

# Subhash C. Gupta & Co.

CHARTERED ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF Siti Vision Digital Media Pvt. Ltd.**

### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **Siti Vision Digital Media Pvt. Ltd.** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2016, 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 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 read together with Notes to the Balance Sheet and the other notes appearing elsewhere in the accounts 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 31<sup>st</sup> March 2016, and its loss 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 A** a 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 31<sup>st</sup> March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2016 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 31<sup>st</sup> March 2016 on its financial position in its standalone financial statements – Refer Note no. 1.2- d 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 Subhash C. Gupta & Co.**  
**Chartered Accountants**  
Firm's Registration No.: 004103N

  
Manoj Kumar  
(Partner)

Membership No.: 504435

Place : New Delhi

Date : 18.05.2016

## Annexure A to Independent Auditors' Report

**Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Siti Vision Digital Media Pvt. Ltd. on the standalone financial statements for the year ended 31st March 2016**

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 *except for Set Top Boxes capitalized/installed at customer premises.*
- (b) According to the information and explanations given to us the fixed assets (*other than Set top boxes installed at customer premises and those in transit or lying with the distributors/cable operators and distribution equipment comprising overhead and underground cables physical verification of which is infeasible owing to the nature and location of these assets*) have been physically verified by the management during the year in a phased periodical manner which, in our opinion, is reasonable, having regard to the size of the Company and nature of the assets. No material discrepancies were noticed on such verification.
- (c) Since the company does not own any immovable properties the provisions of the said clause of the Order are not applicable.
- (ii) The company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loans, Secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act.
- (iv) The Company has not granted any loans, made any investments nor provided any guarantee or security during the year accordingly the provisions of the said clause of the Order are not applicable.
- (v) To the best of our knowledge & according to the information and explanations given to us the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.



(vi) 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.

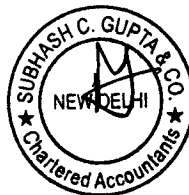
(vii)(a) To the best of our knowledge and according to the information and explanations given to us the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable *except in case service tax and TDS where there are considerable delays.*

(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 except for the following:

Nature of the dues	Amount (Rs.)	Period to which the amount relates	Due date	Forum where appeal is pending
Andhra Pradesh Entertainment Tax Act, 1939	340134.00	F.Y. 2010-11	5th of each month subsequent to month.	Entertainment Tax Officer, Khairtabad Circle, Hyderabad
Andhra Pradesh Entertainment Tax Act, 1939	292621.00	F.Y. 2011-12	5th of each month subsequent to month.	Entertainment Tax Officer, Khairtabad Circle, Hyderabad
Andhra Pradesh Entertainment Tax Act, 1939	21856985.00	F.Y. 2010-14	Department Order dated 31.03.2015, Pending in appeal.	Entertainment Tax Officer, Khairtabad Circle, Hyderabad


(viii) The Company has no dues payable to a financial institution or a bank or debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) The company has not raised any funds during the year from initial public offer or further public offer or by way of term loans. The unsecured loans taken during the year were applied for the purposes for which those are raised.



- (x) Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statement and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.
- (xi) Managerial remuneration has been paid or provided by the company during the year in accordance with the requisite approvals mandate by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
- (xii) Since the company is not a Nidhi company the provisions of clause 3(xii) of the order are not applicable.
- (xiii) As per the information and explanation provided to us, all the transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment/private placement of shares or convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable.
- (xv) According to the information and explanation provided to us the company has not entered into any non-cash transactions with directors or persons connected with him during the year accordingly the provisions of clause 3(xv) of the order are not applicable.
- (xvi) In our opinion and according to the information and explanation provided to us the company is not required to be registered u/s 45-IA of the Reserve Bank of India Act, 1934.

**For Subhash C. Gupta & Co.**  
**Chartered Accountants**  
**Firm's Registration No.: 004103N**

  
**Manoj Kumar**  
**(Partner)**

**Membership No.: 504435**

**Place : New Delhi**

**Date : 18.05.2016**

## **Annexure B to Independent Auditors' Report**

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of **Siti Vision Digital Media Pvt. Ltd.** on the standalone financial statements for the year ended 31st March 2016.

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of **Siti Vision Digital Media Pvt. Ltd.** ("the Company") as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

2. The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 its 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 Companies Act'2013.

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 internal financial controls system over financial reporting.

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

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

**For Subhash C. Gupta & Co.**

**Chartered Accountants**

**Firm's Registration No.: 004103N**

**M. Manoj Kumar**  
**(Partner)**

**Membership No.: 504435**

**Place : New Delhi**

**Date : 18-05-2016**



# SITI VISION DIGITAL MEDIA PVT. LTD.

## BALANCE SHEET AS AT MARCH 31,2016

AMOUNTS IN INR

Particulars	Notes	31-Mar-16	31-Mar-15
<b>I. EQUITY AND LIABILITY</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	14,776,210	14,776,210
(b) Reserves and Surplus	3	(86,245,535)	(36,817,122)
<b>(2) Share Application Money Pending Allotment</b>	4	-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long Term borrowings	5	132,317,102	107,092,102
(b) Deferred Tax Liability	6	2,050,861	5,129,067
(c) Other Long term liabilities	7	85,111,000	85,111,000
(d) Long term provisions	8	1,642,180	898,981
<b>(4) Current Liabilities</b>			
(a) Trade payables	9	484,608,437	362,776,765
(b) Other current liabilities	9	52,336,429	35,035,473
(c) Short term provisions	10	15,176,223	40,201,485
<b>Total</b>		<b>701,772,906</b>	<b>614,203,960</b>
<b>II.ASSETS</b>			
<b>(1) Non-current assets</b>			
<i>(a) Fixed assets</i>			
(i) Tangible assets	11	385,340,505	370,178,116
(ii) Intangible assets	11	15,985,593	7,715,130
(iii) Capita work-in-progress-STB		24,146,960	2,294,287
(c) Long term loans and advances	12	137,000	143,000
(d) Other non-current assets	13	-	-
<b>(2) Current assets</b>			
(a) Trade Receivables	14	192,442,497	158,215,037
(b) Cash and cash equivalents	15	42,216,513	24,148,974
(c) Short-term loans and advances	16	40,917,869	27,974,588
(d) Other current assets	13	585,969	23,534,828
<b>Total</b>		<b>701,772,906</b>	<b>614,203,960</b>
<b>Significant Accounting Policies</b>	1	-	-
<b>Notes referred above form integral part of the Balance Sheet</b>			

As per our Report of even date attached

For Subhash C. Gupta & Co.

