 on account of non - withholding of taxes amounting to ₹ 5.37 million. The appeal in the aforesaid litigations is pending before Income Tax Appellate Tribunal ('ITAT') and High Court respectively. No demand has been raised on the company in respect of the aforesaid litigations in view of the brought forward losses.

iv) The Hon'ble Supreme Court in its recent ruling had ruled that various allowances like conveyance allowance, special allowance, education allowance, medical allowance etc., paid uniformly and universally by an employer to its employees would form part of basic wages for computing the provident fund ('PF' or 'the fund') contribution and thereby, has laid down principles to exclude (or include) a particular allowance or payments from 'basic wage' for the purpose of computing PF contribution. The Company pays certain allowances to its employees as a part of its compensation structure, which have not been included in the basic wages for the purpose of computing the PF.

As this ruling has not prescribed any clarification with respect to its application, the Company, based on legal advice and management assessment has applied the aforesaid ruling prospectively. Management believes that this will not result in any material liability on the Company.

40 UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars of unhedged foreign currency exposure as at reporting date:

	March 31, 2020			March 31, 2019		
	EURO million	USD million	₹ in million	EURO million	USD million	₹ in million
Trade receivables for carriage and placement income	-	0.52	39.05	-	0.35	24.60
Payables for purchase of property, plant and equipment	4.48	0.24	390.38	5.53	4.30	728.04

* Closing rate as at March 31, 2020: 1 USD = ₹ 75.10 (previous year: 1 USD = ₹ 69.32); 1 EURO = ₹ 83.04 (previous year: 1 EURO = ₹ 77.75)

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

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Deferred tax liabilities		
Temporary difference in depreciation and amortisation of property, plant and equipment and other intangible assets	-	173.96
Gross deferred tax liabilities	-	**173.96**
Deferred tax assets		
Provision for doubtful debts	-	173.96
Gross deferred tax assets	-	**173.96**
Net deferred tax liability/(assets)	-	-

In the absence of probability of sufficient future taxable income, the Company has recognised deferred tax assets only to the extent of deferred tax liability.

During the financial year 2019-20, the current tax amount of ₹ 47.75 million pertains to tax adjustment on conclusion of assessments of previous years. Considering the company is into continuous losses , no income tax provision has been created for the current year.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom:

	March 31, 2020		March 31, 2019	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Deductible temporary differences	13,741.46	4,246.11	9,690.32	2,994.31
Brought forward losses	694.65	214.65	920.84	284.54

The tax losses expire in assessment year 2019-2020 to 2024-2025. The deductible temporary differences which includes unabsorbed depreciation and provision for doubtful debts do not expire under the current income tax legislation.

42 CAPITAL MANAGEMENT

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

(₹ in million)

	March 31, 2020	March 31, 2019
Cash and cash equivalents (refer note 11)	25.31	114.17
Bank balances other than cash and cash equivalents above (refer note 12)	20.86	40.00
Margin money deposit (refer note 7)	103.51	309.28
Total cash (A)	**149.68**	**463.45**
Borrowings (non-current, financial liabilities) (refer note 16)	2,487.31	5,315.32
Borrowings (current, financial liabilities) (refer note 19)	1,285.11	1,534.82
Current maturities of long-term borrowings (refer note 21)	5,850.22	5,028.28
Lease liabilities (current)	4.00	0.97
Total borrowing (B)	**9,626.64**	**11,879.39**
Net debt (C=B-A)	**9,476.96**	**11,415.94**
Total equity (refer note 15(a) and 15(b)	(1,678.82)	222.15
Total capital (equity + net debts) (D)	**7,798.14**	**11,638.09**
Gearing ratio (C/D)	**1.22**	**0.98**

43 ASSETS PLEDGED AS SECURITY

The carrying amount of assets pledged as security are:

(₹ in million)

	Note	March 31, 2020	March 31, 2019
Current assets			
a) Inventories	9	4.64	7.13
b) Financial assets			
i) Trade receivables	10	2,073.25	2,902.90
ii) Cash and cash equivalents	11	25.31	114.17
iii) Bank balances other than cash and cash equivalents above	12	20.86	40.00
iv) Other financial assets	13	948.81	1,672.07

(₹ in million)

	Note	March 31, 2020	March 31, 2019
c) Other current assets	14	1,069.83	1,082.66
		4,142.70	**5,818.93**
Non-current assets			
a) Property, plant and equipment	4	5,803.59	7,091.09
b) Capital work-in-progress	4	277.30	396.91
c) Other intangible assets	5	1,327.71	1,413.02
d) Intangible assets under development	4	11.07	46.47
e) Financial assets			
i) Margin money deposit (pledged)	7	103.51	309.28
		7,523.18	**9,256.77**
Total assets		**11,665.88**	**15,075.70**

44 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 other than the investments and loans stated under note 6 and note 13 in these standalone financial statements, which have been made predominantly for the purpose of business.

45 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 by the chief operating decision maker(s).

46 Exceptional items in the standalone financial statements include the following:

During the year ended March 31, 2020

a. Pursuant to implementation of the Tariff Order 2017 and upon changes in arrangements with customers, the management of the Company has further provided for certain trade receivables amounting to ₹ 180 million and disclosed the same as exceptional items in the standalone financial statements for the year ended March 31, 2020.

b. During the year ended March 31, 2020, a subsidiary company namely, Siti Godaari Digital Services Private Limited ('Siti Godaari') has been dissolved pursuant to being struck-off as per the provisions of section 248 of the Act. Accordingly, the Company has written off trade receivables from and investment in Siti Godaari amounting to ₹ 100.3 million for the year ended March 31, 2020.

The total impact of a and b above on the standalone financial statements for the year ended March 31, 2020 amounts to ₹ 280.03 million.

During the year ended March 31, 2019

a. The Company had divested its 51% shareholding (10,409 shares of face value ₹ 10 each) in a subsidiary company namely, Siti Bhatia Networks Entertainment Private Limited for a consideration of ₹ 1.1 million pursuant to which, Siti Bhatia and Siti Chhattisgarh Multimedia Private Limited (associate of Siti Bhatia) ceased to be part of the Group.

The exceptional items in the standalone financial statements consists of write off of the amount recoverable from Siti Bhatia amounting to ₹ 63.09 million, pursuant to aforementioned divestment and settlement arrangement.

b. The Tariff Order 2017 notified by the TRAI resulted into changes in pricing mechanism and certain arrangements with the customers. The Management, based on its review, and in terms of ongoing negotiations with the customers, has provided for certain trade receivables and advances amounting to ₹ 1,840 million in standalone financial statements. The exceptional items in the standalone financial statements also include one time provision towards certain recoverable amounts and other settlements aggregating ₹ 37.79 million.

The total impact of a and b above on the standalone financial statements for the year ended March 31, 2019 amounts to ₹ 1940.88 million.

47 For the year ended March 31, 2020, the 'Subscription income' included in the 'Revenue from operations' in these financial statements, *inter alia*, includes the amounts payable to the broadcasters towards their share per Tariff order 2017 in relation to the pay channels subscribed by the customers. The aforementioned corresponding amounts (i.e Broadcaster's share) has also been presented as an expense in these financial statements. The said amount is ₹ 3,902.38 million for the year ended March 31, 2020 in the standalone financial statements.

Had these expenses been disclosed on net basis, the 'Revenue from operations' and the 'Carriage sharing, pay channel and related costs' each would have been lower by ₹ 3,902.38 million for the year ended March 31, 2020 in the standalone financial statements. However, there would not have been any impact on the net loss for the quarter and period then ended in standalone financial statements. The management is in process of evaluating the aforesaid presentation in light of generally accepted accounting principles, including Ind AS 115, 'Revenue from contracts with customers' and industry practices.

48 Effective February 01, 2019, the revised regulatory framework (hereinafter referred to as 'Tariff Order 2017') released in March 2017 by the Telecom Regulatory Authority of India ('TRAI') for digital television services was applicable on the Company. The new tariff order of TRAI was implemented from February 1, 2019, as per the extended timelines. TRAI had further extended the timeline for subscribers to select channels till March 31, 2019. Owing to the initial delays in implementation of new tariff order, all the distribution platform operators ('DPO') in the previous year ended March 31, 2019 were in transition from previous regime to new regime and were in the process of implementation of contracts with the broadcasters and customers.

Further, effective March 01, 2020, amendments to the existing regulatory framework (hereinafter referred to as "New Tariff Order 2020") was applicable but considering the practical challenges and petitions filed against its implementation, as at March 31, 2020, the Company was in process of fully implementing the same.

49 During the year ended March 31, 2020, the Company has paid remuneration to one of its whole time director in excess of the limits prescribed under Section 197 of the Act read with Schedule V of the Act, while the Company has obtained approvals from the shareholders within the prescribed time limit, however, prior approvals from the lenders as stipulated under Section 197 are pending to received.

50 The Company continued to incur losses during the year ended March 31, 2020 and had negative working capital as at March 31, 2020. The Company also has negative net worth as at March 31, 2020. As at March 31, 2020, there are instances of delays in payments of obligations and borrowings, but in view of the management, the expected revenue growth and improvement in operating margins under the Tariff Order 2017, and other likely mitigating factors such as, the Group's present positive net worth, continued endeavor to secure additional funds by the Company besides on-going discussions with the lenders for debt restructuring, for which revised debt repayment plans are being submitted to the lenders, and continuous dialogue with its vendors, these standalone financial statements for the year ended March 31, 2020 continue to be prepared on a going concern basis.

51 In view of aforementioned ongoing discussions with the lenders, inter alia, for reducing existing interest rates, additional interest levied, if any, has not been provided for.

52 IMPACT OF OUTBREAK OF NOVEL CORONA VIRUS (COVID -19)

COVID-19 was declared as pandemic by World Health Organization (WHO) on March 11, 2020, is continuing to spread across the world and India. Since March 2020, the Indian Government has announced a 21 days nationwide lockdown which has been extended in multiple tranches till May 31, 2020 with relaxation to essential services and selected economic activities. The Company has continued to operate and provide cable television and broadband distribution services to its customers, which has been declared as an essential service. Based on the management's assessment and review of current economic scenario, the management does not expect any significant impact of COVID-19 on the Company. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements, and the Company will continue to closely monitor any material changes arising from future economic conditions and continually assess its impact on the operations and financial matrices.

53 POST REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between March 31, 2020 and the date of authorisation of these standalone financial statements.

This is the Summary of significant accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Rajni Mundra
Partner
Membership No.: 058644

Place : New Delhi
Date : June 29, 2020

For and on behalf of the Board of Directors of
SITI Networks Limited

Suresh Arora
Whole Time Director
DIN: 00299232

Amitabh Kumar
Non-Executive Director
DIN: 00222260

Anil Kumar Malhotra
Chief Executive Officer

Sanjay Berry
Chief Financial Officer

Suresh Kumar
Company Secretary
Membership No: ACS 14390

Place : Noida
Date : June 29, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of SITI Networks Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying consolidated financial statements of SITI Networks Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint ventures, as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2020, 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 and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, except for the effects and possible effects of the matters described in the Basis for Qualified Opinion section of our report, 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 of the Group, its associates and joint ventures, as at 31 March 2020, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As described in note 53 to the accompanying consolidated financial statements, the Group's 'Revenue from operations' includes broadcasters' share in subscription income from pay channels, which has correspondingly been presented as an expense which is not in accordance with the requirements of Ind AS-115, 'Revenue from contracts with customers'. Had the management disclosed the same on net basis, the 'Revenue from operations' and the 'Carriage sharing, pay channel and related costs' each would have been lower by ₹ 7,757.54 million for the year ended 31 March 2020, while there would have been no impact on the net loss for the year ended 31 March 2020.

   Further, with respect to the above matter, qualifications have been given by other firms of Chartered Accountants vide their audit reports dated 27 June 2020, 27 June 2020, 27 June 2020, 20 June 2020, 27 June 2020, 27 June 2020 and 27 June 2020 on the financial statements of the subsidiaries of the Holding Company, namely, Siti Prime Uttaranchal Communication Private Limited, Central Bombay Cable Network Limited, Indian Cable Net Company Limited, Siti Jind Digital Media Communications Private Limited, Siti Siri Digital Network Private Limited, Siti Sagar Digital Cable Network Private Limited and Siti Global Private Limited respectively and is reproduced by us as under, with the aggregate amount pertaining to such subsidiaries, as also included in the above paragraph:

   The company's/group's 'Revenue from Operations' includes broadcasters' share in subscription income from pay channels, which has correspondingly been presented as an expense which is not in accordance with the requirements of Ind AS-115, 'Revenue from contracts with customers'. Had the management disclosed the same on net basis, the 'Revenue from Operations' and the 'Carriage sharing, pay channel and related costs' each would have been lower by ₹ 3,530.18 million for the year ended 31 March 2020, while there would have been no impact on the net loss for the year ended 31 March 2020.

4. The financial statements of two subsidiaries, reflects total assets of ₹ 1,543.91 million and net assets of ₹ 0.36 million as at 31 March 2020, total revenues of ₹ 870.74 million and net cash outflow amounting to ₹ 15.06 million for the year ended on that date, as considered in these consolidated financial statements are unaudited and have been furnished to us the by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act thereon, is based solely on such unaudited financial statements. Accordingly, we are unable to comment on the impact, if any, on the consolidated financial statements if such financial statements had been audited, other than the impact of the matter described in paragraph 3 above.

5. 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 Consolidated 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 18 of the Other Matter section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

6. We draw attention to note 56 to the accompanying consolidated financial statements, which indicates that the Group has incurred a net loss (including other comprehensive income) of ₹ 1,894.78 million during the year ended 31 March 2020, and as of that date, the Group's accumulated losses amount to ₹ 16,850.16 million and its current liabilities exceeded its current assets by ₹ 9,792.91 million resulting in negative working capital. As at 31 March 2020, there are delays/ defaults in repayment of obligations and borrowings. The above factors along with other matters as set forth in note 56, indicate a material uncertainty, which may cast significant doubt about the Group's ability to continue as a going concern. However, basis the impact of Tariff Order 2017, ongoing discussion with the lenders of the Holding Company, and other factors mentioned in aforesaid note to the accompanying consolidated financial statements, the management is of the view that going concern basis of accounting is appropriate for preparation of these consolidated financial statements.

   The above assessment of the Group's ability to continue as going concern is by its nature considered as key audit matter in accordance with SA 701. In relation to the above key audit matter, our audit work included, but was not limited to, the following procedures:

- We obtained an understanding of the management's process for identification of events or conditions that may cast significant doubt over the Group's ability to continue as a going concern and the process to assess the corresponding mitigating factors existing against each such event or condition.
- Evaluated the design and tested the operating effectiveness of key controls around aforesaid identification of events or conditions and mitigating factors, and controls around cash flow projections prepared by the management.
- We obtained the projected cash flows for the next twelve months from the management, basis their future business plans and considering the impact of Tariff Order, 2017.
- We held discussions with the management personnel to understand the assumptions used and estimates made by them for determining the future cash flow projections.
- The key assumptions such as revenue growth rate, changes in direct and administrative expenses, and capital expenditure outflows, were assessed for reasonableness by reference to historical data, future market trends, existing market conditions, business plans and our understanding of the business and the industry in which the Group operates.
- We tested mathematical accuracy of the projections and applied independent sensitivity analysis to the key assumptions mentioned above to determine inputs leading to high estimation uncertainty of the cash flow projections.
- We read the relevant correspondences with the lending banks.
- We assessed the appropriateness and adequacy of disclosures made by the Group with respect to the aforesaid events and conditions in accordance with the provisions requirements of Ind AS 1 Presentation of Financial Statements.

   Our opinion is not modified in respect of this matter.

Key Audit Matters

7. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

8. In addition to the matters described in the Basis for Qualified Opinion and Material Uncertainty Related to Going Concern sections, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of investment in associates, joint ventures and net assets of subsidiaries As described in Note 7A to the consolidated financial statements, the Group has investments amounting to ₹ 95.29 million in its associates and joint venture entities and carries net assets amounting to ₹ 3,963.06 million in respect to its subsidiaries as at 31 March 2020 (hereinafter together referred to as 'Component entities'). Certain Component entities qualifying as a cash generating unit ('CGU') have been incurring losses in the current year and previous year and have negative cash flows from operations during the current as well as previous years, thus resulting in possible impairment indicators. In view of the above, management during the year ended 31 March 2020 has carried out impairment test for such CGU's, whereby the carrying amount of the investments and net assets was compared with the fair value of the business of respective component entity. To determine the fair value, management has prepared detailed cash flow projections, based on business plans of the respective component entity, expected growth rates of the business and other market related factors including the discount rates, etc. Based on the result of the aforesaid impairment tests, no impairment has been noted. Considering the materiality of the amounts involved and significant degree of judgement and subjectivity involved in the estimates and key assumptions used in determining the cash flows used in the impairment evaluation, we have determined impairment of such investments and net assets as a key audit matter.	Our audit procedures included, but were not limited to the following: • We obtained understanding of the management process for identification of CGU and possible impairment indicators and process performed by the management for impairment testing. • We have performed detailed discussions with the management throughout the year to understand the impairment assessment process, assumptions used and estimates made by management to assess the reasonableness of the recoverable amount and tested the operating effectiveness of controls implemented by management. • We obtained from the management of the Company, the approved future business plans of the joint venture entity and subsidiary companies and held detailed discussions with the management to understand the assumptions used and estimates made by them for determining the cash flow projections. • We referred to the economic conditions prevalent in the jurisdiction in which the joint venture and subsidiary companies operates and understood from the management about the future business plans. • We assessed the reasonableness of the assumptions used and appropriateness of the valuation methodology applied. • Evaluated the appropriateness and adequacy of the related disclosures made by the Group in the consolidated financial statements, in accordance with the applicable accounting standards.
Provision for expected credit losses (ECL) Refer note 3(m) for significant accounting policy and note 38 for credit risk disclosures. As described in note 11, trade receivables comprise a significant portion of the current financial assets of the Group. As at March 31, 2020, trade receivables aggregate to ₹ 3,250.09 million (net of allowance for expected credit losses of ₹ 3,860.78 million). In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Group has analysed the trend of trade receivables under different ageing bracket for last three years and calculated credit loss rate basis such ageing. The complexity in calculation of ECL is mainly related to calculations performed for different type of revenue streams in which the Group operates and the different recovery period for different categories of customers. Additional provision is recognised for the receivables which are specifically identified as doubtful or non-recoverable. Further, the management regularly assess each class of trade receivables for recoverability. Provision for ECL is adjusted considering the recovery trends noted for the respective class, adjusted for forward looking estimates. Estimation of provisions and assessment of recoverability of amounts involves significant degree of judgement and evaluation basis the ongoing communications with the respective parties and is therefore considered as a key audit matter.	Our audit procedures included, but were not limited to the following: • We obtained an understanding of the management process for segregating receivables into appropriate groups, computation of average historical loss rate by age-band and adjustments made to historical loss rates (if any). • We assessed and tested the design and operating effectiveness of controls around management's assessment of the recoverability of trade receivables and corresponding provisioning for ECL. Also, evaluated the controls over the modelling process, validation of data and related approvals. • We obtained from the management of the Group, detailed assessment, including computation, of the ECL. • We audited the underlying data and assessed reasonableness of the assumptions used for each age-band of trade receivables. • We analysed the methodology used by the management and considered the credit and payment history of specific parties to determine the trend used for arriving at the expected credit loss provision. • We obtained the details of receivables specifically identified by the management for provisioning, over and above the ECL, and corroborated them from the ageing schedule and held discussions with management on their recoverability. • We assessed the appropriateness of disclosures made by the management for the ECL recognized in accordance with applicable accounting standards.

