

DHOOPAR & ASSOCIATES

CHARTERED ACCOUNTANTS

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Ref. No.....

Dated.....

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SITI KRISHNA Digital Media SERVICES Pvt. Ltd.

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **SITI KRISHNA Digital Media SERVICES Pvt. Ltd.** ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require



Address :- 4852/24, 1st Floor, Ansari Road, Darya Ganj, New Delhi – 110002
D – 279, Anand Vihar, New Delhi – 110092.

that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 auditors' 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 control 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 sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure Aa** statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

(b) In our opinion, proper books of accounts required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



(e) On the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure B**.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

- i. The Company has disclosed the impact, if any, of pending litigations as at 31st March 2017 on its financial position in its standalone financial statements – Refer Note no. 1.2- c of the additional notes to the financial statements:
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For DHOOPAR & ASSOCIATES
Chartered Accountants


(Pratibha DhooPar, ACA)

Prop, M. No. 512256

FRN:024377N

Date : 24.05.2017

Place : New Delhi

SITI KRISHNA DIGITAL MEDIA PRIVATE LIMITED
Statement of Profit and Loss for the year ended March 31, 2017

	Notes	March 31, 2017 ` millions	March 31, 2016 ` millions
Revenue			
Revenue from operations	27	28.65	41.40
Other income	28	-	0.00
Total revenue		28.65	41.40
Expenses			
Cost of materials consumed	29	-	-
Purchases of traded goods	30	-	-
Carriage sharing, pay channel and related costs		-	16.78
Employee benefits expense	31	1.69	1.65
Finance costs	32	0.00	0.01
Depreciation and amortisation expenses	33	3.60	4.12
Other expenses	34	21.62	16.17
Total expenses		26.91	38.72
Loss before prior period expenses		1.74	2.68
Prior period expenses	47	-	-
Loss before and after tax		1.74	2.68
Tax expense:			
(1) Current tax		-	0.32
(2) Deferred tax		-	-
Loss/Profit after tax		1.74	2.37
Loss per share after tax	35		
Basic		173.74	236.62
Diluted		173.74	236.62
Summary of significant accounting policies	3		

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

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

For DHOOFA & ASSOCIATES
Chartered Accountants

(Pratibha Dhoofa, ACA)
Prop. M. No. 512256
FRN:024377N

Place : New Delhi
Date : 24-05-2017

For and on behalf of the Board of Directors of
SITI Krishna Digital Media Private Limited

PRAVEEN KRISHNA CHUGH

ANIL JAIN

SITI KRISHNA DIGITAL MEDIA PRIVATE LIMITED
Balance Sheet as at March 31, 2017

	Notes	March 31, 2017 ` millions	March 31, 2016 ` millions	April 1, 2015 ` millions
A. Assets				
1. Non-current assets				
Fixed assets				
(a) Property, plant and equipment	4	25.95	29.54	32.26
(b) Capital work-in-progress	4	-	-	-
(c) Other intangible assets	5	-	-	-
(d) Intangible assets under development	5	-	-	-
(e) Financial assets				
(i) Investments	6	-	-	-
(ii) Loans	7	-	-	-
(iii) Others	8	-	-	-
(iv) Deferred Tax	8a	-	-	-
(f) Other non-current assets	9	-	-	-
Sub-total of Non-current assets		25.95	29.54	32.26
2. Current assets				
(a) Inventories	10	-	-	-
(b) Financial assets				
(i) Trade receivables	12	0.82	0.97	1.20
(ii) Investments	11	-	-	-
(iii) Cash and bank balances	13	14.33	11.70	30.89
(iv) Loans	15	-	-	-
(v) Others	14	-	-	-
(c) Current tax assets		-	-	-
(d) Other current assets	16	-	2.82	0.13
Sub-total of Current assets		15.15	15.50	32.23
Total assets		41.10	45.04	64.49
B. Equity and liabilities				
Equity				
(a) Equity share capital	17	0.10	0.10	0.10
(b) Other equity	18	2.45	0.82	(1.79)
(c) Non-controlling interests		-	-	-
Sub-total - Equity		2.55	0.92	(1.69)
Liabilities				
1. Non-current liabilities				
(a) Financial liabilities				
(i) Long-term borrowings	19	-	-	-
(ii) Other financial liabilities	21	-	-	-
(b) Provisions	20	-	-	-
(c) Deferred tax liability (net)	20a	(0.25)	(0.20)	0.19
(d) Other non-current liabilities	22	0.23	0.18	0.98
Sub-total - Non-current liabilities		(0.02)	(0.02)	1.17
2. Current liabilities				
(a) Financial liabilities				
(i) Borrowings	23	-	-	-
(ii) Trade payables	24	25.36	32.60	47.93
(iii) Other financial liabilities	25	-	-	-
(b) Other current liabilities	26	13.21	11.55	17.07
(c) Provisions	26a	-	-	-
Sub-total of current liabilities		38.57	44.15	65.01
Total equity and liabilities		41.10	45.04	64.49
Summary of significant accounting policies	3	-	-	0.00