Chartered Accountants

Firm Regn. No. 604435N

*Handwritten signature of Subhash C. Gupta*  
  
 (Mand. Kumar)  
 Partner

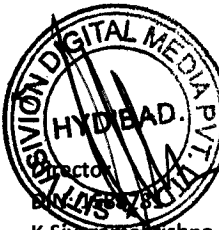
M. No. FCA - 504435

Dated: 18.05.2016

Place: New Delhi

For & on behalf of Board of Directors

Siti Vision Digital Media Pvt. Ltd.

*Handwritten signature of K. Sivaramakrishna*  
  
 Director  
 K.Sivaramakrishna

*Handwritten signature of D. Bharani Kumar*

Director

DIN:07195171

D.Bharani Kumar

# SITI VISION DIGITAL MEDIA PVT. LTD.

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

AMOUNTS IN INR


Particulars	Notes	31-Mar-16	31-Mar-15
<b>Continuing Operations</b>			
<b>Income</b>			
Revenue from operations	17	263,258,976	203,942,532
Other Income	18	6,029,745	52,318,592
<b>Total Revenue (I)</b>		<b>269,288,721</b>	<b>256,261,124</b>
<b>Expenses</b>			
Carriage Sharing, Pay Channel and related costs	19	214,580,190	170,114,231
Employees Benefit expenses	20	23,229,245	20,153,714
Financial costs	21	211,851	222,140
Depreciation and amortization expense	22	70,028,671	68,102,205
Other expenses	23	12,554,438	11,557,571
<b>Total Expenses (II)</b>		<b>320,604,395</b>	<b>270,149,862</b>
Profit before exceptional and extraordinary items and tax	(I - II)	(51,315,674)	(13,888,738)
Exceptional items- Prior Period expenses		1,190,945	-
-Provision for doubtful debt written back		-	-
Profit before tax		<b>(52,506,619)</b>	<b>(13,888,738)</b>
Tax expense:			
(1) Current tax		-	-
(2) Mat Credit Entitlement		-	-
(3) Previous Year Tax		-	634,113
(4) Deferred tax		(3,078,206)	(3,627,022)
<b>Total Profit/(Loss) for the period</b>		<b>(49,428,413)</b>	<b>(10,895,829)</b>
Earning per equity share:			
(1) Basic		(33.45)	(7.37)
(2) Diluted		(33.45)	(7.37)
<b>Significant Accounting Policies</b>	1		
<b>Notes referred to above form integral part of the Statement of Profit &amp; Loss</b>			

As per our Report of even date attached

For Subhash C. Gupta & Co.

Chartered Accountants

Firm Regn. No. 004103N



(Manoj Kumar)  
Partner

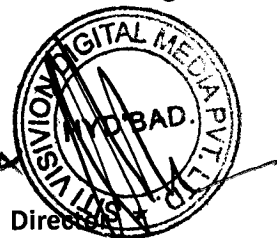
M. No. FCA - 504435

Dated: 18.05.2016

Place: New Delhi

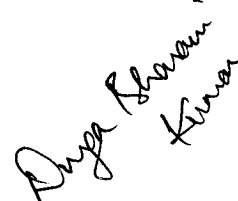
For & on behalf of Board of Directors

Siti Vision Digital Media Pvt. Ltd.



Director  
DIN: 01588781

Name: K.Sivaramakrishna



Director  
DIN: 07195171

Name: D.Bharani Kumar

**SITI VISION DIGITAL MEDIA PRIVATE LIMITED**

**CASH FLOW STATEMENT**

PARTICULARS	Year ended	Year ended
	March 31, 2016	March 31, 2015
	Amount in Rs.	Amount in Rs.
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Income / ( Loss ) before Tax	(52,506,619)	(13,888,738)
Adjustments for :		
Depreciation	70,028,671	68,102,205
Loss(profit) on sale /disposal of assets	-	-
Provision for Doubtful Debts	-	-
Interest Expense	-	-
Income Tax paid	-	(634,113)
Provision for Taxation	3,078,206	3,627,022
Prior period Adjustment	-	-
Taxes Paid	-	-
<b>Operating Profit before working capital changes</b>	<b>20,600,258</b>	<b>57,206,376</b>
Increase/(Decrease) Inventories	-	-
Increase in Trade Receivables	(34,227,460)	18,051,563
Decrease(increase) in Short Terms L&A and Other current assets	10,005,578	(7,206,439)
Decrease(increase) in Long Terms L&A and Other non-current assets	6,000	(6,000)
Increase(Decrease) in Long Terms liabilities and provisions	(2,335,007)	(3,540,237)
Current Liabilities and Provisions	114,107,366	(47,317,902)
<b>Net Cash Flow from Operating Activities</b>	<b>108,156,736</b>	<b>17,187,361</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(115,314,196)	(10,282,044)
Sale of Investments	-	-
sale of Fixed Assets	-	-
<b>Net Cash utilised in Investing Activities</b>	<b>(115,314,196)</b>	<b>(10,282,044)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid (Net)		
Proceeds from Long Term borrowings	25,225,000	(5,298,217)
Outflow from advances given	-	-
Proceeds from Share Application Money	-	(10,412,010)
Proceeds from Issue of Share Capital	-	-
<b>Net Cash provided by Financing Activities</b>	<b>25,225,000</b>	<b>(15,710,227)</b>
Net Increase in cash and cash equivalents during the year	18,067,539	(8,804,910)
cash and cash equivalents at beginning of year	24,148,974	32,953,884
<b>Cash and Cash Equivalents at end of the Year</b>	<b>42,216,513</b>	<b>24,148,974</b>
<b>Note :</b>		
1 Previous year figures have been regrouped / rearranged wherever necessary		
2 Component of Cash & cash Equivalents at the end of year		
Cash in hand	4,368,728	2,226,241
Cheques in Hand	-	-
Balances with Scheduled Banks in Current Accounts	37,847,785	21,922,733
	42,216,513	24,148,974
	0.00	0.00

As per our report of even date  
For Subhash C. Gupta & Co.  
Firm Regn No. 004103N  
Chartered Accountants

  
Manoj Kumar  
Partner  
Chartered Accountants

Membership No.: 504435  
Place : New Delhi  
Date : 18.05.2016

For Siti Vision Digital Media Pvt. Ltd.

