Leading the digital revolution

We are living in very exciting times. Courtesy the pace at which technology is evolving, we are witnessing radical transformation of the consumer behaviour, the society and the industry. The changing fundamentals of the industry demand changed organisations. Organisations, which reinvent themselves to keep pace with the changing times, think ahead to invent what is next, will eventually stay ahead of the curve. At SITI Cable, we are gearing up to take full advantage of digitalization by changing our strategy, organization structure, technological infrastructure, business processes and the most importantly the historical mindset of working in an analog environment, we are **leading the digital revolution!**

Creating value for customers

our brand campaign ***"Hum who dikhayein jo aap dekhna chahein"*** *is based on letting the consumers take the lead in choosing what they want to see. We are leading the change by enabling our consumers make informed choices regarding the channel packages*

The digitization of the cable T.V. has completely changed the way the television is now served, consumed or monetized. It has resulted in a drastic shift in consumer behaviour. They are no more shy of spending that much extra for an enhanced viewing experience and best-in-class services. At SITI Cable, we are constantly upgrading our channel offerings and service bouquet to provide our consumers with an uninterrupted access to entertainment. SITI Cable has an indispensable base of over 10 million viewers spread across the country.

Our leadership position is further strengthened by the fact that we are the only company in the sector to drive home revenues and profitability by keeping our pricing points in line with the consumers' likings. Choice, access and quality are critical to a consumer and our brand campaign "Hum who dikhayein jo aap dekhna chahein" is based on letting the consumers take the lead in choosing what they want to see. We are leading the change by enabling our consumers make informed choices regarding the channel packages.

As a consumer centric organization, our aim is to give our viewers the best experience ever. We are at all times bettering our service by constantly upgrading the headends to deliver better quality signals. Our Subscriber Management System, a first-of-its-kind in the industry, gives consumers the comfort of upgrading or downgrading package, activation or deactivation of services and making payments through an empowered LCO. With this, we are not just providing our consumers with the last mile touch points at their door step but are also ensuring a deep connect with them. Going forward, we intend to provide value added services like High Definition TV, Near Video on Demand and broadband to our consumers, starting with broadband. Like in offerings and services, in vision too we are leading the digital revolution.

Engaging with collaborators across the value chain

*we gained the first mover advantage with the launch of '**Own Your Customer'** system, that is further empowering our LCOs with real time access of subscriber billing; payment; account statement; activation; deactivation; up gradation; down gradation; packaging; and monthly collection of subscription revenue subscriber wise for every STB installed, online*

In the cable T.V. industry, LCOs and broadcasters are important stakeholders. They hold the key to the success and growth of the industry; therefore, engaging them at every level becomes even more critical. With digitization coming into play, the need to upgrade our physical and human infrastructure has become the need of the hour.

Empowering our LCOs with the best-in-class technologies and systems is resulting in their improved productivity and call-to-action time. By staying agile to the customer demands and complaints, the LCOs are better placed to tap additional business opportunities and expand their consumer base. We gained the first mover advantage with the launch of 'Own Your Customer' system, that is further empowering our LCOs with real time access of subscriber billing; payment; account statement; activation; deactivation; up gradation; down gradation; packaging; and monthly collection of subscription revenue subscriber wise for every STB installed, online.

With its differentiated approach SITI Cable gave STBs on concessional charges and remained averse to offering free-of-charge STB proposition. Courtesy this transparent business approach, SITI Cable was able to offset the capital cost of STBs and led among its peers. Further, SITI Cable is the first company among industry peers to have realized subscription revenue from ground adding to overall revenue growth. The revenue growth enabling a healthy cash flow and profitability in today's demanding times of our industry.

Friendly terms of trade with business partner together with pioneering business practices and technological edge has helped SITI Cable bring industry value chain together for even stronger industry relations. Under the dynamic industry landscape SITI Cable has adhered to all regulatory compliances leading to healthy business practices. SITI Cable was the first to launch the subscriber packaging & started collecting the revenue from the ground.

By increasing the focus on Digital Addressable System (DAS) Interconnect, we are deepening our engagement with other collaborators in the value chain namely the broadcaster and distribution syndicates. Our initiative to have strategic arrangements with broadcasters and content aggregators has paid us rich dividends and to further our resolve of long-term growth we are aggressively scouting for more such collaborations.

By engaging with collaborators, we are leading the digital revolution.

Unlocking potential for long-term growth

"we are of the understanding that a strong brand name is not just about getting the target market to choose you over the competition, but it is about getting your prospects to be seen as the only one that provides a solution"

With the single-minded proposition of dominating the digitization market, we are further strengthening our presence where we recently expanded footprints. The markets of Bhopal, Jabalpur, Ujjain, Indore, Jaipur, Patna, Guwahati and Pune are the current focus pockets apart from garnering market share in phase I cities where digitization is nearing completion. At present, we are present in 60 cities and in coming time we see our reach expanding further, taking the current tally up by a considerable margin.

At SITI, we are of the understanding that a strong brand name is not just about getting the target market to choose you over the competition, but it is about getting your prospects to be seen as the only one that provides a solution. Therefore, we are making every effort to further enhance brand SITI and leverage on its strength as an innovative, transparent and trendsetter among the current crop of players. From WWIL the brand was rechristened as SITI Cable Network Ltd. in order to associate with the brand already popular across the stakeholder group and to be able to connect more strongly with the business core i.e. Cable TV Distribution (SITI Cable).

SITI Cable has seeded over 3 million STB's in phase I & II. Phase III provides a potential of another 7 to 8 million boxes and your company is appropriately positioned to take full advantages of the same. In addition, our robust Cable network and IP connectivity provides us platform to launch Broadband and other VAS.

SITI Cable's strong business foundations and tremendous growth potential were further reinforced during FY13. SITI Cable got fresh funds infusion from one of the promoter group company to the tune of ₹324 crores, of which ₹81 crores were already received in FY13. The fund infusion from promoters through share warrants brings significantly long-term stability as against strategic investments widely scouted for in the industry.

Essel GROUP

Chairman's Message

"The ongoing digital revolution in Indian Cable TV distribution industry is set to bring in all round gains for the entire industry value chain. Digitization will transform the way television is seen, consumed and marketed"

Dear Shareholders,

I am pleased to address you all at the close of an exciting Fiscal Year 2012-13 (FY13). This financial year has been of great relevance for your company as well as for the entire industry. Your company's strong participation in the roll-out of digitization in India, has improvised your company's revenue & profitability.

The year gone by was another difficult year for global as well as Indian economy. Amidst staggering inflation, tightened liquidity, higher cost of borrowing and weaker consumer sentiments; country's GDP growth slipped to 5% in FY 13, the lowest recorded in the last 10 years. Government's recent initiatives to bring down its fiscal deficit to 5.2 % and easing out of foreign direct investment (FDI) in broadcasting carriage services, retail and insurance will bode well for country's GDP growth in the coming years.

Indian Media & Entertainment Industry

The year gone by proved to be a year of mixed fortunes for the burgeoning Indian Media & Entertainment (M&E) industry. The tough macro-economic environment resulted in the growth of advertising revenue dipping to 9%, the lowest level recorded in the last three years. Yet, at the overall level, the Indian M&E industry grew to ₹821 billion, recording an impressive growth of 12.6%, the highest in the last three years. At ₹327 billion, advertising revenue formed 40% of total M&E industry's revenues. On reform policy and implementation front, the year witnessed commencement of four-phased absolute digitization of cable television distribution, easing out of FDI limit to 74% from erstwhile 49% in television broadcasting carriage services, announcement of 839 new FM radio licenses and introduction of Copyright (Amendment) Bill.

Television: ushering into digital era

With 79% households using paid Cable & Satellite mode of viewing, total TV households reached 154 million in 2012. Television segment grew its revenue by 12.5% to reach ₹370 billion in 2012, thereby raising its contribution to the M&E industry to a staggering 45%. While advertising revenue recorded a moderate growth of 7.5% (₹125 billion in 2012), subscription revenues led television segment's growth momentum with an impressive 14.5% growth (₹245 billion).

The ongoing digital revolution in Indian Cable TV distribution industry is set to bring in all round gains for the entire industry value chain. Digitization will transform the way television is seen, consumed and marketed. For customers, the TV viewing will come with more quality, wide range of channels and control over what a customer wants to see. For MSOs the digitization will bring digitally addressable consumer base leading to higher revenues and profitability while the LCOs will benefit from digital infrastructure for their customers. The broadcasters too will benefit by rise in subscription revenues besides the government benefitting from higher tax revenue due to transparency in subscription base

Despite the implementation and policy bottlenecks, digitization of cable television distribution made significant progress in phase-I metros as well as phase-II cities. True results of digitization shall start becoming visible from FY 14 through FY 17. MSOs, including your Company, would require making significant investments in upgrading the distribution infrastructure involving last mile connectivity.

Penetration of paid C&S viewing is estimated to increase to 91% by 2017, thereby pushing the total TV household to grow to 191 million by 2017. In terms of revenue, television segment is expected to reach a staggering ₹848 billion in 2017, 2.3 times of its present size. Enabled by absolute digitization, subscription revenue is projected to grow to ₹607 billion in 2017 from ₹245 billion recorded in 2012.

SITI Cable Network: Leading the digital revolution

Continuing its tradition of thought leadership and implementation prowess, your Company is leading the wave of transformation in cable television distribution spectrum of the country. SITI Cable Network has business presence in 3 out of 4 metro cities identified under phase-I and 17 out of 38 cities undergoing digitization under phase-II. I am happy to share with you that your Company succeeded in seeding 2 million set-top boxes (STBs) in phase 1 cities and 1 million in phase 2 cities, in line with our aim of 3 million STBs in FY 13. The fact that this feat was achieved despite initial bottlenecks in our strongest market of Kolkata makes it commendable. We are setting trends for the industry by possessing current capacity of 400 channels and current offering of 370 channels, both of which being the highest in the industry. We are further augmenting our network infrastructure to increase our carrying capacity. During FY13 we continued our expansion to strategic locations of central and eastern India cities/ towns namely Patna, Guwahati, Pune, Indore, Jaipur, Bhopal, Jabalpur and Ujjain. The subscription revenue collection from on-ground at present is not in line with estimates & expectations, considering the scale and geographical intensity of the ongoing digitization, but is likely to improve in the coming quarters.

Adoption of breakthrough systems and technology is another area that your Company is leading from the front. The launch of Own Your Customer (OYC), a unique subscriber management system aimed at empowering LCO's customer engagement and management, is another first that SITI Cable has achieved in the industry. We are making Local Cable Operators (LCOs) an integral part of our long-term growth.

SITI Cable recorded a robust 33% growth in total revenue from ₹3642.6 million in FY12 to ₹4836.6 million in FY13 on the back of subscription revenue growth of 300% over previous year. Operating Profit (EBITDA) stood at ₹869.6 million in FY13 against ₹192 million in FY 13, an impressive 353% growth.

During FY13 we changed our company name to SITI Cable Network Limited from erstwhile Wire and Wireless (India) Ltd to leverage our strong brand name in an evolving industry.

The road ahead

Indian cable distribution industry is at an inflection point and SITI Cable is positioned at its forefront. While we need to make significant infusion of capital in order to maximize from unfolding growth opportunities in coming 3-5 years, promoter entities of your Company have decided to infuse ₹324 crore through issuance of 16.2 crore warrants convertible into equivalent number of equity shares at the price of ₹20 per warrant.

The transforming television ecosystem harbours immense opportunity of profitable and sustainable growth. SITI Cable's inherent strengths of higher operating standards, spirit of shared and inclusive growth, superior brand equity, strategic position in television value chain and passionate human capital enable us to create long-term value for all our stakeholders. Considering our strong infrastructure and execution capabilities together with digital cable TV network's inherent strengths of interactivity and high carrying capacity, we are going to announce the launch of Value Added Services soon. These services shall include Broadband, High Definition TV and near Video on Demand to bring whole new entertainment experience for our digital subscribers.

I wish to thank all the stakeholders i.e. shareholders, customers, business partners, broadcasters and employees for their continuous support and trust reposed in the organization and look forward to the same in our exciting journey ahead.