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 DHOOPAR & ASSOCIATES

Chartered Accountants

(Practising as a Firm)

Prop. M. No. 412224

FRN:024977N

Place: New Delhi

Date: 24-05-2017

For and on behalf of the Board of Directors of
SITI Krishna Digital Media Private Limited

PRAVEEN KRISHNA CHUGH

ANIL JAIN

SITI KRISHNA DIGITAL MEDIA PRIVATE LIMITED

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

12

Tangible assets	Gross block	Building	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Air conditioners	Studio equipment	Vehicles	Leasehold improvements	Set top boxes	IRD boxes	Total	(in millions)
Balance as at April 1, 2015	14.65	-	-	-	-	-	-	-	-	-	462.21	-	-	-
Additions	5.32	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-	8.73	-	-	14.05
Balance as at March 31, 2016	19.97	-	-	-	-	-	-	-	-	-	470.94	-	-	14.05
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2017	19.97	-	-	-	-	-	-	-	-	-	470.94	-	-	490.92
Accumulated depreciation														
Balance as at April 1, 2015	3.49	-	-	-	-	-	-	-	-	-	150.77	-	-	154.26
Charge for the year	1.41	-	-	-	-	-	-	-	-	-	-	-	-	41.21
Reversal on disposal of assets	-	-	-	-	-	-	-	-	-	-	39.80	-	-	-
Balance as at March 31, 2016	4.90	-	-	-	-	-	-	-	-	-	190.57	-	-	195.47
Charge for the year	0.90	-	-	-	-	-	-	-	-	-	35.05	-	-	35.95
Reversal on disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2017	5.80	-	-	-	-	-	-	-	-	-	225.62	-	-	231.42
Net block														
Balance as at March 31, 2016	15.07	-	-	-	-	-	-	-	-	-	280.37	-	-	(181.42)
Balance as at March 31, 2017	14.17	-	-	-	-	-	-	-	-	-	245.33	-	-	259.50



SITI KRISHNA DIGITAL MEDIA PRIVATE LIMITED

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

**6 Non-current investments (Trade, unquoted)
Long term investments
(Valued at cost unless stated otherwise)**

	March 31, 2017 * millions	March 31, 2016 * millions	April 1, 2015 * millions
Investment in equity instruments-subidiarices			
Investment in debenture-subidiarices			
Investment in equity instruments-others			
Less : Provision for diminution in the value of investments			
Investment in preference shares			
Aggregate amount of unquoted investments			
Aggregate amount of provision for diminution in the value of investments			

In addition to the above, the Company holds certain 6% Non-cumulative redeemable preference shares of ` 100 each fully paid up in a few companies

7 Loans

	March 31, 2017 * millions	March 31, 2016 * millions	April 1, 2015 * millions
Security deposits			
Unsecured, considered good			
Doubtful			
Less: Provision for doubtful security deposits			

8 Others- Fixed deposits

	March 31, 2017 * millions	March 31, 2016 * millions	April 1, 2015 * millions
Margin money deposit (pledged) and deposit with statutory authorities			
Bank deposit with maturity upto twelve months			

8a Deferred Tax Assets

	March 31, 2017 * millions	March 31, 2016 * millions	April 1, 2015 * millions



9	Other non-current assets	March 31, 2017 * millions	March 31, 2016 * millions	March 31, 2015 * millions
	Capital advances			
	Other advances			
	Prepaid expenses			
	Ancillary cost of arranging for borrowings			