  
K. Siva Lakshmi  
Director  
DIN: 07195171

  
D. Bharani Kumar  
Director  
DIN: 07195171

**SITI VISION DIGITAL MEDIA PRIVATE LIMITED**

**NOTES TO THE BALANCE SHEET AS AT MARCH 31, 2016**

**Note-1**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

**1.1 SIGNIFICANT ACCOUNTING POLICIES**

**a. Accounting Convention**

The financial statements are prepared on going concern basis in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (Act) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). The financial statements have been prepared on accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those of previous year.

**b. Tangible Fixed Assets**

Fixed Assets are stated at cost of acquisitions less depreciation and impairment losses if any. Cost of acquisitions comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

Set top boxes intended to be provided to subscribers are treated as part of capital work in progress till at the end of the month of activation thereof.

**c. Depreciation**

The company has adopted Schedule II to the Companies Act, 2013, for depreciation purposes, from 1 April 2014. The company was previously not identifying components of fixed assets separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of fixed asset

Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing after April 1, 2014, the Company has reworked depreciation with reference to the estimated economic lives of fixed assets prescribed by Schedule II to the Act or actual useful life of assets, whichever is lower as mentioned below. In case of any assets whose life has completed as above, the carrying value, net of residual value as at April 1, 2014 has been adjusted to the Reserves and in other cases the carrying value has been depreciated over the remaining of the revised life of the asset and recognised in the Statement of Profit and Loss.

**Tangible Assets:**

Type of assets	Useful Life (Years)
Plant & Machinery	8.00
Furnitures & Fixtures	10.00
Air Conditioners	5.00
Office Equipment	5.00
Studio Equipment	13.00
Vehicles	8 to 10
Set Top Boxes	8.00
Electrical Equipment	5.00
Computers	3.00

**Intangible Assets:**

Software are amortised over a period of six year on Straight-Line basis.



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#### d. Taxation on Income

Income Tax expenses comprises of current tax expense and deferred tax expense or credit

Provision for current tax is made in accordance with the provisions of Income Tax Act, 1961. Deferred Tax is recognised for timing differences between taxable income and accounting Income that originate in one period and capable of reversal in one or more subsequent period.

#### e. Revenue recognition

- a.) Subscription revenue and other service revenue are recognised on completion of services.
- b.) Advertisement revenue is recognised when the related advertisement appears before the public. Other Advertisement revenue for slot sale is recognised on period basis.
- c.) Carriage fees are recognised on accrual basis over the terms of related agreements.
- d.) Activation fees on Set top boxes (STB) is recognised as revenue on activation of the related boxes.

#### f. Retirement Benefits

Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to Profit & Loss Account of the year when the contributions to the respective funds are due.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Short term compensated absences are provided for based on estimates. Long-term compensated absences are provided for based on actuarial valuation on projected unit credit method at the end of each financial year.

Actuarial gains/losses are immediately taken to the profit and loss account and are not deferred.

#### g. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date. Impairment of Assets is recognised when there is an indication of Impairment and on such indication the recoverable amount of the assets is estimated and if such estimation is less than its carrying amount, the carrying amount is reduced to its recoverable amount.

#### h. Earning Per Share:

The Basic earning per share is computed by dividing the net profit or loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earning per share comprises the weighted average number of shares considered for deriving basic earning share, and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti dilutive

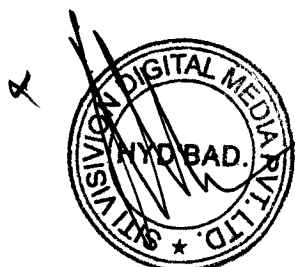
#### i. Provisions

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

#### j. Operating Lease

##### Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease charges are recognised as an expense in the Statement of profit and Loss on a straight-line basis over the lease term.



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## 1.2 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS

- a. Pursuant to the Accounting Standard for ' Taxes on Income' (AS-22), deferred tax liability/assets at the balance sheet date is:

	<b>31.03.2016</b>	<b>31.03.2015</b>
Deferred tax liability on account of difference between book value of depreciable assets as per books of account and written down value as per Income Tax	5,884,548	8,585,731
Deferred tax assets on account of disallowance under section 43 B	3,833,687	3,456,664
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>(2,050,861)</b>	<b>(5,129,067)</b>

### b. Earning per share:

	<b>31.03.2016</b>	<b>31.03.2015</b>
a) Profit/(Loss) after Tax	(49,428,413)	(10,895,829)
b) Weighted average No. of Ordinary Shares		
Basic	1,477,621	1,477,621
Diluted	1,477,621	1,477,621
c) Nominal Value of Ordinary Share	10	10
d) Earning per Ordinary share considering:		
Basic	(33.45)	(7.37)
Diluted	(33.45)	(7.37)

### c. Auditor's Remuneration (Including Legal & professional Charges)

<b>Particulars</b>	<b><u>2015-2016</u></b>	<b><u>2014-2015</u></b>
Audit fees Rs.	30,000	30,000
Tax Audit Fees	5,000	5,000
Other Matter	-	-
(Amount are exclusive of Service Tax)		

### d. Additional information

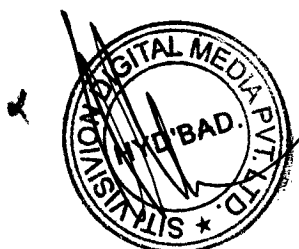
<b>Other Information</b>	<b><u>2015-2016</u></b>	<b><u>2014-2015</u></b>
Earning in Foreign Currency	-	-
Expenditure in Foreign Currency	-	-
CIF Value of Import	-	-

### Contingent Liabilities not provided for on account of:

	<b><u>2015-2016</u></b>		<b><u>2014-2015</u></b>	
Entertainment Tax Demand	21,856,985		21,856,985	
Other Legal Matters	Amount	Not	Amount	Not
	Ascertained	Ascertained	Ascertained	Ascertained
Estimated amount of contracts remaining to be executed on capital account (Net of Advances)	-	-	-	-

### e. Segment Reporting

Segment Reporting as required by Accounting Standard -17 issued by the Institute of Chartered Accountant of India is not applicable since the Company is in the business of providing Cable TV Services in one segment and there is no Geographical Segment.



