

Sumit Gupta & Co.

Chartered Accountants

23, IInd Floor, T-565,

Pragati Complex, Chamellan Road,

Near Idgah Circle, Delhi-110006

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Independent Auditor's Report

To the Members of SITI JONY DIGITAL CABLE NETWORK PRIVATE LIMITED

Report on the Financial Statement

We have audited the accompanying Financial Statements of M/s SITI JONY DIGITAL NETWORK PRIVATE LIMITED("the Company") which comprises the Balance Sheet as at 31st March, 2016, the Statement of Profit & Loss, the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information annexed.

Management's Responsibility for the Financial Statements

1. 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 financial statements, that 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 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; 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

Auditor's Responsibility

2. Our responsibility is to express an opinion on these financial statements based on our audit.
3. 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.



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4. 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 the financial statements are free from material misstatement.
5. 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.;
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2016;
 - b) In the case of statement of Profit & Loss, of the loss for the year ended on that date; and
 - c) In the case of cash flow statement of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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



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9. Further to our comments in the Annexure referred to above, 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 as required by law have been kept by the Company so far as appears from our examination of those books.
- c. The Financial Statement and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d. In our opinion, the Financial Statement and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 133 of the Companies Act, 2013, to the extent applicable.
- e. On the basis of written representations received from the directors as on 31st March, 2016 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of provisions of section 164 of the Companies Act, 2013.
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the accounting policies and notes of schedule 13 thereon give the information in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.:-
 - i) In the case of the Financial Statement, of the state of affairs of the Company as at 31st March, 2016 and;
 - ii) In the case of the cash flow statement of the cash flows of the Company for the year ended on that date.
- g. We have also audited the internal financial controls over financial reporting (IFCOPR) of the Company as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 10th May, 2016 as per Annexure II expressed unqualified opinion; and



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h. 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, in our opinion and to the best of our information and according to the explanations given to us:

- i. as detailed in financial statements, the Company has disclosed the impact of pending litigations on its financial position;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company (if any)

For Sumit Gupta & Co.
Chartered Accountants
FRN/022622N
Delhi

CA Sumit Gupta
(Partner)
Membership No 513086
Place- Delhi
Date- 10th May, 2016

Annexure I to the Independent Auditor's Report of even date to the members of Siti Jai Maa Durgee Communications Private Limited, on the financial statements for the year ended 31-March-2016

Annexure-I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:-

- I. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company has not any immovable properties.
- II. The Company does not have any inventory. Accordingly, the provision of the clause 3(ii) of the Order are not applicable.
- III. The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act Accordingly, the provision of the clause 3(iii)(a), 3(i)(b) and 3(iii)(c) of the Order are not applicable
- IV. In our opinion, the company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees and security
- V. The Company has not accepted deposits within the meaning of sections 73 to 76 the Act and the Companies (Acceptance of Deposits) Rule, 2014 (as amended). Accordingly the provision of clause 3(v) of the Order Are not applicable
- VI. To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable
- VII. (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited with the appropriate authorities. Further, no disputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six month from the date they become payable.
- (b) There are no dues in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess that have not been deposited with the appropriate authorities on account of any dispute



Annexure I to the Independent Auditor's Report of even date to the members of Siti Jony Digital Cable Network Private Limited, on the financial statements for the year ended 31-March-2016

- VIII. The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable
- IX. The Company did not raised moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loan outstanding during the year Accordingly, the provision of clause 3(ix) of the Order are not applicable.
- X. No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit
- XI. In our opinion, the provisions of section 197 of the Act read with Schedule V to the Act is not applicable to the Company as the Company does not pay any remuneration to its directors. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.
- XII. In our opinion, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- XIII. In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standard.
- XIV. During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year
- XV. The Company has not entered into any non cash transaction with directors or person connected with him.
- XVI. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

For Sumit Gupta & Co.
Chartered Accountants

FRN: 022622N

Delhi
CA Sumit Gupta
(Partner)
Membership No 513086
Place- Delhi
Date- 10th May, 2016

Annexure II to the Independent Auditor's Report of even date to the members of SITI JONY DIGITAL CABLE NETWORK PRIVATE LIMITED on the financial statements for the year ended 31 March 2016

Annexure II

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 financial statements of SITI JONY DIGITAL CABLE NETWORK PRIVATE LIMITED (the 'Company') as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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



Annexure II to the Independent Auditor's Report of even date to the members of SITIJONY DIGITAL CABLE NETWORK PRIVATE LIMITED on the financial statements for the year ended 31 March 2016

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the IFCoFR criteria established by the Company considering the essential components of internal financial controls stated in the Guidance Note issued by the ICAI.