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

9. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   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 identified above when it becomes available 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.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

10. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. 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 Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group, and its associate companies and joint venture companies covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

11. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

12. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associates and joint ventures.

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

13. 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.

14. 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 expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements 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 ability of the Group and its associates and joint ventures 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 Group and its associates and joint ventures 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; and

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, and its associates and joint ventures, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

15. 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.

16. 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.

17. 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

18. We did not audit the financial statements of twenty-one subsidiaries, whose financial statements reflects total assets of ₹ 13,084.20 million and net assets of ₹ 3,962.70 million as at 31 March 2020 total revenues of ₹ 8,272.37 million and net cash inflows amounting to ₹ 1,146.90 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 10.33 million for the year ended 31 March 2020 as considered in the consolidated financial statements, in respect of two associates and two joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports 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, are 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

19. Based on our audit, we report that, as also detailed in note 55 of the accompanying consolidated financial statements, the Holding Company has paid managerial remuneration to its director amounting to ₹ 0.81 million, which is in excess of the limits prescribed under Section 197 of Act read with Schedule V of the Act, in respect of which approvals from the shareholders have been obtained within the prescribed time limit, however, prior approvals from the lenders as required under Section 197 have not been obtained by the Holding Company. As required by section 197(16) of the Act and on the consideration of the reports of the other auditors, referred to in paragraph 18, on separate financial statements of the subsidiaries, associates and joint ventures, we report that twenty subsidiary companies, two associate companies and two joint venture companies covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, as stated in paragraph 4, financial statements of two subsidiary companies covered under the Act are unaudited and have been furnished to us by the management, and as certified by the management, such companies have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

20. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors 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 except for the matter described in paragraph 4 of the Basis of Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the effects and possible effects of the matters described in paragraph 3 of the Basis for Qualified Opinion section with respect to the financial statements of the Holding Company, Siti Prime Uttaranchal Communication Private Limited, Central Bombay Cable Network Limited, Indian Cable Net Company Limited, Siti Jind Digital Media Communications Private Limited, Siti Siri Digital Network Private Limited, Siti Sagar Digital Cable Network Private Limited and Siti Global Private Limited, subsidiaries of the Holding Company respectively;

    c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) except for the effects of the matters described in the Basis for Qualified Opinion section, in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;

    e) the matter described in paragraph 6 of the Material Uncertainty Related to Going Concern section, in our opinion, may have an adverse effect on the functioning of the Group;

    f) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies covered under the Act, none of the directors of the Group companies, its associate companies and joint venture companies covered under the Act, are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;

    g) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 3 of the Basis for Qualified Opinion section with respect to the Holding Company and subsidiary companies, namely, Siti Prime Uttaranchal Communication Private Limited, Central Bombay Cable Network Limited, Indian Cable Net Company Limited, Siti Jind Digital Media Communications Private Limited, Siti Siri Digital Network Private Limited, Siti Sagar Digital Cable Network Private Limited and Siti Global Private Limited;

    h) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies, associate companies and joint venture companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II'; and

    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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures:

        i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures as detailed in Note 42 to the consolidated financial statements;

        ii. the Holding Company, its associates and joint ventures did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

        iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and joint venture companies covered under the Act, during the year ended 31 March 2020; and

        iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rajni Mundra
Partner
Membership No.: 058644
UDIN: 20058644AAAABG8729

Place: New Delhi
Date: 29 June 2020

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SITI NETWORKS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

List of entities included in the Consolidated Financial Statements

Subsidiaries

1. Central Bombay Cable Network Limited
2. Indian Cable Net Company Limited
3. Master Channel Community Network Private Limited
4. Siti Networks India LLP
5. Siti Broadband Services Private Limited
6. Siti Faction Digital Private Limited
7. Siti Global Private Limited
8. Siti Guntur Digital Network Private Limited
9. Siti Jai Maa Durgee Communications Private Limited
10. Siti Jind Digital Media Communications Private Limited
11. Siti Jony Digital Cable Network Private Limited
12. Siti Krishna Digital Media Private Limited
13. Siti Maurya Cable Net Private Limited
14. Siti Prime Uttaranchal Communication Private Limited
15. Siti Sagar Digital Cable Network Private Limited
16. Siti Saistar Digital Media Private Limited
17. Siti Siri Digital Network Private Limited
18. Siti Vision Digital Media Private Limited
19. Siticable Broadband South Limited
20. Variety Entertainment Private Limited
21. Siti Godaari Digital Services Private Limited (till 20 November 2019)
22. Indinet Service Private Limited
23. Siti Karnal Digital Media Network Private Limited

Joint Ventures

1. Wire And Wireless Tisai Satellite Limited
2. Paramount Digital Media Services Private Limited (with effect from 30 January 2020)

Associates

1. Voice Snap Services Private Limited
2. C&S Medianet Private Limited

ANNEXURE II INDEPENDENT AUDITOR'S REPORT

ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS 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 SITI Networks Limited ('the Holding Company') and its subsidiaries, (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint ventures as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate companies and joint venture companies, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and joint venture companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on internal financial controls with reference to financial statements 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 with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate companies and joint venture companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate companies and joint venture companies, as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

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

Qualified Opinion

8. According to the information and explanations given to us and based on our audit and consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the following material weakness has been identified in the operating effectiveness of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act as at 31 March 2020:

    a) The internal financial controls over preparation of financial statements with respect to presentation and disclosure of 'Revenue from operations' in accordance with the requirement of Ind AS 115 'Revenue from contracts with customers', were not operating effectively which has resulted in a material misstatement in the amounts recognised as 'Revenue from operations' and 'Carriage sharing, pay channel and related costs' including the relevant disclosures in the consolidated financial statements, while there is no impact on the net loss for the year ended 31 March 2020.

    b) The internal financial controls with reference to financial statements insofar as it relates to two subsidiaries, which are companies covered under the Act, are unaudited. As a result, we are unable to determine whether these subsidiaries have established adequate internal financial controls with reference to their financial statements and whether such internal financial controls were operating effectively as at 31 March 2020.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

10. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, associate companies and joint venture companies, the Holding Company, its subsidiary companies, its associate companies and joint venture companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note issued by the ICAI, and except for the effects of the material weakness described above on the achievement of the objectives of the control criteria, such internal financial controls with reference to financial statements were operating effectively as at 31 March 2020.

11. The impact of material weakness identified and reported above has been considered in determining the nature, timing, and extent of audit tests applied in the audit of the financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act as at and for the year ended 31 March 2020, and the material weakness as mentioned in paragraph 8 above, has affected our opinion on the consolidated financial statements of the Group and we have issued a qualified opinion on the consolidated financial statements.

Other Matter

12. We did not audit the internal financial controls with reference to financial statements insofar as it relates to twenty subsidiaries, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 12,843.72 million and net assets of ₹ 3,962.72 million as at 31 March 2020, total revenues of ₹ 8,272.37 million and net cash inflows amounting to ₹ 1,146.90 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 10.33 million for the year ended 31 March 2020 in respect of two associate companies and two joint venture companies, which are companies covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies, associate companies and joint venture companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies, its associate companies and joint venture companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies, associate companies and joint venture companies 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 **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rajni Mundra
Partner
Membership No.: 058644
UDIN: 20058644AAAABG8729

Place: New Delhi
Date: 29 June 2020

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2020

(₹ in million)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
a) Property, plant and equipment	4	11,830.85	14,079.21
b) Capital work-in-progress	4	580.13	948.01
c) Investment property	5	660.74	658.53
d) Goodwill	6	485.52	485.52
e) Other intangible assets	6	2,098.66	2,397.94
f) Intangible assets under development	4	11.07	46.47
g) Investments in joint ventures and associates	7A	95.29	49.74
h) Financial assets			
i) Investments	7B	105.81	98.84
ii) Other financial assets	8	307.87	459.85
i) Deferred tax asset (net)	20	26.39	13.07
j) Other non-current assets	9	168.00	127.37
		16,370.33	**19,364.55**
Current assets			
a) Inventories	10	13.49	18.02
b) Financial assets			
i) Trade receivables	11	3,250.09	3,959.55
ii) Cash and cash equivalents	12	1,757.64	715.67
iii) Bank balances other than (ii) above	13	20.86	65.40
iv) Other financial assets	14	1,062.53	1,745.69
c) Current tax assets (net)		98.97	71.34
d) Other current assets	15	1,660.95	2,203.74
		7,864.53	**8,779.41**
Total assets		**24,234.86**	**28,143.96**
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	16 (a)	872.67	872.67
b) Other equity	16 (b)	(787.53)	1,107.50
Equity attributable to owners of the parent (a+b)		**85.14**	**1,980.17**
c) Non controlling-interest		1,055.76	1,047.06
		1,140.90	**3,027.23**
Liabilities			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	17	4,234.13	7,423.85
ii) Other financial liabilities [other than those specified in item (b)]	18	997.17	1,009.36
b) Provisions	19	103.78	92.37
c) Deferred tax liabilities (net)	20	58.87	204.03
d) Other non-current liabilities	21	42.57	43.07
		5,436.52	**8,772.68**
Current liabilities			
a) Financial liabilities			
i) Borrowings	22	1,388.32	1,623.08
ii) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	23	10.03	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	23	7,373.88	6,580.88
iii) Other financial liabilities [other than those specified in item (c)]	24	7,559.30	6,727.34
b) Other current liabilities	25	1,299.27	1,399.71
c) Provisions	26	26.64	13.04
		17,657.44	**16,344.05**
Total equity and liabilities		**24,234.86**	**28,143.96**

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Rajni Mundra
Partner
Membership No.: 058644

Place : New Delhi
Date : June 29, 2020

For and on behalf of the Board of Directors of
SITI Networks Limited

Suresh Arora
Whole Time Director
DIN: 00299232

Amitabh Kumar
Non-Executive Director
DIN: 00222260

Anil Kumar Malhotra
Chief Executive Officer

Sanjay Berry
Chief Financial Officer

Suresh Kumar
Company Secretary
Membership No: ACS 14390

Place : Noida
Date : June 29, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in million)

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from operations	27	16,185.85	14,421.34
Other income	28	171.40	322.38
Total income		**16,357.25**	**14,743.72**
Expenses			
Cost of materials consumed		6.78	14.38
Purchase of stock-in-trade		8.36	28.43
Carriage sharing, pay channel and related costs		8,439.56	6,541.38
Employee benefits expense	29	747.75	813.18
Finance costs	30	1,576.81	1,707.16
Depreciation and amortisation expenses	31	3,457.07	3,649.67
Other expenses	32	3,576.98	3,787.87
Total expenses		**17,813.31**	**16,542.07**
Loss before share of profit/(loss) of associates and joint ventures, exceptional items and tax		**(1,456.06)**	**(1,798.35)**
Share of profit/(loss) of associates and joint ventures		10.33	(1.42)
Loss before exceptional items and tax		**(1,445.73)**	**(1,799.77)**
Exceptional items	52	501.75	742.66
Loss before tax		**(1,947.48)**	**(2,542.43)**
Tax expense			
Current tax	49	89.14	139.50
Deferred tax	20	(154.95)	(39.10)
Loss for the year		**(1,881.67)**	**(2,642.83)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability	35	(13.11)	(2.18)
Income-tax relating to items that will not be reclassified to profit or loss		-	-
Total comprehensive income for the period (including non-controlling interest)		**(1,894.78)**	**(2,645.01)**
Net loss attributable to:			
A Owners of the parent		(1,890.37)	(2,661.94)
B Non-controlling interest		8.70	19.11
Other comprehensive income attributable to:			
A Owners of the parent		(10.83)	(1.91)
B Non-controlling interest		(2.28)	(0.27)
Total comprehensive income attributable to:			
A Owners of the parent		(1,901.20)	(2,663.85)
B Non-controlling interest		6.42	18.84
Earnings per share			
Basic and diluted earnings per share	33	(2.17)	(3.05)

The accompanying notes are an integral part of these consolidated financial statements.
This is the consolidated statement of profit and loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Rajni Mundra
Partner
Membership No.: 058644

Place : New Delhi
Date : June 29, 2020

For and on behalf of the Board of Directors of
SITI Networks Limited

Suresh Arora
Whole Time Director
DIN: 00299232

Amitabh Kumar
Non-Executive Director
DIN: 00222260

Anil Kumar Malhotra
Chief Executive Officer

Sanjay Berry
Chief Financial Officer

Suresh Kumar
Company Secretary
Membership No: ACS 14390

Place : Noida
Date : June 29, 2020

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(1,947.48)	(2,542.43)
Adjustment for:		
Depreciation and amortisation expenses	3,457.07	3,649.67
Interest income on bank deposits	(47.18)	(46.28)
Excess provisions written back	(24.86)	(74.12)
Share of (profit)/loss of associates and joint ventures	(10.33)	1.42
Loss/(profit) on sale of property, plant and equipment, and other intangible assets (net)	25.11	(42.52)
Interest expense for borrowings at amortised cost	1,499.20	1,525.65
Interest expense on lease liabilities	3.75	-
Bad debts written off	27.51	46.02
Unrealised foreign exchange loss/(gain)	25.97	(13.82)
Allowance for expected credit losses	220.58	501.23
Impairment allowance for doubtful advances	0.03	0.03
Employee stock compensation expense	-	(0.15)
Measurement of investment (non current, financial assets) at fair value through profit and loss	(6.96)	-
Effect of recognising other expense on security deposit as per effective interest method	3.31	1.26
Measurement of financial assets and financial liabilities at amortised cost	(2.90)	(1.52)
Exceptional items	501.75	742.66
Operating profit before working capital changes	**3,724.57**	**3,747.10**
Adjustments for changes in:		
Decrease/(increase) in trade receivables	18.56	(1,503.29)
Decrease in other finance current and non-current assets	135.88	224.35
Decrease/(increase) in other current and non-current assets	556.97	(304.52)
Decrease in inventories	4.50	127.23
Increase in other financial liabilities	26.87	1,270.31
Increase in employee benefit obligations	11.86	26.34
Decrease in other current and non-current liabilities	(52.57)	(559.32)
Increase in trade payables	809.67	1,399.06
Cash generated from operations	**5,236.31**	**4,427.26**
Income taxes paid	(194.24)	(56.22)
Net cash flows from operating activities	**5,042.07**	**4,371.04**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, and intangibles assets	(1,173.94)	(2,400.40)
Proceeds from sale of property, plant and equipment, and intangible assets	649.14	12.18
Purchase of investments (non-current, financial assets)	(35.22)	(102.85)
Sale of investment (current and non-current, financial assets)	-	1.10
Interest received	32.35	46.36
Margin money deposits and bank deposits matured (net)	106.32	590.92
Net cash flow used in investing activities	**(421.35)**	**(1,852.69)**

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
C. CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment)/proceeds from borrowings (current, financial liabilities) (net)	(223.61)	57.02
Proceeds from borrowings (non-current, financial liabilities)	80.00	3,310.37
Repayment of borrowings (non-current, financial liabilities)	(2,442.28)	(4,605.93)
Repayment of lease liabilities	(11.15)	-
Interest paid	(981.71)	(1,499.43)
Net cash flow used in financing activities	**(3,578.75)**	**(2,737.97)**
Net increase/(decrease) in cash and cash equivalents	**1,041.97**	**(219.62)**
Cash and cash equivalents at the beginning of the year	715.67	935.29
Cash and cash equivalents at the end of the year	**1,757.64**	**715.67**

Notes:

		March 31, 2020	March 31, 2019
a.	Cash and cash equivalents include (refer note 12):		
	Balances with banks on current accounts	779.27	257.01
	Cheques and drafts on hand	506.31	32.08
	Cash on hand	26.49	199.72
	Deposits with maturity of upto three months	445.57	226.86
		1,757.64	**715.67**

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 year.

This is the consolidated cash flow statement referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Rajni Mundra
Partner
Membership No.: 058644

Place : New Delhi
Date : June 29, 2020

For and on behalf of the Board of Directors of
SITI Networks Limited

Suresh Arora
Whole Time Director
DIN: 00299232

Amitabh Kumar
Non-Executive Director
DIN: 00222260

Anil Kumar Malhotra
Chief Executive Officer

Sanjay Berry
Chief Financial Officer

Suresh Kumar
Company Secretary
Membership No: ACS 14390

Place : Noida
Date : June 29, 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2020

A EQUITY SHARE CAPITAL (INCLUDING FORFEITED EQUITY SHARES)

(₹ in million)

	March 31, 2019
Balance as at April 01, 2018	**872.67**
Issued during the year	-
Balance as at March 31, 2019	**872.67**
Issued during the year	-
Balance as at March 31, 2020	**872.67**

B OTHER EQUITY

(₹ in million)

	Reserves and surplus			Other components of equity		Total other equity	Equity attributable to owners of the parent	Non controlling-interest	Total equity
	Securities premium (refer note 16(b))	Retained earnings (refer note 16(b))	General reserve (refer note 16(b))	Foreign currency monetary item translation difference account (FCMITDA) (refer note 16(b))	Employee share based payments reserve (refer note 16(b))				
Balance as at April 01, 2018	**16,017.37**	**(13,519.30)**	**3.23**	**13.81**	**42.18**	**2,557.29**	**3,429.96**	**1,160.33**	**4,590.29**
Loss for the year	-	(2,661.94)	-	-	-	(2,661.94)	(2,661.94)	19.11	(2,642.83)
Other comprehensive income for the year (net of tax)									
Remeasurement of defined benefit liability	-	(1.91)	-	-	-	(1.91)	(1.91)	(0.27)	(2.18)
Total comprehensive income for the year	**-**	**(2,663.85)**	**-**	**-**	**-**	**(2,663.85)**	**(2,663.85)**	**18.84**	**(2,645.01)**
Adjustment on adoption of Ind AS 115 (Refer note 3(f))	-	1,228.02	-	-	-	1,228.02	1,228.02	(132.11)	1,095.91
FCMITDA created during the year	-	-	-	(47.62)	-	(47.62)	(47.62)	-	(47.62)
FCMITDA expensed during the year	-	-	-	33.81	-	33.81	33.81	-	33.81
Employee share based payments reserve reversed	-	-	-	-	(0.15)	(0.15)	(0.15)	-	(0.15)
Balance as at March 31, 2019	**16,017.37**	**(14,955.13)**	**3.23**	**-**	**42.03**	**1,107.50**	**1,980.17**	**1,047.06**	**3,027.23**
Balance as at April 01, 2019	**16,017.37**	**(14,955.13)**	**3.23**	**-**	**42.03**	**1,107.50**	**1,980.17**	**1,047.06**	**3,027.23**
Loss for the year	-	(1,890.37)	-	-	-	(1,890.37)	(1,890.37)	8.70	(1,881.67)
Other comprehensive income for the year (net of tax)									
Remeasurement of defined benefit liability	-	(10.83)	-	-	-	(10.83)	(10.83)	(2.28)	(13.11)
Total comprehensive income for the year	**-**	**(1,901.20)**	**-**	**-**	**-**	**(1,901.20)**	**(1,901.20)**	**6.42**	**(1,894.78)**
Other adjustment	-	6.17	-	-	-	6.17	6.17	2.28	8.45
Balance as at March 31, 2020	**16,017.37**	**(16,850.16)**	**3.23**	**-**	**42.03**	**(787.53)**	**85.14**	**1,055.76**	**1,140.90**

The accompanying notes are an integral part of these consolidated financial statements.
This is the consolidated statement of changes in equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Rajni Mundra
Partner
Membership No.: 058644

Place : New Delhi
Date : June 29, 2020

For and on behalf of the Board of Directors of
SITI Networks Limited

Suresh Arora
Whole Time Director
DIN: 00299232

Amitabh Kumar
Non-Executive Director
DIN: 00222260

Anil Kumar Malhotra
Chief Executive Officer

Sanjay Berry
Chief Financial Officer

Suresh Kumar
Company Secretary
Membership No: ACS 14390

Place : Noida
Date : June 29, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE

for the year ended March 31, 2020

1. NATURE OF OPERATIONS

SITI Networks Limited (hereinafter referred to as the 'Company' or 'SNL' or 'Holding Company') was incorporated in the state of Maharashtra, India. The Holding Company, its subsidiaries, joint ventures and associates (collectively known as the 'Group') are engaged in distribution of television channels through digital cable distribution network and allied services.