Sincerely yours

Subhash Chandra
Chairman

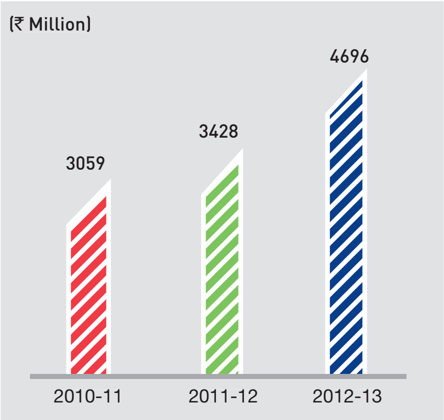
Performance Highlights

Operational

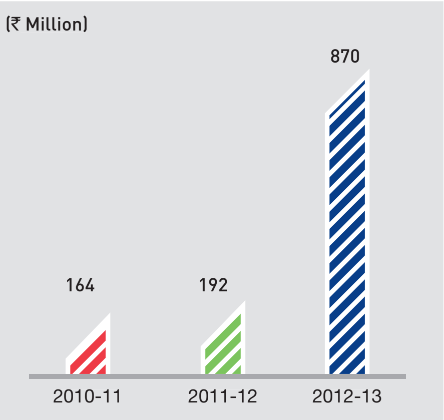
- Seeded 3 million digital Set Top Boxes – 2 million in phase I and 1 million in phase II cities
- SITI is the first and only company in the digital cable space to provide "Own Your Customer (OYC)" web based subscriber management system application to its business partners (LCOs) to serve the subscriber better
- SITI is also the first company to introduce subscriber packages, subscriber wise billing & collection in the DAS regime
- SITI CABLE consolidated its Pan India presence through strategic expansions in Eastern, Western and Central India Region Towns i.e. Patna, Guwahati, Pune, Indore, Jaipur, Bhopal, Jabalpur and Ujjain
- Company's name changed to SITI Cable Network Limited from erstwhile Wire and Wireless (India) Limited to leverage its strong brand name

Financial

Operating Revenue



Operating Profit - EBITDA



Corporate Information

BOARD OF DIRECTORS

Subhash Chandra
Chairman

B.K. Syngal
Independent Director

Sureshkumar Agarwal
Independent Director

Subodh Kumar
Non-Executive Director
(appointed w.e.f. 30.05.2013)

Vinod Kumar Bakshi
Independent Director

Amit Goenka
Whole-time Director
(resigned w.e.f. 31.05.2013)

VD Wadhwa
Executive Director
(appointed w.e.f. 01.06.2013)
& CEO

COMPANY SECRETARY

Suresh Kumar

AUDITORS

Walker, Chandiok & Co.,
Chartered Accountants, New Delhi.

BANKERS

IDBI Bank Limited

Axis Bank Limited

ICICI Bank Limited

REGISTERED OFFICE

Continental Building
135, Dr. Annie Besant Road
Worli, Mumbai - 400018
Ph: 022 66971234
Fax: 022 24900302

CORPORATE OFFICE

FC 09, Gate No. 3
Sector 16A, Film City
Noida (UP) - 201301
Ph: 0120 4526700
Fax: 0120 4526777

REGISTRAR & SHARE TRANSFER AGENT

Sharepro Services (India) Private Limited
13 AB, Samhita Warehousing Complex
2nd Floor, Sakinaka
Andheri (East)
Mumbai - 400072
Ph.: 022 67720400
Fax: 022 28591568
Email: sharepro@shareproservices.com

WEBSITE

www.siticable.com

Regional Offices

Bengaluru
United Mansions, 39, 4th Floor
M. G. Road, Bengaluru - 560001
Ph.: 080 25581234, Fax: 080 25580099

Delhi
Essel House, B-10 Lawrence Road
Industrial Area, Delhi - 110035
Ph.: 011 27101142, Fax: 011 27186561

Kanpur
122/227, Sarojini Nagar
Sant Nagar Crossing, Kanpur
Ph.: 09336336771

Hyderabad
6-2-929, D.B. Enclave, Khairatabad
Raj Bhavan Road, Hyderabad-500004
Ph.: 040 23372158, Fax: 040 23372822

Kolkata
P G Bldg., 4th Floor, #J-1/15, Electronics Complex
Block - EP, Sec -V, Salt Lake, Kolkata - 700091
Ph.: 033 40025020, Fax: 033 23577640

Mumbai
4th Floor, A Wing, Madhu Industrial Estate
P B Marg, Worli, Mumbai – 400013
Ph.: 022 43605555, Fax: 022 24992000

Indore
201-203 "Grravity Tower" 3rd Floor
Janjeerwala Square
Indore - 452 001 (M.P.)
Ph.: 0731 6610100

Subsidiary Companies Addresses

Indian Cable Net Company Limited
J-1/15, Block EP, 4th Floor, Sector-V
Salt Lake, Kolkata, West Bengal – 700091
Ph. : 033 40025020, Fax: 033 23577640

Central Bombay Cable Network Limited
B-10, Lawrence Road, Industrial Area
New Delhi - 110035
Ph.: 011 27101142, Fax: 011 27186561

Siticable Broadband South Limited
United Mansions, 3rd Floor, No. 39,
M.G. Road, Bengaluru, Karnataka – 560001
Ph.: 080 25581234, Fax: 080 25580099

Master Channel Community Network Pvt Ltd
Flat No: T4&T5, 3rd Floor, Vijaya Apartments
Mogalarajpuram, Vijayawada
Andhra Pradesh – 520010
Ph.: 0866 2491955, Fax: 0866 2575236

SITI Vision Digital Media Private Limited
B-10, Lawrence Road, Industrial Area
New Delhi – 110035
Ph.: 011 27101142, Fax: 011 27186561

SITI Jind Digital Media Communications Private Limited
B-10, Lawrence Road, Industrial Area
New Delhi – 110035
Ph.: 011 27101142, Fax: 011 27186561

SITI Jai Maa Durgee Communications Private Limited
B-10, Lawrence Road, Industrial Area
New Delhi – 110035
Ph.: 011 27101142, Fax: 011 27186561

SITI Bhatia Network Entertainment Private Limited
Near Bank of India, Dayalband, Bilaspur
Chhattisgarh – 495001
Ph.: 0775 2417770 - 71, Fax: 0775 2417770 - 71

SITI Krishna Digital Media Private Limited
G-366, Preet Vihar, Delhi – 110092
Ph.: 09911104212

SITI Guntur Digital Network Private Limited
B-10, Lawrence Road, Industrial Area
New Delhi - 110035
Ph.: 011 27101142, Fax: 011 27186561

SITI Jony Digital Cable Network Private Limited
B-10, Lawrence Road, Industrial Area
New Delhi - 110035
Ph.: 011 27101142, Fax: 011 27186561

SITI Faction Digital Private Limited
B-10, Lawrence Road, Industrial Area
New Delhi - 110035
Ph.: 011 27101142, Fax: 011 27186561

Wire and Wireless Tisai Satellite Limited
Madhu Industrial Estate, 4th Floor
Pandurang Budhkar Marg, Worli, Mumbai – 400013
Ph.: 022 43605555, Fax: 022 24992000

Notice

Notice is hereby given that the Seventh Annual General Meeting of the members of Siti Cable Network Limited will be held at "Hall of Culture", Nehru Center, Dr. Annie Besant Road, Worli, Mumbai - 400 018 on Friday, the 30th day of August, 2013 at 3:30 p.m., to transact the following businesses:-

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at March 31, 2013, Statement of Profit & Loss of the Company for the financial year ended on that date on a standalone and consolidated basis and the Reports of the Auditors and Directors thereon.

2. To appoint a Director in place of Mr.Subhash Chandra, who retires by rotation at this meeting and being eligible, offers himself for re-appointment.

3. To appoint M/s. Walker Chandiok & Co., Chartered Accountants, New Delhi, having Firm Registration No. 001076N, as the Statutory Auditors of the Company to hold such office from the conclusion of this meeting until the conclusion of next Annual General Meeting at a remuneration to be determined by the Board of Directors of the Company.

SPECIAL BUSINESS:

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

"**RESOLVED THAT** Mr.Subodh Kumar, IAS (Retd.), who was appointed by the Board of Directors as an Additional Director of the Company with effect from May 30, 2013 and who holds office up to the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 ("Act") and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation."

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

"**RESOLVED THAT** Mr.V.D.Wadhwa, who was appointed by the Board of Directors as an Additional Director of the Company with effect from June 1, 2013 and who holds office up to the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 ("Act") and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company."

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

"**RESOLVED THAT** pursuant to Sections 198, 269, 309, 310, 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (the "Act"), including any statutory modification(s) or re-enactment(s) thereof, for the time being in force and subject to the approval of the Central Government, if necessary and such other approvals, permissions and sanctions, as may be required, consent be and is hereby accorded for the appointment of Mr.V.D.Wadhwa as the Whole Time Director of the Company, subject to the superintendence, control and direction of the Board of Directors from time to time, for a period of three years commencing from June 1, 2013, not liable to retire by rotation, on the terms and conditions including remunerations as set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT for the purposes of giving effect to this resolution, the Board of Directors (hereinafter referred to as "the Board" which term be deemed to include any Committee of the Board of Directors duly authorized in that behalf for the time being exercising powers conferred on the Board by this resolution) be and is hereby authorized to alter, vary or modify, from time to time, said terms and conditions within the limits specified in the Act or make any amendments thereto or otherwise as may be permissible by law and do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard."

For Siti Cable Network Limited

Place: Mumbai
Date : May 30, 2013

Suresh Kumar
Company Secretary

Registered Office:
Continental Building,
135, Dr. Annie Besant Road,
Worli, Mumbai – 400 018

Notes:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a member of the Company.**

   Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Annual General Meeting.

2. Corporate Members are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution/Power of Attorney/other valid authority, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.

3. Members / Proxies should fill-in the attendance slip for attending the Meeting and bring their attendance slip along with their copy of Annual Report to the Meeting, as no copies will be made available at the meeting.

4. Additional information, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, on Directors recommended by the Board for appointment/re-appointment at the Annual General Meeting forms part of the Report on Corporate Governance in the Annual Report.

5. Under Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form No. 2B in duplicate (which will be made available on request) to M/s. Sharepro Services (India) Pvt. Ltd.

6. The Register of Members and Share Transfer Books of the Company will remain closed from August 26, 2013 to August 30, 2013 (both days inclusive).

7. Queries on accounts and operations of the Company, if any, may be sent to the Company Secretary seven days in advance of the meeting so as to enable the Management to keep the information ready at the meeting.

8. Members who are holding Company's shares in dematerialized form are required to bring details of their Depository Account Number for identification.

9. Members holding equity shares in physical form are requested to notify the change of address/dividend mandate, if any, to the Company's Registrar and Share Transfer Agent, Sharepro Services (India) Private Limited, 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai-400 072 or at 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai-400 021.

10. As per Securities and Exchange Board of India (SEBI) notification, submission of Permanent Account Number (PAN) is compulsorily required for participation in the securities market, deletion of name of deceased shareholder or transmission/transposition of shares. Members holding shares in dematerialized mode are requested to submit the PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Company's Registrars and Transfer Agents.

11. All documents referred to, in the accompanying notice and explanatory statement, are open for inspection at the registered office of the Company on all working days, during regular business hours and upto date of this meeting.

12. Recognising the spirit of the Green Initiative in Corporate Governance initiated by the Ministry of Corporate Affairs, the Company proposes to send the Annual Report and other documents/notices to shareholders to the email address with the respective Depository Participant or with the Company, to ensure that documents from the Company reach their preferred email address.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 4

Mr.Subodh Kumar was appointed as Additional Director of the Company in terms of Section 260 of the Companies Act, 1956 ("the Act") w.e.f. May 30, 2013 in the Board Meeting held on May 30, 2013.

Pursuant to the provisions of Section 260 of the Act and Article 85 of the Articles of Associations of the Company, Mr.Subodh Kumar vacates his office at the conclusion of this Annual General Meeting. Due notice under Section 257 of the Act has been received from member proposing the appointment of Mr. Subodh Kumar as Director of the Company, liable to retire by rotation. Requisite consent has been filed by Mr.Subodh Kumar, pursuant to the provisions of Section 264(1) of the Act, to act as Director, if appointed.

