



**Independent Auditor's Report**

**To the Members of Central Bombay Cable Network Limited**

**Report on the Consolidated Financial Statements**

1. We have audited the accompanying consolidated financial statements of Central Bombay Cable Network Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, 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.

**Management's Responsibility for the Consolidated Financial Statements**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the state of affairs(financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards("Ind AS") 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.







# AAAM & CO

CHARTERED ACCOUNTANTS  
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6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is insufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2017 and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Other Matter(s)

9. The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2016 and April 01, 2015 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports to the shareholders of the Company dated 6 May 2016 and 26 May 2015 respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

10. 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 1a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. Further to our comments in Annexure 1, as required by Section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;







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- c) the consolidated financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified from being appointed as a director in terms of Section 164(2) of the Act;
- f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 24 May 2017 as per Annexure 2 expressed unqualified opinion; and
- g) 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 did not have any impact of pending litigations on its financial position in its Ind AS financial statements;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
  - iv. The Company has provided requisite disclosures in the Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016, on the basis of information available with the Company. Based on audit procedures, and relying on management's representation, we report that disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management Refer Note- 2.9 to the consolidated Ind AS financial statements.

For AAAM & CO.,

Chartered Accountants

Firm's Registration No.: 081136

  
(CA RAHUL GUPTA, ICAI)  
Partner

Membership No.: 419625

Place: New Delhi

Date: 24.05.2017



**M/S Central Bombay Cable Network Limited**  
Annexure "1a" to the Auditors Report

The Annexure referred to in our report to the members of the Company for the year ended on 31st March, 2017, we report that:

I	Whether the Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	YES
	Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	YES
	Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	YES
II	Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account;	NA
III	Whether the Company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so:	NO
	Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest;	NA
	Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	NA
	If the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	NA
IV	In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	NA
V	In case, the Company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	NA
VI	Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained.	NA
VII	(a) Whether 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 any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;	Yes
	(b) Where dues of Income Tax or Sales Tax or Service Tax or duty of Customs or duty of Excise or Value Added Tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).	NA





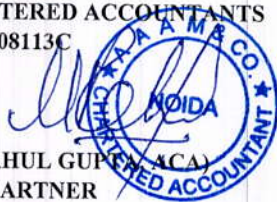
VIII	Whether the Company has defaulted in repayment of loans or borrowing to a Financial Institution, Bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to Banks, Financial Institutions, and Government, Lender wise details to be provided).	NO
IX	Whether money is raised by way of initial public offer or further public offer (including debt instruments) and Term Loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;	NA
X	Whether any fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;	NO
XI	Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013? If not, state the amount involved and steps taken by the company for securing refund of the same;	NA
XII	Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	NA
XIII	Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	YES
XIV	Whether the Company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;	NA
XV	Whether the Company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;	NA
XVI	Whether the Company is required to be registered under section 45-1A of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	NA

As per our report of even date

For A A A M & CO.

CHARTERED ACCOUNTANTS

FRN : 08113C



(CA RAHUL GUPTA (ACA))

PARTNER

M.NO. -419625

DATE: 24/05/2017

PLACE: NOIDA



**Annexure 1 to the Independent Auditor's Report of even date to the members of Central Bombay Cable Network Limited, on the consolidated financial statements for the year ended 31 March 2017**

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

1. In conjunction with our audit of the consolidated financial statements of the Central Bombay Cable Network Limited ("the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group") as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

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

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

**Auditors' Responsibility**

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





5. We believe that the audit evidence we have obtained {and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter(s) paragraph below,} is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies as aforesaid.

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

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

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

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

#### **Opinion**

8. In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on based on the internal control over financial reporting criteria established by the respective company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

#### **Other Matters**

9. We did not audit the IFCoFR insofar as it relates to one subsidiary company, which are companies incorporated in India, whose financial statements / financial information reflecting total assets (after eliminating intra-group transactions) of Rs. 607.97 million as at 31 March 2017 of Master Channel Community Network Private Limited, total revenues (after eliminating intra-group transactions) of Rs. 357.46 million and net cash outflows amounting to Rs. 15.16 million for the year ended on that date has been considered in the consolidated financial statements. Our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company, its



subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, under Section 143(3) (i) of the Act insofar as it relates to the aforesaid subsidiaries, associates and jointly controlled companies, which are companies incorporated in India, is solely based on the corresponding reports of the auditors of such companies. Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

For A A A M & CO.  
CHARTERED ACCOUNTANTS  
FRN NO. 08113C



(CA RAHUL GUPTA, ACA)  
PARTNER  
M NO. 419625

Date: 24.05.2017  
Place: NOIDA



Consolidated Central Bombay Cable Network Limited  
Balance Sheet as at March 31, 2017

	Notes	March 31, 2017 millions	March 31, 2016 millions	April 1, 2015 millions
<b>A. Assets</b>				
<b>1. Non-current assets</b>				
<b>Fixed assets</b>				
(a) Property, plant and equipment	3	383.25	351.84	166.93
(b) Capital work-in-progress	3	37.85	41.27	53.14
<b>(a) Financial assets</b>				
(i) Investments	4	0.06	0.06	0.06
(ii) Loans	5	1.90	1.37	1.00
(b) Other non-current assets	6	370.00	-	-
<b>Sub-total of Non-current assets</b>		<b>793.06</b>	<b>394.54</b>	<b>221.14</b>
<b>2. Current assets</b>				
<b>(a) Financial assets</b>				
(i) Trade receivables	7	124.99	33.47	17.06
(ii) Cash and bank balances	8	16.28	36.64	31.34
(iii) Loans	9	-	-	583.70
(iv) Other Financial Assets	10	1.15	0.07	-
(c) Current tax assets		-	-	-
(b) Other current assets	11	45.09	90.01	41.84
<b>Sub-total of Current assets</b>		<b>187.50</b>	<b>160.20</b>	<b>673.93</b>
<b>Total assets</b>		<b>980.57</b>	<b>554.74</b>	<b>895.07</b>
<b>B. Equity and liabilities</b>				
<b>Equity</b>				
(a) Equity share capital	12	0.50	0.50	0.50
(b) Other equity	13	9.26	8.29	7.79
(c) Non-controlling interests	14	13.49	12.96	12.46
<b>Sub-total - Equity</b>		<b>23.26</b>	<b>21.74</b>	<b>20.76</b>
<b>Liabilities</b>				
<b>1. Non-current liabilities</b>				
<b>(a) Financial liabilities</b>				
(i) Long-term borrowings	15	386.77	21.97	600.39
(b) Provisions	16	3.35	2.70	2.16
(c) Deferred tax liability (net)	17	5.52	4.75	3.41
(d) Other non-current liabilities	18	37.44	45.49	19.50
<b>Sub-total - Non-current liabilities</b>		<b>433.08</b>	<b>74.90</b>	<b>625.46</b>
<b>2. Current liabilities</b>				
<b>(a) Financial liabilities</b>				
(i) Trade payables	19	402.31	291.25	151.70
(b) Other current liabilities	20	107.57	146.65	84.00
(c) Provisions	21	14.35	20.18	13.15
<b>Sub-total of current liabilities</b>		<b>524.24</b>	<b>458.09</b>	<b>248.85</b>
<b>Total equity and liabilities</b>		<b>980.57</b>	<b>554.74</b>	<b>895.07</b>

Summary of significant accounting policies 1-2.

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

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

For A A A M & Co

Chartered Accountants

FRN: 08113C

(CA Rahul Gupta, ACA)

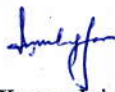
Partner

M.No-419625

Place : Noida

Date : 24-May-2017

For and on behalf of the Board of Directors of  
For CENTRAL BOMBAY CABLE NETWORK LTD.