2. GENERAL INFORMATION

SNL, is a public company incorporated and domiciled in India. Its registered office is at Unit no. 38, 1st Floor, A Wing Madhu Industrial Estate, Pandurang Budhkar Marg, Worli, Mumbai 400013, India. The Company's shares are listed on the National Stock Exchange of India Limited and BSE Limited.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

a) Overall consideration, basis of preparation and statement of compliance with Indian Accounting Standards ('Ind AS')

The consolidated financial statements of the Group have been prepared in accordance with the accounting principles generally accepted in India, including the Ind AS as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act').

These consolidated financial statements have been prepared on going concern basis and presented under the historical cost convention except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period as stated in the accounting policies below.

These consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used consistently throughout all periods presented in these consolidated financial statements unless stated otherwise.

The consolidated financial statements have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on June 29, 2020.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Act. The Group has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the aquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

b) 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 March 31.

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

a) power over the entity

b) exposure, or rights, to variable returns from its involvement with the entity; and

c) 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 line 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.

c) 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 and joint venture'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 associates 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.

d) Business combinations and goodwill

Business combinations are accounted for using the acquisition method.

The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

e) Foreign currency translation

Functional and presentation currency

These consolidated financial statements are presented in currency Indian Rupee (₹), which is also the functional currency of the Group.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions (spot exchange rate).

Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

f) Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the Group and it can be reliably measured.

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

Revenue from rendering of services

Subscription income and support and service charges is recognised on completion of services and when no significant uncertainty exists regarding the amount of consideration that will be derived.

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

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

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

Pursuant to adoption of Ind AS 115 by the Group, the activation and set-top box pairing service doesn't qualify as a separate performance obligation and provides no material right to the customers. Such service does not extend beyond the initial contract period and has been recognised over the same. The Group has elected to recognise cumulative effect of initially applying Ind AS 115 under modified retrospective approach as an adjustment to opening balance sheet as at April 01, 2018 on the contracts that are not completed as at that date.

Income from rendering technical services and broadband services are recognised on accrual basis.

Revenue from sale of set top box (STBs) & viewing cards (VCs)

Revenue from sale of goods is recognised when the significant risks and rewards in respect of ownership of the goods are transferred to the buyer, usually on delivery of the goods and when no uncertainty exists regarding the amount of consideration that will be derived. The Group collects goods and services tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

Interest

Interest income is reported on an accrual basis using the effective interest method.

g) Operating expenses

Operating expenses are recognised in the statement of profit and loss upon utilisation of the related service or as incurred.

h) Borrowing costs

Borrowing costs include interest, amortisation 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. Capitalisation of borrowing cost 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.

i) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price (net of CENVAT/GST credit availed), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted.

Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

All other repair and maintenance costs are recognised in consolidated statement of profit and loss as incurred.

Set top boxes are treated as part of capital work in progress till the end of the month of activation thereof post which the same are capitalised.

Subsequent measurement (depreciation and useful lives)

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

	Life in years
Buildings	60
Plant and equipment	8
Furniture and fixtures	10
Studio equipment	13
Computers	3
Vehicles	8
Office equipment	5
Air conditioners	5
Set top boxes	8
Integrated receiver and decoder (IRD) boxes	10

Leasehold improvements are amortised over their lease term or estimated useful lives, whichever is less.

Leasehold land is amortised 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.

De-recognition

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

j) Other intangible assets

Recognition and initial measurement

Other intangible assets acquired separately are stated at their cost of acquisition. Following initial recognition, other intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Subsequent measurement

Goodwill arising from business combination is recognised as a separate asset in the acquirer's consolidated financial statements and is not amortised but is subject to an annual impairment test.

Non compete agreement and customer relationship arising from business combination is recognised as a separate asset in the acquirer's consolidated financial statements and is amortised over the period of four years.

Goodwill is not amortised but is tested for impairment at least annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Software are amortised over a period of six years on straight-line basis.

Cost of news, current affairs, chat shows and events including sports events etc. are fully expensed on first telecast.

Program, film and cable rights are amortised on a straight-line basis over the license period or 5 years from the date of purchase, whichever is shorter.

Amortisation has been included within depreciation and amortisation of non-financial assets.

Subsequent expenditures on the maintenance of intangible assets are expensed as incurred.

When an intangible asset is disposed off, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the respective intangible asset, and is recognised in profit or loss.

In case of Indian Cable Net Company Limited, a subsidiary company, distribution network rights are amortized using the straight-line method over a period of ten years.

k) Investment property

Property (land or a building or part of a building or both) that is held (by the lessee under a finance lease) for long-term rental yields or for capital appreciation or both, other than for:

i) use in the production or supply of goods or services or for administrative purposes; or

ii) sale in the ordinary course of business:

is recognised as Investment property in the books.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing cost. Subsequent expenditure is capitalised to the asset carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

The management believes a period of 60 years as representing the best estimate of the period over which investment properties (which are quite similar) are expected to be used. Accordingly, the Company depreciates investment properties over a period of 60 years on a straight-line basis.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from the use and no future economic benefit is expected from their disposal. The net difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

l) Impairment of non-financial assets

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

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

Goodwill is tested for impairment annually when circumstances indicate that the carrying value may be impaired.

m) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instruments and are measured initially at:

a) fair value, in case of financial instruments subsequently carried at fair value through profit or loss (FVTPL);

b) fair value adjusted for transaction costs, in case of all other financial instruments.

Subsequent measurement

Financial instruments at amortised cost – the financial instrument is measured at the amortised cost if both the following conditions are met:

i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

All other debt instruments are measured at fair value through other comprehensive income or FVTPL based on Group's business model.

Equity investments – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at FVOCI or FVTPL. The classification is made on initial recognition and is irrevocable.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

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.

Subsequent measurement

Subsequent to initial recognition, these liabilities are measured at amortised cost using the EIR method.

De-recognition of financial liabilities

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

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

Offsetting of financial instruments

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

Impairment of financial assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss ('ECL') model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. When estimating the cash flows, the Group consider the following –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

As a practical expedient the Group has adopted 'simplified approach' for recognition of lifetime expected loss on trade receivables. The estimate is based on three years average default rates observed over the expected life of the trade receivables and is adjusted for forward-looking estimates. These average default rates are applied on total credit risk exposure on trade receivables at the reporting date to determine lifetime expected credit losses.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

n) Post-employment, long term and short term employee benefits

Defined contribution plans

Provident fund

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has further payment obligation 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.

Defined benefit plans

Gratuity

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at the reporting date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to 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 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.

Short term employee benefits

Short-term employee benefits, are current liabilities, measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

o) Share based employee remuneration

The Group operates equity-settled share-based remuneration plans for its employees, where the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions). All share-based remuneration is ultimately recognised as an expense in the statement of profit and loss with a corresponding credit to employee stock option plan reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period. The number of vested options ultimately exercised by holders does not impact the expense recorded in any period.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as securities premium.

p) Provisions, contingent assets and contingent liabilities

Provisions are recognised 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 assets are disclosed when probable and recognised when realisation of income is virtually certain.

q) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for the effects of mandatorily convertible instrument in compliance with Ind AS 33.

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

r) Leases

Accounting policy adopted for leases from April 01, 2019

The Group has adopted Ind AS 116-Leases effective April 01, 2019, using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised on the date of initial application. Accordingly, previous period information has not been restated. The Group's lease asset classes primarily consist of leases for buildings.

The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

The Group has made the following adjustments in the presentation of financial statements as a result of the adoption of Ind AS 116 at April 01, 2019:

i) ROU assets has been presented under the head property, plant and equipment.

ii) Lease liabilities has been presented under the head borrowings (non-current, financial liabilities) and other financial liabilities (current).

iii) Cash payments under operating leases, which were classified within operating activities in the statement of cash flows under earlier standard which meets the recognition under Ind AS 116, are now classified within financing activities, except for short-term leases and leases of low-value assets.

Accounting policy adopted for leases till March 31, 2019

Where the Group is a lessee

Finance leases

Management applies judgement in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include i) the length of the lease term in relation to the economic life of the asset ii) the present value of the minimum lease payments in relation to the asset's fair value, and iii) whether the Group obtains ownership of the asset at the end of the lease term.

For leases of land and buildings, the minimum lease payments are first allocated to each component based on the relative fair values of the respective lease interest. If the minimum lease payments cannot be allocated reliably between the two components, entire lease is classified as a finance lease, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease. Each component is then evaluated separately for possible treatment as a finance lease, taking into consideration the fact that land normally has an indefinite economic life.

The interest element of lease payments is charged to profit or loss, as finance costs over the period of the lease.

Operating leases

Where the Group is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Associated costs, such as maintenance and insurance, are expensed as incurred.

Where the Group is a lessor

Operating leases

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

s) Tax expense

Tax expense comprises current tax and deferred tax. Current tax is the amount of the tax for the period determined in accordance with the Income-tax Act, 1961. Current tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted at the end of the reporting period. Current income-tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in Other comprehensive income or in equity). Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Such assets are reviewed at each balance sheet date to reassess realisation. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss, in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income-tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

t) Inventories

Stores and spares are valued at cost on weighted average basis or at net realisable value whichever is lower.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

u) segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group is a multi-system operator providing cable television network services and allied services which is considered as the only reportable segment. The Group's operations are based in India.

v) Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

w) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition. Cash and cash equivalent are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

x) Equity and reserves

Share capital represents the nominal (par) value of shares that have been issued.

Securities premium includes any premium received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from securities premium, net of any related income tax benefits.

Other components of equity include the following:

Re-measurement of net defined benefit liability-comprises the actuarial losses from changes in demographic and financial assumptions and the return on plan assets (refer note 35)

Retained earnings includes all current and prior period retained profits and share-based employee remuneration (refer note 16)

All transactions with owners of the parent are recorded separately within equity.

y) Recent accounting pronouncements (standards issued but not yet effective)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. However, there are no such notifications which have been issued but are not yet effective or would have been applicable from April 1, 2020.

z) Significant management judgement in applying accounting policies and estimation uncertainty

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles in India which require management to make estimates and assumptions that affect the reported balances of assets, liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and reported amounts of income and expenses during the periods. Although these estimates and assumptions used in accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of date of these consolidated financial statements which in management's opinion are prudent and reasonable, actual results may differ from estimates and assumptions used in preparing accompanying financial statements. Any revision to accounting estimates is recognised prospectively from the period in which results are known materialise in accordance with applicable accounting standards.

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect.

Recognition of deferred tax assets - The extent to which deferred tax assets can be recognised is based on the assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised.

Evaluation of indicators for impairment of non-financial assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Property, plant and equipment - Management assess the remaining useful lives and residual value of property, plant and equipment and believes that the assigned useful lives and residual value are reasonable.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below:

Recoverability of advances/ receivables- The management from time to time reviews the recoverability of advances and receivables. The review is done at least once in a financial year and such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors.

Defined benefit obligation- Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may impact the defined benefit obligation amount and the annual defined benefit expenses.

Contingencies- Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies, claim, litigations etc against the Group as it is not possible to predict the outcome of pending matters with accuracy.

Fair value measurement

The Group measures certain financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Group uses following measurement techniques:

- The fair value measurement for financial instruments where active market quotes are available is based on the quotes available in the principal market for selling the asset or transferring the liability.
- The Group uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.
- The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

4 PROPERTY, PLANT AND EQUIPMENT

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Owned assets	11,804.70	14,079.21
Right-of-use assets	26.15	-
Total	**11,830.85**	**14,079.21**

A Owned assets

(₹ in million)

	Buildings	Leasehold land	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Air conditioners	Studio equipment	Vehicles	Leasehold improvements	Set top boxes	IRD boxes	Total
Gross carrying amount													
Balance as at April 01, 2018	407.66	469.02	6,699.61	322.11	80.82	187.97	16.24	68.73	43.08	57.94	18,425.79	1.26	26,780.23
Additions	9.98	-	449.65	8.71	6.47	11.04	0.03	1.93	2.95	0.02	1,431.09	-	1,921.87
Disposals	-	-	27.48	-	-	4.12	-	13.52	-	-	1,744.84	-	1,789.96
Adjustment on disposal of subsidiary companies	-	-	105.16	1.95	0.70	3.95	-	-	0.40	-	687.16	-	799.32
Balance as at March 31, 2019	**417.64**	**469.02**	**7,016.62**	**328.87**	**86.59**	**190.94**	**16.27**	**57.14**	**45.63**	**57.96**	**17,424.88**	**1.26**	**26,112.82**
Additions	-	-	114.76	4.38	9.52	30.20	0.07	1.98	1.85	-	523.41	-	686.17
Disposals	13.20	-	168.96	-	3.29	0.09	-	-	18.55		181.56	-	385.65
Adjustment	-	-	12.65	0.15	0.78	0.51	-	-	-	0.65	101.73	-	116.47
Balance as at March 31, 2020	**404.44**	**469.02**	**6,949.77**	**333.10**	**92.04**	**220.54**	**16.34**	**59.12**	**28.93**	**57.31**	**17,665.00**	**1.26**	**26,296.87**
Accumulated depreciation													
Balance as at April 01, 2018	19.06	15.18	3,384.19	159.24	72.80	43.83	13.64	37.48	20.48	50.76	6,469.00	0.66	10,286.32
Charge for the year	5.91	7.99	530.03	15.68	6.09	16.62	0.07	1.17	4.23	-	2,406.71	-	2,994.50
Disposals	-	-	13.53	-	-	3.53	-	12.84	-	-	942.85	-	972.75
Adjustment	-	-	31.50	1.37	0.35	1.02	-	-	0.25	-	239.97	-	274.46
Balance as at March 31, 2019	**24.97**	**23.17**	**3,869.19**	**173.55**	**78.54**	**55.90**	**13.71**	**25.81**	**24.46**	**50.76**	**7,692.89**	**0.66**	**12,033.61**
Charge for the year	6.04	6.78	548.10	10.41	6.43	17.25	0.08	1.32	3.73	1.11	2,211.24	-	2,812.49
Disposals	0.31	-	152.36	-	3.12	0.07	-	-	14.49	-	155.87	-	326.22
Adjustment	-	-	2.15	0.11	0.34	0.11	-	-	-	0.28	24.72	-	27.71
Balance as at March 31, 2020	**30.70**	**29.95**	**4,262.78**	**183.85**	**81.51**	**72.97**	**13.79**	**27.13**	**13.70**	**51.59**	**9,723.54**	**0.66**	**14,492.17**
Net carrying amount as at March 31, 2019	392.67	445.85	3,147.43	155.32	8.05	135.04	2.56	31.33	21.17	7.20	9,731.99	0.60	14,079.21
Net carrying amount as at March 31, 2020	**373.74**	**439.07**	**2,686.99**	**149.25**	**10.53**	**147.57**	**2.56**	**31.99**	**15.23**	**5.72**	**7,941.46**	**0.60**	**11,804.70**

a) Capital work-in-progress and intangible assets under development include set top boxes, viewing cards (softwares) and plant and equipment amounting to ₹ 317.11 million, ₹ 11.07 million and ₹ 263.02 million respectively (previous year ₹ 646.25 million, ₹ 46.47 million and ₹ 301.76 million) which are yet to be installed

b) Refer note 37 for vehicle finance lease.

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

d) The Group has capitalised foreign exchange differences on long term monetary liabilities related to set top boxes amounting to ₹ nil million (previous year: ₹ 272.98 million).

B Right-of-use assets

(₹ in million)

	Buildings	Total
Gross carrying amount		
Balance as at April 01, 2019	-	-
Addition on account of transition to Ind AS - 116	35.15	35.15
Disposals	-	-
Balance as at March 31, 2020	**35.15**	**35.15**
Accumulated depreciation		
Balance as at April 01, 2019	-	-
Charge for the year	9.00	9.00
Disposals	-	-
Balance as at March 31, 2020	**9.00**	**9.00**
Net carrying amount as at March 31, 2020	**26.15**	**26.15**

Disclosures on lease pursuant to Ind AS 116 - Leases

a) The Group has leases for office buildings. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

b) Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublease the asset to another party, the right-of-use asset can only be used by the Group. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group is required to pay maintenance fees in accordance with the lease contracts.

c) The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use asset	Number of ROU assets leased	Range of remaining term (in years)	Number of leases with extension options	Number of leases with termination options
Buildings	25	1 - 5	-	-

d) Lease payments not included in measurement of lease liability -

The expense relating to payments not included in the measurement of the lease liability is as follows:

(₹ in million)

	March 31, 2020
Short-term and leases of low value assets	148.63
Variable lease payments	-

e) Total cash outflow against the lease liabilities for the year ended 31 March 2020 is ₹ 11.15 million. Interest on lease liabilities is ₹ 3.75 millions for the year ended March 31, 2020.

f) Effective 01 April 2019, the Group has adopted Ind AS 116 "Leases" and applied modified retrospective approach to all lease contracts existing as at 1 April 2019. On transition, the adoption of new standard resulted in recognition of lease liability of ₹ 35.15 million and corresponding right of use asset of ₹ 35.15 million.

g) For contracts in place as at 1 April 2019, Group has elected to apply the definition of a lease from Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17.

h) The Group has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being 01 April 2019.

i) On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Group has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straightline basis over the remaining lease term.

j) For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under Ind AS 17 immediately before the date of initial application.

k) On transition to Ind AS 116, the weighted average incremental borrowing rate applied to lease liabilities recognised was 12%.

l) **The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements for the year ended 31 March 2019) to the lease liabilities recognised at 1 April 2019:**

(₹ in million)

	March 31, 2020
Total operating lease commitments disclosed as at 31 March 2019	213.14
Recognition exemptions:	
Leases of short-term and low value assets	168.30
Variable lease payments not recognised	-
Operating lease liabilities before discounting	**44.84**
Discounting impact (using incremental borrowing rate)	(9.69)
Total lease liabilities recognised under Ind AS 116 at 01 April 2019	**35.15**

m) Refer note 38 for contractual maturity of lease liabilities.