10	Inventories (Valued at lower of cost or net realisable value)	March 31, 2017 * millions	March 31, 2016 * millions	April 1, 2015 * millions
	Stores and spares			

11	Current investments (Non trade, quoted)	March 31, 2017 * millions	March 31, 2016 * millions	April 1, 2015 * millions
	Investments in mutual funds			

12	Trade receivables	March 31, 2017 * millions	March 31, 2016 * millions	April 1, 2015 * millions
	Unsecured, considered good			
	Unsecured, considered doubtful	0.82	0.97	1.20
		0.82	0.97	1.20
	Less: Provision for doubtful debts			
	Other receivables			
	Unsecured, considered good	0.82	0.97	1.20
		0.82	0.97	1.20

Note:

i) During the current year, the Company has assigned and transferred specific accounts receivable balances amounting to Nil million (previous year 441.03 million) to its wholly owned subsidiary company as per the

13	Cash and bank balances	Current March 31, 2017 * millions	Current March 31, 2016 * millions	Current April 1, 2015 * millions
	Cash and cash equivalents			
	Cash on hand	1.74	0.93	1.01
	Cheques on hand			
	Balances with banks			
	On current accounts	11.67	9.86	28.96
	In deposit account (with maturity upto three months)	0.92	0.92	0.92
		14.33	11.70	30.89

14	Others - unbilled revenue and interest accrued on fixed deposits	Non-current March 31, 2017 * millions	Non-current March 31, 2016 * millions	Non-current April 1, 2015 * millions
	Others			
	Interest accrued and not due on fixed deposits			
	Unbilled revenue			



Deficit in the Statement of profit and loss			
Balance at the beginning of the year	0.82	(1.79)	0.67
Add: Adjustment on account of depreciation charge pursuant to implementation of Schedule II of the Companies Act	(0.10)	0.24	
Less: prel. Exp w.off	(0.00)		
Add: Profit/Loss for the year	1.74	2.37	0.21
Balance at the end of the year	2.45	0.82	0.88
Other Comprehensive Income			(2.67)
	2.45	0.82	(1.79)

19 Long-term borrowings

(a) Term loans from banks (Secured)

Term loans			
Buyer's credits			
Finance lease obligations			
Unsecured loan			

The above amount includes

Secured borrowings			
Amount disclosed under the head "other current liabilities" (Note 8)			
Net amount			

March 31, 2017 millions	March 31, 2016 millions	April 1, 2015 millions

20 Provisions

Provision for employee benefits (Refer Note 31)

Provision for gratuity			
Provision for compensated absences			

March 31, 2017 millions	March 31, 2016 millions	April 1, 2015 millions

20a Deferred tax liability (net)

March 31, 2017 millions	March 31, 2016 millions	April 1, 2015 millions
(1.25)	(1.20)	0.19
(0.25)	(0.20)	0.19

21 Other financial liabilities

Creditors for capital goods

March 31, 2017 millions	March 31, 2016 millions	April 1, 2015 millions

22 Other liabilities

Deferred Activation Income

March 31, 2017 millions	March 31, 2016 millions	April 1, 2015 millions
0.23	0.18	0.98
0.23	0.18	0.98

23 Short-term borrowings

Secured			
Loans repayable on demand from banks			
Unsecured			
Optionally fully convertible debenture from promoter group company			

March 31, 2017 millions	March 31, 2016 millions	April 1, 2015 millions



	March 31, 2017 millions	March 31, 2016 millions	April 1, 2015 millions
24 Trade payables			
- Total outstanding dues of micro enterprises and small enterprises; and	25.36	32.60	47.93
- Total outstanding dues of creditors other than micro enterprises and small enterprises	28.36	32.60	47.93
25 Other financial liabilities			
Current maturities of long-term borrowings (Refer note 7)	-	-	-
Current maturities of finance lease obligations (Refer note 7)	-	-	-
Interest accrued but not due on borrowings	-	-	-
Bank overdraft	-	-	-
Creditors for capital goods	-	-	-
26 Other Current Liabilities			
Deferred Activation Income	0.09	0.94	1.69
Payable for statutory liabilities (refer note 8 (i) below)	13.12	10.61	15.38
	13.21	11.55	17.07
26a Provisions			
Provision for employee benefits (Refer Note 31)	-	-	-
Provision for gratuity	-	-	-
Provision for compensated absences	-	-	-