For **Singh Gupta & Co.**
Chartered Accountants
Firm Regn. No. 022622N
Delhi
CA Singh Gupta
(Partner, Accountant)
Membership No 513086

Place- Delhi
Date- 10th may 2016

SITI JONY DIGITAL CABLE NETWORK PRIVATE LIMITED

Balance Sheet as at March 31, 2016

CIN: U64204DL2012PTC242214

	Notes	March 31, 2016 ₹	March 31, 2015 ₹
EQUITY AND LIABILITIES			
(I) Shareholders' funds			
Share capital	1	100,000	100,000
Reserves and surplus	2	(788,041)	(296,635)
		<u>688,041</u>	<u>(196,635)</u>
(II) Short-term borrowings			
Provision for Income Tax		412,234	313,817
Deferred Tax Liability		573,527	82,762
Long-term provisions		-	-
		<u>985,761</u>	<u>396,579</u>
(III) Current liabilities			
Short-term borrowings		-	-
Trade payables		-	-
Other current liabilities	3	15,344,301	16,009,558
Short-term provisions		-	-
		<u>15,344,301</u>	<u>16,009,558</u>
Total		<u>15,642,021</u>	<u>10,211,521</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	4	4,480,384	4,580,992
Intangible assets		-	-
Capital work-in-progress		-	-
Non-current investments			
Long-term loans and advances		80,000	80,000
Other non-current assets		-	-
		<u>4,560,384</u>	<u>4,660,992</u>
Current assets			
Current investments		-	-
Inventory		-	-
Trade Receivables	5	6,982,902	3,704,284
Cash and bank balances	6	4,075,035	1,705,255
Short-term loans and advances		-	-
Other current assets	6	23,700	140,990
		<u>11,081,637</u>	<u>5,550,529</u>
Total		<u>15,642,021</u>	<u>10,211,521</u>
Summary of significant accounting policies			
	13		

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

Sign in the balance sheet referred to in our report of even date

For Smit Gupta & Co.

Firm Registration No. 0426428

Chartered Accountants


CA Smit Gupta
Partner
M.No. 512086

Place: Delhi

Date: 10.05.2016

For and on behalf of the Board of Directors of
SITI Jony Digital Cable Network Pvt Ltd

 
[RANJAY KUMAR] [ASHISH KUMAR SINHA]
Director Director
DIN-06573923 DIN-07193735

SITI JONY DIGITAL CABLE NETWORK PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2016

CIN: U64204DL2012PTC242214

	Notes	March 31, 2016 ₹	March 31, 2015 ₹
Revenue			
Revenue from operations	7	8,648,072	11,813,020
Other income	8	9,400	6,800
Total revenue		8,657,472	11,819,820
Expenses			
Cost of materials consumed		-	-
Purchases of traded goods		-	-
Carriage sharing, pay channel and related costs		-	-
Employee benefit expenses	9	525,450	326,000
Finance costs	10	-	153,549
Depreciation and amortisation expenses	11	733,949	593,123
Other expenses	12	7,376,443	9,706,608
Total expenses		8,634,942	10,779,280
Profit/(Loss) before and after tax		22,530	1,040,540
Exceptional item		-	-
Profit/(Loss) before tax		22,530	1,040,540
Tax expenses			
Current Tax		96,417	278,814
Deferred Tax		490,745	42,712
Profit/(Loss) for the year		(564,632)	719,013
Profit/(Loss) per share after tax			
Basic		(56.46)	71.90
Diluted		(56.46)	71.90
Summary of significant accounting policies	13		

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

This is the Statement of Profit and Loss referred to in our report of even date

For Sumit Gupta & Co.