Brief profile and other details of Mr.Subodh Kumar forms part of the Corporate Governance Report.

The Board recommends the resolution as set out in Item No.4 for the approval of the members.

None of the Directors of the Company, except Mr.Subodh Kumar, is concerned or interested in this resolution.

Item No. 5 & 6

Mr.V.D.Wadhwa was appointed as Additional Director of the Company in terms of Section 260 of the Companies Act, 1956 ("the Act") w.e.f. June 1, 2013 in the Board Meeting held on May 30, 2013.

Pursuant to the provisions of Section 260 of the Act and Article 85 of the Articles of Associations of the Company, Mr.V.D.Wadhwa vacates his office at the conclusion of this Annual General Meeting. Due notice under Section 257 of the Act has been received from member proposing the appointment of Mr.V.D.Wadhwa as Director of the Company, liable to retire by rotation. Requisite consent has been filed by Mr.V.D.Wadhwa, pursuant to the provisions of Section 264(1) of the Act, to act as Director, if appointed.

Mr.V.D.Wadhwa is also appointed as Executive Director of the Company with effect from June 1, 2013 in the Board Meeting held on May 30, 2013 for a period of three years. The terms and conditions including remunerations of Mr.V.D.Wadhwa's appointment as a Executive Director, as approved by the Board, are as under:

The terms of appointment of Mr.V.D.Wadhwa as Executive Director of the Company are as follows:-

(i) **Period of Appointment:** The appointment of Mr.V. D. Wadhwa is for a period of 3 years with effect from June 1, 2013.

(ii) **Remuneration** :

(a) The Board of Directors of the Company is empowered to fix the remuneration payable to Mr.V.D.Wadhwa in the slab of ₹ 1,50,00,000 to ₹ 5,00,00,000 per annum, with the basic salary in the scale of ₹ 60,00,000 to ₹ 2,00,00,000 per annum, subject however to deduction of all applicable taxes and / or levies etc.

(b) The Board of Directors is also empowered to finalise the breakup /components of remuneration including its modifications within the overall range of remuneration specified above, as it may deem fit, during the term of his appointment.

(c) Within the overall range of remuneration mentioned in para (ii)(a) above, Mr. V. D. Wadhwa shall be entitled to (i) all other employee benefits with respect to Provident Fund, Superannuation Fund, Gratuity, Earned / Privilege leave including Encashment of Leave; (ii) reimbursement of all business related expenses incurred by him on actual basis; and (iii) coverage under group medical and personal accident insurance, as per Company's policy, practice and procedure as is in effect from time to time, as an employee in continuation of his employment with the Company.

(iii) Performance of Mr. V.D. Wadhwa shall also be reviewed by the Board annually and his remuneration shall also be revised within the overall range as mentioned above.

(iv) **Minimum Remuneration:** Remuneration payable to Mr. V.D. Wadhwa, shall be fixed by the Board of Directors of the Company within the limits approved by the Shareholders of the Company, which shall constitute the minimum remuneration payable to him irrespective of the fact that the Company has inadequate profits / or has losses.

(v) **Termination:** The appointee or the Company shall be entitled to terminate this service agreement/arrangement by giving three (3) months notice in writing or payment of Salary (i.e. Basic Pay plus Special Allowances) in lieu thereof.

Memorandum of Interest or Concern: Except for Mr. V.D. Wadhwa, no other Director of the Company is in any way interested / concerned in the appointment of Mr. V.D. Wadhwa as a Executive Director of the Company. The terms and conditions as specified above shall also be treated as an abstract of the terms and conditions of his appointment and memorandum of disclosure of nature of interest or concern therein as required to be given under Section 302 of the Act.

Your Board recommends the resolution as set out in Item No. 5 & 6 for your approval by passing an Ordinary Resolution & Special Resolution, respectively.

None of the Directors of the Company except Mr. V. D. Wadhwa, is concerned or interested in this resolution.

For Siti Cable Network Limited

Suresh Kumar
Company Secretary

Place: Mumbai
Date : May 30, 2013

Registered Office:
Continental Building,
135, Dr. Annie Besant Road,
Worli, Mumbai – 400 018.

Essel GROUP

Annexure forming part of the Explanatory Statement as required to be given pursuant to Part II of Schedule XIII of the Companies Act, 1956, for payment of Remuneration to Executive Director in excess of limits specified in case of inadequate profits.

I. **GENERAL INFORMATION**

1. **Nature of Industry**: The Company is a Multi System Operator and is carrying on business of reception of signals of Television channels of various Broadcasters from the designated Satellites (including reception of terrestrial signals of various Channels of Doordarshan) and distribution thereof through cable networks to the Cable Operators and/or subscribers in various cities, town & villages in India.

2. **Date or expected date of commencement of commercial production**: March 27, 2006

3. **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus**: Not Applicable

4. **Financial performance based on given indicators**:

(₹ millions)

Particulars	Financial Year		
	2012-13	2011-12	2010-11
Sales	4,160.12	2,457.83	2,177.56
Total Income	4,292.65	2,664.48	2,272.44
Gross Profit Before Interest, Depreciation & Tax	640.19	224.53	178.68
Interest (Net)	862.08	565.21	566.43
Depreciation	396.51	236.78	172.96
Profit Before Tax	(618.40)	(808.95)	(560.71)
Income Tax	-	12.40	6.39
Profit After Tax	(618.40)	(821.35)	(567.10)
Equity Share Capital	452.21	452.21	452.80

5. **Export performance and net foreign exchange collaborations**: The earning in Foreign Exchange during the financial year 2012-13 was ₹ 15.81 millions (₹ 23.70 millions during the financial year 2011-12).

6. **Foreign investments or collaborators, if any** : There is no foreign investment of the Company. The Company is listed on BSE Limited and National Stock Exchange of India Limited. As on March 31, 2013, the foreign holdings in the Company were 12.4%. There are no foreign collaborations.

II. **INFORMATION ABOUT THE APPOINTEE:**

1. **Background details**: Mr. Wadhwa is an Alumnus of Harvard Business School & a fellow member of the Institute of Company Secretaries of India. He has served on various committees of FICCI and ASSOCHAM besides serving as President of the Horological Federation of India.

   He has 29 years of General Management experience in Consumer life style and retail industry and largely credited with profitable turnaround of Timex operations in India and establishing retail operations in India and South Asian Countries. Prior to joining the Company, Mr. Wadhwa was Managing Director & CEO of Timex Group India Limited, for its Business Operations in India and SAARC Countries.

2. **Past remuneration**:

Organisation	Designation	During the Financial year	Annual Total Cost to the Company (in ₹)
Timex Group India Limited	Managing Director	2010-11	83,12,816
		2011-12	1,05,03,823
		2012-13	1,49,61,417

3. **Recognition and awards**: Mr.V.D. Wadhwa has been awarded with *two of the most Prestigious Awards – "Movers of Times Award" and "The Man of the Year Award"* by the Trade Post Journal of India at the opening ceremony of Indian International Watch Clock Fair 'Samay Bharti 2012'.

4. **Job profile and his suitability**: Mr.V.D.Wadhwa is responsible for implementation of corporate strategy, brand equity planning, to accelerate the growth/profitability, to improve system/process and to introduce world class best practices, to strengthen the Corporate Governance, to introduce pay for performance criteria and other management matters which are approved by the Board.

   Mr. Wadhwa has rich experience of managing the business organisation at top level, which would help the Company in successful implementation of Digital Addressable System (DAS) in operational areas of the Company falling under all phases; smooth transformation from "Business-to-Business (B2B)" to "Business-to-Consumer (B2C)" successful implementation of system and process across organisation.

5. **Remuneration proposed**: The terms of remuneration are detailed in Explanatory Statement item No.6

6. **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)**: Currently, there are only 4-5 players apart from the Company, operating as Multi System Operators (MSO) at national level. The Cable Television sector, in which the Company is operating as a MSO, is suffering from under declaring of subscriber base by the local cable operator, resulting thereby losses in business operations due to less receipt of subscription fee.

   The Ministry of Information and Broadcasting, Government of India vide its notification no. S.O. 2534E dated November 11, 2011, had issued directives for implementation of Digital Addressable System (DAS) in India in phased manner (with first phase started w.e.f. 30 September, 2014 and last phase will start w.e.f. 31 December 2014). With the implementation of DAS, the under declaration problem will be resolved and the Company would be able to generate much higher revenue due to full receipt of subscription charges. However, DAS implementation is highly capital intensive in nature requiring large out-flows on account of installation of Digital Headened & networks and purchase/import of set top boxes (STBs). Therefore, the Company requires strong and exceptionally proven and experienced managerial personnel to monitor and successfully manage the interest of the Company in Digital regime. Considering Mr.Wadhwa's vast experience and keeping in view the similar or higher levels of senior level personnel in other similar companies in the Industry, Remuneration Committee, consisting of three Non-Executive Independent Directors, after elaborate discussion, has approved the proposed remuneration.

7. **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any**: Mr.V.D.Wadhwa has no pecuniary relationship with the Company, except to the extent of remuneration as proposed to be paid to him.

   Further, he has no relationship with any of the managerial personnel of the Company.

III. **OTHER INFORMATION**

1. **Reasons of loss or inadequate profits**: The Cable Television sector, in which the Company is operating as a MSO, is largely suffering from under declaring of subscriber base by the local cable operator, resulting thereby losses in business operations due to less receipt of subscription fee.

   Now, with the implementation of Digital Addressable System (DAS) in India in phased manner (with first phase started w.e.f. 30 September, 2014 and last phase will start w.e.f. 31 December 2014), the under declaration problem will be resolved and the Company would be able to generate much higher revenue due to full receipt of subscription charges.

2. **Steps taken or proposed to be taken for improvement**:

   (i) The Company has taken steps for expansion of its Business Operations in Central India, Northern India and Eastern India Region.

   (ii) ARPU of the Company is accelerating due to strategic expansion and growth of the business operation of the Company

   (iii) The Company is taking adequate steps for Recoveries of account receivables which would be a major cash flow item.

   (iv) The Company is exploring opportunities to expand with Utility Business in Central Region and Western Region of the Country.

(v) The Company is preparing strategies for:

   (a) increasing its reach/digital market share;

   (b) emerging as strong player in areas covered under Digital Addressable System (DAS) Phase 3 & 4.

(vi) The Company is developing roadmap for rollout of Value Added Services (VAS).

3. **Expected increase in productivity and profits in measurable terms**:

   i. EBITDA Profitability of the Company is expected/projected to grow from existing level of ₹ 87 crores to ₹ 200 crore in Financial Year 2013-14 and the same is expected be double in Financial Year 2014-15;

   ii. Rationalisation of expenses especially manpower and administrative cost;

   iii. Standardisation of processes and systems to shift in focus from Individual centric approach to system driven approach;

   iv. Additional incremental profit would be generated by rolling out of Value Added Services (VAS).

IV. **DISCLOSURES**

The Remuneration package of the managerial personnel has been provided in the Notice and the Company shall make appropriate disclosures as required under Schedule XIII of the Companies Act, 1956 in the Corporate Governance Report forming part of the Directors' Report of the Company every year.

Directors' Report

To,
The Members of
SITI Cable Network Limited

Your Directors take pleasure in presenting the Seventh Annual Report of the Company together with Audited Statement of Accounts for the year ended March 31, 2013.

FINANCIAL PERFORMANCE

The financial performance of consolidated operations of your Company during the Financial Year 2012-13 is summarized in the following table:

(₹ millions)

Particulars	For The Year Ended	
	March 31, 2013	March 31, 2012
Sales & Services	4,696.4	3,428.2
Other Income	140.3	214.4
Total Income	4,836.7	3,642.6
Total Expenses	3,967.0	3,450.6
Operating Profit / (Loss)	869.7	192.0
Less: Finance Cost	863.7	566.4
Less: Depreciation	563.1	304.1
Profit/ (Loss) before Tax & Exceptional Item	(557.1)	(678.5)
Provision for Taxation (Net)	46.3	29.9
Profit (Loss) after Tax before Exceptional Item	(603.4)	(708.4)
Less: Exceptional Item	5.3	240.3
Minority Interest	32.0	(35.2)
Profit / (Loss) after Tax	(640.7)	(913.5)

BUSINESS OVERVIEW

Your Company is one of India's largest Multi System Operator (MSO) with 56 analogue and 14 digital head ends and a network of more than 12000 Kms of optical fibre and coaxial cable. It provides its cable services in India's 60 key cities and the adjoining areas, having reach of over 10 millions viewers.