5 Investment property

(₹ in million)

	Total
Gross carrying amount	
Balance as at April 01, 2018	674.51
Additions	-
Balance as at March 31, 2019	**674.51**
Additions	13.20
Balance as at March 31, 2020	**687.71**
Accumulated depreciation	
Balance as at April 01, 2018	5.30
Charge for the year	10.68
Balance as at March 31, 2019	**15.98**
Charge for the year	10.99
Balance as at March 31, 2020	**26.97**
Net carrying amount as at March 31, 2019	**658.53**
Net carrying amount as at March 31, 2020	**660.74**

Note a) Amount recognised in profit and loss for investment property

(₹ in million)

	March 31, 2020	March 31, 2019
Rental income derived from investment property	49.33	22.86

Note b) Refer note no. 45 for information on investment property pledged as securities by the Group.

Note c) The fair value of investment property as on March 31, 2020 and March 31, 2019 amounted to ₹ 1,596.30 million and ₹ 1,571.60 million, respectively, as assessed by an independent valuer.

6 Other intangible assets

(₹ in million)

	Goodwill	Goodwill on consolidation	Program, film and cable rights	Distribution network rights	Software	Non compete agreement	Customer relationships	Total
Gross carrying amount								
Balance as at April 01, 2018	463.38	287.09	50.33	1,550.00	2,735.40	5.50	25.30	5,117.00
Additions	-	-	-	-	423.43	-	-	423.43
Disposals	-	-	-	-	136.44	-	-	136.44
Adjustment on disposal of subsidiary companies	-	12.80	-	-	-	-	-	12.80
Balance as at March 31, 2019	**463.38**	**274.29**	**50.33**	**1,550.00**	**3,022.39**	**5.50**	**25.30**	**5,391.19**
Additions	-	-	-	-	325.80	-	-	325.80
Disposals	-	-	-	-	1.37	-	-	1.37
Adjustments	-	-	-	-	0.05	-	-	0.05
Balance as at March 31, 2020	**463.38**	**274.29**	**50.33**	**1,550.00**	**3,346.77**	**5.50**	**25.30**	**5,715.57**
Accumulated amortisation								
Balance as at April 01, 2018	210.02	-	47.18	627.76	1,073.64	2.87	13.50	1,974.97
Charge/impairment for the year	42.13	-	-	153.71	441.30	1.38	5.97	644.49
Disposals	-	-	-	-	111.73	-	-	111.73
Balance as at March 31, 2019	**252.15**	**-**	**47.18**	**781.47**	**1,403.21**	**4.25**	**19.47**	**2,507.73**
Charge/impairment for the year	-	-	-	153.71	463.80	1.25	5.83	624.59
Disposals	-	-	-	-	0.89	-	-	0.89
Adjustments	-	-	-	-	0.04	-	-	0.04
Balance as at March 31, 2020	**252.15**	**-**	**47.18**	**935.18**	**1,866.08**	**5.50**	**25.30**	**3,131.39**
Net carrying amount as at March 31, 2019	**211.23**	**274.29**	**3.15**	**768.53**	**1,619.18**	**1.25**	**5.83**	**2,883.46**
Net carrying amount as at March 31, 2020	**211.23**	**274.29**	**3.15**	**614.82**	**1,480.69**	**-**	**-**	**2,584.18**

(₹ in million)

Net book value	**As at March 31, 2020**	**As at March 31, 2019**
Goodwill	485.52	485.52
Other intangible assets	2,098.66	2,397.94
Total	**2,584.18**	**2,883.46**

(₹ in million)

		As at March 31, 2020	As at March 31, 2019
7A	**Investments in joint ventures and associates**		
	Investment in equity instruments (trade, unquoted) (at cost)		
	Investment in associates		
	6,667 (previous year: 6,667) equity shares of ₹ 10 each fully paid up (previous year: ₹ 10) of Voice Snap Services Private Limited	51.12	51.12
	Add: Share in profit /(loss)	10.28	(1.38)
	4,800 (previous year: 4,800) equity shares of ₹ 10 each fully paid up of C&S Medianet Private Limited	0.05	0.05
	Add: Share in loss	(0.05)	(0.05)
	Investment in Joint ventures		
	25,500 (previous year: 25,500) equity shares of ₹ 10 each fully paid up of Wire and Wireless Tisai Satellite Limited	0.26	0.26
	Add: Share in loss	(0.26)	(0.26)
	10,000 (previous year: Nil) equity shares of ₹ 10 each fully paid up of Paramount Digital Media Services Private Limited (including goodwill amounting to ₹ 27.28 million)	35.27	-
	Add: Share in loss	(1.38)	-
		95.29	**49.74**
7B	**Investments**		
	Investment in equity instruments (trade, unquoted)		
	480 (previous year: 480) equity shares of ₹ 100 each fully paid up of Master Ads Private Limited	0.05	0.05
	9,500 (previous year: 9,500) equity shares of ₹ 10 each fully paid up of Dakshin Communications Private Limited	1.77	1.77
	3,000 (previous year: 3,000) equity shares of ₹ 10 each fully paid up of Centre Channel Private Limited	0.23	0.23
	Less: Aggregate amount of impairment in value of investments	(2.05)	(2.05)
	1,25,000 (previous year:1,25,000) equity shares of ₹ 10 each fully paid up of Axom Communications & Cable Private Limited	105.81	98.84
		105.81	**98.84**
		201.10	**148.58**
	Aggregate amount of unquoted investments	203.15	150.63
	Aggregate amount of impairment in value of investments	2.05	2.05

8 OTHER FINANCIAL ASSETS (NON-CURRENT)

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Margin money deposit (pledged)	167.00	345.49
Security deposits	140.87	114.36
	307.87	**459.85**

9 OTHER NON-CURRENT ASSETS (NON-FINANCIAL)

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Capital advances	0.56	3.99
Advances other than capital advances		
Prepaid expenses	11.18	0.29
Balance with Government authorities (paid under protest)	130.48	93.06
Other advances to vendors	25.78	30.03
	168.00	**127.37**

10 INVENTORIES (valued at lower of cost and net realisable value)

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Stores and spares	13.49	18.02
	13.49	**18.02**

11 TRADE RECEIVABLES

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Trade receivable - considered good unsecured	3,250.09	3,959.55
Trade receivable - credit impaired	3,860.78	3,589.94
Less: Allowance for expected credit loss	(3,860.78)	(3,589.94)
	3,250.09	**3,959.55**

For amounts due and terms and conditions relating to related party receivables, see note 39.

No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. No trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

12 CASH AND CASH EQUIVALENTS

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Balances with banks on current accounts	779.27	257.01
Cheques and drafts on hand	506.31	32.08
Cash on hand	26.49	199.72
Deposits with maturity of upto three months	445.57	226.86
	1,757.64	**715.67**

Note : There are There are no repatriation restriction with regard to cash and cash equivalents as at the end of reporting period and prior period.

13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
- Deposits with original maturity of more than 3 but less than 12 months	20.86	65.40
	20.86	**65.40**

14 OTHER FINANCIAL ASSETS (CURRENT)

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Amounts recoverable	551.00	1,200.14
Interest accrued on fixed deposits	44.47	29.64
Unbilled revenues	467.06	465.91
Security deposits	-	50.00
	1,062.53	**1,745.69**

15 OTHER CURRENT ASSETS (NON-FINANCIAL)

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good unless otherwise stated		
Advances other than capital advances		
Balances with Government authorities	631.26	923.08
Taxes paid	594.95	521.00
Prepaid expenses	69.03	37.56
Amounts recoverable (considered good)	360.71	722.10
Amounts recoverable (considered doubtful)	569.21	569.21
Less: Impairment allowance	(569.21)	(569.21)
Security Deposits	5.00	-
	1,660.95	**2,203.74**

16 (a) EQUITY SHARE CAPITAL

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Authorised share capital		
1,290,000,000 (previous year: 1,290,000,000) equity shares of ₹ 1 each	1,290.00	1,290.00
10,000,000 (previous year: 10,000,000) 7.25% non-cumulative redeemable preference shares of ₹ 1 each	10.00	10.00
Total authorised capital	**1,300.00**	**1,300.00**
Issued share capital		
873,280,971 (previous year: 873,280,971) equity shares of ₹ 1 each	873.28	873.28
Less: Forfeited shares 1,227,123 (previous year: 1,227,123) equity shares of ₹ 1 each	(1.23)	(1.23)
23,436 (previous year: 23,436) 7.25% non-cumulative redeemable preference shares of ₹ 1 each	0.02	0.02
Total issued capital	**872.07**	**872.07**
Subscribed and fully paid up capital		
872,053,848 (previous year: 872,053,848) equity shares of ₹ 1 each fully paid up	872.05	872.05
Total paid up capital	**872.05**	**872.05**
Forfeited equity shares 1,227,123 (previous year: 1,227,123) equity shares of ₹ 1 each	0.62	0.62
	872.67	**872.67**

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares

There is no movement in equity share capital during current and previous year.

Preference shares

There is no movement in preference share capital during current and previous year.

(ii) Terms/rights attached to:

Equity shares

The Holding Company has only one class of equity shares having par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Preference shares

The Holding Company has only one class of 7.25% Non-cumulative redeemable preference shares of ₹ 1 each. The said preference shares were allotted to Zee Telefilms Limited (now Zee Entertainment Enterprises Limited) on December 29, 2006, pursuant to the scheme of arrangement for demerger of cable business undertaking of Zee Telefilms Limited approved by the Hon'ble Bombay High Court vide its order dated November 17, 2006. Initially, as per the terms of the issue and allotment, the said preference shares were due for redemption on December 29, 2008. However, with the written consent/approval of Zee Entertainment Enterprises Limited, the terms of the issue of said preference shares was varied by extending the period of redemption by another three years i.e. till December 29, 2011. Later on June 6, 2011 these shares were transferred to Churu Enterprises LLP by Zee Entertainment Enterprises Limited.

Period for redemption of preference shares was extended by a period of five years till December 29, 2016 which has been further extended for period of five years till December 29, 2021 by Churu Enterprises LLP. The preference shares are redeemable at par.

In the event of liquidation of the Holding Company, the holders of preference shares will have priority over equity shares in the payment of dividend and repayment of capital. These instruments are accounted for as liability in accordance with the Ind AS.

(iii) Details of shareholders holding more than 5% shares in the Company

Equity shares

	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% of holding	No. of shares	% of holding
Bioscope Cinemas Private Limited	112,008,946	12.84%	112,008,946	12.84%
Direct Media Solutions LLP	121,000,000	13.88%	121,000,000	13.88%
Digital Satellite Holdings Private Limited	151,045,816	17.32%	151,045,816	17.32%
Direct Media and Cable Private Limited	85,714,285	9.83%	85,714,285	9.83%

Preference shares

	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% of holding	No. of shares	% of holding
Churu Enterprises LLP	23,436	100%	23,436	100%

(iv) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Group, refer note 36.

(v) No shares were issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issue or brought back during the current and last 5 years.

16(b) OTHER EQUITY

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Securities premium	16,017.37	16,017.37
Retained earnings	(16,850.16)	(14,955.13)
General reserve	3.23	3.23
Employee share based payment reserve	42.03	42.03
	(787.53)	**1,107.50**

A) Notes:

(₹ in million)

Particulars		March 31, 2020	March 31, 2019
1	**Securities premium**		
	Opening balance	16,017.37	16,017.37
	Addition during the year	-	-
	Closing balance	**16,017.37**	**16,017.37**
2	**Retained earnings**		
	Opening balance	(14,955.13)	(13,519.30)
	Other adjustment	6.17	-
	Addition during the year	(1,890.37)	(2,661.94)
	Adjustment on adoption of Ind AS 115 (Refer note 3(f))	-	1,228.02
	Other comprehensive income for year (net of tax)	(10.83)	(1.91)
	Closing balance	**(16,850.16)**	**(14,955.13)**
3	**General reserve**		
	Opening balance	3.23	3.23
	Addition during the year	-	-
	Closing balance	**3.23**	**3.23**
4	**Foreign currency monetary item translation difference account (FCMITDA)**		
	Opening balance	-	13.81
	Addition during the year	-	(47.62)
	Amortised during the year	-	33.81
	Closing balance	**-**	**-**
5	**Employee shares based payments reserve**		
	Opening balance	42.03	42.18
	Reversal during the year	-	(0.15)
	Closing balance	**42.03**	**42.03**

B) Nature and purpose of reserves:

1 Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Act.

2 Retained earnings

Retained earnings represent the accumulated earnings, net of losses (if any) made by the Group over the years.

3 General reserve

General reserve is a free reserve which is created by transferring funds from retained earnings to meet future obligations or other purposes.

4 Foreign currency monetary item translation difference account (FCMITDA)

FCMITDA includes exchange differences arising on restatement of long term foreign currency monetary items, other than for acquisition of property,plant and equipment, and is being amortised over the terms of such monetary items.

5 Employee shares based reserve

The reserve is used to recognised the grant date fair value of the options issued to employees under Group's employee stock option plan.

17 BORROWINGS (NON-CURRENT, FINANCIAL LIABILITIES)

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Secured loans from banks *	4,015.38	7,189.36
Lease liabilities	10.31	1.57
7.25% non-cumulative redeemable preference shares (refer note 16(a))	0.02	0.02
Unsecured loan	208.42	232.90
	4,234.13	**7,423.85**

* For details of repayment, nature of securities and interest rate of borrowings, refer note 17.1

* For details of period and amount of delays/defaults in repayment of borrowings, refer note 17.2

17.1 Details of terms of repayment, nature of security and interest rate of borrowings

(Refer note 17 and 24)

(₹ in million)

Nature of loan	March 31, 2020		March 31, 2019		Nature of securities	Interest rate	Tenure of repayment*
	Non-current	Current	Non-current	Current			
Term loan							
1	3.66	468.75	385.11	89.25	Term loans from banks are secured by first pari passu charge on entire movable fixed assets, both present and future, of the Company and on the receivables, cash flow and bank account of the Company. Also secured by corporate guarantee of an associated company for maintaining revolving debt service reserve account (DSRA) for 1 quarter of the interest and principal repayment to be funded ten days before each due date, for the entire tenure of the loan.	Base rate + 1.20% p.a.	Eight (previous year: eight) quarterly instalments payable as per the terms of underlying agreement.
2	-	1,295.08	547.31	932.28		Base rate + 1.20% p.a.	Seven (previous year: eight) quarterly instalments payable as per the terms of underlying agreement.
3	-	125.00	-	249.78		Base rate + 1.20% p.a.	One (previous year: two) quarterly instalments payable as per the terms of underlying agreement.
4	-	-	-	152.36		Base rate + 1.20% p.a.	Nil (previous year: two) quarterly instalments payable as per the terms of underlying agreement.
5	-	204.00	-	411.91	Term loans from banks are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/or pledge of the Company's current assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA) for 2 quarter's interest.	Base rate + 2.50% p.a.	Two (previous year: four) quarterly instalments payable as per the terms of underlying agreement.
6	-	-	-	187.33	Term loans from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/or pledge of the Company's current assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA) for 1 quarter's interest.	Base rate + 0.45% p.a.	Nil (previous year: three) quarterly instalments payable as per the terms of underlying agreement.
7	-	93.75	62.38	155.53	Term loans from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/or pledge of the Company's current assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA) for 1 quarter's interest.	Base rate + 0.45% p.a.	Three (previous year: seven) quarterly instalments payable as per the terms of underlying agreement.

(₹ in million)

Nature of loan	March 31, 2020		March 31, 2019		Nature of securities	Interest rate	Tenure of repayment*
	Non-current	Current	Non-current	Current			
8	1,044.38	262.50	1,269.16	147.65	Term loans from financial institution are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's movable fixed assets, both present and future, and as well as current assets. Also secured by the Company for maintenance of interest service reserve account (ISRA) for 1 quarter's interest.	Base rate + spread rate	Sixteen (previous year: twenty) quarterly instalments payable as per the terms of underlying agreement.
9	349.62	1,631.94	996.41	993.96	Term loans from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as current assets.	Bank corporate prime lending rate	Six (previous year: six) half yearly instalments payable as per the terms of underlying agreement.
10	-	525.00	-	561.64	Term loans from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's movable fixed assets and as well as current assets. Also secured by corporate guarantee of an associated company.	Base rate + 0.5% p.a.	One (previous year: two) quarterly instalments payable as per the terms of underlying agreement.
11	-	174.79	-	365.58	Term loans from bank are secured by pari passu charge in favour of lender in a form satisfactory to the lender of all of the Company's fixed and current assets excluding immovable assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA).	6 months Marginal cost of funds based lending rate 'MCLR' + margin	One (previous year: two) half yearly instalments payable as per the terms of underlying agreement.
12	-	549.50	380.00	380.00	Term loans from bank are secured by pari passu charge in favour of lender in a form satisfactory to the lender of all of the Company's fixed and current assets excluding immovable assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA).	6 months MCLR + margin	Three (previous year: four) half yearly instalments payable as per the terms of underlying agreement.
13	-	249.40	141.45	282.90	Term loans from bank are secured by pari passu charge in favour of lender in a form satisfactory to the lender of all of the Company's fixed and current assets excluding immovable assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA).	6 months MCLR + margin	Two (previous year: three) half yearly instalments payable as per the terms of underlying agreement.
14	260.01	270.51	530.80	118.11	Term loans from bank are secured by pari passu charge in favour of lender in a form satisfactory to the lender of all of the Company's fixed and current assets excluding immovable assets.	1 Year MCLR + margin	Three (previous year: five) half yearly instalments payable as per the terms of underlying agreement.