  
Sandeep Kumar Jain  
Director  
DIN: 00011667

Shio Kumar Gupta  
Director  
DIN: 00010924



Consolidated Central Bombay Cable Network Limited  
Statement of Profit and Loss for the year ended March 31, 2017

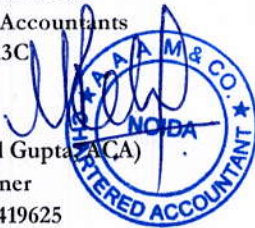
	Notes	March 31, 2017 ` millions	March 31, 2016 ` millions
<b>Revenue</b>			
Revenue from operations	22	356.61	255.44
Other income	23	0.87	1.18
<b>Total revenue</b>		<b>357.48</b>	<b>256.62</b>
<b>Expenses</b>			
Carriage sharing, pay channel and related costs	24	149.84	68.81
Employee benefits expense	25	7.60	6.95
Finance costs	26	0.72	1.32
Depreciation and amortisation expenses	27	56.08	32.25
Other expenses	28	138.10	127.02
<b>Total expenses</b>		<b>352.33</b>	<b>236.35</b>
<b>Loss before prior period expenses</b>		<b>5.14</b>	<b>20.27</b>
Prior period expenses		-	2.78
<b>Profit before tax</b>		<b>5.14</b>	<b>23.05</b>
<b>Tax Expenses</b>			
Current Tax		0.84	19.50
Previous Year Tax		1.82	0.58
Deferred Tax		0.77	1.33
<b>Total Profit/(Loss) for the period</b>		<b>1.70</b>	<b>1.64</b>
<b>Other Comprehensive income</b>			
<b>(i) Items that will not be reclassified to profit or loss</b>			
(a) Remeasurement of the defined benefit (liabilities) / assets		0.19	0.65
(b) Remeasurement of the activation Income		-	-
<b>Total Comprehensive Income/(loss) for the year</b>		<b>1.51</b>	<b>0.98</b>
Loss per share after tax (₹)	29		
Basic		30.26	19.69
Diluted		30.26	19.69
Summary of significant accounting policies	1-2.		

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

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

For A A A M & Co  
Chartered Accountants  
FRN: 08113C

(CA Rahul Gupta (CA)  
Partner  
M.No-419625



Place : Noida  
Date : 24-May-2017

For and on behalf of the Board of Directors of  
For CENTRAL BOMBAY CABLE NETWORK LTD.

Sandeep Kumar Jain  
Director  
DIN: 00011667

Shio Kumar Gupta  
Director  
DIN: 00010924



**NOTE -1 : SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDING 31<sup>st</sup> MARCH, 2017**

**1.1 CORPORATE INFORMATION:**

Central Bombay Cable Network Limited (hereinafter referred to as the 'Parent Company') is registered in New Delhi. Master Channel Community Network Private Limited (hereinafter referred to as the 'Subsidiary Company') is registered in Vijayawada. Both the companies together are hereinafter referred to as the 'Group'. The Group is engaged in the business of providing cable TV services to the end consumers.

**1.2 BASIS OF PREPARATION:**

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements are the first financial statements of the Company under Ind AS. The accounting policies have been consistently applied by the Company.

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

**1.3 USE OF ESTIMATES:**

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

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

**1.4 RECOGNITION OF REVENUE:**

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

**1.5 RECOGNITION OF INCOME AND EXPENSE:**

Items of income and expenditure are recognized on accrual basis.

A handwritten signature in blue ink is written over a circular blue stamp. The stamp contains the text "NOIDA" in the center and "CHARTERED ACCOUNTANT" around the perimeter.



## **1.6 PLANT, PROPERTY AND EQUIPMENT**

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

Depreciation / amortization on plant, properties and equipments is provided at rates computed on the basis of useful life of assets as specified in Schedule II of the Companies Act, 2013 except in case of intangible assets and leasehold improvements on which depreciation is provided at rate as mentioned below which in view of the management represents the useful life of assets. Assets costing less than Rs 5,000 each, are depreciated in full excluding residual value as per Schedule II, in year of purchase.

<b><u>Asset category</u></b>	<b><u>Rate of depreciation/ amortization</u></b>
Intangible assets	Straight Line Method
Leasehold improvements	Over the lease term or useful life whichever is lower

## **1.7 INVESTMENTS:**

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

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

## **1.8 INVENTORIES:**

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

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

## **1.9 INCOME TAXES:**

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

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

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

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

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

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

Contingent liability is disclosed for:





- Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- Contingent Liabilities are generally not provided for in the accounts are shown separately under notes to the accounts if any.

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

**NOTE – 2: EXPLANATORY/ CLARIFICATORY NOTES:**

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

2.4 **Auditors Remuneration:2016-17**

<u>SL. NO.</u>	<u>PARTICULARS</u>	<u>F/Y 2016-17</u>	<u>F/Y 2015-16</u>
1.	AUDIT FEES*	Rs. 85,000/-	Rs. 65,000/-

*\*Including audit fees of subsidiary company*

2.5 **RELATED PARTY DISCLOSURES:-**

**Names of related parties:**

Siti Networks Limited (formerly Siti Cable Network Limited)	Holding Company
Wire And Wireless Tisai Satellite Limited, Mumbai	Fellow Subsidiary
Indian Cable Net Company Limited, Kolkata	Fellow Subsidiary
Siti Cable Broadband South Limited, Bengaluru	Fellow Subsidiary
Siti Faction Digital Private Limited, Delhi	Fellow Subsidiary
Siti Vision Digital Media Private Limited, Delhi	Fellow Subsidiary
SitiJind Digital Media Communications Private Limited, Delhi	Fellow Subsidiary
Siti Jai MaaDurge Communications Private Limited, Delhi	Fellow Subsidiary
Siti Bhatia Network Entertainment Private Limited, Chhattisgarh	Fellow Subsidiary
Siti Krishna Digital Media Private Limited	Fellow Subsidiary
Siti Jony Digital Cable Network Private Limited	Fellow Subsidiary
Siti Guntur Digital Network Private Limited	Fellow Subsidiary



Siti Global Private Limited	Fellow Subsidiary
Siti Sagar Digital Cable Network Private Limited (formerly known as Panchsheel Digital Communication Network Private Limited)	Fellow Subsidiary
SitiKarnal Digital Media Private Limited	Fellow Subsidiary
Siti Broadband Services Private Limited	Fellow Subsidiary
Siti Maurya Cable Net Private Limited	Fellow Subsidiary
Indinet Service Private Limited	Fellow Subsidiary
Axom Communications & Cable Private Limited	Fellow Subsidiary
Siti Siri Digital Network Pvt. Ltd.	Fellow Subsidiary
Siti Godaari Digital Services Private Limited (formerly known as Bargachh Digital Communication Network Private Limited)	Fellow Subsidiary
Siti Prime Uttaranchal Communication Private Limited	Fellow Subsidiary
Siti Saistar Digital Media Pvt. Ltd. (formerly known as Saistar Digital media Private Limited)	Fellow Subsidiary
Variety Entertainment Private Limited	Fellow Subsidiary

**Other Related Parties:**

Mr. Sandeep Kumar Jain - Director  
Mr. Shio Kumar Gupta - Director

2.6 Outstanding balances of related parties of the Company during the relevant Financial Year are as under:

**- Balances of related parties**

Year ended	Year ended March 31, 2017		Year ended March 31, 2016	
	Amount owed by related parties	Amount owed to related parties	Amount owed by related parties	Amount owed to related parties
<b>Borrowings &amp; Expenses</b>				
Siti Networks Limited	-	57,10,05,666	-	19,96,67,318
<b>Loans &amp; Advances</b>				
Variety Entertainment Pvt Ltd	6,50,00,000	-	1,20,00,000	-
<b>Borrowings</b>				
Siti Guntur Digital Network Pvt Ltd	-	3,21,56,573	-	4,08,38,602