**f. Related Parties Disclosure:**

**List of Parties where control exists**

**i Holding Company**

Siti Cable Network Limited (Formerly known as Wire & Wireless ( India ) Limited)

**ii Fellow Subsidiary Companies**

Siticable Broadband South Ltd.	SITI GLOBAL PVT. LTD.
Wire & Wireless Tisai Satellite Ltd.	SITI BROADBAND SERVICES PRIVATE LIMITED
Indian Cable Net Company Ltd.	SITI PRIME UTTARANCHAL COMMUNICATION PRIVATE LIMITED
Siti Jind Digital Media Communication Pvt. Ltd.	PANCHSHEEL DIGITAL COMMUNICATION NETWORK PRIVATE LIMITED
Siti Guntur Digital Network Pvt. Ltd.	SAI STAR DIGITAL MEDIA PRIVATE LIMITED
Siti Jai Maa Durge Communications Pvt. Ltd.	BARGACHH DIGITAL COMMUNICATION NETWORK PRIVATE LIMITED
Siti Bhatia Network Entertainment Private Limited	VARIETY ENTERTAINMENT PRIVATE LIMITED
Siti Krishna Digital Media Private Limited	Siti Siri Digital Network Pvt. Ltd.
Siti Jony Digital Cable Network Private Limited	SITI MAURYA CABLE NET PRIVATE LIMITED (Subsidiary of ICNCL)
Master Channel Community Network Private Limited	INDINET SERVICE PRIVATE LIMITED (100% Subsidiary of ICNCL)
Siti Faction Digital Private Limited	SITI KARNAL DIGITAL MEDIA NETWORK PRIVATE LIMITED
	Central Bombay Cable Network Ltd.

**iii Key Managerial Personnel**

Mr. K Sivaramakrishna- Managing Director	Mr. Anil Kumar Jain
Mr. Suresh Kumar	Mr.Sanjeev Tondon
Mr. I S Ramakrishna	Mr.Bharni Kumar Durga
Mr. Gopala Rao Jogi	

**iv Other Related Parties**

Sri Satya O & M Services	M.S.E. Swamy
Silpi Tech	Shivam infomedia & Ent. P. Ltd.
Sprint Telefilms Pvt. Ltd.	Squant Communication Pvt. Ltd.
Theme Ambience Construction Pvt. Ltd.	Subham Telecom Pvt. Ltd.
Vishwaroopa Info Services India P. Ltd.	Vainavi communication
Vision Infotel India Pvt. Ltd.	Sitivision Aads Pvt. Ltd.
Vision Infracon India Pvt. Ltd.	Viswanath Traders

**Transactions with:**

**Holding Company-Siti Cable Network Ltd.**

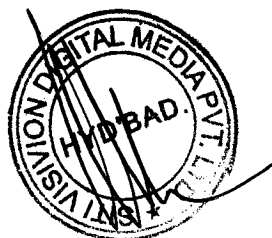
	<b>2015-2016</b>	<b>2014-2015</b>
Payment on account of Expenses	217,002.00	2,585,476.00
Payment made on their behalf	-	1,173,000.00
Payment received on behalf of others	-	-
Subscription charges paid	-	-
Carriage Income received	1,844,885.00	5,422,269.00
Purchase of Set top boxes	8,486,000.00	-
Licence Fees & Maintenance charges	9,667,245.00	10,066,800.00

**With Key Managerial Personnel**

Salary	3,600,000	1,800,000
Reimbursement of Expenses	191,700	62,876
Unsecured Loan received	22,900,000	23,476,000
Unsecured Loan repaid	19,235,000	8,901,000

**With other related parties**

Repair & maintenance-Network	9,600,000	9,600,000
Repair & maintenance-Network	-	-
Unsecured Loan received	52,970,000	39,125,000
Advertisement Income received	-	2,793,704
STB Activation Income received	1,564,351	233,833
Rent Paid	546,000	540,000
Share Application money Refunded	-	10,412,010
Purchase of Set top boxes	-	-
Interest Paid	-	-
Salary Paid	-	745,200
Unsecured Loan repaid	31,410,000	58,998,217



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**Outstanding as on 31.3.2016**

SCNL- Current Account (Cr)	258,879,615.00	246,539,107.00
SCNL- Loan Account(Cr)	84,811,000.00	84,811,000.00
Sri Satya O & M Services (Cr)	-	-
Silpi Tech (Cr)	4,709,899	4,709,899
Vishwaroopa Info Services India Pvt. Ltd.	5,601,252	4,186,713
Sitivision Aads Pvt. Ltd. (Dr)	2,475,645	2,475,645
Vainavi communication (Dr)	7,081,178	7,680,218
Theme Ambience (Cr)	1,295,998	809,998
Squant Communication Pvt. Ltd.	18,083,458	18,083,458
Mr. K Sivaramakrishna (Cr)	28,259,520	24,594,520
Mr. J Gopalarao (Cr)	3,518,100	3,518,100
Other related parties	100,539,482	78,979,482

**Remuneration Payable**

Mr. K Sivaramakrishna (Credit)	768,845	92,844
Mr. J. Gopal Rao (Credit)	1,080,004.36	32,038.64
Salary payable-Tech Support	1,785,000.00	1,338,750.00

**g. Other Disclosures:**

In view of the nature of business, where the necessary documentary evidence does not support the payment made/expenses incurred, the same are accounted for on the basis of certification of the Management.

**h.** Figures for the previous year have been regrouped / rearranged / recast whenever necessary to confirm for comparison purpose.

**i.** In the opinion of the Management the current assets, loan & advances shown in the Balance Sheet as at 31.03.2016 are considered good and fully recoverable , except other wise stated and provision for all known liabilities is made in the accounts.

**j.** Sundry Creditors, Sundry Debtors, Unsecured Loans, Expenses Recoverable/payable & other loans & Advances are subject to confirmation and reconciliation from parties.

**k.** Information required as per the Micro, Small and Medium Enterprises Development Act, 2006 small Scale Industries.

The Company has identified Micro, Small and Medium Enterprises on the basis of information available. As at March 31, 2016 there are no dues to Micro, Small and Medium Enterprises that are reportable under the MSMED Act, 2006.

**l.** The company has calculated the benefits provided to employees as per accounting standards 15, are as under

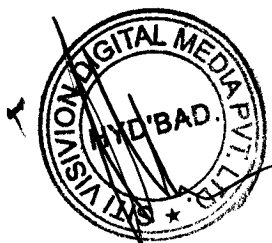
**Defined Benefit Plans**

- Gratuity Plan
- Leave Encashment

In accordance with Accounting Standards 15 (Revised), the actuarial valuation carried out in respect of the aforesaid defined benefit plans is based on the following assumption.