(₹ in million)

Nature of loan	March 31, 2020		March 31, 2019		Nature of securities	Interest rate	Tenure of repayment*
	Non-current	Current	Non-current	Current			
15	819.31	-	811.86	-	Term loans from bank are secured by pari passu charge in favour of lender in a form satisfactory to the lender of all of the Company's fixed and current assets excluding immovable assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA).	1 Year MCLR + margin	Eight (previous year: eight) quarterly instalments payable as per the terms of underlying agreement.
16	-	-	189.40	-	Term loans from bank are secured by pari passu charge in favour of lender in a form satisfactory to the lender of all of the Company's fixed and current assets excluding immovable assets.	6 months London interbank offer rate 'LIBOR' + 300 bps	Nil (previous year: one) instalment payable in financial year 2020 as per the terms of underlying agreement.
17	-	-	-	131.70	Secured by the first and exclusive equitable mortgage land and building at Plot No.-XI/4, Block- EP & GP, Sector-V, Salt Lake, Kolkata-700091, pledge of specific fixed deposit, held in the name of a subsidiary company and personal guarantee of its directors.	11.2% p.a.	Nil (previous year: six) monthly instalments payable as per the terms of underlying agreement.
18	8.40	170.05	175.48	143.18			Five (previous year: nine) quarterly instalments payable as per the terms of underlying agreement.
19	1,450.00	250.00	1,700.00	50.00	Secured by the first and exclusive equitable mortgage of land and building at Plot No.-XI/4, Block- EP & GP, Sector-V, Salt Lake, Kolkata-700091.	10.5% p.a.	Ten (previous year: eleven) half yearly instalments payable as per the terms of underlying agreement.
20	40.00	-	-	-	Secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the subsidiary's movable and immovable fixed assets, both present and future, and as well as current assets. Also secured by the subsidiary's maintenance of interest service reserve account (ISRA) for a quarter's interest.	Base rate + spread rate	Nineteen (previous year: nil) quarterly instalments payable as per the terms of underlying agreement.
21	40.00	-	-	-	Secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the subsidiary's movable and immovable fixed assets, both present and future, and as well as current assets. Also secured by the subsidiary's maintenance of interest service reserve account (ISRA) for a quarter's interest.	Base rate + spread rate	Nineteen (previous year: nil) quarterly instalments payable as per the terms of underlying agreement.
Sub total	**4,015.38**	**6,270.27**	**7,189.36**	**5,353.16**			

* The above mentioned loan installments range from ₹31.25 million to ₹ 525 million per installment as per the terms of respective underlying agreement. The count of installment has not been reduced in cases where installment has settled in part.

Note : Interest free unsecured loan taken by a Subsidiary Company amount to ₹ 208.42 million (previous year ₹ 232.90 million) is repayable after 12 months.

17.2 Details of delays/defaults in repayment of borrowings (current and non-current)

The Group has delayed in repayment of following dues to the banks and financial institution during the year, which were unpaid as at March 31, 2020:

Name of the bank	Amount of default as on March 31, 2020 (₹ in million)		Period of default upto the date of balance sheet (maximum days)	
	Principal	Interest	Principal	Interest
Axis Bank	968.75	184.77	276	276
Indus Ind Bank	-	20.70	-	32
Kotak Mahindra Bank	31.25	12.36	1	88
IDBI Bank	204.00	16.42	183	184
HDFC Limited	975.00	218.24	366	276
RBL Bank Limited	525.00	39.56	214	213
Aditya Birla Finance Limited	37.50	26.52	33	33
Standard Chartered Bank	452.24	72.85	177	184

The Group has delayed in repayment of following dues to the banks and financial institution which were however paid on or before the Balance Sheet date:

Name of the bank	Amount of default during the year ended March 31, 2020 (₹ in million)		Period of default (maximum days)		Amount of default during the year ended March 31, 2019 (₹ in million)		Period of default (maximum days)	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Axis Bank	474.56	44.87	123	90	108.13	-	15	-
Indus Ind Bank	145.92	72.15	88	88	-	-	-	-
Kotak Mahindra Bank	313.74	4.06	88	88	-	-	-	-
IDBI Bank	208.20	17.97	89	93	-	-	-	-
HDFC Limited	15.00	40.00	145	145	-	-	-	-
RBL Bank Limited	37.50	10.24	88	107	-	-	-	-
Aditya Birla Finance Limited	112.50	140.27	89	89	-	-	-	-
Standard Chartered Bank	576.24	31.09	179	61	324.24	-	30	-

18 OTHER FINANCIAL LIABILITIES (NON-CURRENT)

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Security deposits received from customers	68.77	78.76
Payables for purchase of property, plant and equipment	923.40	930.60
Others	5.00	-
	997.17	1,009.36

19 PROVISIONS (NON-CURRENT)

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Provision for gratuity	52.42	43.70
Provision for compensated absences	35.56	35.19
Provision for taxation	15.80	13.48
	103.78	92.37

20 THE BREAKUP OF YEAR END DEFERRED TAX ASSETS AND LIABILITIES INTO MAJOR COMPONENTS OF THE RESPECTIVE BALANCE IS AS UNDER

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities		
Timing difference in depreciation and amortisation of property, plant and equipment and other intangible assets	192.28	505.71
Gross deferred tax liabilities	192.28	505.71
Deferred tax assets		
Provision for doubtful debts	123.11	288.21
Expenditure debited to consolidated statement of profit and loss in the current year but allowed for tax purposes in following years	36.69	26.54
Gross deferred tax assets	**159.80**	**314.75**
Net deferred tax liability	**58.87**	**204.03**
Net deferred tax assets	**26.39**	**13.07**

Movement in deferred tax liabilities and assets

Net deferred tax asset recognised in consolidated statement of profit and loss during the year ended March 31, 2020 amounts to ₹ 154.95 million (Net deferred tax asset recognised in consolidated statement of profit and loss during the year ended March 31, 2019 amounts to ₹ 39.10 million).

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom:

Name of the bank	March 31, 2020		March 31, 2019	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Deductible temporary differences	13,741.46	4,246.11	9,690.32	2,994.31
Brought forward losses	694.65	214.65	920.84	284.54

The tax losses expire in assessment year 2019-2020 to 2024-2025. The deductible temporary differences which includes unabsorbed depreciation and provision for doubtful debts do not expire under current tax legislation.

21 OTHER NON-CURRENT LIABILITIES (NON-FINANCIAL)

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Deferred revenue	14.03	15.03
Interest free deposits from customers	28.13	28.02
Others	0.41	0.02
	42.57	43.07

22 BORROWINGS (CURRENT, FINANCIAL LIABILITIES)

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Loans repayable on demand		
From banks (secured) (including interest acrued on borrowings of ₹ 96.56 million (previous year ₹ Nil million))	1,381.69	1,603.46
From other (unsecured)	6.63	19.62
	1,388.32	1,623.08

i) As at March 31, 2020 and March 31, 2019 the cash credit facilities are secured by first pari passu charge on the future and current assets of the Company with minimum assets cover ratio 1:1. The Company is required to maintain Debt Service Reserve Account ('DSRA') for 2 quarter's interest. The same are further secured by corporate guarantee of an associate Company to maintain DSRA and carries an interest rate of bank borrowing rate+250 Basis Points ('BBR + 250 BPS'), intrinsic value base rate and six months marginal cost of funds based lending rate + 1.70% ('MCLR'+1.70%) respectively.

ii) As at March 31, 2019, secured by first charge on entire current assets of the company, both present and future and also secured by the first and exclusive equitable mortage land and building at Plot No.- XI/4, Block- EP & GP, Sector-V, Salt Lake, Kolkata-700091, pledge of fixed deposit, held in the name of the company and personal guarantee of the directors and carries interest rate of @ 10.05 % (being 1.25 % over MCLR + SP)

iii) As at March 31, 2020 and March 31, 2019, the loan from others are repayable on demand carrying interest rate of @ 10.50%.

23 TRADE PAYABLES

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
- Total outstanding dues of micro enterprises and small enterprises; and	10.03	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	7,373.88	6,580.88
	7,383.91	6,580.88

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Dues to micro and small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006	10.03	-
Principle amount remaining unpaid	10.03	-
Interest due thereon	-	-
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

The details of amounts outstanding to micro enterprises and small enterprises under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006 are as per available information with the Group.

24 OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Current maturities of long-term borrowings *(including interest accrued on borrowings of ₹ 560.62 million (previous year ₹ 139.24 million))	6,830.89	5,492.40
Lease liabilities	11.34	1.15
Payables for purchase of property, plant and equipment	511.09	1,093.87
Book overdraft	205.98	139.92
	7,559.30	**6,727.34**

* For details refer note 17

25 OTHER CURRENT LIABILITIES (NON-FINANCIAL)

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Statutory dues payable	647.98	871.42
Advance from customers (including deferred revenue)	651.29	528.29
	1,299.27	**1,399.71**

26 PROVISIONS (CURRENT)

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Provision for gratuity	3.31	2.90
Provision for compensated absences	2.68	3.01
Provision for taxation	20.65	7.13
	26.64	**13.04**

27 REVENUE FROM OPERATIONS

(₹ in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of services		
Subscription income	12,374.74	10,444.36
Advertisement income	999.34	261.85
Carriage and placement income	2,506.64	3,003.48
Activation and set top boxes pairing charges	39.98	557.29
Other operating revenue		
Sale of traded goods*	9.79	15.61
Management charges and other networking income	184.47	135.74
Support and service charges	70.33	-
Scrap sales	0.56	3.01
	16,185.85	**14,421.34**
*** Details of sale of traded goods**		
Set top box (STB) and viewing cards (VC)	7.01	6.13
Stores and spares	2.78	9.48
	9.79	**15.61**

Disclosure of revenue pursuant to Ind AS 115 'Revenue from Contracts with Customers:

A. Reconciliation of revenue from sale of services and other operating revenue with contracted price

(₹ in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Contracted price	16,185.85	14,421.34

B. Disaggregation of revenue

(₹ in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations		
Sale of services		
Subscription income	12,374.74	10,444.36
Advertisement income	999.34	261.85
Carriage and placement income	2,506.64	3,003.48
Activation and set top boxes pairing charges	39.98	557.29
Other operating revenue		
Sale of traded goods	9.79	15.61
Management charges and other networking income	184.47	135.74
Support and service charges	70.33	-
Scrap sales	0.56	3.01
	16,185.85	**14,421.34**

The Group has disaggregated the revenue from contracts with customers on the basis of nature of services/goods sold. The Group believes that the disaggregation of revenue on the basis of nature of services/goods sold has no impact on the nature, amount, timing and uncertainity of revenue and cash flows.

C. Contract balances

The following table provides information about receivables and contract liabilities from contract with customers.

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Contract liabilities		
Advance from customers (including deferred revenue)	665.32	543.33
	665.32	**543.33**
Contract assets		
Trade receivable	7,110.87	7,549.49
Less: Allowance for expected credit loss	(3,860.78)	(3,589.94)
	3,250.09	**3,959.55**
Unbilled revenue	467.06	465.91

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance.

D. Significant changes in the contract liabilities and contract assets balances during the year are as follows:

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Opening balance	543.33	1,926.08
Revenue recognised (net of collections)	121.99	(1,382.75)
Closing balance	665.32	543.33

(₹ in million)

	As at March 31, 2020	As at March 31, 2019
Contract assets		
Trade receivables		
Opening balance	3,959.55	3,687.62
Amount invoiced, collected and other adjustments (net)	(709.46)	271.93
Closing balance	3,250.09	3,959.55

- There has been no significant changes in unbilled revenue during the current and previous year.

E. The Group has applied Ind AS 115 with modified retrospective approach from April 1, 2018 and the adoption of this standard had the following impact during previous year:

(₹ in million)

	For the year ended March 31, 2019	
	Amount as per Ind AS 115	Amount as per Ind AS 18
Revenue from operations	14,421.34	14,777.27

Impact of adoption of Ind AS 115 on retained earning has been seperately disclosed in note 16 (b).

28 OTHER INCOME

(₹ in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income on		
Bank deposits	47.18	46.28
Others	33.22	37.71
Excess provisions written back	24.86	74.12
Profit on sale of property, plant and equipment and other intangible assets (net)	-	48.32
Exchange fluctuation gain (net)	-	14.64
Other non operating income	66.14	101.31
	171.40	**322.38**

29 EMPLOYEE BENEFITS EXPENSE

(₹ in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, allowances and bonus	665.51	728.14
Contributions to provident and other funds	47.99	49.13
Staff welfare expenses	34.25	35.91
	747.75	**813.18**

30 FINANCE COSTS

(₹ in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest expense on financial liabilities	1,499.20	1,525.65
Interest on lease liabilities	3.75	-
Others	73.86	181.51
	1,576.81	**1,707.16**

31 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on property, plant and equipment (owned assets) (refer note 4)	2,812.49	2,994.50
Depreciation on property, plant and equipment (right-of-use assets) (refer note 4)	9.00	-
Depreciation on investment property (refer note 5)	10.99	10.68
Amortisation of other intangible assets (refer note 6)	624.59	644.49
	3,457.07	**3,649.67**

32 OTHER EXPENSES

(₹ in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent	148.63	172.06
Rates and taxes	57.61	72.61
Communication expenses	25.80	28.64
Repairs and maintenance		
- Network	92.50	100.47
- Buildings	1.99	5.61
- Others	51.21	50.87
Electricity and water charges	121.76	120.57
Legal, professional and consultancy charges	126.07	137.18
Printing and stationery	4.99	7.50
Contractual service charges	442.10	435.68
Travelling and conveyance expenses	56.18	63.20
Auditors' remuneration	10.69	12.14
Vehicle running expenses	47.49	53.10
Insurance expenses	3.87	3.78
Allowance for expected credit losses	220.58	501.23
Impairment allowance for doubtful advances	0.03	0.03
Advertisement and publicity expenses	14.06	24.66
Commission charges and incentives	780.98	619.83
Bad debts/unbilled revenue written off	27.51	46.02
Program production expenses	46.85	50.93
Other operational cost	1,088.95	1,149.27

(₹ in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Business and sales promotion	36.99	35.23
Loss on sale of property, plant and equipment (net)	25.11	-
Exchange fluctuation loss (net)	31.09	-
Miscellaneous expenses	113.94	97.26
	3,576.98	**3,787.87**

(₹ in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Payment to the auditor's (including auditors remuneration of subsidiary companies)		
- As auditors	9.26	9.89
- For other services	0.96	1.71
- For reimbursement of expenses	0.47	0.54
	10.69	**12.14**

33 EARNINGS PER SHARE

(₹ in million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Loss attributable to owners of the parent	(1,890.37)	(2,661.94)
Weighted average number of equity shares outstanding during the year (nos.)	872,053,848	872,053,848
Weighted average number of equity shares outstanding during the year for calculating basic and diluted earnings per share (nos.)	**872,053,848**	**872,053,848**
Effect of dilutive potential equity shares		
Employee stock options (nos.)*	-	-
Nominal value of per equity share (₹)	1	1
Earnings per share (₹)		
Basic and diluted earnings per share	(2.17)	(3.05)

* The employee stock option have not been considered, being anti-dilutive.

34 GROUP COMPOSITION STRUCTURE

Name of the subsidiaries	Country of incorporation	Percentage of ownership as at March 31, 2020	Percentage of ownership as at March 31, 2019
Indian Cable Net Company Limited (hereinafter referred as "ICNCL")*	India	60.02%	60.02%
Central Bombay Cable Network Limited (hereinafter referred as "CBCNL")	India	100.00%	100.00%
Siticable Broadband South Limited (hereinafter referred as "SBSL")	India	100.00%	100.00%
Master Channel Community Network Private Limited (hereinafter referred as "MCCNPL")**	India	66.00%	66.00%
Siti Vision Digital Media Private Limited (hereinafter referred as "SVDMPL")	India	51.00%	51.00%
Siti Jind Digital Media Communications Private Limited (hereinafter referred as "SJDMCPL")****	India	57.50%	57.50%
Siti Jai Maa Durgee Communications Private Limited (hereinafter referred as "SJMDCPL")	India	51.00%	51.00%
Siti Jony Digital Cable Network Private Limited (hereinafter referred as "SJDCNPL")	India	51.00%	51.00%
Siti Krishna Digital Media Private Limited (hereinafter referred as "SKDMPL")	India	51.00%	51.00%
Siti Faction Digital Private Limited (hereinafter referred as "SFDPL")	India	51.00%	51.00%
Siti Guntur Digital Network Private Limited (hereinafter referred as "SGDNPL")	India	74.00%	74.00%
Siti Maurya Cable Net Private Limited (hereinafter referred as "SMCNPL") ***	India	50.10%	50.10%
Siti Karnal Digital Media Network Private Limited (hereinafter referred as "SKDMNPL")	India	51.00%	51.00%
Siti Global Private Limited (hereinafter referred as "SGPL")	India	51.00%	51.00%
Siti Siri Digital Network Private Limited (hereinafter referred as "SDNPL")	India	51.00%	51.00%
Siti Broadband Services Private Limited (hereinafter referred as "SBSPL")	India	100.00%	100.00%
Siti Prime Uttaranchal Communication Private Limited (hereinafter referred as "SPUCPL")	India	51.00%	51.00%
Siti Sagar Digital Cable Network Private Limited (hereinafter referred as "SSDCNPL")	India	51.00%	51.00%
Siti Saistar Digital Media Private Limited (hereinafter referred as "SSDMPL")	India	51.00%	51.00%
Siti Godaari Digital Services Private Limited (hereinafter referred as "SGDSPL")******* (till November 20, 2019)	India	-	100.00%
Variety Entertainment Private Limited (hereinafter referred as "VEPL")	India	100.00%	100.00%
Indinet Service Private Limited (hereinafter referred as "ISPL")***	India	100.00%	100.00%
Siti Networks India LLP (w.e.f. May 07, 2018)	India	99.90%	99.90%

* Include 0.30% held through CBNCL

** Subsidiary of CBCNL

*** Subsidiary of ICNCL

**** Include 6.50% held through SBSL

******* Include 49% held through VEPL

Name of the associates and joint ventures	Country of incorporation	Percentage of ownership As at March 31, 2020	Percentage of ownership As at March 31, 2019
C&S Medianet Private Limited (hereinafter referred as "CSMPL")	India	48.00%	48.00%
Voice Snap Services Private Limited (hereinafter referred as "VSSPL")******	India	40.00%	40.00%
Paramount Digital Media Services Private Limited (hereinafter referred as "PDMSPL")*******(w.e.f. January 30, 2020)	India	50.00%	-
Wire and Wireless Tisai Satellite Limited (hereinafter referred as "WWTSL")	India	51.00%	51.00%

****** Associate of VEPL

******* Joint Venture of VEPL

35 EMPLOYEE BENEFIT OBLIGATIONS

Post-employment obligations - gratuity

The Group 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 ₹ 12.50 million (previous year: ₹ 11.81 million).

The weighted average duration of the defined benefit obligation as at March 31, 2020 is 15 years (March 31, 2019: 15 years).

The plan exposes the Group 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 Group's liability.

The following tables summarises the components of net benefit expense recognised in the consolidated statement of profit and loss and the amount recognised in the consolidated balance sheet for the respective plans.

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

(₹ in million)

	March 31, 2020	March 31, 2019
Present value of defined benefit obligation at the beginning of the year	46.60	39.49
Interest cost	3.99	5.59
Current service cost	6.15	8.39
Benefits paid	(14.12)	(4.69)
Actuarial loss/(gain) on remeasurement of obligation	13.11	(2.18)
Present value of defined benefit obligation at the end of the year *	**55.73**	**46.60**

* Includes current portion ₹ 3.31 million (March 31, 2019: ₹ 2.90 million)

The gratuity plan of the Group is unfunded.