SITI KRISHNA DIGITAL MEDIA PRIVATE LIMITED

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

27 Revenue from operations	March 31, 2017 ` millions	March 31, 2016 ` millions
Sale of services		
Subscription income	27.40	39.43
Advertisement income	-	-
Carriage income	-	-
Activation and Set top boxes pairing charges	1.25	1.98
Set top box pairing charges	-	-
Other operating revenue		
Sale of traded goods*	-	-
Lease rental charges	-	-
Other networking and management income	-	-
Scrap sales	-	-
	28.65	41.40
* Details of sale of traded goods		
Set top box and viewing cards	-	-
Store and spares	-	-
	-	-
28 Other income	March 31, 2017 ` millions	March 31, 2016 ` millions
Interest income on		
Bank deposits	-	-
Others	-	-
Excess provisions written back	-	-
Profit on sale of fixed assets	-	-
Other non-operating income	-	0.00
	-	0.00
29 Cost of materials consumed-stores and spares	March 31, 2017 ` millions	March 31, 2016 ` millions
Opening stock	-	-
Add: Purchases during the year	-	-
Less: Transferred to fixed assets	-	-
Less: Closing stock	-	-
	-	-
30 Purchases of traded goods	March 31, 2017 ` millions	March 31, 2016 ` millions
Set top boxes	-	-
Viewing cards	-	-
	-	-



SITI KRISHNA DIGITAL MEDIA PRIVATE LIMITED

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

31 Employee benefits expense

	March 31, 2017 ` millions	March 31, 2016 ` millions
Salaries, allowances and bonus	1.63	1.65
Contributions to provident and other funds	-	-
Employee benefits expenses	-	-
Staff welfare expenses	0.06	-
	<u>1.69</u>	<u>1.65</u>

32 Finance costs

	March 31, 2017 ` millions	March 31, 2016 ` millions
Interest	-	-
Bank charges	0.00	0.01
Amortisation of borrowing and ancillary costs	-	-
	<u>0.00</u>	<u>0.01</u>

33 Depreciation and amortisation expenses

	March 31, 2017 ` millions	March 31, 2016 ` millions
Depreciation of tangible assets (Refer note 12)	3.60	4.12
Amortisation of intangible assets (Refer note 13)	-	-
	<u>3.60</u>	<u>4.12</u>

34 Other expenses

	March 31, 2017 ` millions	March 31, 2016 ` millions
Rent	0.36	0.48
Rates and taxes	4.86	0.01
Communication expenses	0.05	0.06
Repairs and maintenance	-	-
- Network	-	-
- Building	-	-
- Others	0.02	0.29
Electricity and water charges	-	0.00
Legal, professional and consultancy charges	0.49	0.48
Printing and stationery	0.00	0.00
Service charges	-	-
Travelling and conveyance expenses	-	-
Auditors' remuneration*	-	-
Vehicle expenses	-	-
Insurance expenses	-	-
Provision for doubtful debts**	-	-
Provision for doubtful advances	-	-
Advertisement and publicity expenses	-	-
Commission charges and incentives	-	-
Bad debts	-	-
Program production expenses	-	-
Other operational cost	15.50	14.78
Business and sales promotion	0.04	0.01
Exchange fluctuation loss (net)	-	-
Miscellaneous expenses	0.29	0.07
	<u>21.62</u>	<u>16.17</u>

*Auditors' remuneration

as an auditor

Limited review fees

for other services (certifications)

for reimbursement of expenses

0.03 0.03

** Provision for doubtful debts is net of write-back of liability in relation to specifically corresponding revenue sharing costs aggregating ` 20.52 million (Previous year ` 24.95 million).



SITI KRISHNA DIGITAL MEDIA PRIVATE LIMITED

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



SITI KRISHNA DIGITAL MEDIA PRIVATE LIMITED

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

35 Earnings per share

	March 31, 2017	March 31, 2016
	millions	millions
Profit/Loss attributable to equity shareholders	1.74	2.68
Number of weighted average equity shares		
Basic		0
Diluted		0
Effect of dilutive potential equity shares~		
Employee stock options		-
Warrants		-
Optionally fully convertible debentures		-
Nominal value of per equity share (₹)		0
Loss per share after tax (₹)		
Basic		
Diluted		

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

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DHOOPAR & ASSOCIATES

CHARTERED ACCOUNTANTS

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+91-9312259066

Ref. No.....