**Acturial Assumption**

	Leave Encashment	Employee Gratuity Fund
Discount Rate (Per annum)	8.00%	8.00%
Rate of Increase in compensation levels	6.00%	6.00%
Expected Rate of return on plan assets	-	-
Expected Average remaining working lives of employees (years)	22.60	22.60





**Change in obligation during the year ended 31st March, 2016**

Present Value of obligation as at 31st March, 2015

	122,455.00	776,526.00
Acquisition adjustment	-	-
Interest cost	9,796.00	62,122.00
Past service cost	-	-
Current service cost	119,745.00	374,610.00
Curtailment cost/(Credit)	-	-
Settlement cost/(Credit)	-	-
Benefits paid	-	-
Actuarial (gain)/loss on obligation	(11,452.00)	188,378.00
Present value of obligation as at the end of period (31st March, 2016)	240,544.00	1,401,636.00
Change in fair value plan Assets	Nil	Nil

**Movement in the liability recognized in the Balance Sheet**

Opening net liability	(122,455.00)	(776,526.00)
Expense as above	118,089.00	625,110.00
Benefits paid	-	-
Actual return on plan assets	-	-
Acquisition adjustment	-	-
Net assets/(Liability) recognised in Balance Sheet as provision (31.03.2016)	(240,544)	(1,401,636)

**Expenses recognised in Profit and Loss Account**

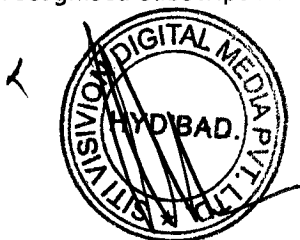
Current service cost	119,745	374,610
Past service cost	-	-
Interest cost	9,796	62,122
Expected return on plan assets	-	-
Curtailment cost / (Credit)	-	-
Settlement cost / (credit)	-	-
Net actuarial (gain)/ loss recognized in the period	(11,452)	188,378
Expenses recognized in the statement of profit & losses	118,089	625,110

**Acturial Assumption.**

The discount rate is generally based upon the market yields available on Government Bonds and salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

m. The accumulated losses as on 31st, March 2016 have exceeded the paid up capital of the company. In view of mandatory digitalisation and expansion in Hyderabad region which will yield substantial subscription revenue, increase in efficiency and assurance to extend all support in foreseeable future from holder of majority of equity shares of the company, these financial statements are prepared on going concern basis.



n. In view of mandatory digital addressable system (DAS) regulation announced by the Ministry of Information and Broadcasting, Government of India, digitalisation of cable network has been implemented in the cities notified for phase 1 and phase 2. The company has activated 2.73 Lakh Set top boxes in Hyderabad region under Digital Addressable cable TV System (DAS) in accordance with TRAI mandate for phase 2 cities. Owing to the initial delays in implementation of DAS in Hyderabad region and challenges faced by all the MSO's during transition from analog business to DAS, the company is in the process of executing contracts with the subscribers and implementation of revenue sharing contracts entered into with the local cable operators. Accordingly company has not invoiced and recognised subscription revenue under the new DAS regime.



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- o. During the year the company has initiated ground work and STB seeding under Digital Addressable cable TV System (DAS) in Hyderabad region in accordance with TRAI mandate for phase 1 and II cities. Since the TRAI is yet to notify the mandatory date of digitalisation company is continuing subscription billing as per Analogue system.
- p. Figures have been rounded off to the nearest rupee.
- q. Notes 1 to 23 form an integral part of the accounts and have been duly authenticated.

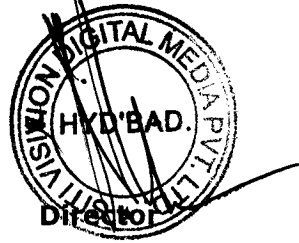
**As per our Report of even date  
For Subhash C. Gupta & Co.  
Firm Regn. No. 004103N  
Chartered Accountants**

  
  
**Manoj Kumar  
Partner  
M. No. 504435**

**Place: New Delhi**

**Date: 18.05.2016**

**For and on behalf of the Board**



  
**Director**

**SITI VISION DIGITAL MEDIA PVT. LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

Note 2. SHARE CAPITAL	31-Mar-16	31-Mar-15
<b>Authorised Shares</b>		
1500000 Nos. (P.Y 1500000) Equity Shres of Rs.10 each	15,000,000 <b>15,000,000</b>	15,000,000 <b>15,000,000</b>
<b>Issued , Subscribed and Fully Paid up</b>		
1477621 (P.Y 1477621) Equity Shares of Rs. 10 each fully paid up	14,776,210	14,776,210
<b>Total Issued, Subscribed and paid up Share Capital</b>	<b>14,776,210</b>	<b>14,776,210</b>

**a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Share Capital Schedule (No. of Shares Outstanding)	31-Mar-16		31-Mar-15	
	Nos.	Amount	Nos.	Amount
Opening number of Shares outstanding	1,477,621	14,776,210	1,477,621	14,776,210
Add : Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
Closing number of outstanding shares at the end of the period	<b>1,477,621</b>	<b>14,776,210</b>	<b>1,477,621</b>	<b>14,776,210</b>

In F.Y. 2010-2011, 748487 Equity Shares of Rs.10 each fully paid are allotted at the premium of Rs. 100 each for consideration other than cash pursuant to the purchase of Fixed assets under Slump Sale

In F.Y. 2010-2011, 19850 Equity Shares of Rs.10 each fully paid are allotted at the premium of Rs. 100 each for consideration other than cash against credit balance of Parties/Vendors towards purchase of Material.

**b. Out of Equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:**

Particulars	Nature of relationship	31-Mar-16	31-Mar-15
SITI CABLE NETWORK LIMITED	Holding Company	753587 Shares (51%)	753587 Shares (51%)

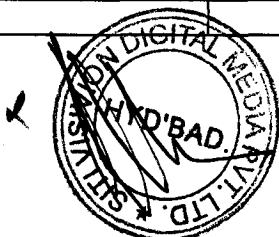
**c. Terms/Rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity share held by the shareholders.