Your Company deploys State-of-the-art technology for delivering multiple TV signals to enhance consumer viewing experience. Its product range includes Digital Cable Television, Analogue Cable Television, Broadband and Local Television Channels. Your Company has been providing services in digital and analogue mode, armed with technical capability to provide features like Broadband services, Video on Demand, Movie on Demand, Pay per View, Electronic programming Guide (EPG) and gaming through a Set Top Box (STB). All products are marketed under "SITI" brand name.

During the year, your Company has successfully implemented the digitization of TV signals in its 20 key markets which falls under Phase-1 & 2 cities of mandated Digital Addressable System (DAS) besides expanding Digital horizon in Cities falling in DAS phase 3 & 4. For this transition, the Company has carried out Technology up gradation and procurement of Set-top boxes (STB's). Your Company also aligned the interests of local cable operators, content aggregators, broadcaster and consumer in a transparent manner while complying with stipulated regulations which gave a big push to the digitization drive of the Company.

Your Company expanded its business and ground presence by starting operations in newer areas and it undertook strategic cost reduction initiatives to enhance efficiencies and optimize resources.

From almost every perspective FY2012-13 was an impressive year for your Company:

- The total revenues grew by 33% to ₹ 4,836.6 millions from ₹ 3,642.6 millions during the last fiscal.

- The Company posted a consolidated operating profit (EBITDA) of ₹ 869.6 millions, which was a significant achievement as compared to operational profit of ₹ 192.0 millions during the last fiscal.
- The Company expands its business operations in new Strategic towns in Central India Locations and Eastern part of the country.
- The Company has seamlessly installed 3 million Set-top-Boxes (STBs) in its markets in Phase-I and Phase II.
- Your Company is the first and only company in the digital cable space to provide "Own Your Customer (OYC)" web based subscriber management system application to its business partners to serve the subscriber better.
- Initiated Subscriber Wise billing in Digital Regime in adherence to Regulatory compliances and built consumer connect.

Media & Entertainment Industry

According to FICCI-KPMG Indian Media & Entertainment Industry Report, 2012 was a challenging year for the industry as a whole, it was also a year of significant changes; as value chains were re-arranged and business models re-defined. These changes, while painful in the short run, but will position the Indian M&E industry on a stronger footing for the future.

The Indian M&E industry grew from INR 728 billion in 2011 to INR 821 billion in 2012, registering an overall growth of 12.6 percent. Given the impetus introduced by digitization, continued growth of regional media, upcoming elections, strength in the film sector and fast increasing new media businesses, the industry is estimated to achieve a growth rate of 11.8 percent in 2013 to touch INR 917 billion. The sector is projected to grow at a healthy CAGR of 15.2 percent to reach INR 1661 billion by 2017.

Television continues to be the dominant segment in the M&E sector; however strong growth is visible in new media, animation, Films and Music segment on the back of strong content and the benefits of digitization. The benefits of digital addressable system (DAS) rollout are expected to contribute significantly to strong continued growth in the TV sector revenues and its ability to invest in and monetize content. The sector is expected to grow at a CAGR of 18 percent.

Cable TV Industry

The total number of TV households grew from 146 millions in 2011 to 154 millions by the end of 2012, showing an increase of 5.4 percent. The penetration of Cable & Satellite (C&S) households increased from 81 percent of total TV households in 2011 to 84 percent in 2012. The overall number of C&S households increased by 11 millions during 2012 to reach 130 millions, registering a growth of 9 percent over last year.

The year 2012 heralded the much awaited start to digitization of cable industry. Despite some hiccups, Phase 1 and 2 cities saw significant progress in implementation of mandatory digital addressable system (DAS). Digitalization under phase-1 of DAS has been a success with industry attaining 100% digitization in Delhi & Mumbai, followed with some delay by Kolkata. Digital Cable TV has been a clear winner garnering more than 70% share of digital Set-top-boxes in these cities. At the end of March 2013, over 67% of the digitization target has been achieved in Phase-2 cities of DAS as reviewed by MIB.

The Cable TV Industry now hopes to realize benefits over the medium term – including enhanced ability to monetize content, greater transparency, equitable revenue share across the value chain and hence increased ability to invest in differentiated and sophisticated content. The benefits will be visible in 2013-14 as MSO drive the addressability and work with last mile local cable operator to ramp up chosen content, billing and collection.

DIVIDEND

In view of losses during the year, your Directors have not recommended any dividend either on Equity Shares or Preference Shares for the year under review.

RIGHTS ISSUE OF SHARES – RECEIPTS AND UTILISATION

During the financial year 2009-10, your Company had come with Rights Issue of 23,67,67,351 equity shares of ₹ 1/- each issued at a price of ₹ 19/- per share (including premium of ₹ 18/- per share) aggregating to ₹ 4,498.5 millions. Your Company had received a sum of ₹ 4,488.27 millions towards the rights issue of equity shares. The utilization of proceeds of the money received through rights issue by the Company as on March 31, 2013 are as under:

(₹ millions)

Object of Issue		Right Issue-Utilization of Total Receipt	Remaining Unutilized as on 31.03.2013
Repayment of certain of our existing unsecured loans	2733.38	2733.38	0.00
Funding our working capital requirements	275.97	265.90	10.07
Acquisition of MSOs and LCOs	186.70	141.80	44.90
Information technology infrastructure and ERP	0.30	0.30	0.00
General corporate purposes	1252.20	1231.27	20.93
Issue expenses	39.72	39.72	0.00
Total	**4488.27**	**4412.37**	**75.90**

EMPLOYEES STOCK OPTION SCHEME

Pursuant to approval from Members obtained at the First Annual General Meeting of the Company held on September 18, 2007, your Company has implemented Employee Stock Option Plan – ESOP-2007 to grant stock options to its eligible employees. Applicable disclosures pursuant to Clause 12 – "Disclosure in the Directors' Report", of the SEBI (Employees Stock Option Scheme) Guidelines, 1999, as amended, relating to Employees Stock Options as at March 31, 2013, are given in 'Annexure A' to this Report.

A Certificate from the Statutory Auditors of the Company M/s. Walker Chandiok & Co, Chartered Accountants, New Delhi, with respect to the implementation of Company's ESOP Scheme, will be placed before the shareholders in the next Annual General Meeting and a copy of the same shall be available for inspection at the Registered Office of the Company on all working days (except Saturday and Sunday) between 2.00 p.m. to. 5.00 p.m., up to the date of Annual General Meeting.

DIRECTORS

As per the provisions of the Companies Act, 1956 read with Article 97 of the Articles of Association, Mr.Subhash Chandra, Director is liable to retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

Mr.Subodh Kumar was appointed as Additional Director with effect from May 30, 2013. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr.Subodh Kumar holds office only up to the date of the ensuing Annual General Meeting of the Company. The Company has received appropriate notice under Section 257 of the Companies Act, 1956 along with requisite deposits, proposing the candidature of Mr.Subodh Kumar for the office of Director, liable to retire by rotation.

Mr.V.D.Wadhwa has been appointed as Additional Director and Executive Director of the Company with effect from June 1, 2013. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr.V.D.Wadhwa holds office of Director only up to the date of the ensuing Annual General Meeting of the Company. The Company has received appropriate notices under Section 257 of the Companies Act, 1956 along with requisite deposits, proposing the candidature of Mr.V.D.Wadhwa for the office of Director.

Mr. Amit Goenka, Whole Time Director of the Company has given his resignation from the office of Director of the Company effective from close of May 31, 2013.

Brief Profile of Directors proposed to be appointed/re-appointed has been included in the Reports on the Corporate Governance forming part of the Annual Report.

CHANGE OF NAME OF THE COMPANY

The name of your Company has been changed from "Wire & Wireless (India) Limited" to "**Siti Cable Network Limited**" vide fresh Certificate of Incorporation dated September 5, 2012 issued by the Registrar of Companies, Maharashtra, Mumbai.

CONVERTIBLE WARRANTS

During the year under review, the Company had issued 16,20,00,000 (Sixteen Crores Twenty Lacs) Warrants convertible into equivalent number of Equity Shares of ₹ 1 each of the Company to the entities forming part of Promoters / Promoter Group of Company viz. M/s. Essel International Limited and Essel Media Ventures Limited, at a price of ₹ 20/- (Rupees Twenty

Only) per warrant, (being the price higher than the price determined in accordance with the SEBI (ICDR) Regulations, 2009, aggregating to ₹ 324,00,00,000/- (Rupees Three Hundred and Twenty Four Crores only).

The company has so far received an amount equivalent to 25% of the issue price i.e. ₹ 5/- (Rupees five only) per Warrant aggregating to ₹ 81,00,00,000/- (Rupees Eighty One Crore) form the allottees of the Warrants. The holders of each Warrant will be entitled to apply for and obtain allotment of one equity share of ₹ 1 each of the Company against each Warrant at any time on or before the expiry of 18 months from the date of allotment thereof, in one or more tranches, upon payment of balance subscription amount of ₹ 15 per warrant. In the event the entitlement against the Warrants to apply for the Equity shares is not exercised within the aforesaid period of 18 months from the date of allotment thereof, the entitlement of the Warrant holders and/or the transferees to apply for Equity Shares of the Company along with the rights attached thereto shall expire and the upfront 25% amount paid on the Warrants shall stand forfeited.

REDEMPTION OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES

During the financial year 2009-10, your Company had issued on private placement basis 1920 number of 9.95% Secured Redeemable Non-Convertible Debentures (SRNCDs) aggregating to ₹ 1,920 millions. These SRNCDs were listed on Wholesale Debt Market Segment of National Stock Exchange of India Limited. Upto March 31, 2012, the Company had repaid 70% of the aggregate value of SRNCDs, constituting an amount of ₹ 1,344 millions. During the year under review, as per the terms of issuance, the Company had repaid balance 30% of the value of SRNCDs constituting an amount of ₹ 576 millions.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of requirement of Clause 49 of the Listing Agreement with the Stock Exchange(s) Management Discussion and Analysis Report, disclosing the operations of the Company, in detail, is separately provided as a part of Directors' Report.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance. Your Directors adhere to the stipulations set out in the Listing Agreement with the Stock Exchanges.

A separate section titled 'Corporate Governance' together with the certificate from Balika Sharma & Associates, Practicing Company Secretary, confirming compliance with the requirements of Clause 49 of the Listing Agreement(s) with the Stock Exchanges, as also the Management Discussion and Analysis Statement, forms part of the Annual Report.

SUBSIDIARIES COMPANIES

During the year under review, the Company has acquired 51% equity stake in Siti Jony Digital Cable Network Private Limited, Siti Krishna Digital Media Private Limited and Siti Faction Digital Private Limited and 74% equity stake in Siti Guntur Digital Network Private Limited. Accordingly, during the year under review the number of subsidiary companies of the Company has increased to 13, as compared to 9 during the financial year 2011-12.

Statement pursuant to Section 212 of the Companies Act, 1956, relating to the subsidiaries is annexed to this report as 'Annexure – B'.

The Ministry of Corporate Affairs, Government of India vide General Circular No.2/2011 dated February 8, 2011, has granted general exemption from the provisions of Section 212, subject to compliance of certain conditions as stipulated in the said General Circular, which *inter alia* include disclosures of specified financial highlights in consolidated balance sheet pertaining to each subsidiary. Your Board has decided to avail the said general exemption from applicability of provisions of Section 212 of the Companies Act, 1956, and accordingly, the Annual Accounts of all thirteen (13) subsidiary companies for the financial year ended March 31, 2013 are not being attached with the Annual Report of the Company. However, as per the requirement of para (iv) of the Direction issued under Section 212(8) of the Companies Act, 1956, by the Ministry of Corporate Affairs vide General Circular No.2/2011 dated 08/02/2011, the disclosures of specified financial highlights in consolidated balance sheet pertaining to each subsidiary have been made. The annual accounts of the subsidiary companies and related detailed information shall be made available to the shareholders seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders at the Registered Office of the Company.