Dated.....

NOTE -1 : SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDING 31ST MARCH, 2017

1.1 CORPORATE INFORMATION:

Siti Krishna Digital Media Private Limited (hereinafter referred to as the 'Company') is registered in New Delhi, India. The Company is a Multiple Service Operator (MSO) engaged in distribution of television channels through analogue and digital cable distribution network, primary internet and allied services.

1.2 BASIS OF PREPARATION:

The financial statements of the Company 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 with 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. Carriage

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D - 279, Anand Vihar, New Delhi - 110092.



Income receivable from SCNL is not recognized as revenue and no effect of Carriage sharing, pay channel and related costs payable to SCNL is given in the books of accounts.

1.5 RECOGNITION OF INCOME AND EXPENSE:

Items of income and expenditure are recognized on accrual basis.

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.

Asset category Rate of depreciation/ amortization

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 company 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.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

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 RELATED PARTY DISCLOSURES:-

Names of related parties:

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



SitiChhatisgarh Media Network Private Limited	Fellow Subsidiary
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
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 SaistarDigitalmedia Private Limited)	Fellow Subsidiary
Variety Entertainment Private Limited	Fellow Subsidiary
Voice Snap Services Private Limited	Fellow Associates

Other Related Parties:

Mr. Praveen Krishna Chugh	-	Director
Mr. Anil Jain	-	Director
Ms. Anil Kumar Malhotra	-	Director

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

- Sale/ purchase of goods and services

	Year ended	Sale of goods and services	Purchase of goods and services	Amount owed by related parties	Amount owed to related parties
Holding Company					
Siti Cable Network Limited	March 31, 2017	-	-	-	1,98,13,896
	March 31, 2016	-	25,21,375.00	-	2,60,32,367

2.6 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	17,37,371	23,66,219
Number of Equity Shares	10,000	10,000
Nominal Value of Equity Shares	10	10
Basics Earnings per Share	173.74	236.62

2.7 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

**For DHOOPAR & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 024377N**

**For & on Behalf of the Board
SITI KRISHNA DIGITAL MEDIA PRIVATE LIMITED**

**(CA PRATIBHA DHOOPAR, CA)
Partner
M.No.512256**



Director

Director

**Date: 24/05/2017
Place: DELHI**

SITI KRISHNA DIGITAL MEDIA PRIVATE 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 cost
Financial assets			
Deferred Tax	4	-	-
Bank deposits		-	-
Amount recoverable		-	-
Interest accrued and not due on fixed deposits		-	-
Security deposits		-	-
Investment (Non-current, financial assets)		-	-
Unbilled revenues		-	-
Trade receivables	5	-	0.82
Investment (Current, financial assets)		-	-
Cash and cash equivalents	6	-	14.33
Total financial assets		-	15.15
Financial liabilities			
Borrowings (non-current, financial liabilities)		-	-
Borrowings (current, financial liabilities)		-	-
Payables for purchase of property, plant and equipment		-	-
Security deposits received from customer		-	-
Trade payables	13	-	25.36
Other financial liabilities (current)		-	-
Total financial liabilities		-	25.36

	NOTES	millions	
		March 31, 2016	
		FVTPL	Amortised cost
Financial assets			
Deferred Tax		-	-
Bank deposits		-	-
Amount recoverable		-	-
Interest accrued and not due on fixed deposits	7	-	-
Security deposits		-	-
Investment (Non-current, financial assets)		-	-
Unbilled revenues		-	-
Trade receivables	5	-	0.97
Investment (Current, financial assets)		-	-
Cash and cash equivalents	6	-	11.70
Total financial assets		-	12.67
Financial liabilities			
Borrowings (non-current, financial liabilities)		-	-
Payables for purchase of property, plant and equipment		-	-
Security deposits		-	-
Trade payables	13	-	32.60
Other financial liabilities (current)		-	-
Total financial liabilities		-	32.60