**d. Details of Shareholders holding more than 5 percent shares**

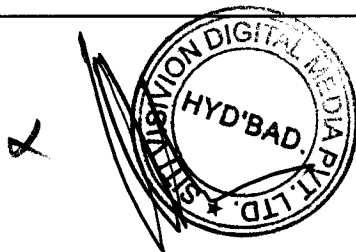
Name of Shareholders	31-Mar-16		31-Mar-15	
	No. of Shares	% Shareholding	No. of Shares	% Shareholding
SITI CABLE NETWORK LIMITED	753,587	51.00%	753,587	51.00%
MR. MENDU SAI ESWARA SWAMY	124,900	8.45%	124,900	8.45%
MR. KANCHERLA SIVARAMA KRISHNA	427,011	28.90%	205,368	13.90%
MR. BOTCHA SATISH KUMAR	-	0.00%	111,667	7.56%
MRS. BOTCHA PARVATHI	-	0.00%	109,976	7.44%



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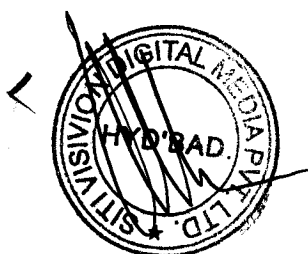
**SITI VISION DIGITAL MEDIA PVT. LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

<b>Note 3. Reserves and Surplus</b>		<b>31-Mar-16</b>	<b>31-Mar-15</b>
		<b>Rs.</b>	<b>Rs.</b>
<b>a</b>	<b>Securities Premium</b>		
	As per last Balance Sheet	146,762,100	146,762,100
	Add : Any other adjustments	-	-
	Less : Any other adjustments	-	-
		<b>146,762,100</b>	<b>146,762,100</b>
<b>b</b>	<b>Surplus in the statement of Profit &amp; Loss Account</b>		
	As per last Balance Sheet	(183,579,222)	(172,683,393)
	Add : Profit/ (Loss) for the year	(49,428,413)	(10,895,829)
	Less : Appropriations		
	Proposed Dividend	-	-
	Tax on dividend	-	-
	Transfer to general reserve		
	<b>Net surplus in the statement of profit and loss</b>	<b>(233,007,635)</b>	<b>(183,579,222)</b>
	<b>Less: Appropriations</b>	-	-
	<b>Total Reserves and Surplus</b>	<b>(86,245,535)</b>	<b>(36,817,122)</b>
<b>Note 4. Share Application Money Pending Allotment</b>			
		<b>31-Mar-16</b>	<b>31-Mar-15</b>
		<b>Rs.</b>	<b>Rs.</b>
	As per last Balance Sheet	-	10,412,010
	Add : Recd during the year	-	-
	Less : Amount refunded during the year	-	10,412,010
	<b>Total</b>	-	-



**SITI VISION DIGITAL MEDIA PVT. LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

Note:5 Long-term borrowings	Non-current portion	
	31-Mar-16	31-Mar-15
Particulars	Rs.	Rs.
<b>Unsecured and Unconfirmed</b>		
(a) Loans and advances from Directors/Related parties	31,777,620	28,112,620
(b) Loans and advances from Others	100,539,482	78,979,482
*Terms of Repayment: Not Specified * Rate of interest: Nil		
<b>Total Unsecured</b>	<b>132,317,102</b>	<b>107,092,102</b>
<b>Note:6 Deferred Tax Aseets (Net)</b>	<b>31-Mar-16</b>	<b>31-Mar-15</b>
<b>Particulars</b>	<b>Rs.</b>	<b>Rs.</b>
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	5,884,548	8,585,731
Others		
<b>Gross deferred tax liability</b>	<b>5,884,548</b>	<b>8,585,731</b>
<b>Deferred tax asset</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	3,833,687	3,456,664
Others		
<b>Gross deferred tax asset</b>	<b>3,833,687</b>	<b>3,456,664.00</b>
<b>Net deferred tax asset/(Liabilities)</b>	<b>(2,050,861)</b>	<b>(5,129,067)</b>
<b>Note:7 Other Long-term Liabilities</b>	<b>Non-current portion</b>	
	<b>31-Mar-16</b>	<b>31-Mar-15</b>
<b>Unsecured</b>	<b>Rs.</b>	<b>Rs.</b>
(a) Deposits from operators	300,000	300,000
*Terms of Repayment: Not Specified		
(b) Advance from Holding Company	84,811,000	84,811,000
*Terms of Repayment: Not Specified		
<b>Total Unsecured</b>	<b>85,111,000</b>	<b>85,111,000</b>



**SITI VISION DIGITAL MEDIA PVT. LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

**Note: 8 Long Term Provisions**

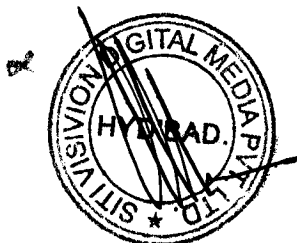
Particulars	Long-term	
	31-Mar-16	31-Mar-15
	Rs.	Rs.
<b>Provision for employee benefits</b>		
Gratuity (unfunded)	1,401,636	776,526
Leave Encashment (unfunded)	240,544	122,455
<b>Total</b>	<b>1,642,180</b>	<b>898,981</b>

**Note: 9 Other current liabilities**

Particulars	31-Mar-16	31-Mar-15
	Rs.	Rs.
Trade payables (including acceptances)	484,608,437	362,776,765
<b>Total Trade Payables</b>	<b>484,608,437</b>	<b>362,776,765</b>
<b>Other liabilities</b>		
Income received in advance	6,789,128	9,931,699
Book Overdraft	37,348,151	16,771,119
Prospective Advances	35,886	484,536
Interest free Advances from customers	2,670,343	3,156,571
Credit balance of staff	211,855	338,308
Service tax payable	268,569	25,289
Professional Tax Payable	7,250	7,150
Provident Fund/ESI Payable	183,929	142,223
Entertainment Tax Payable	831,650	849,420
TDS payable	3,989,668	3,329,157
	<b>52,336,429</b>	<b>35,035,473</b>
<b>Total Trade Payables and Other Liabilities</b>	<b>536,944,866</b>	<b>397,812,237</b>

**Note: 10 Short Term Provisions**

Particulars	31-Mar-16	31-Mar-15
	Rs.	Rs.
Liability for Expenses	15,176,223	40,201,485
Provision for Taxation	-	-
<b>Total</b>	<b>15,176,223</b>	<b>40,201,485</b>



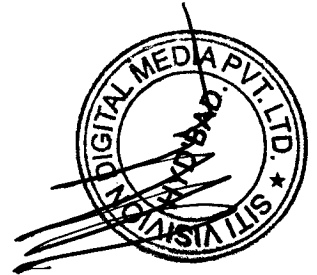
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SITI VISION DIGITAL MEDIA PVT. LTD.  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Note 11