<b>Borrowings</b>				
Siti Guntur Digital Network Pvt Ltd	-	3,21,56,573	-	4,08,38,602
<b>Creditor for Expenses</b>				
Lotus Broadband Pvt Ltd	-	28,250	-	-
<b>Creditor for Expenses</b>				
Divya Digital Network	-	-	-	36,00,000
<b>Creditor for Expenses</b>				
Sri Durga Communication	-	-	-	22,47,278
<b>Commission</b>				
Mega Satelite Services	-	7,27,076	-	7,69,541
<b>Remuneration &amp; Commission/Incentive</b>				
P Sai Babu	-	1,20,401	-	36,704
<b>Remuneration</b>				
P Kiranmayee	-	15,000	-	-
<b>Commission/Incentive</b>				
P Jayant	-	85,438	-	24, 741
<b>Commission/Incentive &amp; Rent</b>				
P Bharathi	-	1,21,437	-	24, 741
<b>Commission/Incentive &amp; Rent</b>				
P Meghana	-	1,36,437	-	-

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

Particulars	31-March-2017	31-March-2016
Profit/(Loss) after Tax	1,512,879.51	984,323.79
Number of Equity Shares	50,000	50,000
Nominal Value of Equity Shares	10	10
<b>Basics Earnings per Share</b>	<b>30.26</b>	<b>19.69</b>

2.8 Other disclosures are made as under :

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





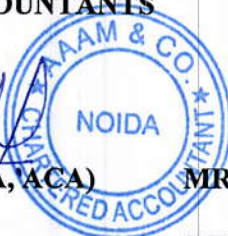
- 2.9 As required by the MCA notification G.S.R. 308(E) dated 30.03.2017, the details of **Specified Bank Notes (SBN)** held and transacted during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016, the denomination wise SBNs and other notes is given below:

Particulars	SBNs*	Other Denomination Notes	Total
Closing Cash in Hand as on 8 <sup>th</sup> November 2016	18,06,500	32,43,780	50,50,280
(+) Permitted Receipts	-	96,31,844	96,31,844
(-) Permitted Payments	2,02,000	4,92,322	6,94,322
(-) Amount deposited in Bank	16,04,500	66,74,880	82,79,380
Closing Cash in Hand as on 30 <sup>th</sup> December 2016	-	57,08,422	57,08,422

*\*For the purposes of this clause, the term Specified Bank Notes shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8<sup>th</sup> November 2016.*

For AAA M & CO.,  
CHARTERED ACCOUNTANTS  
FRN: 08113C

(CA RAHUL GUPTA, ACA)  
PARTNER  
M.No.419625



For & on Behalf of the Board  
CENTRAL BOMBAY CABLE NETWORK LIMITED

MR. SANDEEP KUMAR JAIN  
DIRECTOR  
DIN No. 00011667

MR. SHIO KUMAR GUPTA  
DIRECTOR  
DIN No. 00010924

DATE: 24.05.2017  
PLACE: NOIDA



Consolidated Central Bombay Cable Network Limited  
 explanatory information for the year ended March 31, 2017

	March 31, 2017 ` millions	March 31, 2016 ` millions	April 1, 2015 ` millions
<b>4 Non-current investments (Non trade, unquoted)</b>			
Long term investments (Valued at cost unless stated otherwise)			
Investment in equity instruments 30,000 (Previous year 30,000) equity shares of ` 2 each fully paid up of Indian Cable Net Company Limited	0.06	0.06	0.06
	<u>0.06</u>	<u>0.06</u>	<u>0.06</u>
Less: Provision for diminution in the value of investments	-	-	-
	<u>0.06</u>	<u>0.06</u>	<u>0.06</u>
<b>5 Loans</b>			
Security deposits			
Unsecured, considered good	1.90	1.37	0.78
Other Receivable	-	-	0.22
	<u>1.90</u>	<u>1.37</u>	<u>1.00</u>
Less: Provision for doubtful security deposits	-	-	-
	<u>1.90</u>	<u>1.37</u>	<u>1.00</u>
<b>6 Other non-current assets</b>			
Other advances			
Variety Entertainment Pvt Ltd.	65.00	-	-
Hamlet Media Network Limited	305.00	-	-
	<u>370.00</u>	<u>-</u>	<u>-</u>
<b>7 Trade receivables</b>			
Unsecured, considered good	124.99	33.47	17.06
Unsecured, considered doubtful	1.68	1.68	1.14
	<u>126.66</u>	<u>35.15</u>	<u>18.19</u>
Less: Credit Loss Allowance	1.68	1.68	1.14
	<u>124.99</u>	<u>33.47</u>	<u>17.06</u>
	<u>124.99</u>	<u>33.47</u>	<u>17.06</u>
<b>8 Cash and bank balances</b>			
Cash and cash equivalents			
Cash on hand	6.82	2.91	4.33
Balances with banks			
On current accounts	9.46	33.73	27.01
	<u>16.28</u>	<u>36.64</u>	<u>31.34</u>

*Jeef*

*[Signature]*  
 A A A M & CO.  
 CHARTERED ACCOUNTANT  
 NODA



Consolidated Central Bombay Cable Network Limited  
 : explanatory information for the year ended March 31, 2017

9 Loans and advances

	Short-term March 31, 2017 ` millions	Short-term March 31, 2016 ` millions	Short-term April 1, 2015 ` millions
Advances recoverable in cash or kind			
Unsecured, considered good			
Other advances	-	-	583.70
			583.70

10 Other Financial Assets

	Short-term March 31, 2017 ` millions	Short-term March 31, 2016 ` millions	Short-term April 1, 2015 ` millions
Unsecured, considered good			
Unbilled Revenue	1.15	0.07	-
	1.15	0.07	-

11 Other Current Assets

	March 31, 2017 ` millions	March 31, 2016 ` millions	April 1, 2015 ` millions
Balances with statutory authorities	2.47	2.47	2.91
Advance to suppliers	2.86	0.05	0.03
Advance to Employees	0.15	0.17	0.28
Advance tax	9.24	5.98	5.87
Deposit against VAT demand	2.29	1.83	1.83
Prepaid Expenses	0.08	0.05	0.22
Indirect Tax	28.00	79.47	30.70
	45.09	90.01	41.84

12 Share capital

	March 31, 2017 ` millions	March 31, 2016 ` millions	April 1, 2015 ` millions
<b>Authorised share capital</b>			
50,000 (Previous Year: 50,000) Equity Shares of Rs. 10 each	0.50	0.50	0.50
<b>Total authorised capital</b>	0.50	0.50	0.50
<b>Issued share capital</b>			
50,000 (Previous Year: 50,000) Equity Shares of Rs. 10 each	0.50	0.50	0.50
<b>Total issued capital</b>	0.50	0.50	0.50
<b>Subscribed and fully paid up capital</b>			
50,000 (Previous Year: 50,000) Equity Shares of Rs. 10 each	0.50	0.50	0.50
<b>Total paid up capital</b>	0.50	0.50	0.50



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Consolidated Central Bombay Cable Network Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

13 Other Equity

Deficit in the Statement of profit and loss

Balance at the beginning of the year

Add: Profit (Loss) for the year

Less: Minority's Share of Profit

Balances as at the end of the year (A)

Other Comprehensive income

Other comprehensive income recognised directly in retained earnings

Deferred Activation Revenue

Gratuity/Leave Encashment

Balances as at the end of the year (B)

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

March 31, 2017 ` millions	March 31, 2016 ` millions	April 1, 2015 ` millions
8.29	7.79	18.95
1.70	1.64	30.15
(0.54)	(0.49)	(12.29)
<b>9.46</b>	<b>8.94</b>	<b>36.81</b>
-	-	(29.01)
(0.19)	(0.65)	-
<b>(0.19)</b>	<b>(0.65)</b>	<b>(29.01)</b>
<b>9.26</b>	<b>8.29</b>	<b>7.79</b>

14 Non-Controlling Interests

Minority Interests

March 31, 2017 ` millions	March 31, 2016 ` millions	April 1, 2015 ` millions
13.49	12.96	12.46
<b>13.49</b>	<b>12.96</b>	<b>12.46</b>

15 Long-term borrowings

(a) Term loans from banks (Secured)

Loans and advances from Directors/Related parties- Unsecured

Unsecured loan- Siti Networks Ltd.