HOLDING COMPANY

During the year under consideration, due to *inter se* transfer of equity shares amongst promoter entities, M/s Bioscope Cinemas Private Limited ceased to be the holding company of Siti Cable Network Limited. As on March 31, 2013, the Company has no Holding Company.

CONSOLIDATED FINANCIAL STATEMENTS

As stipulated by Clause 32 of the Listing Agreement with the Stock Exchanges, the attached Consolidated Financial Statements have been prepared in accordance with the Accounting Standard AS 21 – Consolidated Financial Statements read with Accounting Standard AS 23 – Accounting for Investments in Associates and Accounting Standard AS 27 – Financial Reporting of Interests in Joint Ventures and forms part of the Annual Report.

AUDITORS

M/s. Walker Chandiok & Co., Chartered Accountants, New Delhi, the Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a letter from them to the effect that their re-appointment, if made, will be in accordance with the limits specified under Section 224(1B) of the Companies Act, 1956.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted or renewed any deposits within the meaning of Section 58A of the Companies Act, 1956 and rules made there under.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Your Company is a Multi System Operator (MSO) and is carrying on business of, *inter alia*, reception of signals of channels of various Broadcasters and distribution of same through cable networks. Since this does not involve any manufacturing activity, most of the Information required to be provided under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are not applicable.

However the information as applicable is given hereunder:

Conservation of Energy:

Your Company, being a service provider, requires minimal energy consumption and every endeavor has been made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible.

Technology Absorption:

In its endeavor to deliver the best to its viewers and business partners, your Company has been constantly active in harnessing and tapping the latest and best technology in the industry.

Foreign Exchange Earnings and Outgo:

Particulars of foreign exchange earnings and outgo during the year are given in Note No. 40 of the Standalone Notes to the Accounts forming part of the Financials Statements of the Company.

PARTICULARS OF EMPLOYEES

The information required under Section 217(2A) of the Companies Act, 1956 ('Act') read with the Companies (Particulars of Employees) Rules, 1975 is required to be set out in an annexure to this Directors' Report. However, in terms of Section 219(1)(b) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid annexure. Any shareholder interested in obtaining copy of the same may write to the Company Secretary at the Corporate Office. None of the employees listed in the said annexure are related to any Director of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, and based on representations received from the operating management, the Directors hereby confirm that:-

a) in the preparation of the Annual financial statements for the year ended March 31, 2013, the applicable Accounting Standards have been followed and there are no material departures;

b) they have selected such accounting policies in consultation with the statutory auditors and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended March 31, 2013 and the loss of the Company for that period;

c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

d) they have prepared the Annual Accounts on a going concern basis.

ACKNOWLEDGEMENTS

Your Board wishes to convey its appreciation to all the Company's employees for their enormous personal efforts as well as their collective contribution towards success of your Company. Your Directors also express their gratitude for the valuable support and co-operation extended by various Governmental Authorities, mainly Ministry of Information and Broadcasting, Ministry of Communication and Information Technology, Telecom and Regulatory Authority of India and other stakeholders including Local Cable Operators, Bankers, Financial Institutions, Viewers, Broadcasters, Vendors and Service Providers.

For and on behalf of the Board

Amit Goenka	Sureshkumar Agarwal
Whole-time Director	Director

Place : Mumbai
Date : May 30, 2013

Annexure – A to Directors' Report

Disclosures as stipulated under the SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 and forming part of Directors' Report for the year ended March 31, 2013

	Particulars		Grant of Options
a	Options Granted (Nos.)		
	Till April 1, 2012	8,59,200	
	During the financial year 2012-13	Nil	8,59,200
b	Exercise Price (₹) Options Granted (nos.) — Exercise Price (₹) 1,72,600 — 39.75* 6,86,600 — 17.45 *Re-priced at ₹ 20 on October 22,2009		
c	Options Vested		4,25,660
d	Options Exercised		NIL
e	Total number of Shares arising as a result of Exercise of option		NIL
f	Options Lapsed (Nos.)		2,41,820
g	Variation in terms of Options		6,09,000
h	Money realized by exercise of Options		NIL
i	Total Number of Options in force		6,17,380
j	Employee wise details of Options granted to:		
	(i) Senior Management Personnel		1,61,500
	Sanjay Jindal	64,200	
	Sanjay Goyal	97,300	

	Particulars		Grant of Options	
	(ii) Any other employee who received a grant in any one year of Options amounting to 5 % or more of Options granted during that year			NIL
	(iii) Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant			NIL
k	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20. 'Earning Per Share'			(1.37)
l	Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options. The impact of this difference on profits and on EPS of the Company shall also be disclosed.			The issuance of the equity shares upon exercise of option shall not affect the Profit & Loss Account of the Company, as the pricing formula as approved by the Shareholders of the Company is the market price as per the SEBI Guidelines i.e. latest available closing price prior to the date of grant of options at the Stock Exchange where there is highest trading volume
m	Weighted-average exercise prices and weighted-average fair values of options, separately for options whose exercise price either equals or exceeds or is less than the market price of the stock			Not Applicable
n	A description of the method and significant assumptions used during the year to estimate the fair value of options, including the following weighted-average information			
	(i)	Risk-free interest rate		8.54%
	(ii)	Expected life		2.30 years
	(iii)	Expected volatility		48.65%
	(iv)	Expected dividends		Nil
	(v)	The closing price as on date of grant	Date of Options Grated	
			27/10/2007 (₹)	16/07/2009 (₹)
			41.10	16.95

Annexure – B to Directors' Report

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2013

Name of the subsidiary companies		Indian Cable Net Company Limited	Central Bombay Cable Network Limited	Siticable Broadband South Limited	Wire and Wireless Tisai Satellite Limited	Master Channel Community Network Private Limited	Siti Vision Digital Media Private Limited	Siti Jind Digital Media Comm-unications Private Limited	Siti Jai Maa Durgee Comm-unications Private Limited	Siti Bhatia Network Enter-tainment Private Limited	Siti Jony Digital Cable Network Private Limited	Siti Krishna Digital Media Private Limited	Siti Guntur Digital Network Private Limited	Siti Faction Digital Private Limited
The financial year of the subsidiary company ended on		March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013
Extent of holding company's interest %		67.99%	100.00%	100.00%	51.00%	66.00%	51.00%	51.00%	51.00%	51.00%	51.00%	51.00%	74.00%	51.00%
Face Value of equity share (per share)		₹ 10/-	₹ 10/-	₹ 10/-	₹ 10/-	₹ 100/-	₹ 10/-	₹ 10/-	₹ 10/-	₹ 10/-	₹ 10/-	₹ 10/-	₹ 10/-	₹ 10/-
No. of equity shares held by the holding company and / or its subsidiaries		68,61,000	50,000	10,000	25,500	3,300	7,48,487	1,02,000	5,100	10,409	5,100	5,100	7,400	5,100
Net aggregate amount of profits/ (losses) of the subsidiary so far as it concerns the members of the holding company and is dealt with in accounts of holding company	*For the financial year ended on March 31, 2013 (₹ millions)*	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	For the previous financial years of the subsidiary since it became a subsidiary (₹ millions)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Net aggregate amount of profits/ (losses) of the subsidiary so far as it concerns the members of the holding company and is not dealt with in accounts of holding company	*For the financial year ended on March 31,2013 (₹ millions)*	62.19	-0.16	-0.10	-1.00	4.21	-14.26	-2.47	-11.05	-3.34	0.03	0.00	0.42	0.21
	For the previous financial years of the subsidiary since it became a subsidiary (₹ millions)	11.50	-0.12	-0.17	-2.21	2.20	-68.51	0.60	-0.23	-9.36	NIL	NIL	NIL	NIL

Report on Corporate Governance

COMPANY'S GOVERNANCE PHILOSOPHY

Good corporate governance is characterized by a firm commitment and adoption of ethical practices by an organization across its entire value chain and in all of its dealings with a wide group of stakeholders encompassing employees, customers, vendors, regulators and shareholders (including the minority shareholders), in both good and bad times.

Corporate Governance essentially is the system by which companies are directed and controlled by the management in the best interest of the stakeholders and others. Corporate Governance ensures fairness, transparency and integrity of the management. Corporate Governance is a way of life, rather than a mere legal compulsion. It further inspires and strengthens investor's confidence and commitment to the Company.

Your Company believes that the management is the trustee of all investors' capital and is obliged to maximize shareholders value over the long term, while preserving the interests of all its stakeholders, such as employees, customers, business partners / vendors and the society at large. It is committed to high levels of ethics and integrity in all its business dealings that avoids all conflicts of interest. Your company has always been guided by a strong conviction of adhering to transparency, accountability and integrity.

Your Company stands committed to good Corporate Governance, transparency, disclosure and independent supervision to increase the value of the various stakeholders. Your Company is committed to transparency in all its dealings and places high emphasis on business ethics. Our Board fully appreciates the need of increased awareness for responsibility, transparency and professionalism and focus for effective control and management of the Organization.

In accordance with the requirement of Stock Exchange Regulations and provisions of the Listing Agreement, the compliance report on the Corporate Governance is reproduced hereunder:

BOARD OF DIRECTORS

a) *Composition & Category of Directors*

The Board of Directors ("Board") of the Company has an optimum combination of Executive, Non-executive and Independent directors, who have in-depth knowledge of business, in addition to the expertise in their areas of specialization. The Board provides leadership, strategic guidance and an independent view to the Company's management.

The Company has been in strict compliance of Board Composition requirement of the Listing Agreement. Composition of Directors as on March 31, 2013 is as follows:-

Category of Directors	No. of Directors	% of total No. of Directors
Executive Director	1	20
Non-Executive Independent Director	3	60
Other Non-Executive Director	1	20
Total	5	100

b) *Board Meetings & Procedures*

During the financial year under review, five (5) meetings of the Board were held on May 17, 2012, July 26, 2012, August 13, 2012, October 18, 2012 and January 31, 2013. The intervening period between any two Board Meetings were well within the maximum time gap of 4 months prescribed under Clause 49 of the Listing Agreement. The annual calendar of meetings is broadly determined at the beginning of each year. The Board meets at least once a quarter to review the quarterly performance and financial results of the Company.

Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings mentioned hereinabove held during the Financial year 2012-13 and also their other Directorships held in Public Companies (excluding Foreign Companies and Section 25 Companies) and Membership of other Board Committees (excluding Remuneration Committee) as at March 31, 2013 are as under:

Name of Director	Attendance at		No. of Directorship of other Public Companies*	No. of memberships /Chairmanship of Board Committees#	
	Board Meetings (Total 5 Meetings)	6th AGM (held on 30.08.2012)		Membership	Chairmanship
Non-Executive Chairman					
Subhash Chandra	4	No	5	Nil	Nil
Non-Executive Independent Director					
B K Syngal	4	Yes	2	2	2
Sureshkumar Agarwal	3	Yes	1	2	Nil
Vinod Kumar Bakshi	5	Yes	2	2	Nil
Executive Director					
Amit Goenka	3	Yes	6	1	Nil

As required by Clause 49 of Listing agreement, disclosure includes the Chairmanship and membership in Audit Committee and Investor Grievances in Indian Listed Companies.

* Directorship includes the all public limited companies, whether listed or not, and all other companies including private limited companies, foreign companies and companies under Section 25 of the Companies Act shall be excluded.

None of the Directors on the Board is a member of more than ten (10) Committees (other than Remuneration Committee) or Chairman of more than five (5) Committees across all the companies in which he is a Director. Pursuant to appointment of Mr.Subodh Kumar as Non-Executive Director w.e.f. May 30, 2013 and Mr.V.D.Wadhwa as Executive Director w.e.f. June 1, 2013, in place of Mr.Amit Goenka, who shall demit his office as Director of the Company as at the close of May 31, 2013, certain Committees have been re-constituted by the Board at its Meeting held on May 30, 2013 and the details of the same are mentioned in the sections relating to the respective Committees.

Board Meetings of the Company are governed by a structured agenda. All major agenda items, backed up by comprehensive background information, are sent well in advance of the date of the Board Meetings to enable the Board to take informed decision. Any Board Member may, in consultation with the Chairman, bring up any matter for consideration by the Board. Chief Executive Officer, Chief Financial Officer and/or Head of Finance and Accounts are invited to the Board Meetings to provide necessary insights into the working of the Company and for discussing corporate strategies.