Tangible and Intangible Assets

Description	Gross Block			Depreciation			Net Block			
	As at April 1, 2015	Additions	Deductions	As at March 31, 2016	As at April 1, 2015	For the Year	Deductions	Upto March 31, 2016	As at March 31, 2016	As at March 31, 2015
<b>Tangible Assets</b>										
OFFICE EQUIPMENT	2,045,681	17,990	-	2,063,671	1,507,730	416,055	-	1,923,785	139,886	537,951
AIR CONDITIONERS	944,032	42,500	-	986,532	533,696	336,123	-	869,819	116,713	410,336
PLANT & MACHINERY	108,454,777	907,006	-	109,361,783	53,305,841	15,492,788	-	68,798,629	40,563,154	55,148,936
FURNITURE & FIXTURES	498,688	-	-	498,688	158,708	59,004	-	217,712	280,976	339,980
VEHICLES	559,312	-	-	559,312	246,852	80,839	-	327,691	231,621	312,460
ELECTRICAL EQUIPMENT	312,600	-	-	312,600	79,008	42,203	-	121,211	191,389	233,592
STUDIO EQUIPMENT	2,849,883	71,800	-	2,921,683	719,583	254,276	-	973,859	1,947,824	2,130,300
SET TOP BOXES*	400,596,748	82,754,982	-	483,351,730	89,632,761	51,858,990	-	141,491,751	341,859,979	310,963,987
Computer	226,350	-	-	226,350	125,776	91,611	-	217,387	8,963	100,574
<b>Total</b>	<b>516,488,071</b>	<b>83,794,278</b>	<b>-</b>	<b>600,282,349</b>	<b>146,309,955</b>	<b>68,631,889</b>	<b>-</b>	<b>214,941,844</b>	<b>385,340,505</b>	<b>370,178,116</b>
<b>Previous year</b>	<b>514,560,234</b>	<b>1,927,837</b>	<b>-</b>	<b>516,488,071</b>	<b>78,846,827</b>	<b>67,463,128</b>	<b>-</b>	<b>146,309,955</b>	<b>370,178,116</b>	
<b>Intangible Assets</b>										
Conax Licence/Software	8,354,207	9,667,245	-	18,021,452	639,077	1,396,782	-	2,035,859	15,985,593	7,715,130
<b>Total</b>	<b>8,354,207</b>	<b>9,667,245</b>	<b>-</b>	<b>18,021,452</b>	<b>639,077</b>	<b>1,396,782</b>	<b>-</b>	<b>2,035,859</b>	<b>15,985,593</b>	<b>7,715,130</b>
<b>Previous year</b>	<b>-</b>	<b>8,354,207</b>	<b>-</b>	<b>8,354,207</b>	<b>-</b>	<b>639,077</b>	<b>-</b>	<b>639,077</b>	<b>7,715,130</b>	

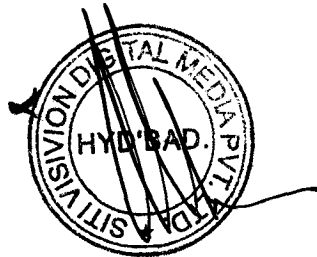


**SITI VISION DIGITAL MEDIA PVT. LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

Note: 12 Loans and advances Particulars	Non-current	
	31-Mar-16	31-Mar-15
	Rs.	Rs.
<b>a. Security Deposits</b>		
Secured, considered good	-	-
Unsecured, considered good	137,000	143,000
Doubtful	-	-
Less: Provision for doubtful deposits	-	-
<b>Total</b>	<b>137,000</b>	<b>143,000</b>

Particulars	31-Mar-16	31-Mar-15
	Rs.	Rs.
Directors *	-	-
To Holding company	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	-	-

\*Either severally or jointly



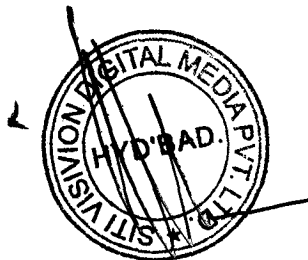
182



**SITI VISION DIGITAL MEDIA PVT. LTD.**  
**NCTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

Note 13 Other assets Particulars	Non- Current		Current	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
	Rs.	Rs.	Rs.	Rs.
Advance to suppliers	-	-	50,047	19,337,415
Income accrued but not billed	-	-	507,767	4,181,498
Recoverable from others	-	-	28,155	15,915
	-	-	585,969	23,534,828
<b>b. Others</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good				
Doubtful				
Less: Provision	-	-	-	-
<b>Total</b>	-	-	<b>585,969</b>	<b>23,534,828</b>

Particulars	31-Mar-15	31-Mar-14
	Rs.	Rs.
Directors *	-	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	-	-
<b>Total</b>	-	-



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**SITI VISION DIGITAL MEDIA PVT. LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

**Note: 14**

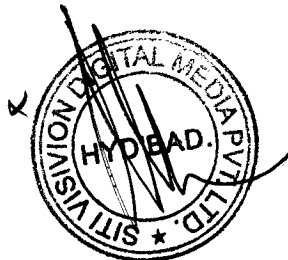
**Trade receivables (Debtors) and other assets**

Particulars	31-Mar-16	31-Mar-15
	Rs.	Rs.
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	86,795,238	37,267,725
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts		
	86,795,238	37,267,725
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	105,647,259	120,947,312
Unsecured, considered doubtful	8,967,453	8,967,453
Less: Provision for doubtful debts		
	8,967,453	8,967,453
	105,647,259	120,947,312
<b>Total</b>	<b>192,442,497</b>	<b>158,215,037</b>

**Trade receivables include:**

Particulars	31-Mar-16	31-Mar-15
	Rs.	Rs.
Directors *	-	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	9,556,823.00	10,155,863.00
<b>Total</b>	<b>9,556,823.00</b>	<b>10,155,863.00</b>

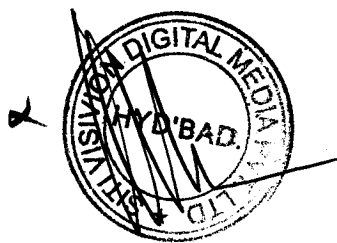
\*Either severally or jointly



**SITI VISION DIGITAL MEDIA PVT. LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

Note : 15                      Cash & Bank Balances	31-Mar-16	31-Mar-15
<b>Cash &amp; Cash Equivalents</b>		
Cash on Hand	4,368,728	2,226,241
<u>Balances with banks</u>		
Cheques in hand	34,063,003	14,916,150
- On current accounts	3,784,782	7,006,583
<b>TOTAL</b>	<b>42,216,513</b>	<b>24,148,974</b>