March 31, 2017 ` millions	March 31, 2016 ` millions	April 1, 2015 ` millions
8.58	8.58	8.58
378.19	13.39	591.82
<b>386.77</b>	<b>21.97</b>	<b>600.39</b>

16 Provisions

Provision for employee benefits

Provision for gratuity

Provision for compensated absences

Provision for Tax

Payable Against Investment

March 31, 2017 ` millions	March 31, 2016 ` millions	April 1, 2015 ` millions
2.32	1.81	1.05
0.59	0.45	0.24
0.24	0.24	0.67
0.20	0.20	0.20
<b>3.35</b>	<b>2.70</b>	<b>2.16</b>

17 Deferred tax liability (net)

Deferred tax liability

Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting

Gross deferred tax liability

Deferred tax asset

Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis

Gross deferred tax Assets

Net deferred tax asset/(Liabilities)

March 31, 2017 ` millions	March 31, 2016 ` millions	April 1, 2015 ` millions
7.21	6.19	4.22
<b>7.21</b>	<b>6.19</b>	<b>4.22</b>
1.69	1.45	0.81
<b>1.69</b>	<b>1.45</b>	<b>0.81</b>
<b>5.52</b>	<b>4.75</b>	<b>3.41</b>





Consolidated Central Bombay Cable Network Limited  
 explanatory information for the year ended March 31, 2017

18 Other Non-Current liabilities

Deferred Activation Revenue

March 31, 2017 ` millions	March 31, 2016 ` millions	April 1, 2015 ` millions
37.44	45.49	19.50
<b>37.44</b>	<b>45.49</b>	<b>19.50</b>

19 Trade payables

- Total outstanding dues of micro enterprises and small enterprises

Trade Payables - others

Trade payables - related parties

March 31, 2017 ` millions	March 31, 2016 ` millions	April 1, 2015 ` millions
2.82	2.82	2.82
89.54	112.90	148.89
309.96	175.54	-
<b>402.31</b>	<b>291.25</b>	<b>151.70</b>

20 Other Current Liabilities

Expenses Payable

Other Liabilities - SITI Networks Ltd.

Advances from Non Related Parties

Advances from Related Parties

Entertainment Tax Payable

TDS Payable

Service Tax Payable

Others - Employee dues

Deferred Activation Revenue

Income received in advance

March 31, 2017 ` millions	March 31, 2016 ` millions	April 1, 2015 ` millions
0.08	0.06	0.15
7.50	7.46	6.93
9.31	4.41	5.95
44.09	40.60	24.10
3.67	0.18	0.18
5.05	11.60	7.48
5.53	55.88	22.19
0.00	-	-
29.78	23.95	9.51
2.58	2.52	7.50
<b>107.57</b>	<b>146.65</b>	<b>84.00</b>

21 Provisions

Liability for expenses

Provision for gratuity

Provision for Taxation A/c

March 31, 2017 ` millions	March 31, 2016 ` millions	April 1, 2015 ` millions
13.45	0.63	0.64
0.06	0.05	-
0.84	19.50	12.52
<b>14.35</b>	<b>20.18</b>	<b>13.15</b>



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Central Bombay Cable Network Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

<b>22 Revenue from operations</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>
	<b>` millions</b>	<b>` millions</b>
Sale of services		
Subscription income	203.84	67.94
Advertisement income	29.40	31.92
Carriage income	50.56	31.00
Activation and Set top boxes pairing charges	72.81	124.57
	<b>356.61</b>	<b>255.44</b>
<b>23 Other income</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>
	<b>` millions</b>	<b>` millions</b>
Interest income on		
Bank deposits	-	-
Others	0.01	-
Excess provisions written back	0.01	-
Profit on sale of fixed assets	0.83	1.10
Other non-operating income	0.02	0.08
	<b>0.87</b>	<b>1.18</b>
<b>24 Carriage Sharing, Pay Channel and Related Cost</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>
	<b>` millions</b>	<b>` millions</b>
Pay Channel Subscription	149.84	64.81
Program Production Expenses	-	4.00
	<b>149.84</b>	<b>68.81</b>
<b>25 Employee benefits expense</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>
	<b>` millions</b>	<b>` millions</b>
Salaries, allowances and bonus	5.88	5.40
Contributions to provident and other funds	0.66	0.66
Employee benefits expenses	0.47	0.36
Bonus	0.41	0.35
Staff welfare expenses	0.18	0.18
	<b>7.60</b>	<b>6.95</b>
<b>26 Finance Cost</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>
	<b>` millions</b>	<b>` millions</b>
Interest	0.68	1.24
Bank charges	0.04	0.08
	<b>0.72</b>	<b>1.32</b>
<b>27 Depreciation and amortisation expenses</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>
	<b>` millions</b>	<b>` millions</b>
Depreciation of tangible assets (Refer note-12)	56.08	32.25
	<b>56.08</b>	<b>32.25</b>



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Central Bombay Cable Network Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

28 Other expenses	March 31, 2017	March 31, 2016
	millions	millions
Rent	1.63	1.53
Office Expenses	0.30	0.28
Rates and taxes	0.08	0.04
Communication expenses	0.55	0.25
Repairs and maintenance		
- Network	2.54	0.87
- Building	0.02	0.02
- Others	0.35	0.33
Electricity and water charges	2.16	2.07
Swachh Bharat Cess	0.70	0.71
Legal, professional and consultancy charges	0.95	0.93
Printing and stationery	0.35	0.52
R.O.C. Filing fee	0.01	0.03
Service charges	0.04	0.16
Travelling and conveyance expenses	0.68	0.63
Auditors' remuneration*	0.11	0.10
Insurance expenses	0.13	0.22
Provision for doubtful advances	-	0.54
Penalties	-	0.03
Sundry balances writtn off	-	0.22
Commission charges and incentives	11.84	7.58
Bad debts	-	0.45
Program production expenses	0.77	1.45
Other operational cost	114.57	107.59
Business and sales promotion	0.25	0.22
Donation	0.01	0.01
Security Service Charges	0.07	0.07
Miscellaneous Expenses	0.00	0.00
	<b>138.10</b>	<b>127.02</b>
*Auditors' remuneration		
as an auditor	0.09	0.07
for other services (certifications)	0.03	0.03
	<b>0.11</b>	<b>0.10</b>
29 Earnings per share	March 31, 2017	March 31, 2016
	millions	millions
Loss attributable to equity shareholders	5.14	23.05
Number of weighted average equity shares		
Basic	50,000	50,000
Diluted	50,000	50,000
Nominal value of per equity share (₹)	10	10
Loss per share after tax (₹)		
Basic	10.29	46.10
Diluted	10.29	46.10