Amount recognised in the consolidated statement of profit and loss:

(₹ in million)

	March 31, 2020	March 31, 2019
Current service cost	6.15	8.39
Interest cost	3.99	5.59
	10.14	**13.98**

Amount recognised in the statement of other comprehensive income

(₹ in million)

	March 31, 2020	March 31, 2019
Actuarial gain on arising from change in financial assumptions	(3.79)	1.23
Actuarial loss on arising from experience adjustments	16.90	(3.41)
	13.11	**(2.18)**

Actuarial assumptions used

	Compensated absences		Gratuity	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount rate (per annum)	7.00%	7.75%	7.00%	7.75%
Rate of escalation in salary (per annum)	4.75%-8%	5%-8%	4.75%-8%	5%-8%
Mortality	IALM 2012-14	IALM 2006-08 Ultimate	IALM 2012-14	IALM 2006-08 Ultimate
Withdrawal rate (per annum)	5.0%	2%-5%	5.0%	2%-5%
Normal retirement age	60 years	60 years	60 years	60 years
Normal retirement age	60 years	60 years	60 years	60 years

These assumptions were developed by management with the assistance of independent actuaries. 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 -

(₹ in million)

	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
Defined benefit obligations	55.73	46.60	39.49	43.60	29.13
Experience loss/(gain) adjustments on planned liabilities	16.90	(3.41)	0.96	0.89	0.07

Sensitivity analysis of the defined benefit obligation for significant actuarial assumptions

(₹ in million)

	March 31, 2020	March 31, 2019
Impact of the change in discount rate		
Present value of obligation at the end of the year	55.73	46.60
Decrease in liability due to increase of 9% (previous year 9%)	(4.60)	(3.85)
Increase in liability due to decrease of 10% (previous year 10%)	5.07	4.24
Impact of the change in salary growth rate		
Present value of obligation at the end of the year	55.73	46.60
Increase in liability due to increase of 11% (previous year 10%)	5.07	4.24
Decrease in liability due to decrease of 9% (previous year 9'%)	(4.60)	(3.85)

Defined contribution plans

Contribution to defined contribution plan, recognised as expense for the year are as under :-

Employer's contribution to provident fund and other funds ₹ 47.99 million (previous year ₹ 49.13 million)

36 SHARE-BASED EMPLOYEE REMUNERATION

Employee Stock Option Plan –ESOP-2015

The Holding Company instituted the Employee Stock Option Scheme -2015 ("SITI ESOP 2015" or "New Plan" or "Scheme") to grant equity based incentives to eligible employees. The SITI ESOP-2015 has been approved by the Board of Directors of the Holding Company at their meeting held on May 28, 2015 and by the shareholders of the Holding Company by way of special resolution passed at their Annual General Meeting held on August 27, 2015 to grant upto 33,881,656 options, representing one share for each option upon exercise by the eligible employee at an exercise price determined by the Board/remuneration committee.

The options granted under the Scheme shall vest not less than one year and not more than five years from the date of grant of options. Under the terms of the Scheme, 50%, 35% and 15% of the options will vest in the employee(s) after expiry of one year, two years and three years, respectively, from the date of grant of options. The option grantee must exercise all vested options within a period of four years from the date of vesting and the shares arising on exercise of such options shall not be subject to any lock-in period.

	Employee Stock Option Plan – ESOP-2015
Date of grant	September 3, 2015
Date of Board approval	May 28, 2015
Date of shareholders' approval	August 27, 2015
Number of options granted	4,663,500
Method of settlement (cash/equity)	Equity
Vesting period	Three years
Exercise period	Four years

The details of activity under New Plan have been summarised below:

	March 31, 2020		March 31, 2019	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	2,852,275	30.85	2,852,275	30.85
Outstanding at the end of the year	2,852,275	30.85	2,852,275	30.85
Exercisable at the end of the year	2,852,275	30.85	2,852,275	30.85

No options were exercised and lapsed during the current and previous financial year.

The fair values of options granted under new plan were determined using a variation of the binomial option pricing model that takes into account factors specific to the share incentive plans, such as the vesting period. The following principal assumptions were used in the valuation:

	March 31, 2020			March 31, 2019		
	Options (50%)	Options (35%)	Options (15%)	Options (50%)	Options (35%)	Options (15%)
Number of options	2,331,750	1,632,225	699,525	2,331,750	1,632,225	699,525
Fair value on grant date	14.63	17.49	19.14	14.63	17.49	19.14
Share price at grant date	30.85	30.85	30.85	30.85	30.85	30.85
Fair value at exercise date	Not Applicable (NA)	NA	NA	NA	NA	NA
Exercise price	30.85	30.85	30.85	30.85	30.85	30.85
Expected volatility	39.82%	44.49%	43.47%	39.82%	44.49%	43.47%
Expected life	Three years	Four years	Five years	Three years	Four years	Five years
Expected dividends	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Risk-free interest rate (based on government bonds)	7.77%	7.97%	7.98%	7.77%	7.97%	7.98%

The underlying expected volatility was determined by reference to historical data of the Holding Company's shares over a period of time since its listing on the Stock Exchange. No special features inherent to the options granted were incorporated into measurement of fair value.

The employee remuneration expense has decreased by ₹ Nil million (previous year: decreased by ₹ 0.15 million), all of this relates to options lapsed/expired during the year due to resignation of eligible employees.

37 DISCLOSURE UNDER IND AS 17 - LEASES FOR THE YEAR ENDED MARCH 31, 2019

Finance lease: Group as lessee

Vehicles obtained on finance lease are for 4 years after which the legal title is passed to the lessee. There is escalation clause in the lease agreement. There are restrictions imposed by the lease arrangements.

Finance lease liabilities are secured by hypothecation of vehicles purchased thereunder.

Future minimum lease payments and their present values are given below:

(₹ in million)

	Minimum lease payments due			Total
	Within 1 year	1 to 5 years	after 5 years	
March 31, 2019				
Lease payments	1.36	1.66	-	3.02
Finance charges	0.21	0.09	-	0.30
Net present value	**1.15**	**1.57**	**-**	**2.72**

Operating lease : Group as lessee

The Group has taken various commercial premises under operating leases. These leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated. Rent amounting to ₹ 172.06 million has been debited to consolidated statement of profit and loss during the year ended March 31, 2019.

The total future minimum lease payment receivable under non-cancellable operating lease is:

(₹ in million)

	March 31, 2019
Lease payment for the year	30.00
Minimum lease payment not later than 1 year	12.50
Minimum lease payment later than 1 year but not later than 5 years	-

38 FAIR VALUE MEASUREMENTS

A. Financial instruments by category

(₹ in million)

	Notes	March 31, 2020		
		FVTPL	Amortised cost	Total
Financial assets				
Margin money deposits (pledged)	8	-	167.00	167.00
Amount recoverable	14	-	551.00	551.00
Interest accrued on fixed deposits	14	-	44.47	44.47
Security deposits	8 and 14	-	140.87	140.87
Investments (non-current, financial assets)	7B	105.81	-	105.81
Unbilled revenues	14	-	467.06	467.06
Trade receivables (net)	11	-	3,250.09	3,250.09
Cash and cash equivalents	12	-	1,757.64	1,757.64
Bank deposits	13	-	20.86	20.86
Total financial assets		**105.81**	**6,398.99**	**6,504.80**
Financial liabilities				
Borrowings (non-current, financial liabilities)	17	-	4,234.13	4,234.13
Borrowings (current, financial liabilities)	22	-	1,388.32	1,388.32
Trade payables	23	-	7,383.91	7,383.91
Other financial liabilities (non-current)	18	-	997.17	997.17
Other financial liabilities (current)	24	-	7,559.30	7,559.30
Total financial liabilities		**-**	**21,562.83**	**21,562.83**

(₹ in million)

	Notes	March 31, 2019		
		FVTPL	Amortised cost	Total
Financial assets				
Margin money deposits (pledged)	8	-	345.49	345.49
Amount recoverable	14	-	1,200.14	1,200.14
Interest accrued and not due on fixed deposits	14	-	29.64	29.64
Security deposits	8 and 14	-	164.36	164.36
Investments (non-current, financial assets)	7B	98.84	-	98.84
Unbilled revenues	14	-	465.91	465.91
Trade receivables (net)	11	-	3,959.55	3,959.55
Cash and cash equivalents	12	-	715.67	715.67
Bank deposits	13	-	65.40	65.40
Total financial assets		**98.84**	**6,946.16**	**7,045.00**
Financial liabilities				
Borrowings (non-current, financial liabilities)	17	-	7,423.85	7,423.85
Borrowings (current, financial liabilities)	22	-	1,623.08	1,623.08
Trade payables	23	-	6,580.88	6,580.88
Other financial liabilities (non-current)	18	-	1,009.36	1,009.36
Other financial liabilities (current)	24	-	6,727.34	6,727.34
Total financial liabilities		-	**23,364.51**	**23,364.51**

B. Financial instruments measured at fair value

The following tables present financial assets and liabilities measured at fair value as at 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, 2020 and March 31, 2019 as follows:

March 31, 2020	Date of Valuation	Level 1	Level 2	Level 3
Financial assets				
Investment in equity shares	At March 31, 2020	-	-	105.81

March 31, 2019	Date of Valuation	Level 1	Level 2	Level 3
Financial assets				
Investment in equity shares	At March 31, 2019	-	-	98.84

Valuation technique to determine fair value

Investment in equity shares (Level 3)

For the year ended March 31, 2020 and March 31, 2019:

The valuation of investment in equity shares has been done using the cost/asset approach which is based on financial statements of the company and may be defined as shareholder's fund or net assets by the company. The net asset value is generally used as the minimum break-up value for the transaction since this methodology ignores the future return the assets can produce and is calculated using historical accounting data. This approach involves determining the value per share based on the assets and liabilities of a Company.

There have been no transfer between level1, level 2 and level 3 during the year ended March 31, 2020 and March 31, 2019.

The following table presents the changes in level 3 items for the year ended March 31, 2020 and March 31, 2019:

(₹ in million)

	Total
As at April 01, 2018	-
Investment made during the year	98.84
As at March 31, 2019	**98.84**
Gain recognised in consolidated statement of profit and loss	6.97
As at March 31, 2020	**105.81**

The cost/asset approach does not involve any significant unobservable input since the methodology ignores future returns from assets.

As at March 31, 2020

Significant unobservable input	Estimate of the input	Sensitivity of the fair value measurement to input
Probability of meeting of cash flow	20%	An increase to 20% would increase fair value by ₹ 14.94 million and decrease by 20% would decrease fair value by ₹ 3.98 million

As at March 31, 2019

Significant unobservable input	Estimate of the input	Sensitivity of the fair value measurement to input
Probability of meeting of cash flow	20%	An increase to 20% would increase fair value by ₹ 15.49 million and decrease by 20% would decrease fair value by ₹ Nil million

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

(₹ in million)

	March 31, 2020		March 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Margin money deposits (pledged)	167.00	167.00	345.49	345.49
Amount recoverable	551.00	551.00	1,200.14	1,200.14
Interest accrued and not due on fixed deposits	44.47	44.47	29.64	29.64
Security deposits	140.87	140.87	164.36	164.36
Unbilled revenue	467.06	467.06	465.91	465.91
Trade receivables	3,250.09	3,250.09	3,959.55	3,959.55
Cash and cash equivalents	1,757.64	1,757.64	715.67	715.67
Bank deposits	20.86	20.86	65.40	65.40
Total financial assets	**6,398.99**	**6,398.99**	**6,946.16**	**6,946.16**
Financial liabilities				
Borrowings (non-current, financial liabilities)	4,234.13	4,234.13	7,423.85	7,423.85
Borrowings (current, financial liabilities)	1,388.32	1,388.32	1,623.08	1,623.08
Trade payables	7,383.91	7,383.91	6,580.88	6,580.88
Other financial liabilities (non-current)	997.17	997.17	1,009.36	1,009.36
Other financial liabilities (current)	7,559.30	7,559.30	6,727.34	6,727.34
Total financial liabilities	**21,562.83**	**21,562.83**	**23,364.51**	**23,364.51**

D. Financial risk management objectives and policies

Financial risk management

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

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

This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the related impact in these consolidated 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 Group causing financial loss. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit risk management

Credit risk rating

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

Asset group	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, bank deposit, margin money deposits, interest accrued and other financial assets except security deposits	12 month expected credit loss
High credit risk	Investment, trade receivables, security deposits, amount recoverable and unbilled revenue	Life time expected credit loss or fully provided for

Based on business environment in which the Group 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.

(₹ in million)

Credit rating	Particulars	March 31, 2020	March 31, 2019
A: Low credit risk	Cash and cash equivalents, bank deposit, margin money deposits, interest accrued and other financial assets except security deposits	1,989.97	1,156.20
B: High credit risk	Investment, trade receivables, security deposits, amount recoverable and unbilled revenue	4,514.83	5,888.80

Concentration of trade receivables

The Group has widespread customers and there is no concentration of trade receivables.

Credit risk exposure

Provision for expected credit losses

The Group provides for 12 month expected credit losses for following financial assets.

Expected credit loss for trade receivables under simplified approach.

For the purpose of computation of expected credit loss, the Group 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 Group does not have any historical provision) and provision for doubtful debtors created against those sales. As per this methodology, the Group has determined the expected credit loss at approximately 5% for customers.

Expected credit loss for trade receivables under simplified approach

As at March 31, 2020

(₹ in million)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	7,110.87	(3,860.78)	3,250.09
Security deposits	140.87	-	140.87
Amounts recoverable	551.00	-	551.00
Investment	105.81	-	105.81
Unbilled revenues	467.06	-	467.06

As at March 31, 2019

(₹ in million)

	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	7,549.49	(3,589.94)	3,959.55
Security deposits	164.36	-	164.36
Amounts recoverable	1,200.14	-	1,200.14
Investment	98.84	-	98.84
Unbilled revenues	465.91	-	465.91

Reconciliation of loss allowance provision – Trade receivable

Particulars	(₹ in million)
Loss allowance on March 31, 2018	**(2,646.08)**
Changes in loss allowance	(943.86)
Loss allowance on March 31, 2019	**(3,589.94)**
Changes in loss allowance	(270.84)
Loss allowance on March 31, 2020	**(3,860.78)**

B. Liquidity risk

Liquidity risk is the risk that suitable sources of funding for the Group's business activities may not be available.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. Short term liquidity requirements comprises mainly of trade payables, employee dues and other current payables arising during normal course of business as on each balance sheet date. Long- term liquidity requirement is assessed by the management on periodical basis and is managed through internal accruals and through funding commitments from shareholders. As at each balance sheet date, the Group's liabilities having contractual maturities (including interest payments where applicable) are summarised as follows:

Maturities of financial liabilities

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

(₹ in million)

Contractual maturities of financial liabilities As at March 31, 2020	Less than one year	One to two years	More than two years
Non-derivatives			
Borrowings (non-current, financial liabilities) and interest on borrowings	7,730.26	2,010.20	2,858.71
Borrowings (current, financial liabilities) and interest on borrowings	1,388.32	-	-
Payables for purchase of property, plant and equipments	511.09	-	923.40
Security deposits received from customers (non-current, financial liabilities)	-	-	68.77
Book overdraft	205.98	-	-
Trade payables	7,383.91	-	-
Lease liabilities and interest on lease liabilities	12.86	6.87	10.80
Others (including reedemable preference shares)	0.02	-	-
Total non-derivative liabilities	**17,232.44**	**2,017.07**	**3,861.68**

(₹ in million)

Contractual maturities of financial liabilities As at March 31, 2019	Less than one year	One to two years	More than two years
Non-derivatives			
Borrowings (non-current, financial liabilities) and interest on borrowings	6,407.57	3,752.86	4,311.89
Borrowings (current, financial liabilities) and interest on borrowings	1,686.98	-	-
Payables for purchase of property, plant and equipments	1,093.87	-	930.60
Security deposits received from customers (non-current, financial liabilities)	-	-	78.76
Book overdraft	139.92	-	-
Trade payables	6,580.88	-	-
Others (including reedemable preference shares and finance lease obligations)	2.74	-	-
Total non-derivative liabilities	**15,911.96**	**3,752.86**	**5,321.25**

C. Market Risk

During the previous year, the Group had 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 Group'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:

(₹ in million)

	March 31, 2020	March 31, 2019
Financial assets (A)	**42.16**	**61.07**
Trade receivables	39.05	24.60
Advance to vendors	3.11	36.47
Financial liabilities (B)	**532.53**	**1,096.20**
Payable to vendors for property, plant and equipment	532.53	1,096.20
Net exposure (B-A)	**490.37**	**1,035.13**

Sensitivity

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

(₹ in million)

	Impact on loss after tax	
	March 31, 2020	March 31, 2019
(₹)/USD, (₹)/EURO and (₹)/THAI BHAT increased by 5% (previous year (₹)/USD and (₹)/EURO increased by 5%)	(24.52)	(51.76)
(₹)/USD, (₹)/EURO and (₹)/THAI BHAT decreased by 5% (previous year (₹)/USD and (₹)/EURO decreased by 5%)	24.52	51.76

(ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The Group's fixed rate borrowings are carried at amortised cost and 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 Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. The Group is exposed to changes in market interest rates through bank borrowings at variable interest rates.