Note : 16                      Loans & Advances	31-Mar-16	31-Mar-15
<b>Other advances</b>		
Prepaid Expenses	77,136	70,954
Advances to staff and Others	10,000	51,622
Advance Direct Taxes	10,317,608	6,062,716
Mat Credit	9,346,523	9,346,523
Advance Indirect Taxes	21,166,601	12,442,774
<b>TOTAL</b>	<b>40,917,869</b>	<b>27,974,588</b>



## SITI VISION DIGITAL MEDIA PVT. LTD.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

**Note: 17****Revenue from operations**

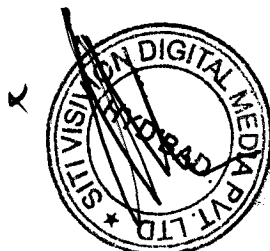
Particulars	31-Mar-16	31-Mar-15
	Rs.	Rs.
<b>Revenue from operations</b>		
<b>Sale of services</b>		
Subscription Income	84,464,246	77,616,109
Advertisement Income	7,131,021	5,948,379
Carriage Income	110,298,908	120,378,044
STB-Activation charges	61,364,801	-
<b>Revenue from operations (net)</b>	<b>263,258,976</b>	<b>203,942,532</b>

**Note: 18 Other income**

Particulars	31-Mar-16	31-Mar-15
	Rs.	Rs.
<b>Interest income on</b>		
Bank deposits	-	-
Others	-	258,779
Other non-operating income	552,797	273,724
Excess Provision Credit Balance written back	5,476,948	51,786,089
<b>Total</b>	<b>6,029,745</b>	<b>52,318,592</b>

**Note: 19 Carriage Sharing, Pay Channel and related costs**

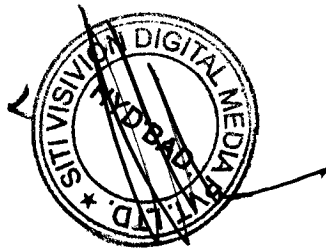
Particulars	31-Mar-16	31-Mar-15
	Rs.	Rs.
Pay Channel Subscription	203,540,340	157,511,681
Other Operational Cost	663,403	161,646
Repairs and Maintenance - Network	10,364,756	10,619,439
VC Card Maintenance Charges	-	1,712,593
Freight Charges	11,692	8,872
Licence & permission Fee	-	100,000
<b>Total</b>	<b>214,580,190</b>	<b>170,114,231</b>



**SITI VISION DIGITAL MEDIA PVT. LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

**Note: 20**                                      **Employee benefits expense**

Particulars	31-Mar-16	31-Mar-15
	Rs.	Rs.
(a) Salaries and incentives:		
- To Staff	18,337,062	16,090,765
- To Directors	1,800,000	1,800,000
(b) Contributions to -		
(i) Provident and other fund	1,143,710	912,488
(c) Gratuity fund contributions	625,110	330,673
(d) Exgratia/Bonus	418,837	367,487
(e) Leave Encashment fund contributions	118,089	31,112
(f) Staff Insurance expenses	279,177	188,005
(g) Staff welfare expenses	507,260	433,184
<b>Total</b>	<b>23,229,245</b>	<b>20,153,714.00</b>



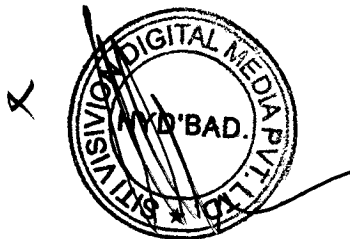
**SITI VISION DIGITAL MEDIA PVT. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

Note: 21	Finance costs	31-Mar-16	31-Mar-15
		Rs.	Rs.
<b>Particulars</b>			
	Interest/late fee on service tax/TDS	59,480	93,024
	Bank charges	152,371	129,116
	Interest Paid	-	-
	Interest on Custom Duty	-	-
<b>Total</b>		<b>211,850.81</b>	<b>222,140.32</b>

Note : 22	Depreciation and amortization expense	31-Mar-16	31-Mar-15
		Rs.	Rs.
<b>Particulars</b>			
	Depreciation of tangible assets	70,028,671	68,102,205
		<b>70,028,671</b>	<b>68,102,205</b>
	Less: recoupment from revaluation reserve	-	-
<b>Total</b>		<b>70,028,671</b>	<b>68,102,205</b>



## SITI VISION DIGITAL MEDIA PVT. LTD.

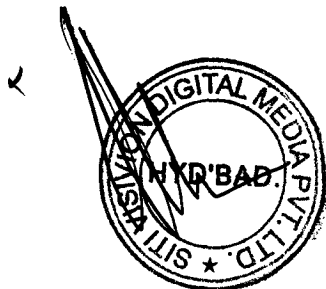
## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

## Note: 23 Other expenses

Particulars	31-Mar-16	31-Mar-15
	Rs.	Rs.
Rent	3,416,196	2,696,996
Office Expenses	1,332,308	710,878
Rates and Taxes	106,861	10,996
Communication Expenses	501,843	659,775
Repairs and Maintenance :		
- Building		
- Others	86,210	266,777
Electricity Expenses & Water Charges	2,966,958	2,457,167
Legal, Professional and Consultancy Charges	402,000	457,218
Printing and Stationery	119,207	349,796
R.O.C. Filing fee	25,166	10,900
Books & Periodicals	29,270	31,026
Security Charges	145,779	147,423
Travelling and Conveyance Expenses	1,744,740	1,731,245
Vehicle Expenses	211,348	220,203
Service Tax penalty	-	835,614
Provident Fund Penalty	-	116,065
Donation	91,116	-
Festival Charges	64,534	54,642
Swachh Bharat Cess	447,662	
Payment to auditor (Refer details below)	35,000	35,000
Provision for doubtful Debts		-
Commission Charges and Incentives	688,580	640,500
Business and Sales Promotion	139,661	125,349
<b>Total</b>	<b>12,554,438</b>	<b>11,557,571</b>

## Payment to auditor

	31-Mar-16	31-Mar-15
	Rs.	Rs.
<b>As auditor:</b>		
Audit fee	30,000	30,000
Tax audit fee	5,000	5,000
In other capacity:	-	-
<b>Total</b>	<b>35,000</b>	<b>35,000</b>



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