**Consolidated Central Bombay Cable Network Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017**

Tangible assets											(` millions)
Gross block	Building	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Studio equipment	Vehicles	Leasehold improvements	Set top boxes	Electrical Equipments	Total
Balance as at April 1, 2015	0.48	44.33	1.89	3.11	1.40	8.07	1.99	2.00	141.73	0.29	205.28
Additions	-	0.40	-	0.01	-	-	0.06	-	216.67	-	217.15
Disposal	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2016</b>	<b>0.48</b>	<b>44.73</b>	<b>1.89</b>	<b>3.12</b>	<b>1.40</b>	<b>8.07</b>	<b>2.05</b>	<b>2.00</b>	<b>358.40</b>	<b>0.29</b>	<b>422.43</b>
Additions	-	1.22	0.19	0.06	0.05	0.11	-	-	85.87	-	87.49
Disposal	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>0.48</b>	<b>45.95</b>	<b>2.08</b>	<b>3.18</b>	<b>1.45</b>	<b>8.17</b>	<b>2.05</b>	<b>2.00</b>	<b>444.27</b>	<b>0.29</b>	<b>509.91</b>
<b>Accumulated depreciation</b>											
Balance as at April 1, 2015	0.39	14.87	1.63	1.52	1.08	6.65	0.38	0.80	10.86	0.16	38.34
Charge for the year	0.02	6.78	0.16	0.48	0.05	0.22	0.22	0.40	23.89	0.03	32.25
Reversal on disposal of assets	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2016</b>	<b>0.42</b>	<b>21.65</b>	<b>1.79</b>	<b>2.01</b>	<b>1.13</b>	<b>6.87</b>	<b>0.60</b>	<b>1.20</b>	<b>34.74</b>	<b>0.18</b>	<b>70.59</b>
Charge for the year	0.02	4.24	0.10	0.47	0.05	0.22	0.23	0.40	50.31	0.03	56.08
Reversal on disposal of assets	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>0.44</b>	<b>25.90</b>	<b>1.89</b>	<b>2.48</b>	<b>1.18</b>	<b>7.09</b>	<b>0.83</b>	<b>1.60</b>	<b>85.06</b>	<b>0.21</b>	<b>126.67</b>
<b>Net block</b>											
Balance as at March 31, 2016	0.06	23.07	0.11	1.11	0.27	1.20	1.45	0.80	323.66	0.11	351.84
Balance as at March 31, 2017	0.04	20.05	0.19	0.70	0.27	1.08	1.22	0.40	359.21	0.08	383.25



*Signature*



**Consolidated Central Bombay Cable Network Limited**

Cash flow statement for the year ended March 31, 2017

Cash flow from operating Activities	March 31, 2017	March 31, 2016
	millions	millions
Profit Before tax from continuing operations	514	2305
<b>Non Cash adjustment to reconcile profit before tax to net cash flows</b>	-	-
Depreciation/Amortisation on continuing operations	56.08	32.25
<b>Operating Profit: before working capital changes</b>	<b>61.22</b>	<b>55.30</b>
<b>Movement in working capital:</b>		
Increase/(Decrease) in trade payables	111.06	139.55
Increase/(Decrease) in short term provisions	(5.18)	7.57
Increase/(Decrease) in other current liabilities	(39.08)	62.65
Decrease/(Increase) in trade receivables	(91.52)	(16.41)
Decrease/(Increase) in short terms loans and advances & Other current assets	40.02	(48.93)
<b>Cash generated from/(used) in operations</b>	<b>15.30</b>	<b>144.43</b>
Direct tax paid(net of refunds)	3.43	21.41
<b>Net Cash flow from/(used) in operating activities (A)</b>	<b>11.87</b>	<b>178.32</b>
<b>Cash Flow from investing activities</b>		
Purchase of fixed assets, including CWIP and capital advances	(28.09)	(205.29)
Proceeds of non current investments	(369.47)	0.50
Long-term loans and advances	-	-
<b>Net Cash flow from/(used) in investing activities (B)</b>	<b>(397.56)</b>	<b>(204.79)</b>
<b>Cash Flow from Financing activities (C)</b>		
Equity	0.53	0.50
Repayment of Long Term Borrowings	-	31.27
Proceeds from Long Term Borrowings	364.80	-
<b>Net Cash flow from/(used) in Financing activities (C)</b>	<b>365.33</b>	<b>31.77</b>
<b>Net Increase/(Decrease) in cash and cash equivalent (A+B+C)</b>	<b>(20.36)</b>	<b>5.30</b>
Effect of exchange difference in cash and cash equivalents held in foreign currency		
Cash and cash equivalent at the beginning of the year	36.64	31.34
<b>Cash and cash equivalent at the end of the year</b>	<b>16.28</b>	<b>36.64</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	6.82	2.91
With Bank-on current account	9.46	33.73
<b>Total Cash and cash equivalent(Note 8)</b>	<b>16.28</b>	<b>36.64</b>

For A A A M & Co  
Chartered Accountants  
FRN: 08113C

(CA Rahul Gupta, ACA)  
Partner  
M.No-419625

Place : New Delhi  
Date : 24-May-2017



For and on behalf of the Board of Directors of  
Central Bombay Cable Network Limited.

Sandeep Kumar Jain    Shio Kumar Gupta  
Director                      Director  
DIN: 00011667              DIN: 00010924



**Consolidated Central Bombay Cable Network Limited**  
**Summary of significant accounting policies and other explanatory information for**  
**the year ended March 31, 2017**

**36 Fair value measurements**

**A. Financial instruments by category**

	NOTES	` millions	
		March 31, 2017	
		FVTPL	amortised cos
<b>Financial assets</b>			
Bank deposits		-	-
Amount recoverable		-	-
Interest accrued and not due on fixed deposits		-	-
Security deposits	5	-	1.90
Investment (Non- current, financial assets)	4	-	0.06
Unbilled revenues	10	-	1.15
Trade receivables	7	-	124.99
Investment (Current, financial assets)		-	-
Cash and cash equivalents	8	-	16.28
<b>Total financial assets</b>		<b>-</b>	<b>144.39</b>
<b>Financial liabilities</b>			
Borrowings (non-current,financial liabilities)	15	-	386.77
Borrowings (current,financial liabilities)		-	-
Payables for purchase of property,plant and equipment		-	-
Security deposits received from customer		-	-
Trade payables	19	-	402.31
Other financial liabilities (current)		-	-
<b>Total financial liabilities</b>		<b>-</b>	<b>789.08</b>

	NOTES	` millions	
		March 31, 2016	
		FVTPL	amortised cos
<b>Financial assets</b>			
Bank deposits		-	-
Amount recoverable		-	0.00
Interest accrued and not due on fixed deposits		-	-
Security deposits	5	-	1.37
Investment (Non- current, financial assets)	4	-	0.06
Unbilled revenues	10	-	0.07
Trade receivables	7	-	33.47
Investment (Current, financial assets)		-	-
Cash and cash equivalents	8	-	36.64
<b>Total financial assets</b>		<b>-</b>	<b>71.60</b>
<b>Financial liabilities</b>			
Borrowings (non-current,financial liabilities)	15	-	21.97
Payables for purchase of property,plant and equipment		-	-
Security deposits		-	-
Trade payables	19	-	291.25
Other financial liabilities (current)		-	-
<b>Total financial liabilities</b>		<b>-</b>	<b>313.22</b>

	NOTES	` millions	
		April 01, 2015	
		FVTPL	amortised Cos
<b>Financial assets</b>			
Bank deposits		-	-
Amount recoverable	9	-	583.70
Interest accrued and not due on fixed deposits		-	-
Security deposits	5	-	1.00
Investment (Non- current, financial assets)	4	-	0.06
Unbilled revenues	10	-	-
Trade receivables	7	-	17.06
Investment (Current, financial assets)		-	0.00
Cash and cash equivalents	8	-	31.34
<b>Total financial assets</b>		<b>-</b>	<b>633.16</b>
<b>Financial liabilities</b>			
Borrowings (non-current,financial liabilities)	15	-	600.39
Borrowings (current,financial liabilities)		-	-
Payables for purchase of property,plant and equipment		-	-
Security deposits		-	-
Trade payables	19	-	151.70
Other financial liabilities (current)		-	-
<b>Total financial liabilities</b>		<b>-</b>	<b>752.10</b>

**B. Financial instruments measured at fair value**

The following tables present financial assets and liabilities measured at fair value in the statement of financial position 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:

## Consolidated Central Bombay Cable Network Limited

### Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

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

The financial assets measured at fair value in the statement of financial position are grouped into the fair value hierarchy as on March 31, 2017, March 31, 2016 and April 01, 2015 as follows:

March 31, 2017	Date of Valuation	Level 1	Level 2	Level 3
<b>Financial assets</b>				
Mutual funds	At March 31, 201	-	-	-
Investment in optionally convertible debentures	At March 31, 201	-	-	-

March 31, 2016	Date of Valuation	Level 1	Level 2	Level 3
<b>Financial assets</b>				
Mutual funds	At March 31, 201	-	-	-
Investment in optionally convertible debentures	At March 31, 201	-	-	-

April 01, 2015	Date of Valuation	Level 1	Level 2	Level 3
<b>Financial assets</b>				
Mutual funds	At March 31, 201	-	-	-

#### Valuation technique to determine fair value

##### Optionally fully convertible debentures (Level 3)

The valuation of optionally fully convertible debentures has been done using the discounted cash flow method by 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 7.14% is considered on the 10 year zero coupon government bond.