The Board periodically reviews Compliance Reports in respect of laws and regulations applicable to the Company.

c) Brief profile of the Directors proposed to be appointed / re-appointed at the ensuing Annual General Meeting:

Mr. Subhash Chandra, is the Non-Executive Chairman of the Board and promoter of Essel Group of Companies. His industry leading businesses include television networks and film entertainment, cable systems, satellite communications, theme parks, flexible packaging, family entertainment centers and online gaming. Mr.Chandra has been the recipient of numerous honorary degrees, industry awards and civic honors, including being named 'Global Indian Entertainment Personality of the Year' by FICCI for 2004, 'Business Standard's Businessman of the Year' in 1999, 'Entrepreneur of the Year' by Ernst & Young in 1999 and 'Enterprise CEO of the Year' by International Brand Summit. The Confederation of Indian Industry (CII) chose Mr.Chandra as the Chairman of the CII Media Committee for two successive years.

Mr. Chandra has made his mark as an influential philanthropist in India. He set up TALEEM (Transnational Alternate Learning for Emancipation and Empowerment through Multimedia), an organisation which seeks to provide access to quality education and to promote research in various disciplines relating to health & family life, social & cultural anthropology, communication and media. He is also the trustee for the Global Vippassana Foundation, a trust set up for helping people in spiritual upliftment.

Apart from the Company, Mr. Chandra holds directorship in five (5) other Indian Public Limited Companies viz., Zee Entertainment Enterprises Ltd., Zee News Ltd., Dish TV India Ltd., Essel Propack Ltd. and Essel Infraprojects Ltd.

Mr. Chandra does not hold any share in the Company.

Mr. Subodh Kumar, is a Non-Executive Director of the Board. Mr. Kumar had one of the most illustrious careers in the Indian Administrative Service, spanning 35 years, heading various key government agencies with stellar integrity and transparency.

Mr.Kumar, a 1977 batch IAS officer was Municipal Commissioner of Greater Mumbai Municipal Corporation. He has also served in the Department of Telecommunication, Ministry of Industry, Ministry of Textile in the Government of India. He has served as Commissioner of Sales Tax, Commissioner of State Excise as well as Principal Secretary – Finance Department in the Government of Maharashtra. Besides being Director on Public Sector Undertakings, he had also been Managing Director of Maharashtra State Seeds Corporation. Mr. Kumar has had many noticeable contributions to the areas of his work and most notably making modifications to the Development Control Regulations thereby drastically reducing the manipulation in building industry.

Mr. Kumar holds M.Sc. in Physics and several diplomas and management certificates from IIM-A, IIM-B, IIM-C, Harvard Business School, IDS Sussex, IMF amongst other Ivy League institutions.

Apart from the Company, Mr. Subodh Kumar holds directorship in Zee Learn Limited.

Mr. Subodh Kumar does not hold any share in the Company.

Mr. V.D. Wadhwa, is Chief Executive Officer of the Company and is also appointed as Executive Director of the Company w.e.f. June 1, 2013. Prior to joining SITI Cable, Mr. Wadhwa was with Timex Group India Limited where he was Managing Director & CEO for Business Operations in India and SAARC Countries.

He has 29 years of General Management experience in Consumer life style and retail industry and largely credited with profitable turnaround of Timex operations in India and establishing retail operations in India and South Asian Countries.

During his association with Timex Group India Ltd., he was responsible for the Business Development initiatives and involved with several global assignments for business restructuring in Russia, Brazil, Portugal & Spain.

Mr. Wadhwa is an Alumnus of Harvard Business School & a fellow member of the Institute of Company Secretaries of India. He has served on various committees of FICCI and ASSOCHAM besides serving as President of the Horological Federation of India.

Mr. Wadhwa does not hold any share in the Company.

d) Code of Conduct

The Board of Directors of the Company have approved and adopted Code of Conduct for Members of the Board of Directors and Senior Management of the Company. The Code is circulated to all the members of the Board and management personnel and the compliance of the same is affirmed by them annually. The Code has been posted on Company's website, viz. www.siticable.com

A declaration affirming compliance with the code of conduct by the members of the board and senior management is given below:

Declaration

I confirm that the Company has obtained from all Directors and Senior Management of the Company their affirmation of compliance with the 'Code of Conduct for Members of the Board of Directors and Senior Management' of the Company for the financial year ended March 31, 2013.

Amit Goenka
Whole-time Director
Mumbai, April 1, 2013

e) Whistle-Blower Policy

The Company promotes ethical behaviour in all its business activities and in line with the best international governance practices, the Company has established a system through which employees may report unethical business practices at work place without fear of reprisal. All employees have access to the members of Whistle-Blower Committee, so that the employees of the Company feel free and secure while lodging their complaints under the policy. The Whistle-Blower Protection Policy aims to:

- Allow and encourage employees to bring to the Management notice concerns about unethical behavior, malpractice, wrongful conduct, actual or suspected fraud or violation of policies.
- Ensure timely and consistent organizational response.
- Build and strengthen a culture of transparency and trust.
- Provide protection against victimization.

The above mechanism has been appropriately communicated within the Company across all levels and has been displayed on the Company's intranet as well as on the Company's website **www.siticable.com**.

BOARD COMMITTEES

a) Audit Committee

Terms of reference

The role and the powers of the Audit Committee are as per guidelines set out in Clause 49 of the Listing Agreement(s) and provisions of Section 292A of the Companies Act, 1956. The Committee meets periodically and reviews:

- Accounting and financial reporting process of the Company;
- Audited and un-audited financial results;
- Internal audit reports & report on internal control system of the Company;
- Business plans and various reports placed by the Management;
- Material related party transactions; and
- Discusses the larger issues that could be of vital concern to the Company including adequacy of internal controls, reliability of financial statements/other management information, adequacy of provisions for liabilities and whether the audit tests are appropriate and scientifically carried out in accordance with Company's business and size of operations.

The Audit Committee also reviews adequacy of disclosures and compliance with all relevant laws. In addition to the foregoing, in compliance with requirements of Clause 49 of the Listing Agreement(s), the Audit Committee reviews operations of subsidiary companies viz., financial statement, significant related party transactions, statement of investments and minutes of meeting of the Board and Committees.

Audit Committee meetings are generally attended by the Chief Financial Officer and representative of Statutory Auditors of the Company. Internal Auditors have attended Audit Committee Meetings wherein the Internal Audit reports were considered by the Committee. The Company Secretary acts as the Secretary of the Audit Committee.

Constitution

As on March 31, 2013 the Audit Committee comprises of Mr.B.K. Syngal, Non-Executive Independent Director as Chairman and Mr.Vinod Kumar Bakshi, Non-Executive Independent Director and Mr.Sureshkumar Agarwal, Non-Executive Independent Director are the members of the committee. Mr. V.D.Wadhwa, Executive Director of the Company has been appointed as member of Audit Committee w.e.f. June 1, 2013. During the financial year 2012-13, 4 (Four) meetings of the Audit Committee were held on May 17, 2012, July 26, 2012, October 18, 2012 and January 31, 2013.

The details of Composition of the Audit Committee, which complies with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement(s) along with attendance of the Committee Members at the meetings held during the financial year 2012-13 are as detailed herein:-

Name of Directors	Category	No. of Meetings attended
Mr. B. K. Syngal	Non-Executive – Independent	3
Mr. Sureshkumar Agarwal	Non-Executive – Independent	2
Mr. Vinod Kumar Bakshi	Non-Executive – Independent	4

b) Remuneration Committee

Terms of reference

The terms of reference of the Remuneration Committee, *inter alia*, consist of reviewing the overall compensation policy, service agreements and other employment conditions of Executive Director(s) and also administers grant of stock options to the employees under Company's ESOP scheme. The remuneration, if any, of Executive Director is decided by the Board of Directors on the recommendation of the Remuneration Committee as per the remuneration policy of the Company within the overall ceiling approved by shareholders.

Constitution

As on March 31, 2013 the Remuneration Committee comprises of Mr. B.K. Syngal, Non-Executive Independent Director as Chairman and Mr.Sureshkumar Agarwal, Non-Executive Independent Director as its Member. Mr.Vinod Kumar Bakshi, Non-Executive Independent Director has been appointed as member of Remuneration Committee w.e.f. May 30, 2013. The Company Secretary is the Secretary to the Committee. During the year under the review, the members of remuneration committee did not meet.

Remuneration to Executive Director.

During the financial year 2012-13, no remuneration has been paid to Mr. Amit Goenka, Whole-time-Director of the Company.

Remuneration payable to Non-Executive Directors

Non-Executive Directors are entitled to sitting fees of ₹ 20,000/- per meeting for attending the meetings of the Board and Committees thereof. The Non-Executive Independent Directors of the Company do not have any other material pecuniary relationships or transactions with the Company or its directors, senior management, subsidiary or associate, other than in normal course of business.

c) Share Transfer and Investors Grievance Committee

Terms of reference

Terms of reference of Share Transfer and Investors Grievance Committee are to supervise and ensure efficient transfer of shares and proper and timely attendance to investors' grievances. The Committee has delegated the power of approving requests for transfer, transmission, rematerialization, dematerialization, etc. of shares of the Company to the executives of the Secretarial Department in the Company.

Constitution

As on March 31, 2013, the Share Transfer and Investors Grievance Committee comprises of Mr. B.K. Syngal, Non-Executive Independent Director as Chairman and Mr. Sureshkumar Agarwal, Non-Executive Independent Director and Mr. Amit Gooenka, Whole Time Director as its members. Mr. V.D. Wadhwa, Executive Director has been appointed as member of the Share Transfer and Investors Grievance Committee w.e.f. June 1, 2013, in place of Mr. Amit Goenka, who shall demit his office as Director of the Company as at the close of May 31, 2013. Mr. Suresh Kumar, Company Secretary of the Company is Compliance Officer of the Company. During the year under review, Share Transfer and Investors Grievance Committee met three (3) times. The details of the meetings are as under:

Sr. No.	Date	Committee Strength	No. of members present
1	June 14, 2012	3	2
2	November 29, 2012	3	2
3	March 5, 2013	3	2

Details of number of requests/complaints received and resolved during the year ended March 31, 2013 are as under:

Nature of Correspondence	Received	Resolved/ Replied	Pending
Non-receipt of Annual Report	6	6	0
Non-receipt of Dividend Payment	1	1	0
Non-receipt of Shares	5	5	0
Letter from SEBI	5	5	0
Letter from NSE	0	0	0
Letter from BSE	2	2	0
Total	**19**	**19**	**0**

GENERAL MEETINGS

The Seventh Annual General Meeting of the Company for the Financial Year 2012-13 will be held on Friday, August 30, 2013 at 3:30 p.m. at the 'Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

Details of Annual General Meeting of the Company held from the date of Incorporation are as follows:

Meeting	Day, Date and Time of the Meeting	Venue	Special Resolution Passed
2011-12	Thursday, August 30, 2012, 3:30 p.m.	'Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400018	Change of Name of the Company from "Wire And Wireless (India) Limited" to "Siti Cable Network Limited"
2010-11	Tuesday, July 26, 2011, 3:30 p.m.	'Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400018	None
2009-10	Tuesday, August 31, 2010, 3:30 p.m.	'Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400018	None

All the above special resolutions were passed with requisite majority.

No Ordinary or Special resolutions were passed through Postal Ballot during Financial Year 2012-13. None of the resolutions proposed for the ensuing Annual General Meeting needs to be passed by Postal Ballot.

DISCLOSURES

There are no materially significant related party transactions between the Company and its promoters, directors or management personnel or their relatives, having any potential conflict with interests of the Company at large. Transactions with related parties are disclosed elsewhere in the Annual Report.

There has not been any non-compliance by the Company and no penalties or strictures imposed by SEBI or Exchanges or any statutory authority on any matter relating to capital markets.

MEANS OF COMMUNICATION

The Company has promptly reported all material information including declaration of quarterly financial results, press releases, etc., to all Stock Exchanges where the securities of the Company are listed. Such information is also simultaneously displayed immediately on the Company's website, www.siticable.com . The financial results, quarterly, half yearly and annual results and other statutory information were communicated to the shareholders by way of an advertisement in a English daily viz. 'Daily News & Analysis (DNA)' and in a vernacular language newspaper viz. 'Punya Nagari (Marathi)' as per requirement of the Listing Agreement.