Firm Registration No-022622N

Chartered Accountants

CA Sumit Gupta

Partner

M.No. 513086

Place: Delhi

Date: 10.05.2016

For and on behalf of the Board of Directors of

SITI Jony Digital Cable Network Pvt Ltd

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AS

(SANJAY KUMAR)

(ASHISH KUMAR SINGH)

Director

Director

DIN-06373923

DIN-07193738

SITICABLE DIGITAL CABLE NETWORK PRIVATE LIMITED
Notes forming Part of Balance Sheet

Note: 1

Particulars	March 31, 2016	March 31, 2015
Authorized shares (No. Thousands) 10,000 Equity Shares of Rs. 10/- each	100000	100000
	100,000	100,000
Issued, subscribed and fully paid-up shares 10000 Equity shares of Rs. 10/- each	100000	100000
	100,000	100,000
Total issued, subscribed and fully paid-up share capital		

(Following disclosure should be made for each class of Shares)
In Equity Shares

Particulars	March 31, 2016		March 31, 2015	
	No.	₹	No.	₹
At the beginning of the period	10000	100000	10000	100,000
Issued during the period 10,000 Equity Shares of Rs. 10 each (Rs. 10,00,000)				
Outstanding at the end of the period	10000	100,000	10000	100,000

Out of Equity Shares issued by the Company, shares held by its holding company

Particulars	Nature of Relationship	As of 31 March 2016
Equity Shares SITICABLE NETWORK LIMITED	Holding Company	51.00

Name of Shareholder	Equity Shares March 31, 2016		Equity Shares March 31, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
SITICABLE NETWORK LIMITED	5100	51	5100	51
SANJAY KUMAR	4900	49	4900	49
Total	10000	100	10000	100



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SITI JONY DIGITAL CABLE NETWORK PRIVATE LIMITED
Notes forming Part of Balance Sheet

Notes-2
Reserves and surplus

Particulars	March 31, 2016	March 31, 2015
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	(796,635)	(1,015,848)
Profit for the year	(564,632)	719,017
Less: Appropriations		
Change in Equity due to Depreciation	(73,226)	-
Tax on proposed equity dividend	-	-
Transfer to general reserve	-	-
Total appropriations		
Net surplus in the statement of profit and loss	(789,891)	(296,831)
Total reserves and surplus	(789,891)	(296,831)

Notes-3
Other current liabilities

Particulars	March 31, 2016	March 31, 2015
Trade payables (including acceptances)	-	-
Other liabilities		
Others		
Salary Payable	647,690	40,378
Service tax payable	374,063	372,431
TDS payable	1,944,067	1,388,427
Entertainment Tax Payable	610,252	-
Advance from Customers	6,804,374	3,940,548
Sai Cable Network Limited	2,887,000	2,687,000
Sanjay Kumar	726,200	730,000
Muney	1,267,168	1,312,714
Pawan Kumar	79,486	104,618
Other Payable	15,344,301	10,807,558
	15,344,301	10,807,558



SATI JONNY DIGITAL CABLE NETWORK PRIVATE LIMITED

Notes forming Part of Balance Sheet

Fixed Assets	Balance as at 1 April 2015		Additions (Deposits)		Accrued Depreciation		Balance as at 31 Mar, 2016		Balance as at 31 Mar, 2015	
	1,018,294	4,317,048	271,367	1,061,596	152,195	22,336	421,917	365,443	1,772,350	1,822,271
Intangible Assets (Net Under Lease)										
Network Equipment										
Net Total	5,912,284	10,051,115	1,313,957	2,123,192	314,390	22,336	1,955,115	1,772,350	4,302,993	4,405,764



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SITI JONY DIGITAL CABLE NETWORK PRIVATE LIMITED

Notes forming Part of Balance Sheet

Trade receivables (Debtors) and other assets

Particulars	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	₹	₹	₹	₹
Trade receivables outstanding for a period less than six months from the date they are due for payment				
Secured, considered good			6,482,902	3,704,284
Unsecured, considered good				
Unsecured, considered doubtful				
Less: Provision for doubtful debts			6,982,902	3,704,284
Trade receivables outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good				
Unsecured, considered good				
Unsecured, considered doubtful				
Less: Provision for doubtful debts				
Total			6,982,902	3,704,284

Other Non-Current Assets	March 31, 2016		March 31, 2015	
	₹	₹	₹	₹
TDS Receivable	2,570			
Interest Receivable	21,330		140,990	
Service tax receivable	23,700		140,990	
	27,600		281,980	



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SITI JONY DIGITAL CABLE NETWORK PRIVATE LIMITED
Notes forming Part of Balance Sheet