There have been no transfer between level 1 and level 2 during the year ended March 31, 2017, March 31, 2016 and April 01, 2015.

The following table presents the changes in level 3 items for the periods ended 31 March 2017 and 31 March 2016:

Particulars	Amount in millions
<b>As at April 01, 2015</b>	-
Acquired during the year	-
<b>As at March 31, 2016</b>	-
Additions during the year	-
Gains recognised in statement of profit and loss	-
<b>As at March 31, 2017</b>	-

Significant unobservable input	Estimate of the input	Sensitivity of the fair value measurement to input

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

	March 31, 2017		March 31, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>				
Bank deposits	-	-	-	-
Amount recoverable	-	-	-	-
Interest accrued and not due on fixed deposits	-	-	-	-
Security deposits	1.90	1.90	1.37	1.37
Investment (Non- current, financial assets)	0.06	0.06	0.06	0.06
Unbilled revenue	1.15	1.15	0.07	0.07
Trade receivables	124.99	124.99	33.47	33.47
Cash and cash equivalents	16.28	16.28	36.64	36.64
<b>Total financial assets</b>	<b>144.39</b>	<b>144.39</b>	<b>71.60</b>	<b>71.60</b>
<b>Financial liabilities</b>				
Borrowings (non-current, financial liabilities)	386.77	386.77	21.97	21.97
Borrowings (current, financial liabilities)	-	-	-	-
Payables for purchase of property, plant and equipment	-	-	-	-
Security deposits	-	-	-	-
Trade payables	402.31	402.31	291.25	291.25
Other financial liabilities (current)	-	-	-	-
<b>Total financial liabilities</b>	<b>789.08</b>	<b>789.08</b>	<b>313.22</b>	<b>313.22</b>

	April 01, 2015	
	Carrying Amount	Fair Value
<b>Financial assets</b>		
Bank deposits	-	-



## Consolidated Central Bombay Cable Network Limited

### Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

Amount recoverable	583.70	583.70
Interest accrued and not due on fixed deposits	-	-
Security deposits	1.00	1.00
Investment (Non- current, financial assets)	0.06	0.06
Unbilled revenue	-	-
Trade receivables	17.06	17.06
Cash and cash equivalents	31.34	31.34
<b>Total financial assets</b>	<b>633.16</b>	<b>633.16</b>
Financial liabilities		
Borrowings (non-current,financial liabilities)	600.39	600.39
Borrowings (current,financial liabilities)	-	-
Payables for purchase of property,plant and equipment	-	-
Security deposits	-	-
Trade payables	151.70	151.70
Other financial liabilities (current)	-	-
<b>Total financial liabilities</b>	<b>752.10</b>	<b>752.10</b>

#### 47 First time adoption of Ind AS

##### Transition to Ind AS

These are the Company's first consolidated financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS standalone balance sheet at April 01, 2015 (the date of transition). In preparing its opening Ind AS standalone balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows is set out in the following tables and notes

##### A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from

##### Use of deemed cost for investments in subsidiaries, jointly controlled entities and associates

The balance of the investment in subsidiaries and joint controlled entities at the date of transition to Ind AS, determined in accordance with the previous GAAP as the deemed cost of the investment at initial recognition.

##### Exchange differences on long-term foreign currency monetary items

Under previous GAAP, the company applied paragraph 46A of AS 11 whereby exchange differences arising from translation of long-term foreign currency monetary items were capitalized/deferred. On transition to Ind AS first time adopter is permitted to continue policy adopted for accounting for such exchange differences recognised in the previous GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. The Company has opted for this exemption and continued its previous GAAP policy for accounting of exchange differences on long-term foreign currency monetary items recognized in the previous GAAP financial statements for the year ended March 31, 2016.

Under previous GAAP foreign exchange gain/loss on long term foreign currency monetary items recognized upto March 31, 2016 has been deferred/capitalized. Such exchange differences arising on translation/settlement of long-term foreign currency monetary items and pertaining to the acquisition of a depreciable asset are amortised over the remaining useful lives of the assets.

From accounting periods commencing on or after April 01, 2016, exchange differences arising on translation/ settlement of long-term foreign currency monetary items, acquired post April 01, 2016, pertaining to the acquisition of a depreciable asset are charged to the statement of profit and loss.

##### B: Ind AS mandatory exceptions

###### Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that the Ind AS estimates as at April 01, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

Investment in equity instruments carried at FVTPL or FVTOCI.  
Impairment of financial assets based on expected credit loss model.

##### Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when an entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

- The effects of the retrospective application or retrospective restatement are not determinable;
- The retrospective application or restatement requires assumptions about what management's intent would have been in that period; The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

##### C: Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

##### Reconciliation of previous GAAP and Ind AS impact for Balance Sheet (April 01, 2015)

	in million		
Note reference	Previous GAAP	IND AS Adjustments	Ind AS

## Consolidated Central Bombay Cable Network Limited

### Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

#### ASSETS

##### Non-current assets

a)Property, Plant and Equipment	3	166.93	-	166.93
b)Capital work-in-progress	3	53.14	-	53.14
c)Intangibles assets		-	-	-
d)Intangibles assets under Development		-	-	-
e)Financial Assets				
i)Trade receivable		-	-	-
ii) Investments	4	0.06	-	0.06
iii) Loans	5	1.00	-	1.00
f)Other non-current assets		-	-	-
		<b>221.14</b>	<b>-</b>	<b>221.14</b>

##### Current assets

a)Inventories		-	-	-
b)Financial Assets				
i)Trade receivable	7	17.06	-	17.06
ii)Cash and cash equivalents	8	31.34	-	31.34
iii)Loans	9	583.70	-	583.70
c)Other current assets	11	41.84	-	41.84
		<b>673.93</b>	<b>-</b>	<b>673.93</b>
		<b>895.07</b>	<b>-</b>	<b>895.07</b>

in million

#### EQUITY AND LIABILITIES

##### Equity

		Previous GAAP	Adjustments	Ind AS
a)Equity Share Capital	12	0.50	-	0.50
b)Other Equity	13	36.81	(29.01)	7.79
c) Non Controlling Interest	14	12.46	-	12.46
		<b>49.77</b>	<b>(29.01)</b>	<b>20.76</b>

##### LIABILITIES

##### Non-current liabilities

a)Financial liabilities				
i)Borrowings	15	600.39	-	600.39
ii)Other financial liabilities		-	-	-
b) Provisions	16	2.16	-	2.16
c) Deferred Tax liability(net)	17	3.41	-	3.41
d)Other non-current liabilities	18	-	19.50	19.50
		<b>605.96</b>	<b>19.50</b>	<b>625.46</b>