MANAGEMENT DISCUSSION AND ANALYSIS:

This annual report has a detailed section on Management Discussion and Analysis.

GENERAL SHAREHOLDERS INFORMATION

The required information is provided in Shareholders Information Section.

Corporate Governance Compliance Report

To,
The Members
Siti Cable Network Limited

I have examined the records of the Company as to the compliance of conditions of Corporate Governance by Siti Cable Network Limited, ('the Company') for the financial year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

I state that generally no investor grievances are pending for a period exceeding 30 days, against the Company as per the records maintained by the Company.

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

Balika Sharma
Company Secretary
Membership No. FCS 4816
CP No. 3222

Place: Delhi
Dated: 28.05.2013

Shareholder's Information

1.	**Annual General Meeting**	
	❖ Day & Date	: Friday, August 30, 2013
	❖ Time	: 3:30 p.m.
	❖ Venue	: 'Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018.
2.	**Financial year**	: April 1, 2012 to March 31, 2013
3.	**Book Closure Date**	: Monday, August 26, 2013 to Friday, August 30, 2013 (both days inclusive)
4.	**Dividend Payment Date**	: The Board has not recommended any dividend for the Financial Year 2012-13.
5.	**Address of Correspondence** **Registered Office**	: 135, Continental Building, Dr. Annie Besant Road, Worli, Mumbai - 400 018. India Phone No.:+91- (022) 24831234 Fax No.: +91 -(022) 24900302 Email :- csandlegal@siticable.com Website : www.siticable.com
	Corporate Office	: Building No: FC 9, Gate No - 3 Sector 16 A, First Floor, Film City, Noida (UP) – 201301 Ph No.: +91-(0120) 4526700 Fax No.: +91- (0120) 4265232
6.	**Listing on Stock Exchange**	: BSE Limited (BSE) The National Stock Exchange of India Limited (NSE)
7.	**Scrip Code**	: BSE - 532795 NSE - SITICABLE-EQ
8.	**Corporate Identification Number**	: L64200MH2006PLC160733
9.	**ISIN No.**	: INE965H01011
10.	**Registrar & Share Transfer Agent**	: **Sharepro Services (India) Private Limited** 13 AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 072. Tel: +91-22-67720400, Fax: +91-22-28591568 Email: sharepro@shareproservices.com
11.	**Investor Relation Officer**	: Mr. Laxman Singh Kaira Assistant Manager Company Affairs, Siti Cable Network Limited Madhu Industrial Estate, "A" Wing, 4th Floor, Pandurang Budhkar Marg, Worli Mumbai -400013. Ph No.: +91-22-24992020. Fax: +91-22-24992000. Email :- csandlegal@siticable.com

12. Change of Address

Members holding Equity shares in physical forms are requested to notify the change of address, if any, to the Company's Registrar and Share Transfer Agents, at the address mentioned above.

Members holding equity shares in Dematerialized form are requested to notify the change of address, if any, to their respective Depository Participants (DP).

The Ministry of Corporate Affairs (MCA) vide circular nos.17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively (the said Circulars) has clarified that a company will be deemed to have complied with the provisions of Sections 53 and 219(1) of the Companies Act, 1956, in case documents like notice, annual report etc. are sent in electronic form to its shareholders subject to compliance with the conditions stated therein. The Company has intimated the adoption of the said initiative to the members who hold equity shares in electronic form and whose email address have been made available to the Company by the Depositories. The Company will be sending the notice and annual report for the financial year 2012-13 in electronic form to the said members, in terms of the said circulars.

Members holding shares in electronic form but who have not registered their mail address with their DP and members holding shares in physical form are requested to register their email address with their DP/Company, as the case may be.

Members who have registered their email address with their DP/Company but wish to receive the said documents in physical form are requested to write to csandlegal@siticable.com duly quoting their DP ID and Client ID/Folio No., as the case may be, to enable the Company to record their decision.

13. Share Transfer System

Equity Shares sent for physical transfer or for dematerialization are generally registered and returned within a period of 15 days from the date of receipt of completed and validity executed documents.

14. Dematerialisation of Equity Shares / Debentures and Liquidity

To facilitate trading in demat form, the Company has made arrangement with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shareholder/ Debenture holders may open account with any of the Depository Participants registered with any of these two depositories. As on 31.03.2013 99.50% of the equity shares of the Company are in dematerialized form and entire shareholding of the promoters in the Company are held in dematerialized form.

15. Voting Rights

All the shares of the Company carry equal voting rights. Generally, matters at the general meetings are decided by a show of hands in the first instance. Voting by show of hands operates on the principle of 'One Vote'. If majority of members raise their hands in favor of particular resolution, it is taken as passed, unless a poll is demand.

16. Shareholder's Correspondence

The Company has attended to all the investor's grievances/ queries/ information requested and every endeavor is made to reply all letters received from the shareholders within a period of 5 working days.

All the correspondence may please be addressed to the Registrar and Share Transfer Agent at the address given above. In case any shareholder is not satisfied with the response or do not get any response within reasonable period, they may approach the investor relation officer at the address given above.

17. Disclosure pursuant to Clause 5A of the Listing Agreement

As per clause 5A of the Listing Agreement inserted as per SEBI notification no. SEBI/CFD/DIL/LA/1/2009/24/04 dated April 24, 2009, the details in respect of the shares, which were issued from time to time and lying in the suspense account, as under:-

Description	No. of Shareholders	No. of Equity Shares
Aggregate number of shareholders and the outstanding shares as on April 1, 2012	96	56667
Number of shareholders who approached the Company for transfer of shares from suspense account till March 31, 2013	6	4250
Number of shareholders to whom shares were transferred from the suspense account till March 31, 2013	6	4250
Aggregate number of shareholders and the outstanding shares in the suspense account as on March 31, 2013	90	52417

The voting rights on the shares outstanding in suspense account as on March 31, 2013 shall remain frozen till the rightful owner of such shares claims the shares. In compliance with the said requirements, these shares will be transferred into a single folio in the name of 'Unclaimed Suspense Account' in due course.

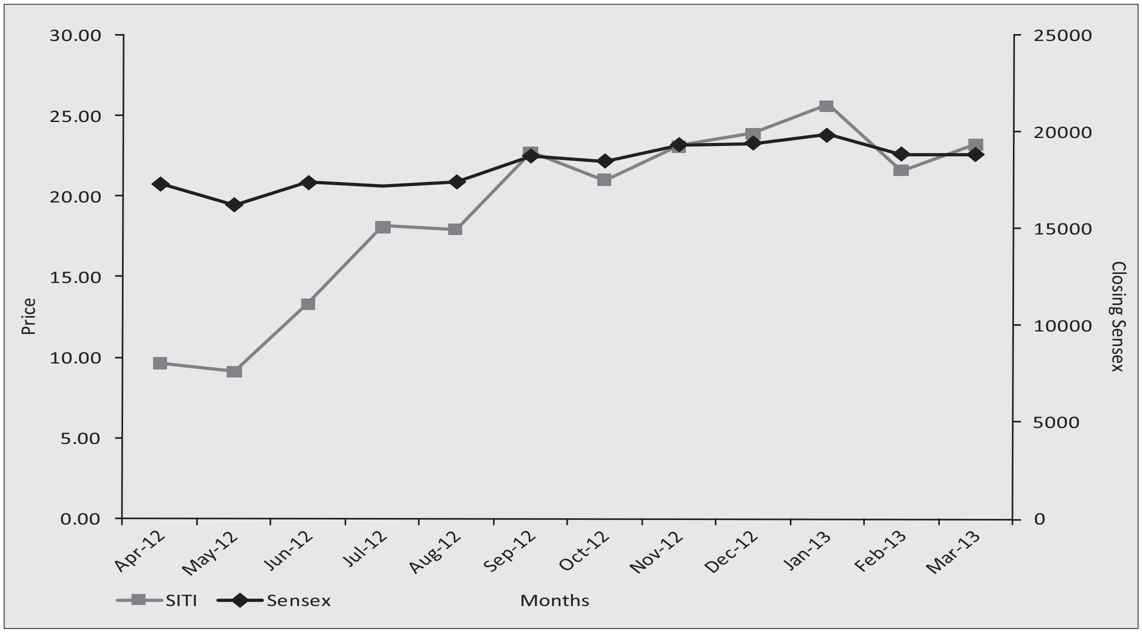
18. Stock Market Data relating to shares Listed in India

Monthly High and Low quotation and volume of Equity shares traded on BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) for the Financial year 2012-13 are given as under:-

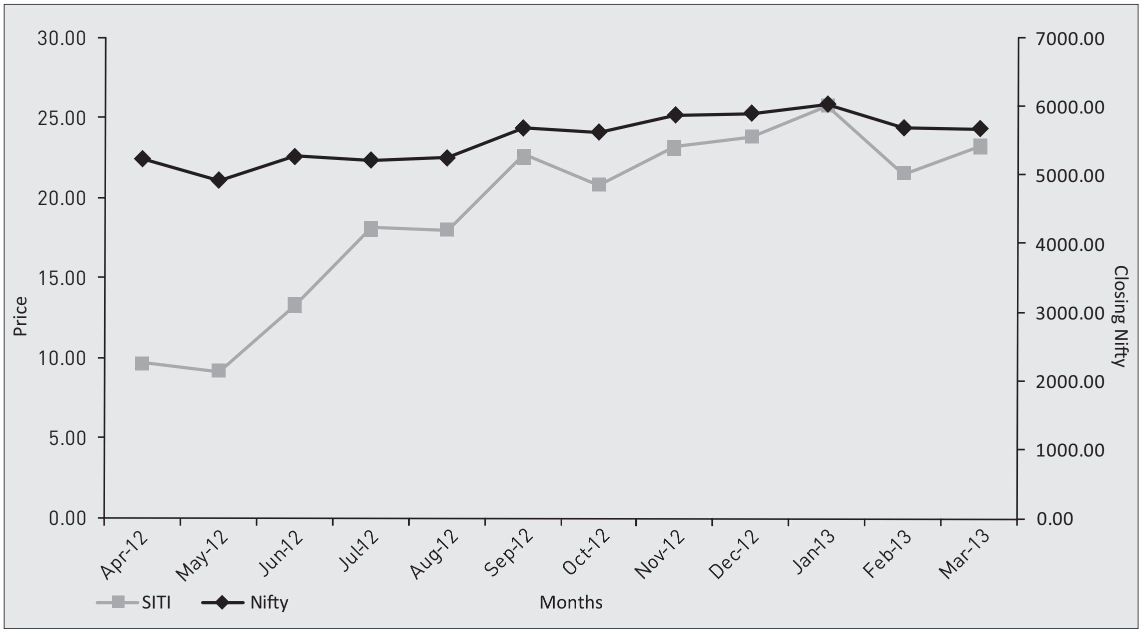
Month	NSE			BSE		
	High (in ₹)	Low (in ₹)	Traded Quantity	High (in ₹)	Low (in ₹)	Traded Quantity
April 2012	10.65	8.35	1,68,03,360	10.69	8.48	79,25,213
May 2012	10.45	8.25	88,34,364	10.50	8.21	50,43,755
June 2012	13.70	8.55	2,64,88,328	13.70	8.50	1,50,51,745
July 2012	19.60	13.00	6,63,55,762	19.65	13.10	3,42,69,973
August 2012	24.15	16.85	5,68,93,666	24.20	16.80	2,66,76,089
September 2012	22.75	17.75	1,39,66,834	22.75	17.55	64,11,625
October 2012	23.55	19.55	1,06,19,155	23.70	19.65	66,60,987
November 2012	26.20	20.20	1,72,67,315	26.30	20.20	98,38,286
December 2012	25.70	22.35	1,79,73,811	26.15	22.40	1,07,61,791
January 2013	30.35	23.85	2,29,02,878	30.30	23.75	1,29,64,149
February 2013	27.25	21.05	1,22,94,502	27.30	21.10	57,87,029
March 2013	26.60	21.00	1,14,38,223	26.30	21.00	48,89,005

19. **Relative performance of the shares of Siti Cable Network Limited (SITI) Vs. BSE Sensex & Nifty Index:**

a. BSE Closing Monthly Price (month end) vs Closing Monthly BSE Sensex (Month End)



b. NSE Closing Monthly Price (Month End) vs Closing Monthly CNX Nifty (Month End)