	NOTES	millions	
		April 01, 2015	
		FVTPL	Amortised Cost
Financial assets			
Bank deposits		-	-
Amount recoverable		-	-
Interest accrued and not due on fixed deposits	7	-	-
Security deposits		-	-
Investment (Non-current, financial assets)		-	-
Unbilled revenues		-	-
Trade receivables	5	-	1.20
Investment (Current, financial assets)		-	-
Cash and cash equivalents	6	-	30.89
Total financial assets		-	32.09
Financial liabilities			
Borrowings (non-current, financial liabilities)		-	-
Borrowings (current, financial liabilities)		-	-
Payables for purchase of property, plant and equipment		-	-
Security deposits		-	-
Trade payables	13	-	47.93
Other financial liabilities (current)		-	-
Total financial liabilities		-	47.93

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:

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);

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:



SITI KRISHNA DIGITAL MEDIA PRIVATE LIMITED
Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

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

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

April 01, 2015	Date of Valuation	Level 1	Level 2	Level 3
Financial assets				
Mutual funds	At March 31, 2015	-	-	-

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
As at April 01, 2015	-
Acquired during the year	-
As at March 31, 2016	-
Additions during the year	-
Gains recognised in statement of profit and loss	-
As at March 31, 2017	-

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
Financial assets				
Bank deposits	-	-	-	-
Amount recoverable	-	-	-	-
Interest accrued and not due on fixed deposits	-	-	-	-
Security deposits	-	-	-	-
Investment (Non-current, financial assets)				
Unbilled revenue	-	-	-	-
Trade receivables	0.82	0.82	0.97	0.97
Cash and cash equivalents	14.33	14.33	11.70	11.70
Total financial assets	15.16	15.16	12.66	12.66
Financial liabilities				
Borrowings (non-current, financial liabilities)	-	-	-	-
Borrowings (current, financial liabilities)	-	-	-	-
Payables for purchase of property, plant and equipment	-	-	-	-
Security deposits	-	-	-	-
Trade payables	25.36	25.36	32.60	32.60
Other financial liabilities (current)	-	-	-	-
Total financial liabilities	25.35	25.35	32.60	32.60

	April 01, 2015	
	Carrying Amount	Fair Value
Financial assets		
Bank deposits	-	-
Amount recoverable	-	-
Interest accrued and not due on fixed deposits	-	-
Security deposits	-	-
Investment (Non-current, financial assets)		
Unbilled revenue	-	-
Trade receivables	1.20	1.20
Cash and cash equivalents	30.89	30.89
Total financial assets	32.09	32.09
Financial liabilities		
Borrowings (non-current, financial liabilities)	-	-
Borrowings (current, financial liabilities)	-	-
Payables for purchase of property, plant and equipment	-	-
Security deposits	-	-
Trade payables	47.93	47.93
Other financial liabilities (current)	-	-
Total financial liabilities	47.93	47.93



SITI KRISHNA DIGITAL MEDIA PRIVATE LIMITED

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

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 previous GAAP to Ind AS.

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 recognized 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 those estimates were in error.

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.

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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:

- a) The effects of the retrospective application or retrospective restatement are not determinable;
- b) 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
ASSETS				
Non-current assets				
a) Property, Plant and Equipment	3	32.26	-	32.26
b) Capital work-in-progress	3	-	-	-
c) Intangibles assets		-	-	-
d) Intangibles assets under Development		-	-	-
e) Financial Assets		-	-	-
i) Trade receivable		-	-	-
ii) Investments	4	-	-	-
iii) Others		-	-	-
f) Other non-current assets		37.26	-	32.26
Current assets				
a) Inventories		-	-	-
b) Financial Assets		-	-	-
i) Trade receivable	5	1.20	-	1.20
ii) Cash and cash equivalents	6	30.89	-	30.89
iii) Investments	7	-	-	-
iv) Others		-	-	-
c) Other current assets		0.13	-	0.13
		32.23	-	32.23
		64.49	-	64.49
		in million		
EQUITY AND LIABILITIES				
		Previous GAAP	Adjustments	Ind AS
Equity	9	0.10	-	0.10
a) Equity Share Capital	10	0.88	(2.67)	(1.79)
b) Other Equity		0.98	(2.67)	(1.69)