##### Current liabilities

a)Financial liabilities				
i)Trade payables	19	151.70	-	151.70
ii)Other financial liabilities		-	-	-
b)Provisions	21	13.15	-	13.15
c)Other current liabilities	20	74.49	9.51	84.00
<b>Total current liabilities</b>		<b>239.34</b>	<b>9.51</b>	<b>248.85</b>
		<b>845.31</b>	<b>29.01</b>	<b>874.31</b>

#### Total equity and liabilities

**895.07      0.00      895.07**

#### Reconciliation of previous GAAP and IndAS impact for Balance Sheet (March 31, 2016)

in million

#### ASSETS

##### Non-current assets

a)Property, Plant and Equipment	3	351.84	-	351.84
b)Capital work-in-progress	3	41.27	-	41.27
c)Intangibles assets		-	-	-
d)Intangibles assets under Development		-	-	-
e)Financial Assets				
i)Trade receivable		-	-	-
ii) Investments	4	0.06	-	0.06
iii) Others	5	1.37	-	1.37
e)Other non current assets		-	-	-
		<b>394.54</b>	<b>-</b>	<b>394.54</b>

##### Current assets

a)Inventories				
<b>b)Financial Assets</b>				
i)Trade receivable	7	33.47	-	33.47
ii)Cash and cash equivalents	8	36.64	-	36.64
iii)Investments	9	-	-	-
iv)Others	10	0.07	-	0.07
c)Other current assets	11	90.01	-	90.01
		<b>160.20</b>	<b>-</b>	<b>160.20</b>
		<b>554.74</b>	<b>-</b>	<b>554.74</b>



## Consolidated Central Bombay Cable Network Limited

### Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

		Previous GAAP	Adjustments	Ind AS
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a) Equity Share Capital	12	0.50	-	0.50
b) Other Equity	13	8.29	-	8.29
c) Non Controlling Interest	14	12.96	-	12.96
		<b>21.74</b>	<b>-</b>	<b>21.74</b>
<b>LIABILITIES</b>				
Non-current liabilities				
a) Financial liabilities				
i) Borrowings	15	21.97	-	21.97
ii) Other financial liabilities		-	-	-
b) Provisions	16	2.70	-	2.70
c) Deferred Tax liability (net)	17	4.75	-	4.75
d) Other non-current liabilities	18	45.49	-	45.49
		<b>74.90</b>	<b>-</b>	<b>74.90</b>
Current liabilities				
a) Financial Liabilities				
i) Borrowings	19	291.25	-	291.25
ii) Trade payables		-	-	-
iii) Other Financial Liabilities	21	20.18	-	20.18
b) Provisions	20	146.66	-	146.66
c) Other current liabilities		-	-	-
<b>Total current liabilities</b>		<b>458.09</b>	<b>-</b>	<b>458.09</b>
		<b>532.99</b>	<b>-</b>	<b>532.99</b>
<b>Total equity and liabilities</b>		<b>554.74</b>	<b>-</b>	<b>554.74</b>

#### Reconciliation of total comprehensive income for the year ended March 31, 2016.

		in million		
		Previous GAAP	Adjustments	Ind AS
<b>Income</b>				
Revenues from operations	22	255.44	-	255.44
Other income	23	1.18	-	1.18
Total Income		<b>256.62</b>	<b>-</b>	<b>256.62</b>
<b>Expenses</b>				
Purchase of traded goods		-	-	-
Carriage sharing, pay channel and related costs	24	68.81	-	68.81
Employee benefits expense	25	6.95	-	6.95
Finance costs	26	1.32	-	1.32
Depreciation and amortisation of non-financial assets	27	32.25	-	32.25
Other expenses	28	127.02	-	127.02
Total Expenses		<b>236.35</b>	<b>-</b>	<b>236.35</b>
<b>Profit before exceptional item and tax</b>		<b>20.27</b>	<b>-</b>	<b>20.27</b>
Prior period items		2.78	-	2.78
<b>Profit/(Loss) before tax</b>		<b>23.05</b>	<b>-</b>	<b>23.05</b>
<b>Other Comprehensive Income</b>				
Items that will not be reclassified to profit or loss in subsequent periods				
Remeasurement of defined benefit liability		0.65	-	0.65
<b>Total comprehensive income</b>		<b>23.70</b>	<b>-</b>	<b>23.70</b>

#### Reconciliation of total equity as at March 31, 2016 and April 01, 2015

		in million	
		Notes to first time adoption	March 31, 201 April 01, 2015
Total equity (shareholder's funds) as per previous GAAP			37.31
<b>Adjustments:</b>		<b>8.79</b>	<b>37.31</b>
Optionally fully convertible debentures classified as equity		-	-
Redeemable preference shares transferred to liability		-	-
term borrowings and advances as per effective interest method		-	-
Effect of provision for expected credit loss		-	-
Measurement of financial assets at fair value through profit and loss		-	-
Effect of recognition of activation and set top boxes pairing charges		-	(29.01)
Effects of prior period items		-	-
Other		-	-
<b>Total adjustments</b>		<b>-</b>	<b>(29.01)</b>
<b>Total equity as per Ind AS</b>		<b>8.79</b>	<b>8.29</b>

#### Reconciliation of total comprehensive income for the year ended 31 March 2016

		in million	
		Notes to first time adoption	31 March 2016

## Consolidated Central Bombay Cable Network Limited

### Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

<b>Net loss after tax as reported under previous GAAP for March 31, 2016</b>	<b>1.64</b>
Effect of recognising interest expense on long term borrowings and advances as per effective interest method	-
Measurement of financial assets and financial liabilities at amortise cost	-
Effect of provision for expected credit loss	-
Measurement of financial asset at fair value through profit and loss	-
Effect of recognition of activation and set top boxes pairing	-
Remeasurement of employee benefit obligation to other comprehensive income	-
Effects of prior period items	-
Other	-
<b>Net loss after tax as reported under Ind AS for March 31, 2016</b>	<b>1.64</b>
Other comprehensive income after tax	0.65
<b>Total comprehensive income</b>	<b>0.98</b>

#### Note 1: Interest Free Advances and Security Deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits and advances under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised according to the nature of the respective deposit or advance.

#### Note 2(a): Trade Receivables

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. IND-AS 109 requires entities to recognise loss allowances on at an amount equal to the lifetime expected credit loss or the 12 month expected credit loss based on the increase in the credit risk of the borrower. Lifetime expected credit losses are required to be estimated based on the present value of all expected cash shortfalls over the remaining life of the financial instrument. Lifetime expected credit losses are an expected present value measure of losses that arise if a borrower defaults on their obligation throughout the life of the financial instrument. They are the weighted average credit losses with the probability of default as the weight.

#### Note 2(b): Trade Receivables

In the financial year 2015-16, the Company has sold certain number of set-top boxes on deferred credit terms. The revenue is recognised on the basis of the fair value of the transaction entered.

#### Note 3: Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS,

#### Note 4: Borrowings and advances

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Further, long term advances are initially recognised at fair value by applying the effective interest method. Under previous GAAP, these transaction cost on long term borrowings were amortised over the term of the borrowings.

#### Note 5: Deferred Revenue

Under the previous GAAP, upfront amount charged as activation was being taken to Revenue. Under IND AS, company has deferred the activation income over the customer relationship period of 4 years and carried the deferred portion on the transition date under deferred

#### Note 6: Convertible Instruments

Under IND AS 109, a financial instrument should be classified by the issuer upon initial recognition as a financial liability or an equity instrument according to the substance of the contractual arrangement rather than its actual form and the definitions of financial liability and an equity instrument. Accordingly the company has classified optionally convertible debentures and redeemable preference shares from liability to equity.

#### Note 7: Deferred tax

Retained earnings has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to

#### Note 8: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the loss for the year

#### Note 9: Retained Earnings

Retained earnings as at April 01, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

#### Note 10: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. Comprehensive income related recognition, measurement and disclosures did not exist under previous GAAP.