Note 4
Cash and bank balances

	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	₹	₹	₹	₹
Cash and cash equivalents				
Balances with banks				
- On current account- ICICI Bank			3,832,685	1,144,633
- On unpaid dividend account				
Cheques/drafts on hand				
Unpaid matured deposits				
Unpaid matured debentures				
Cash on hand			242,350	560,620
			4,075,035	1,705,253
Other bank balances				
- Deposits with original maturity for more than 12 months	80,000	80,000		
- Deposits with original maturity for more than 3 months but less than 12 months				
- Margin money deposit				
	80,000	80,000		
Amount disclosed under non-current assets	80,000	80,000	4,075,035	1,705,253



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SITI JONY DIGITAL CABLE NETWORK PRIVATE LIMITED

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016

7 Revenue from operations

	March 31, 2016	March 31, 2015
	₹	₹
Sale of Services		
Subscription Income	8,495,812	10,671,513
Activation incomes	152,260	1,141,507
Scrap sales	-	-
	8,648,072	11,813,020

8 Other income

	March 31, 2016	March 31, 2015
	₹	₹
Interest income on Bank Deposits	9,400	6,800
	9,400	6,800

9 Employee benefit expenses

	March 31, 2016	March 31, 2015
	₹	₹
Salaries, allowances and bonus	501,450	276,000
Staff Welfare Expenses	24,000	50,000
	525,450	326,000

10 Finance costs

	March 31, 2016	March 31, 2015
	₹	₹
Bank charges	-	153,549
	-	153,549

11 Depreciation and amortisation expenses

	March 31, 2016	March 31, 2015
	₹	₹
Depreciation of tangible assets	733,050	593,123
Amortisation of intangible assets	-	-
	733,050	593,123

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SITI JONY DIGITAL CABLE NETWORK PRIVATE LIMITED

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2016

12 Other expenses

	March 31, 2016	March 31, 2015
	₹	₹
Rent	240,000	300,000
Rates and taxes	15,429	-
Communication expenses	12,000	13,600
- Others	24,000	115,730
Electricity and water charges	12,000	92,000
Legal, professional and consultancy charges	90,902	31,589
Travelling and conveyance expenses	-	6,000
Payment to auditors	35,000	35,000
Commission charges and incentives	3,603,168	7,103,688
Other operational cost	3,015,000	2,009,000
Miscellaneous expenses	328,884	-
	7,376,443	9,706,607

Earnings per share

	March 31, 2016	March 31, 2015
	₹	₹
Loss attributable to equity shareholders	(564,632)	719,013
Number of weighted average equity shares		
Basic	10,000	10,000
Diluted	10,000	10,000
Nominal value of per equity share (₹)	10	10
Profit per share after exceptional item and after tax (₹)		
Basic	(56.46)	71.90
Diluted	(56.46)	71.90



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SITI JONY DIGITAL CABLE NETWORK PRIVATE LIMITED
CIN: U64204DL2012PTC242214

NOTE:-13

Significant Accounting Policies and Notes to Accounts:

1. Background

Siti Jony Digital Cable Network Private Limited (hereinafter referred to as 'the Company') was incorporated in the state of Delhi on 13th September, 2012. The Company is a subsidiary of Siti Cable Network Limited having 51% equity in the Company. Since this is the first year of operation for the company therefore the comparative figures for the previous period are not available.

2. Basis of Preparation

The financial statement have been prepared to comply in all material respects with the notified accounting standards by companies Accounting standards Rules, 2006 as amended and the relevant provision of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company.

3. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

4. Fixed Assets:

Tangible

Tangible Fixed Assets are stated at cost less depreciation. Cost comprises of the purchase price and any allied cost such as Freight, Commissioning cost, Custom etc., including interest, attributable to bringing the asset to its working condition for its intended use.

Intangible Assets and Amortization

a) Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 "Intangible Assets" as specified in the Companies (Accounting Standards) Rule, 2006 and are amortized as follows:

- a. Preliminary Expenses are written off in terms of AS-26.
- b. Goodwill on acquisition is amortized using the straight-line method over a period of five years.

5. Depreciation:

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management or at the rates prescribed under the Schedule XIV of the Companies Act, 2013, whichever is higher. Depreciation of additions/ deductions is calculated pro rata from/ to the month of additions/ deductions.

As per management the life of plant & machinery & Set Top Boxes is estimated to 8 (eight) years, hence depreciated at 12.5% on Straight Line Method (SLM) basis, presuming 5% scrap value.



AS

6. **Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Income from Services

- ✓ Subscription revenue and other Services revenue are recognized on completion of services.
- ✓ Carriage fees are recognized on accrual basis over the terms of related agreements.
- ✓ Advertisement revenue is recognized when the related advertisement appears before the public. Other Advertisement revenue for slot sale is recognized on period basis.