SITI KRISHNA DIGITAL MEDIA PRIVATE LIMITED

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

LIABILITIES

Non-current liabilities

a) Financial liabilities

- i) Borrowings
- ii) Other financial liabilities

b) Provisions

c) Deferred Tax liabilities

e) Other non-current liabilities

11	0.19	-	0.19
12	-	0.98	0.98
	<u>0.19</u>	<u>0.98</u>	<u>1.17</u>

Current liabilities

a) Financial liabilities

- i) Borrowings
- ii) Trade payables
- iii) Other financial liabilities

b) Provisions

c) Other current liabilities

Total current liabilities

13	47.93	-	47.93
15	-	-	-
14	15.38	1.69	17.07
	<u>63.31</u>	<u>1.69</u>	<u>65.01</u>
	<u>63.51</u>	<u>2.67</u>	<u>66.18</u>

Total equity and liabilities

	<u>64.50</u>	<u>-</u>	<u>64.50</u>
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Reconciliation of previous GAAP and IndAS impact for Balance Sheet (March 31, 2016)

in million

ASSETS

Non-current assets

- a) Property, Plant and Equipment
- b) Capital work-in-progress
- c) Intangibles assets
- d) Intangibles assets under Development
- e) Financial Assets
 - i) Trade receivable
 - ii) Investments
 - iii) Others
- e) Other non current assets

	Previous GAAP	Adjustments	Ind AS
3	29.54	-	29.54
3	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	<u>29.54</u>	<u>-</u>	<u>29.54</u>

Current assets

- a) Inventories
- b) Financial Assets
 - i) Trade receivable
 - ii) Cash and cash equivalents
 - iii) Investments
 - iv) Others
- c) Other current assets

5	0.97	-	0.97
6	11.70	-	11.70
	-	-	-
7	-	-	-
	<u>2.82</u>	<u>-</u>	<u>2.82</u>
	<u>15.50</u>	<u>-</u>	<u>15.50</u>
-19.46	<u>45.04</u>	<u>-</u>	<u>45.04</u>

	Previous GAAP	Adjustments	Ind AS
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EQUITY AND LIABILITIES

Equity

a) Equity Share Capital

b) Other Equity

9	0.10	-	0.10
10	0.82	-	0.82
	<u>0.92</u>	<u>-</u>	<u>0.92</u>

LIABILITIES

Non-current liabilities

- a) Financial Liabilities
 - i) Borrowings
 - ii) Other Financial Liabilities
- b) Provisions

c) Deferred Tax liability (net)

e) Other non current liabilities

11	(0.20)	-	(0.20)
12	0.18	-	0.18
	<u>(0.02)</u>	<u>-</u>	<u>(0.02)</u>

Current liabilities

- a) Financial Liabilities
 - i) Borrowings
 - ii) Trade payables
 - iii) Other Financial Liabilities
- b) Provisions

c) Other current liabilities

Total current liabilities

13	32.60	-	32.60
15	-	-	-
14	11.55	-	11.55
	<u>44.15</u>	<u>-</u>	<u>44.15</u>
	<u>44.12</u>	<u>-</u>	<u>44.12</u>

Total equity and liabilities

	<u>45.04</u>	<u>-</u>	<u>45.04</u>
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SITI KRISHNA DIGITAL MEDIA PRIVATE LIMITED

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

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

		in million		
		Previous GAAP	Adjustments	Ind AS
Income				
Revenues from operations	16	41.40	-	41.40
Other income	17	0.00	-	0.00
Total Income		41.40	-	41.40
Expenses				
Purchase of traded goods		-	-	-
Carriage sharing, pay channel and related costs	18	16.78	-	16.78
Employee benefits expense	19	1.65	-	1.65
Finance costs	20	0.01	-	0.01
Depreciation and amortisation of non-financial assets	21	4.12	-	4.12
Other expenses	22	16.17	-	16.17
Total Expenses		38.72	-	38.72
Profit before exceptional item and tax		2.68	-	2.68
Prior period items		-	-	-
Profit/(Loss) before tax		2.68	-	2.68
Other Comprehensive Income				
Items that will not be reclassified to profit or loss in subsequent periods				
Remeasurement of defined benefit liability		-	-	-
Total comprehensive income		2.68	-	2.68