## 48 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.

#### A. Credit risk



## Consolidated Central Bombay Cable Network Limited

### Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

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	Investment, Cash and cash equivalents, trade receivable	12 month expected credit loss
High credit risk	Trade receivables, security deposits and amount recoverable	Life time expected credit loss or fully provided for

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

Credit rating	Particulars	in million		
		March 31, 2017	March 31, 2016	April 01, 2015
A: Low credit risk	Investment, Cash and cash equivalents and other financial assets except security deposits and amount recoverable	144.38	71.61	633.10
B: High credit risk	Trade receivables, security deposits and amount recoverable	124.99	34.84	601.76

#### 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 debts created in earlier years. The average rate of provision has been computed based on the adjusted sales (excluding those where the Company does not have any historical provision) and provision for doubtful debtors created against those sales. Further, the Company has analysed expected credit loss separately for carriage revenue customer and other than carriage revenue customer primarily because the characteristics and historical losses trend was different in these two streams. As per this methodology, the Company has determined the expected credit loss as 15.5% for customers other than carriage and 5.5% for carriage customers.

Expected credit loss for trade receivables under simplified approach as at March 31, 2017

Ageing	in million		
	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	126.66	1.68	124.99
Security deposits	-	-	-
Advances recoverable	3.01	-	3.01

as at March 31, 2016

Ageing	in million		
	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	35.15	1.68	33.47
Security deposits	1.37	-	1.37
Advances recoverable	0.22	-	0.22

as at April 01, 2015

Ageing	in million		
	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	18.19	1.14	17.06
Security deposits	1.00	-	1.00
Advances recoverable	584.03	-	584.03

Reconciliation of loss allowance provision - Trade receivable, security deposit an

Loss allowance on April 01, 2015	1.14
Changes in loss allowance	0.54
Loss allowance on March 31, 2016	1.68

## Consolidated Central Bombay Cable Network Limited

### Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

Changes in loss allowance

Loss allowance on March 31, 2017

-  
1.68

#### 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 and employee dues 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 statement of financial position date, the Company's liabilities having contractual maturities (including interest payments where applicable) are summarised as

Contractual maturities of financial liabilities	` in million		
	Less than one year	One to two years	More than two years
<b>March 31, 2017</b>			
<b>Non-derivatives</b>			
Borrowings (non-current, financial liabilities)	-	-	-
Borrowings (current, financial liabilities)	-	-	-
Other financial liabilities	-	-	-
Trade payables	402.31	-	-
<b>Total non-derivative liabilities</b>	<b>402.31</b>	<b>-</b>	<b>-</b>
<b>March 31, 2016</b>			
<b>Non-derivatives</b>			
Borrowings (non-current, financial liabilities)	-	-	-
Borrowings (current, financial liabilities)	-	-	-
Other financial liabilities	-	-	-
Trade payables	291.25	-	-
<b>Total non-derivative liabilities</b>	<b>291.25</b>	<b>-</b>	<b>-</b>
<b>April 01, 2015</b>			
<b>Non-derivatives</b>			
Borrowings (non-current, financial liabilities)	-	-	-
Borrowings (current, financial liabilities)	-	-	-
Other financial liabilities	-	-	-
Trade payables	151.70	-	-
<b>Total non-derivative liabilities</b>	<b>151.70</b>	<b>-</b>	<b>-</b>

#### C. Market Risk

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

##### (i) Foreign currency risk

Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in

	` in million		
	March 31, 2017	March 31, 2016	April 01, 2015
<b>Financial assets (A)</b>	-	-	-
Trade receivables	-	-	-
<b>Financial liabilities (B)</b>	-	-	-
Buyer's credit	-	-	-
Payable to vendors for property, plant and equipment	-	-	-
Trade payables	-	-	-
<b>Net exposure (B-A)</b>	<b>-</b>	<b>-</b>	<b>-</b>

##### Sensitivity

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

	Impact on loss after tax		
	March 31, 2017	March 31, 2016	April 01, 2015
( ` ) / USD increased by 5% (previous year 5%)	-	-	-
( ` ) / USD decreased by 5% (previous year 5%)	-	-	-

##### (ii) Cash flow and fair value interest rate

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

##### (a) Interest rate risk exposure

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates.

	` in million		
	March 31, 2017	March 31, 2016	April 01, 2015
Variable rate borrowings	-	-	-
Fixed rate borrowings	-	-	-
<b>Total borrowings</b>	<b>-</b>	<b>-</b>	<b>-</b>

##### (b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.



## Consolidated Central Bombay Cable Network Limited

### Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

**Impact on loss after tax**  
**March 31, 2017**   **March 31, 2016**

Interest rates - increase by 100 basis points (31 March 2016 150bps)	-	-
Interest rates - decrease by 100 basis points (31 March 2016 150bps) *	-	-

#### 49 Capital management

##### Risk Management

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

Particular	in million		
	March 31, 2017	March 31, 2016	April 01, 2015
Cash and cash equivalents (refer note 8)	16.28	36.64	31.34
Current investments	-	-	-
Margin money	-	-	-
<b>Total cash (A)</b>	<b>16.28</b>	<b>36.63</b>	<b>31.34</b>
Borrowings (non-current, financial liabilities)	386.77	21.97	600.39
Borrowings (current, financial liabilities) (refer note 20)	-	-	-
Current maturities of long-term borrowings (refer note 22)	-	-	-
Current maturities of finance lease obligations (refer note 22)	-	-	-
<b>Total borrowing (B)</b>	<b>386.76</b>	<b>21.97</b>	<b>600.39</b>
<b>Net debt (C=B-A)</b>	<b>370.48</b>	<b>-14.66</b>	<b>569.05</b>
Total equity	9.76	8.79	8.29
<b>Total capital (equity + net debts) (D)</b>	<b>380.26</b>	<b>-5.87</b>	<b>577.36</b>
<b>Gearing ratio (C/D)</b>	<b>0.97</b>	<b>2.50</b>	<b>0.99</b>

#### 50 Disclosure on Specified Bank Notes (SBN's)

As required by Ministry of Corporate Affairs notification G.S.R. 506(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise details of SBN and other notes is given below:

Closing cash on hand as on November 08, 2016

(+) Amount withdrawn from banks

(+) Permitted receipts

(-) Permitted payments

(-) Amount deposited in banks

**Closing cash on hand as on December 30, 2016**

SBN	Other denomination notes	Total
1.81	3.24	5.05
-	-	-
0.00	9.63	9.63
0.20	0.49	0.69
1.60	6.67	8.28
-	<b>5.71</b>	<b>5.71</b>

\*Represents amount directly deposited by certain customers/bank collection service agents in bank accounts of the Company.

Tax Expense		
The major components of income tax for the year are as under:	March 31, 2017	in million April 01, 2016
<b>Income tax related to items recognised directly in the statement of profit and loss</b>		
Current tax - current year	2.86	20.08
Deferred tax charge / (benefit)	0.77	1.33
<b>Total</b>	<b>3.63</b>	<b>21.41</b>
Effective tax rate	70.58%	105.65%
<b>A reconciliation of the income tax expense applicable to the profit before income tax at statutory rate to the income tax expense at the Company's effective income tax rate for the year ended 31 March, 2017 and 31 March, 2016 is as follows:</b>		
Loss before tax	5.14	20.27
Effective tax rate	30.90%	30.90%
Tax at statutory income tax rate	1.59	6.26
Tax effect on non-deductible expenses		
Additional allowances for tax purposes		
Effect of tax on group companies incurring losses		
Effect of tax rate difference of subsidiaries		
Other permanent difference	2.04	15.15
<b>Tax expense recognised in the statement of profit and loss</b>	<b>3.63</b>	<b>21.41</b>