(₹ in million)

	March 31, 2020	March 31, 2019
Variable rate borrowings	11,667.37	14,378.90
Total borrowings	**11,667.37**	**14,378.90**

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(₹ in million)

	March 31, 2020	March 31, 2019
Interest rates – increase by 100 basis points (31 March 2019 100 bps)	116.67	143.79
Interest rates – decrease by 100 basis points (31 March 2019 100bps)	(116.67)	(143.79)

39 RELATED PARTY TRANSACTIONS

(i) Promoter and Promoter Group**

Dr. Subhash Chandra

Direct Media Solutions LLP

(ii) Enterprises owned or significantly influenced by Promoter/Promoter Group**

Zee Entertainment Enterprises Limited

Zee Media Corporation Limited

Zee Turner Limited

(iii) Associate companies

Siti Chhattisgarh Multimedia Private Limited (Associate of Siti Bhatia Network Entertainment Private Limited) (till June 14, 2018)

Voice Snap Services Private Limited (Associate of Variety Entertainment Private Limited)

C&S Medianet Private Limited (with effect from ' w.e.f.' November 01, 2018)

(iv) Joint ventures

C&S Medianet Private Limited (till October 31, 2018)

	Wire and Wireless Tisai Satellite Limited
	Paramount Digital Media Services Private Limited (Joint venture of Variety Entertainment Private Limited) (w.e.f. January 30, 2020)
(v)	**Key management personnel (KMP)**
	Mr. Anil Kumar Malhotra, Chief Executive Officer (w.e.f. September 01, 2019)
	Mr. Sidharth Balakrishna, Whole Time Director (till April 15, 2019)
	Mr. Sanjay Berry, Chief Financial Officer
	Mr. B.K. Syngal, Independent Director (till March 31, 2019)
	Mr. Vinod Kumar Bakshi, Independent Director (till March 31, 2019)
	Ms. Kavita Kapahi, Independent Director
	Prof. Sunil Kumar Maheshwari, Independent Director
	Mr. Suresh Arora (Non Executive Director w.e.f. March 29, 2019 till June 13, 2019 and Whole Time Director w.e.f. June 14, 2019)
	Mr. Bhanu Pratap Singh, Independent Director (w.e.f. April 01, 2019)
	Mr. Deepak Mittal, Independent Director (w.e.f. April 01, 2019)
	Mr. Amitabh Kumar, Additional Director (w.e.f. December 30, 2019)
(vi)	**Enterprises owned or significantly influenced by KMP or their relatives****
	Essel Realty Developers Private Limited (w.e.f. December 30, 2019)

** With whom the Group has transactions during the current year and previous year.

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

a) Sale of goods and services during the year

(₹ in million)

	March 31, 2020	March 31, 2019
Enterprises owned or significantly influenced by Promoter/Promoter Group		
Zee Entertainment Enterprises Limited	562.30	450.18
Zee Media Corporation Limited	2.21	123.42
Enterprises owned or significantly influenced by KMP or their relatives		
Essel Realty Developers Private Limited	1.02	-

b) Purchase of goods and services during the year

(₹ in million)

	March 31, 2020	March 31, 2019
Enterprises owned or significantly influenced by Promoter/Promoter Group		
Zee Entertainment Enterprises Limited	1,923.68	1,372.06
Zee Media Corporation Limited	-	3.44
Joint ventures/Associate companies		
C&S Medianet Private Limited	7.57	13.90
Enterprises owned or significantly influenced by KMP or their relatives		
Essel Realty Developers Private Limited	1.37	-

c) Balance (payable)/receivable (net of provision created) at the end of the year

(₹ in million)

	March 31, 2020	March 31, 2019
Joint ventures/Associate companies		
Wire and Wireless Tisai Satellite Limited	0.05	-
Trade payables		
C&S Medianet Private Limited	-	1.92
Enterprises owned or significantly influenced by Promoter/Promoter Group		
Trade receivables		
Zee Entertainment Enterprises Limited	409.27	246.98
Zee Media Corporation Limited	36.18	148.58
Trade payables		
Zee Entertainment Enterprises Limited	2,404.81	1,422.32
Zee Turner Limited	10.00	10.00
Zee Media Corporation Limited	4.05	3.66
Security deposit given		
Zee Turner Limited	12.72	12.72
Enterprises owned or significantly influenced by KMP or their relatives		
Trade payables		
Essel Realty Developers Private Limited	5.04	-
Security deposit given including prepaid expense		
Essel Realty Developers Private Limited	49.79	-

d) Expenditure paid by the Company on behalf of others, concession received and expenditure paid by others on behalf of the Group:

(₹ in million)

	Expenditure paid by the Company on behalf of the others and concession received		Expenditure paid by others on behalf of the Company	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Joint ventures				
Wire and Wireless Tisai Satellite Limited	0.05	0.04	-	-
Enterprises owned or significantly influenced by Promoter/Promoter Group				
Zee Entertainment Enterprises Limited	0.48	275.60	12.52	12.80

e) Remuneration to KMP

(₹ in million)

	March 31, 2020	March 31, 2019
Mr. Anil Kumar Malhotra	6.37	-
Mr. Siddhartha Balakrishna	2.52	5.77
Mr. Sanjay Berry	12.88	10.74
Mr. Suresh Arora	0.81	-

f) Compensated absences

(₹ in million)

	March 31, 2020	March 31, 2019
Mr. Anil Kumar Malhotra	1.15	-
Mr. Siddhartha Balakrishna	0.04	0.20
Mr. Sanjay Berry	-	0.01
Mr. Suresh Arora	0.02	-

g) Director sitting fees

(₹ in million)

	March 31, 2020	March 31, 2019
Mr. B.K. Syngal	-	0.26
Mr. Vinod Kumar Bakshi	-	0.34
Ms. Kavita Kapahi	0.44	0.16
Mr. Bhanu Pratap Singh	0.32	-
Mr. Deepak Mittal	0.12	-

Prof. Sunil Kumar Maheshwari	0.22	0.08
Mr. Suresh Arora	0.08	-

h) Corporate guarantee given by

(₹ in million)

	March 31, 2020	March 31, 2019
Zee Entertainment Enterprises Limited	1,166.00	976.00

i) Direct Media Solutions LLP, a stakeholder of the Company, has provided financial support as is necessary to enable the Company to fulfil all its obligations incurred in foreseeable future, atleast upto and including March 31, 2021, to enable it to continue as a going concern until such time period.

Further, Direct Media Solutions LLP has indemnified the Company against certain advances and receivables, if such are not adjusted/recovered in near future. The aforementioned indemnity shall also cover any amounts further advanced and receivable from such parties.

Note:

The Group provides long term benefits in the form of gratuity to its KMP along with all employees, the cost and liability of the same is not identifiable seperately for each KMP and hence could not be disclosed.

40 Capital and other commitments

Estimated amount of contracts remaining to be executed and not provided for (net of advances) amounting to ₹ 178.93 million (Previous year ₹ 415.15 million).

41 During the year ended 31 March 2020, the Holding Company reclassified/regrouped certain previous year's amount i.e. 31 March 2019. Considering the nature and materiality of these reclassification/regrouping, the Holding Company does not intend to present the opening balance sheet of previous year reported. Refer below the reclassified/regrouped amount in the previous year amount -

Reclassification of financial information of previous year ended 31 March 2019		₹ in million
From	**To**	
Other current assets	Other non-current assets	93.05
Trade receivables	Other financial assets - current	(59.65)

There is no impact of the above reclassification/regrouping on the profit/loss and earnings per share for the previous year.

42 CONTINGENT LIABILITIES AND LITIGATIONS

i) Claims against the Group not acknowledged as debts ₹ 200.26 million* (Previous year ₹ 205.74 million).

ii) Demands raised by the statutory authorities being contested by the Group:

(₹ in million)

	March 31, 2020	March 31, 2019
Service tax matters*	85.57	136.35
VAT/ Sales tax matters*	231.26	160.02
Other statutory matters*	170.47	87.00
	487.30	**383.37**

* excludes pending cases/litigations including ones with business associates/statutory authorities where the management believes that no material liability will devolve on the Company in respect of these litigations or where amount of liability is not ascertainable. These are net of amounts deposited under protest for ₹ 20.29 million (previous year: ₹ 23.06 million).

The Directorate of Revenue Intelligence (DRI), Bangalore, under section 108 of the Custom Act, 1962, had inquired about the classification of viewing cards for applicability of customs duty. The Holding Company and ICNCL had, suo-moto, paid ₹ 22 million under protest and had received a show cause notice with a demand for ₹ 1,678.32 million. During the current financial year, the Holding Company and ICNCL had filed a reply to DRI in response to the show

cause notice. On hearing, the matter was adjourned to May 05, 2020 and further adjourned for unidentified time due to COVID-19. The Holding Company and ICNCL is confident that the demand will not sustain, therefore no provision has been made in these financial statements and the amount demanded has been considered as contingent liability.

iii) In case of ICNCL, counter bank guarantees in respect of outstanding bank guarantees and fixed deposit pledged ₹ 34.50 million (Previous year ₹ 34.63 million).

iv) The Group has received orders from Income-tax authorities for (a) assessment year 2013-14 on account of disallowance under section 14A read with rule 8D aggregating to ₹ 17.84 million, (b) assessment years 2007-08 and 2008-09 on account of non-withholding of taxes amounting to ₹ 5.37 million and (c) assessment year 2017-18 on account of adjustment of income tax demand with TDS refundable amounting to ₹ 21.8 million. The appeal in the aforesaid litigations is pending before Income Tax Appellate Tribunal, High Court and The Commissioner of Income-Tax (Appeals) respectively.

However for the cases a) and b) above, no demand has been raised on the Holding Company in respect of the aforesaid litigations in view of the brought forward losses.

v) The Hon'ble Supreme Court in its recent ruling had ruled that various allowances like conveyance allowance, special allowance, education allowance, medical allowance etc., paid uniformly and universally by an employer to its employees would form part of basic wages for computing the provident fund ('PF' or 'the fund') contribution and thereby, has laid down principles to exclude (or include) a particular allowance or payments from 'basic wage' for the purpose of computing PF contribution. The Group pays certain allowances to its employees as a part of compensation structure, which have not been included in the basic wages for the purpose of computing the PF.

As this ruling has not prescribed any clarification with respect to its application, the Group, based on legal advice and management assessment has applied the aforesaid ruling prospectively. Management believes that this will not result in any material liability on the Group.

43 UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars of unhedged foreign currency exposure as at reporting date:

	March 31, 2020				March 31, 2019		
	THAI BHAT million	EURO million	USD million	₹ in million	EURO million	USD million	₹ in million
Trade receivables for carriage and placement income	-	-	0.52	39.05	-	0.35	24.60
Advance to vendor	0.01	0.01	0.03	3.11	0.11	0.40	36.47
Payables for purchase of property, plant and equipment	-	5.40	1.12	532.53	6.76	8.23	1,096.20

* Closing rate as at March 31, 2020: 1 THAI BHAT = ₹ 2.30 (previous year: 1 THAI BHAT = ₹ 2.18) ;1 USD = ₹ 75.10 (previous year: 1 USD = ₹ 69.32); 1 EURO = ₹ 83.04 (previous year: 1 EURO = ₹ 77.75)

44 CAPITAL MANAGEMENT

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

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Cash and cash equivalents (refer note 12)	1,757.64	715.67
Bank balances other than cash and cash equivalents above (refer note 13)	20.86	65.40
Margin money deposit (refer note 8)	167.00	345.49
Total cash (A)	**1,945.50**	**1,126.56**
Borrowings (non-current, financial liabilities) (refer note 17)	4,025.71	7,190.93
Borrowings (current, financial liabilities) (refer note 22)	1,285.11	1,603.46
Current maturities of long-term borrowings (refer note 24)	6,270.27	5,353.16
Lease liabilities (current)	11.34	1.15
Total borrowing (B)	**11,592.43**	**14,148.70**
Net debt (C=B-A)	**9,646.93**	**13,022.14**
Total equity (refer note 16 (a) and 16 (b))	85.14	1,980.17
Total capital (equity + net debts) (D)	**9,732.07**	**15,002.31**
Gearing ratio (C/D)	**0.99**	**0.87**

45 ASSETS PLEDGED AS SECURITY

The carrying amount of assets pledged as security are:

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Current assets		
a) Inventories	12.34	17.37
b) Financial assets		
i) Trade receivables	2,811.52	3,828.38
ii) Cash and cash equivalents	33.70	114.17
iii) Bank balances other than cash and cash equivalents above	20.86	40.00
iv) Other financial assets	1,019.40	1,731.72
c) Other current assets	1,117.17	1,175.71
	5,014.99	**6,907.35**
Non-current assets		
a) Property, plant and equipment	9,541.55	10,963.66
b) Capital work-in-progress	277.83	396.91
c) Investment property	660.74	658.53
d) Other intangible assets	1,331.66	1,413.02
e) Intangible assets under development	11.07	46.47
f) Financial assets		
(i) Margin money deposit (pledged)	140.07	324.38
	11,962.92	**13,802.97**
Total assets	**16,977.91**	**20,710.32**

46 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 Group other than the investments and loans in these consolidated financial statements, which have been made predominantly for the purpose of business.

47 Additional information, as required to Consolidated Financial Statements pursuant to Schedule III to the Companies Act, 2013.

For the financial year ended March 31, 2020

Name of the entity	Net assets i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of TCI	Amount
SITI Networks Limited	-150%	(1,713.49)	101.08%	(1,893.70)	55.40%	(7.26)	100%	(1,900.96)
Subsidiaries								
Indian Cable Net Company Limited (consolidated)	373%	4,254.46	4.16%	(78.56)	35.67%	(4.68)	4%	(83.24)
Central Bombay Cable Network Limited (consolidated)	4%	50.77	0.03%	(0.49)	8.41%	(1.10)	0%	(1.59)
Siticable Broadband South Limited	-2%	(18.10)	0.01%	(0.13)	0.00%	-	0%	(0.13)
Siti Vision Digital Media Private Limited	12%	138.09	-4.89%	92.36	0.00%	-	-5%	92.36
Siti Jind Digital Media Communications Private Limited	0%	3.85	-0.03%	0.49	0.00%	-	0%	0.49
Siti Jai Maa Durgee Communications Private Limited	-6%	(73.90)	0.03%	(0.65)	0.00%	-	0%	(0.65)
Siti Jony Digital Cable Network Private Limited	-1%	(5.95)	0.12%	(2.30)	0.00%	-	0%	(2.30)
Siti Krishna Digital Media Private Limited	-1%	(6.53)	0.20%	(3.83)	0.00%	-	0%	(3.83)
Siti Faction Digital Private Limited	-3%	(33.57)	0.43%	(8.12)	0.00%	-	0%	(8.12)
Siti Guntur Digital Network Private Limited	1%	15.89	0.01%	(0.27)	0.00%	-	0%	(0.27)
Siti Karnal Digital Media Network Private Limited	-5%	(60.56)	1.10%	(20.79)	0.00%	-	1%	(20.79)
Siti Global Private Limited	-2%	(18.17)	0.40%	(7.56)	0.00%	-	0%	(7.56)
Siti Siri Digital Network Private Limited	3%	37.69	-0.99%	18.81	0.52%	(0.07)	-1%	18.74
Siti Broadband Services Private Limited	-30%	(341.76)	0.91%	(17.15)	0.00%	-	1%	(17.15)
Siti Prime Uttaranchal Communication Private Limited	2%	18.85	0.56%	(10.54)	0.00%	-	1%	(10.54)
Siti Sagar Digital Cable Network Private Limited	-1%	(10.58)	0.33%	(6.30)	0.00%	-	0%	(6.30)
Siti Saistar Digital Media Private Limited	-12%	(137.73)	-2.68%	50.72	0.00%	-	-3%	50.72
Variety Entertainment Private Limited (consolidated)	-1%	(12.86)	-0.78%	14.75	0.00%	-	-1%	14.75
SITI Networks India LLP	0%	(0.02)	-0.90%	(0.03)	0.00%	-	0%	(0.03)
Minority interest in all subsidiaries	93%	1,055.66	0.98%	(18.61)	0.00%	-	1%	(18.61)
Intra-group eliminations	-175%	(2,001.14)	-0.08%	1.53	0.00%	-	0%	1.53

For the financial year ended March 31, 2019

Name of the entity	Net assets i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of TCI	Amount
SITI Networks Limited	6%	187.44	139.91%	(3,724.28)	69.13%	(1.51)	140%	(3,725.79)
Subsidiaries								
Indian Cable Net Company Limited (consolidated)	143%	4,337.71	-1.98%	52.77	32.04%	(0.70)	-2%	52.07
Central Bombay Cable Network Limited (consolidated)	2%	52.35	0.18%	(4.80)	-3.32%	0.07	0%	(4.72)
Siticable Broadband South Limited	-1%	(17.98)	0.00%	(0.11)	0.00%	-	0%	(0.11)
Siti Vision Digital Media Private Limited	2%	45.73	-2.11%	56.05	0.00%	-	-2%	56.05
Siti Jind Digital Media Communications Private Limited	0%	3.35	0.19%	(5.13)	0.00%	-	0%	(5.13)
Siti Jai Maa Durgee Communications Private Limited	-2%	(73.26)	0.03%	(0.83)	0.00%	-	0%	(0.83)

Name of the entity	Net assets i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of TCI	Amount
Siti Bhatia Network Entertainment Private Limited	0%	-	0.05%	(1.27)	0.00%	-	0%	(1.27)
Siti Jony Digital Cable Network Private Limited	0%	(3.66)	0.13%	(3.39)	0.00%	-	0%	(3.39)
Siti Krishna Digital Media Private Limited	0%	(2.71)	0.20%	(5.44)	0.00%	-	0%	(5.44)
Siti Faction Digital Private Limited	-1%	(25.45)	0.32%	(8.63)	0.00%	-	0%	(8.63)
Siti Guntur Digital Network Private Limited	1%	16.16	0.02%	(0.62)	0.00%	-	0%	(0.62)
Siti Karnal Digital Media Network Private Limited	-1%	(39.77)	1.02%	(27.04)	0.00%	-	1%	(27.04)
Siti Global Private Limited	0%	(10.62)	0.14%	(3.80)	0.00%	-	0%	(3.80)
Siti Siri Digital Network Private Limited	0%	10.39	-0.21%	5.61	2.16%	(0.04)	0%	5.56
Siti Broadband Services Private Limited	-11%	(324.61)	2.31%	(61.59)	0.00%	-	2%	(61.59)
Siti Prime Uttaranchal Communication Private Limited	1%	29.39	0.18%	(4.81)	0.00%	-	0%	(4.81)
Siti Sagar Digital Cable Network Private Limited	0%	(4.28)	0.20%	(5.24)	0.00%	-	0%	(5.24)
Siti Godaari Digital Services Private Limited	0%	(4.44)	0.00%	-	0.00%	-	0%	-
Siti Saistar Digital Media Private Limited	-6%	(188.44)	5.29%	(140.76)	0.00%	-	5%	(140.76)
Variety Entertainment Private Limited (consolidated)	-1%	(27.61)	0.61%	(16.22)	0.00%	-	1%	(16.22)
SITI Networks India LLP	0%	0.01	0.00%	(0.09)	0.00%	-	0%	(0.09)
Minority interest in all subsidiaries	35%	1,047.06	-1.88%	49.93	0.00%	-	-2%	49.93
Intra-group eliminations	-65%	(1,979.53)	-44.62%	1,187.75	0.00%	-	-45%	1,187.72

48 Investment in joint venture and associate

(₹ in million)

Summarised balance sheet	PDMSPL	WWTSL*	CSMPL*	VSSPL	WWTSL*	CSMPL*	VSSPL
	March 31, 2020				March 31, 2019		
Current assets							
Cash and cash equivalents	4.28	-	0.13	54.68	-	4.18	17.29
Other assets	15.32	-	12.95	52.34	-	10.86	25.77
	19.60	**-**	**13.08**	**107.02**	**-**	**15.04**	**43.06**
Non-current assets	**82.88**	**3.36**	**-**	**10.38**	**3.36**	**0.11**	**33.27**
Current liabilities							
Financial liabilities (excluding trade payables and provisions)	-	-	-	29.25	-	-	18.80
Other liabilities	5.31	-	14.84	-	0.03	16.36	-
	5.31	**-**	**14.84**	**29.25**	**0.03**	**16.36**	**18.80**
Non-Current liabilities							
Financial liabilities (excluding trade payables and provisions)		-	-	0.80	-	-	-
Other liabilities	17.23	-	-	-	-	-	-

(₹ in million)

Summarised balance sheet	PDMSPL	WWTSL*	CSMPL*	VSSPL	WWTSL*	CSMPL*	VSSPL
	March 31, 2020				March 31, 2019		
	17.23	**-**	**-**	**0.80**	**-**	**-**	**-**
Net assets	**79.94**	**3.36**	**(1.76)**	**87.36**	**3.33**	**(1.21)**	**57.53**
Ownership interest	**50.00%**	**51.00%**	**48.00%**	**40.00%**	**51.00%**	**48.00%**	**40.00%**
Carrying amount of interest	**39.97**	**1.71**	**-**	**34.94**	**1.70**	**-**	**23.01**
Proportionate share in net assets less securities premium	39.97	1.71	-	34.94	1.70	-	23.01
Add securities premium	-	-	-	-	-	-	-
Carrying amount of interest	**39.97**	**1.71**	**-**	**34.94**	**1.70**	**-**	**23.01**

*The carrying amount of interest has been restricted to ₹ nil million on account of losses.