7. **Provisions and Contingent Liabilities:**

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if:

- a. The company has a present obligation as a result of a past event
- b. A probable outflow of resources is expected to settle the obligation and
- c. The amount of the obligation can be reliably estimated

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received
Contingent Liability is disclosed in the case of

- a. A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- b. A possible obligation, unless the probability of outflow of resources is remote

Contingent Assets are neither recognized, nor disclosed

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet Date.

8. **Cash & Cash Equivalents**

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

9. **Income Tax**

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 India Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year 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 balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists set off current tax assets against current tax liabilities and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized 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 recognized only to the extent that there is reasonable certainty that



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sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

10. Impairment of Assets

As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

- a. The provision for impairment loss, if any required; or
- b. The reversal, if any, required of impairment loss recognized in previous period.

Impairment loss is recognized when the carrying amount of assets exceeds its recoverable amount.

Recoverable amount is determined:

- i) In the case of individual assets, at the higher of the net selling price and the value in use;
- ii) In the cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's net selling price and the value in use;

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset from its disposal at the end of its useful life)

11. Earning Per Share

In accordance with AS-20 "Earning Per Share" as notified by the Companies (Accounting Standards) Rules, 2006, (as amended) basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the number of shares outstanding during the year.

12. Provisions

A Provision is recognized when the company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expenses relating to any provision is presented in the income statement net of any reimbursement. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet Date and adjusted to reflect the current best estimates.

13. There is no amount due to Micro, Small and Medium Enterprises as per the Micro, Small and Medium enterprises Development Act, 2006.

The above information regarding Micro, Small and Medium Enterprises have been determined to the extent to which parties have been identified on the basis of information available with the Company.



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14. The Company is a service company and accordingly information required under paragraph 4(C) of Part II of Schedule VI to the Companies Act 2013 is not applicable to the Company.

15. Auditor's Remuneration:

Particulars	Amount in ₹	
	As At March 31, 2016	As At March 31, 2015
Statutory Audit Fees	25,000	20,000
Tax Audit Fees	10,000	10,000
TOTAL	35,000	30,000

16. Disclosure of Related Parties / Related Party Transactions.

List of Related Parties

Name of the Related Party	Relationship
Siti Cable Network Limited	Holding Company

Key Management Personnel :

S. No.	Name of Director	Designation
1	Anil Kumar Jain	Director
2	Sanjay Kumar	Director
3	Anil Kumar Malhotra	Director
4	Rajeev Sharma	Director
5	Ashish Kumar Singh	Director
6	Sanjay Goyal	Director (Resigned)

A. Transactions with related parties:

(Figures in ₹)

S. No	Nature of transaction	Amount of Transaction	Amount Due To	Amount Due From
1	Siti Cable Network Limited Purchase of Set Top Boxes MCA Filing Fees (Reimbursement) Other Expenses Management Charge	5,59,215/- 9,425/- 32,000/- 31,35,000/-	68,04,573.65	Nil
2	Pawan Kumar (Reimbursement of Expenses)	9,51,450/-	12,47,168/-	NIL



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17. In the opinion of the management, there is no impairment of assets requiring provisions in accordance with AS-28 relating to Impairment of Assets.
18. Balances of Debtors/Creditors are subject to confirmation.
19. Earnings Per Share is calculated as under:

The basic earning per share is calculated according to the number of shares during the period for financial statements i.e. for 31st March/2016.

The diluted earnings per share is calculated as described above, after taking into account, where applicable, diluting instruments in the earnings calculation.

Particulars	31 st March'2016	31 st March'2015
Net Profit / (Loss) as disclosed in Profit and Loss Account (Rupees Lacs)	(5,64.652)	7,19.015
Number of Equity Shares	16,000	10,000
Nominal Value of Shares (Rupees)	10.00	16.00
Basic and Diluted Earnings per share (Rupees)	(56.46)	71.90

For Sumit Gupta & Co.
 Chartered Accountants
 Firm Regn. No. 022622N
 Sumit Gupta
 (Partner)
 Membership No 513086

For Siti Jony Digital cable Network Limited

SJK
 Sanjay Kumar
 (Director)
 DIN-06373923

AS
 Ashish Kumar Singh
 (Director)
 DIN-07193735

Place- Delhi
 Date- 10.05.2016