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

		in million		
		Notes to first time adoption	March 31, 2016	April 01, 2015
Total equity (shareholder's funds) as per previous GAAP			0.92	0.98
Adjustments:				
Optionally fully convertible debentures classified to equity			-	-
Redeemable preference shares transferred to liability			-	-
Effect of recognising interest expense on long-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			-	(2.67)
Effects of prior period items			-	-
Other			-	-
Total adjustments			-	(2.67)
Total equity as per Ind AS			0.92	(1.69)

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

		in million	
		Notes to first time adoption	31 March 2016
Net loss after tax as reported under previous GAAP for March 31, 2016			2.37
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 charges			-
Remeasurement of employee benefit obligation to other comprehensive income			-
Effects of prior period items			-
Other			-
Net loss after tax as reported under Ind AS for March 31, 2016			2.37
Other comprehensive income after tax			-
Total comprehensive income			2.37

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

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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, these investments are required to be measured at fair value through profit and loss where fair value

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 revenue.



SITI KRISHNA DIGITAL MEDIA PRIVATE LIMITED

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

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 optinally 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 deferred tax, wherever applicable.

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 ended March 31, 2016 increased by * 0.30 million. There is no impact on the total equity as at March 31, 2016.

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

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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

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 and	12 month expected credit loss
High credit risk	Trade receivables, security deposits and amount recoverable	Life time expected credit loss or fully provided for deposits and amount recoverable

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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	15.15	12.62	32.09
B: High credit risk	Trade receivables, security deposits and amount recoverable	0.82	0.97	1.20

Concentration of trade receivables

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



SITI KRISHNA DIGITAL MEDIA PRIVATE LIMITED

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

Credit risk exposure

Provision for expected credit losses

The Company provides for 12 month expected credit losses for following financial assets:
Expected credit loss for trade receivables under simplified approach

Particular			Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables			0.82	-	0.82
Security deposits				-	-
Advances recoverable				-	-
As at March 31, 2016					<i>in million</i>
Particular			Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables			0.97	-	0.97
Security deposits				-	-
Advances recoverable				-	-
As at April 01, 2015					<i>in million</i>
Particular			Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables			1.20	-	1.20
Security deposits				-	-
Advances recoverable				-	-
Reconciliation of loss allowance provision - Trade receivable, security deposit and accounts receivable					
Loss allowance on April 01, 2015					-
Changes in loss allowance					-
Loss allowance on March 31, 2016					-
Changes in loss allowance					-
Loss allowance on March 31, 2017					-

Contractual maturities of financial liabilities	<i>in million</i>		
	Less than one year	One to two years	More than two years
March 31, 2017			
Non-derivatives			
Borrowings (non-current, financial liabilities)	-	-	-
Borrowings (current, financial liabilities)	-	-	-
Other financial liabilities	-	-	-
Trade payables	25.36	-	-
Total non-derivative liabilities	25.36	-	-
March 31, 2016			
Non-derivatives			
Borrowings (non-current, financial liabilities)	-	-	-
Borrowings (current, financial liabilities)	-	-	-
Other financial liabilities	-	-	-
Trade payables	32.60	-	-
Total non-derivative liabilities	32.60	-	-
April 01, 2015			
Non-derivatives			
Borrowings (non-current, financial liabilities)	-	-	-
Borrowings (current, financial liabilities)	-	-	-
Other financial liabilities	-	-	-
Trade payables	47.93	-	-
Total non-derivative liabilities	47.93	-	-



SITI KRISHNA DIGITAL MEDIA PRIVATE LIMITED

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

50 Tax Expense			
The major components of income tax for the year are as under:			
		March 31, 2017	April 01, 2016
* in million			
Income tax related to items recognised directly in the statement of profit and			
Current tax - current year			0.47
Deferred tax charge / (benefit)			(0.39)
Total			0.08
Effective tax rate			2.73%
A reconciliation of the income tax expense applicable to the profit before income tax at statutory rate to the			
Loss before tax			2.68
Effective tax rate		30.90%	30.90%
Tax at statutory income tax rate		-	0.83
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			(0.76)
Tax expense recognised in the statement of profit and loss		-	0.07