(₹ in million)

Summarised statement of profit and loss	PDMSPL	WWTSL*	CSMPL*	VSSPL	WWTSL*	CSMPL*	VSSPL
	March 31, 2020				March 31, 2019		
Revenue	12.60	-	30.07	210.67	-	68.58	130.52
Other income	0.01	-	0.01	1.95	-	0.02	0.58
Depreciation and amortisation	1.58	-	0.02	25.93	-	0.02	11.95
Finance cost	-	-	-	0.06	-	-	0.01
Other expenses	13.79	0.03	30.56	152.11	0.08	69.20	123.46
Income tax expense or income	-	-	-	5.26	-	-	-
Loss from operations	**(2.76)**	**(0.03)**	**(0.49)**	**29.26**	**(0.08)**	**(0.62)**	**(4.32)**
Post tax loss from operations	(2.76)	(0.03)	(0.49)	29.26	(0.08)	(0.62)	(4.32)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	(2.76)	(0.03)	(0.49)	29.26	(0.08)	(0.62)	(4.32)
Ownership interest	**50.00%**	**51.00%**	**48.00%**	**40.00%**	**51%**	**48.00%**	**40.00%**

*The carrying amount of interest has been restricted to ₹ Nil million on account of losses.

49 Tax Expense

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

(₹ in million)

	March 31, 2020	March 31, 2019
Income tax related to items recognised directly in the statement of profit and loss		
Current tax - current year	89.14	139.50
Deferred tax charge	(154.95)	(39.10)
Total	**(65.81)**	**100.40**
Effective tax rate	34.61%	34.61%

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

Loss before tax	(1,947.48)	(2,542.43)
Effective tax rate	34.61%	34.61%

(₹ in million)

	March 31, 2020	March 31, 2019
Tax at statutory income tax rate	(674.02)	(879.94)
Tax effect on non-deductible expenses	326.51	395.38
Additional allowances for tax purposes	(253.52)	(353.56)
Effect of tax on group companies incurring losses	(623.37)	(919.26)
Effect of tax rate difference of subsidiaries	(13.82)	4.21
Impact of Taxation Laws/(Amendment) ordinance ,2019	(55.89)	-
Tax adjustment on conclusion of assessments	47.75	-
Other permanent difference	(66.19)	15.05
Tax expense recognised in the statement of profit and loss	**(65.81)**	**100.40**

During the financial year 2019-2020, the current tax amount of ₹ 47.75 million of Holding Company pertains to tax adjustment on conclusion of assessments.

Note - Certain subsidiary companies have elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019. Accordingly, these subsidiary companies have recognised provision for income tax for the year ended March 31, 2020 and re-measured the deferred tax assets/liability basis the rate prescribed in the said section.

50 The Group 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. The aforesaid is in line with the way operating results are reviewed by the chief operating decision maker(s).

51 Pursuant to the applicability of Corporate Social Responsibility (CSR) provisions of the Companies Act, 2013 a subsidiary Company has made the requisite expenditure towards CSR as per the details below:

(₹ in million)

	March 31, 2020	March 31, 2019
a) Gross amount required to be spent by a subsidiary company during the year	5.68	6.20
b) Amount spent during the year on the following		
1. Construction / Acquisition of any asset	-	-
2. On purpose other than 1 above	5.68	6.20

52 Exceptional items in the consolidated financial statements include the following:

During the year ended March 31, 2020

a. Pursuant to implementation of the Tariff Order 2017 and upon changes in arrangements with customers, the management of the Holding Company has further provided for certain trade receivables amounting to ₹ 180.00 million. Additionally, a subsidiary company has also provided for certain trade receivables amounting to ₹ 226.21 million during the year ended March 31, 2020. The total impact of the aforemention on the consolidated financial statements is ₹ 406.21 million for the year ended March 31, 2020.

b. During the year ended March 31, 2020, a subsidiary company namely, Siti Godaari Digital Services Private Limited ('Siti Godaari') has been dissolved pursuant to being struck-off as per the provisions of section 248 of the Act. Pursuant to above, the Group has incurred a loss on dissolution amounting to ₹ 95.54 million for the year ended March 31, 2020.

The total impact of a and b above on the consolidated financial statements for the year ended March 31, 2020 amounts to ₹ 501.75 million.

During the year ended March 31, 2019

a. The Company had divested its 51% shareholding (10,409 shares of face value ₹ 10 each) in a subsidiary company namely, Siti Bhatia Networks Entertainment Private Limited ('Siti Bhatia') for a consideration of ₹ 1.1 million pursuant to which, the Group has realised profit on disposal of the investment amounting to ₹ 38.02 million which has been disclosed as exceptional item in consolidated financial statements. Thereby, from the date of closure of this divestment and settlement arrangement, Siti Bhatia and Siti Chhattisgarh Multimedia Private Limited (associate of Siti Bhatia) ceased to be part of the Group.

b. The exceptional items in the consolidated financial statements for the year ended March 31, 2019 also consists of write off of the amount recoverable from Siti Bhatia amounting to ₹ 63.09 million, pursuant to aforementioned divestment and settlement arrangement. Further during the year ended March 31, 2019, the Tariff Order 2017 notified by the TRAI resulted into changes in pricing mechanism and certain arrangements with the customers. The management, based on its review, and in terms of ongoing negotiations with the customers, has provided for certain trade receivables and advances amounting to ₹ 679.8 million in consolidated financial statements. The exceptional items in the consolidated financial statements also include one time provision towards certain recoverable amounts and other settlements aggregating ₹ 37.79 million.

The total impact of a and b above on the consolidated financial statements for the year ended March 31, 2019 amounts to ₹ 742.66 million.

53 For the year ended March 31, 2020, the 'Subscription income' included in the 'Revenue from operations' in these financial statements, inter alia, includes the amounts payable to the broadcasters towards their share per Tariff order 2017 in relation to the pay channels subscribed by the customers. The aforementioned corresponding amounts (i.e Broadcaster's share) has also been presented as an expense in these financial statements. The said amount is ₹ 7,757.54 million for the year ended March 31, 2020 in the consolidated financial statements.

Had these expenses been disclosed on net basis, the 'Revenue from operations' and the 'Carriage sharing, pay channel and related costs' each would have been lower by ₹ 7,757.54 million for the year ended March 31, 2020 in the consolidated financial statements. However, there would not have been any impact on the net loss for the period then ended in the consolidated financial statements. The management is in process of evaluating the aforesaid presentation in light of generally accepted accounting principles, including Ind AS-115, 'Revenue from contracts with customers' and industry practices.

54 Effective February 01, 2019, the revised regulatory framework (hereinafter referred to as 'Tariff Order 2017') released in March 2017 by the Telecom Regulatory Authority of India ('TRAI') for digital television services was applicable on the Group. The new tariff order of TRAI was implemented from February 1, 2019, as per the extended timelines. TRAI had further extended the timeline for subscribers to select channels till March 31, 2019. Owing to the initial delays in implementation of new tariff order, all the distribution platform operators ('DPO') in the previous year ended March 31, 2019 were in transition from previous regime to new regime and were in the process of implementation of contracts with the broadcasters and customers.

Further, effective March 01, 2020, amendments to the existing regulatory framework (hereinafter referred to as "New Tariff Order 2020") was applicable but considering the practical challenges and petitions filed against its implementation, as at March 31, 2020, the Group was in process of fully implementing the same.

55 During the year ended March 31, 2020, the Holidng Company has paid remuneration to one of its whole time director in excess of the limits prescribed under Section 197 of the Act read with Schedule V of the Act, in respect of which approvals from the shareholders have been obtained within the prescribed time limit, however, prior approvals from the lenders as required under Section 197 are pending to be received.

56 The Group continued to incur losses during the year ended March 31, 2020 and had negative working capital as at March 31, 2020. As at March 31, 2020, there are instances of delays in payments of obligations and borrowings, but in view of the

management, the expected revenue growth and improvement in operating margins under the Tariff Order 2017, and other likely mitigating factors such as, the Group's present positive net worth, continued endeavour to secure additional funds by the Company besides on-going discussions with the lenders for debt restructuring, for which revised debt repayment plans are being submitted to the lenders, and continuous dialogue with its vendors, these consolidated financial statements for the year ended March 31, 2020 continue to be prepared on a going concern basis.

57 In view of aforementioned ongoing discussions with the lenders, inter alia, for reducing existing interest rates, additional interest levied, if any, has not been provided for.

58 Impact of outbreak of Novel Corona Virus (COVID -19)

COVID-19 was declared as pandemic by World Health Organization (WHO) on March 11, 2020, is continuing to spread across the world and India. Since March 2020, the Indian Government has announced a 21 days nationwide lockdown which has been extended in multiple tranches till May 31, 2020 with relaxation to essential services and selected economic activities. The Group has continued to operate and provide cable television and broadband distribution services to its customers, which has been declared as an essential service. Based on the management's assessment and review of current economic scenario, the management does not expect any significant impact of COVID-19 on the Group. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements, and the Group will continue to closely monitor any material changes arising from future economic conditions and continually assess its impact on the operations and financial matrices.

59 Post reporting date events

No adjusting or significant non-adjusting events have occurred between March 31, 2020 and the date of authorisation of these consolidated financial statements.

This is the Summary of significant accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Rajni Mundra
Partner
Membership No.: 058644

Place : New Delhi
Date : June 29, 2020

For and on behalf of the Board of Directors of
SITI Networks Limited

Suresh Arora
Whole Time Director
DIN: 00299232

Amitabh Kumar
Non-Executive Director
DIN: 00222260

Anil Kumar Malhotra
Chief Executive Officer

Sanjay Berry
Chief Financial Officer

Suresh Kumar
Company Secretary
Membership No: ACS 14390

Place : Noida
Date : June 29, 2020

NOTES

NOTES

NETWORKS

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ANNEXURE – I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020
[See Regulation 33/52 of the SEBI (LODR) Regulations, 2015] Standalone

I.	Sl. No.	Particulars	Audited Figures (Rs. in Lacs) (as reported before adjusting for qualifications)	Audited Figures (Rs. in Lacs) (as reported after adjusting for qualifications)
	1	Turnover / Total income	82,545.6	43,521.8
	2	Total Expenditure including exceptional items	98,204.8	59,181.0
	3	Net Profit / (Loss) after tax	(18,937.0)	(18,937.0)
	4	Earnings Per Share (Rs.)	(2.2)	(2.2)
	5	Total Assets	154,038.7	154,038.7
	6	Total Liabilities	170,826.9	170,826.9
	7	Net Worth	(16,788.2)	(16,788.2)
	8	Pay channel, carriage sharing and related costs	39,023.8	-

II. **Audit Qualification (each audit qualification separately):**

(a) Details of Audit Qualification:
The Company's 'Revenue from Operations' includes broadcasters' share in subscription income from pay channels, which has correspondingly been presented as an expense which is not in accordance with the requirements of Ind AS-115, 'Revenue from contracts with customers'. Had the management disclosed the same on net basis, the 'Revenue from Operations' and the 'Pay channel, carriage sharing and related costs' each would have been lower by Rs. 9,515.5 lacs and Rs. 39,023.8 lacs for the quarter and year ended 31 March 2020 respectively, while there would have been no impact on the net loss for the quarter and year ended 31 March 2020.
Our conclusion on the standalone financial result for the quarter and nine-month ended period ended 31 December 2019 was also qualified with respect to this matter.

(b)	**Type of Audit Qualification**:	Qualified Opinion
(c)	**Frequency of qualification:**	Appearing for the first time

(d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
As per our interpretation and cable Industry practices of recognising revenue under Ind AS 115, we have appropriately shown gross revenue and content cost separately. Further, there is no impact on the net loss for the quarter and year ended March 31, 2020.

(e) For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) **Management's estimation on the impact of audit qualification:** Not applicable

(ii) **If management is unable to estimate the impact, reasons for the same:** Not applicable

(iii) **Auditors' Comment on (i) or (ii) above**: Not applicable

SITI CABLE NETWORK LTD.

III.	Signatories:	
	Anil Kumar Malhotra Chief Executive Office Noida, June 29, 2020	
	Sanjay Berry Chief Financial Officer Noida, June 29, 2020	
	Prof. Sunil Kumar Maheshwari Chairman of Audit Committee Noida, June 29, 2020	
	Statutory Auditors For Walker Chandiok & Co. LLP Firm Registration No. 001076N/N500013 Rajni Mundra Partner Membership No. 058644 New Delhi, June 29, 2020	RAJNI MUNDRA Digitally signed by RAJNI MUNDRA DN: c=IN, o=Personal, postalCode=201301, st=Uttar Pradesh, 2.5.4.20=2772c6250ee9096d61b0f897a0d7a4d3f8c3f349fba96219bde3c2689a0bdbb5, serialNumber=7332f96fca361b890f3aac60e9c1fb678956b70b6eeee7099d725bd791a50f7d, cn=RAJNI MUNDRA Date: 2020.06.29 19:50:41 +05'30'

SITI CABLE NETWORK LTD.

ANNEXURE – I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020
[See Regulation 33 of the SEBI (LODR) Regulations, 2015]

I.	Sl. No.	Particulars	Audited Figures (Rs. in Lacs) (as reported before adjusting for qualifications)	Audited Figures (Rs. in Lacs) (as reported after adjusting for qualifications)
	1	Turnover / Total income	163,572.5	85,997.1
	2	Total Expenditure	178,133.1	100,557.7
	3	Net Profit / (Loss) after tax	(18,816.7)	(18,816.7)
	4	Earnings Per Share (Rs.)	(2.2)	(2.2)
	5	Total Assets	242,348.6	242,348.6
	6	Total Liabilities	230,939.6	230,939.6
	7	Net Worth	11,409.0	11,409.0
	8	Pay channel, carriage sharing and related costs	84,395.6	6,820.2

II. **(a) <u>Audit Qualification:</u>**

(b) Details of Audit Qualification:

The Group's 'Revenue from Operations' includes broadcasters' share in subscription income from pay channels, which has correspondingly been presented as an expense which is not in accordance with the requirements of Ind AS-115, 'Revenue from contracts with customers'. Had the management disclosed the same on net basis, the 'Revenue from Operations' and the 'Pay channel, carriage sharing and related costs' each would have been lower by Rs. 19,340.7 lacs and Rs. 77,575.4 lacs for the quarter and year ended 31 March 2020 respectively, while there would have been no impact on the net loss for the quarter and year ended 31 March 2020.

Our conclusion on the consolidated financial results for the quarter and nine-month ended period ended 31 December 2019 was also qualified with respect to this matter..

(c)	**Type of Audit Qualification**:	Qualified Opinion
(d)	**Frequency of qualification:**	Appeared first time

(e) **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**
As per our interpretation and cable Industry practices of recognising revenue under Ind AS 115, we have appropriately shown gross revenue and content cost separately. Further, there is no impact on the net loss for the quarter and year ended March 31, 2020.

(f) **For Audit Qualification(s) where the impact is not quantified by the auditor:** Not applicable

(i) Management's estimation on the impact of audit qualification: Not applicable

(ii) If management is unable to estimate the impact, reasons for the same: Not applicable

(iii) Auditors' Comment on (i) or (ii) above: Not applicable

(a) <u>Audit Qualification:</u>

(b) Details of Audit Qualification:

The consolidated financial results include total assets of Rs. 15,439.1 lacs as at 31 March 2020, total revenues of Rs. 8,707.4 lacs, total net profit after tax of Rs. 1,430.8 lacs, total comprehensive income of Rs. 1,430.8 lacs and net cash outflow amounting to Rs. 150.6 lacs for the year ended on that date relating to two subsidiaries, which are unaudited and are based on financial statements furnished to us by the Holding

	Company's management. Our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiaries, is based solely on such unaudited financial statements. Accordingly, we are unable to comment on the impact, if any, on the accompanying Statement if the aforementioned financial statements had been audited, other than the impact of the matter described in section A above.
	(c) Type of Audit Qualification — Qualified Opinion
	(d) Frequency of qualification: — Appeared first time
	(e) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: The reasons for not able to complete the Audit as informed by the subsidiaries: (a) Siti Vision Digital Media Private Limited – (i) Due to lockdown in the country for a period of about 65 days and also disturbance even thereafter also for the reason of outburst of COVID-19, which has been declared as pandemic worldwide, the Subsidiary's Auditors / Management of the Company were not able to complete audit procedures within timelines; (ii) Further, due to sudden death of mother of managing director of Siti Vision Digital Media Private Limited, Mr. Siva Rama Krishna Kancharla, he could not be able to supervise and observe audit process and timelines (b) Siti Saistar Digital Media Private Limited- (i) Due to lockdown in the country for a period of about 65 days and also disturbance even thereafter also for the reason of outburst of COVID-19, which has been declared as pandemic worldwide, the Subsidiary's Audit Team/ Management of the Company were not able to complete audit procedures timelines.
	For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: Management is unable to comment on the impact, if any, on the consolidated financial results if the financial statements of abovementioned subsidiaries had been audited, other than the impact of the matter described in section A above.
	(iii) Auditor's Comment on (i) or (ii) above: We are also unable to comment on the impact, if any, on the annual financial results if the aforementioned financial statements had been audited, other than the impact of the matter described in section A above.
III.	**Signatories:**
	Anil Kumar Malhotra **Chief Executive Office** **Noida, June 29, 2020**
	Sanjay Berry **Chief Financial Officer** **Noida, June 29, 2020**

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	Prof. Sunil Kumar Maheshwari Chairman of Audit Committee Noida, June 29, 2020	
	Statutory Auditors For Walker Chandiok & Co LLP Chartered Accountants Firm Registration No.: 001076N/N500013 Rajni Mundra Partner Membership No. 058644 New Delhi, June 29, 2020	RAJNI MUNDRA Digitally signed by RAJNI MUNDRA DN: c=IN, o=Personal, postalCode=201301, st=Uttar Pradesh, 2.5.4.20=2772c6250ee9096d61b0f897a0d7a4d3f8c3f349fba96219bde3c2689a0bdbb5, serialNumber=7332f96fca361b890f3aac60e9c1fb678956b70b6eeee7099d725bd791a50f7d, cn=RAJNI MUNDRA Date: 2020.06.29 19:51:05 +05'30'

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