Essel GROUP

20. Distribution of Shareholding as on March 31, 2013.

Description	Share Holders		No. of Shares	
	Number	% of Holders	Number	% of Shares
Upto 5000	1,46,514	98.61	4,62,95,206	10.24
5001-10000	1,055	0.71	78,70,505	1.74
10001-20000	473	0.32	68,64,984	1.52
20001-30000	159	0.11	39,81,624	0.88
30001-40000	78	0.05	27,00,456	0.60
40000-50001	58	0.04	26,93,356	0.59
50001-100000	117	0.08	84,19,465	1.86
100000 and above	123	0.08	37,33,87,319	82.57
Total	**1,48,577**	**100.00**	**45,22,12,915**	**100.00**

21. Categories of Equity Shareholder as on March 31, 2013.

Particulars	No. of Share held	% of shareholding
Promoter	28,52,42,427	63.08
Individual	8,81,59,263	19.50
Financial Institutions, Mutual & Banks	1,59,77,022	3.53
Indian companies	2,88,91,089	6.39
Trust	23,594	0.01
FII, NRI & OCBS	3,39,19,520	7.50
Total	**45,22,12,915**	**100.00**

22. Particulars of Shareholding

a) Promoters Shareholding as on March 31, 2013

S. No.	Name of the shareholder	No. of Share held	% of shareholding
1.	Direct Media Solutions Pvt Ltd	14,00,00,000	30.96
2.	Bioscope Cinemas Private Limited	12,20,40,427	26.99
3.	Essel Media Ventures Limited	1,64,31,000	3.63
4.	Essel International Limited	57,50,000	1.27
5.	Ashok Mathai Kurien	10,21,000	0.23
Total		**28,52,42,427**	**63.08**

b) Top Ten (10) Public Shareholding as on March 31, 2013

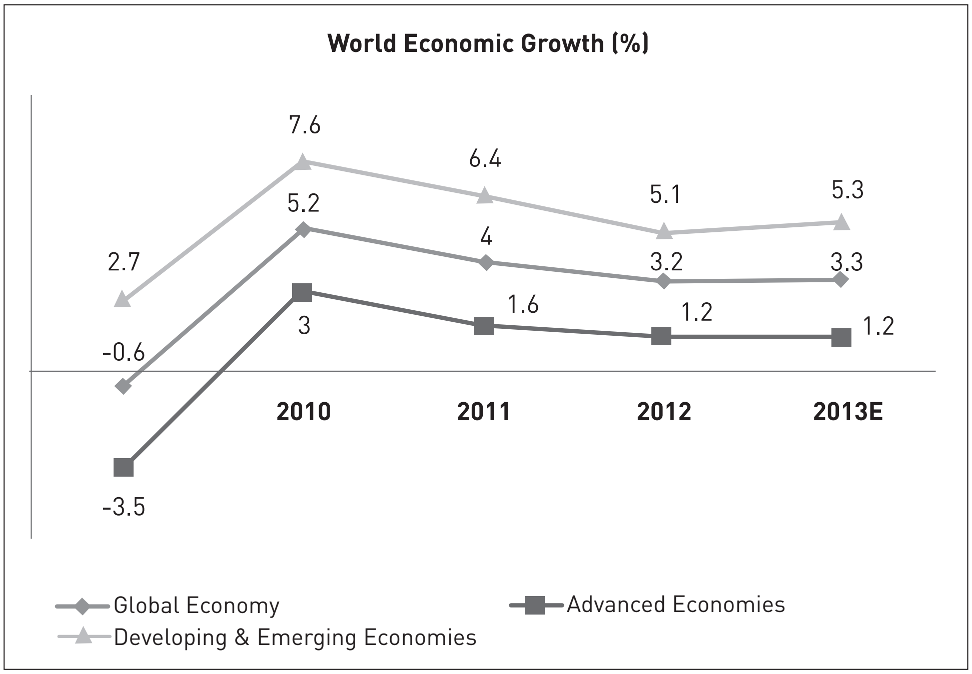
S. No.	Name of Shareholder	No. of Shares held	% of shareholding
1.	Asia Advantage Fund	1,17,29,800	2.59
2.	Macquarie Bank Limited	59,53,200	1.32
3.	DSP Blackrock Micro Cap Fund	58,23,672	1.29
4.	The Bank of Nova Scotia	45,46,800	1.01
5.	Amal Niranjan Parikh	35,61,400	0.79
6.	Goldman Sachs India Fund Limited	30,13,361	0.67
7.	Religare Finvest Ltd	28,61,638	0.63
8.	Kotak Mahindra Investments Ltd	27,45,208	0.61
9.	Manish Lakhi	25,50,000	0.56
10.	Aadi Financial Advisors LLP	25,25,000	0.56
	Total	**4,53,10,079**	**10.02**

Management Discussion and Analysis

ECONOMIC OVERVIEW

Global Economy

The global economic growth in 2012 remained slow and declined for the second consecutive year to 3.2% from 4% in 2011. The spill over effects of the sovereign crisis of 2011 in Euro Area and higher unemployment in developed economies, together with lack of fresh capital infusion and high inflation in developing economies, led to the overall slowdown. A host of fiscal and monetary measures were taken across the global economies to restore growth, which is likely to pick up 2013 onwards. Amidst the overall slow environment, the U.S. posted a comeback at 2.2% growth in 2012 and Japan too posted a comeback at 2%. Emerging and developing economies led the global growth at 5.1%, though with decline from 6.4% in 2011. World Economic Outlook 2013 by IMF estimates marginal economic growth at 3.3% globally, 1.2% for advanced economies and 5.3% for developing & emerging economies in 2013.



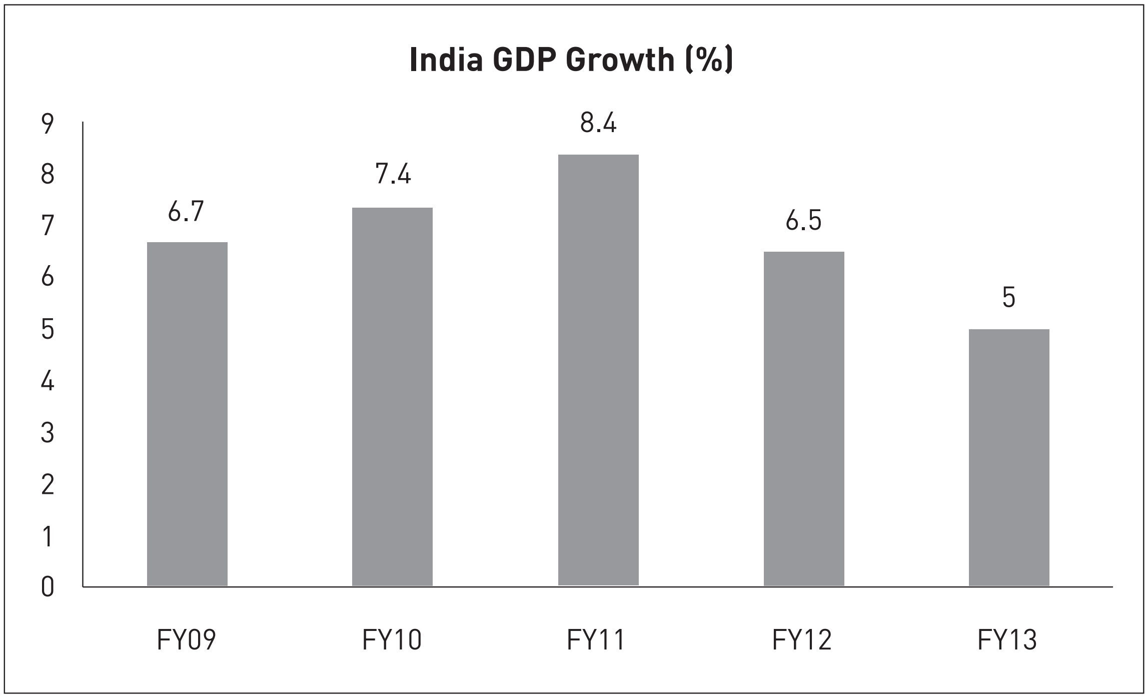
Source: IMF (April 2013)

Indian Economy

The growth of Indian economy also continued to face pressure for the second successive year in FY 13. Courtesy the absence of fresh investments in capital projects and slackness in completion of already planned capital investments. India's exports too declined and rising imports further added to widening current account deficit of 4.6% of GDP as on December 31, 2012, indicating lower imports from India. Amidst this challenging environment, India recorded its lowest growth rate of 5% in last ten years as per Advance Estimates of Central Statistical Office (CSO), May 2013.

A set of monetary and fiscal measures, helped to check the momentum from declining further. Indian government resumed its agenda of economic reforms with relaxation of FDI norms in multiple industries like Aviation, Broadcasting, Single/Multi Brand Retail, Insurance and Pension. The disinvestment of Public Sector Undertakings (PSUs) to the tune of ₹ 24,000 crore on the other hand brought fresh funds. India's fiscal deficit in turn was checked at 5.2% of the GDP in FY'13 against 5.9% in FY'12.

RBI had dual task of checking inflation and restoring growth through liquidity. RBI during FY13, particularly in second half, reduced Cash Reserve Ratio (CRR) thrice, from 4.75% to 4%, a move intended to infuse liquidity in Indian banking systems to the tune of about ₹ 42,500 crores. This was supported further by reducing Bank Repo Rate (RR) thrice from 7.5% to 6.5%.



Source: Advance Estimates by CSO

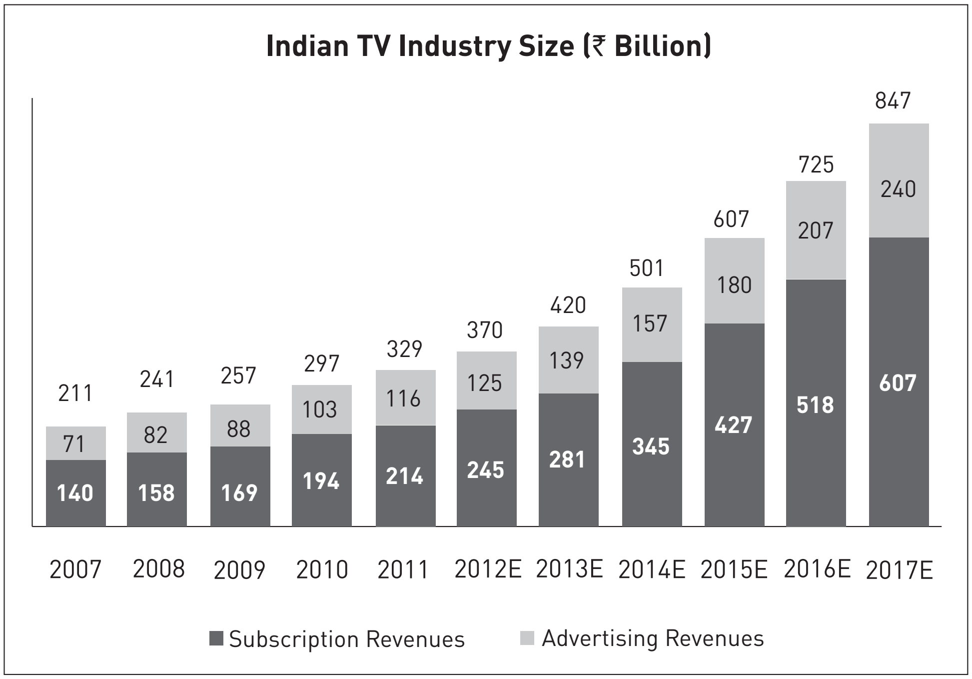
INDIAN MEDIA & ENTERTAINMENT INDUSTRY

Indian Media & Entertainment Industry (M&E) posted strong 12.6% growth in 2012 amidst challenging macro environment as per 2013 Report of FICCI-KPMG on Indian M&E industry. The industry grew from ₹ 728 billion in 2011 to ₹ 821 billion in 2012 and is estimated to keep the robust momentum of 15.2% CAGR between 2013 at ₹ 917 billion and 2017 at ₹ 1661 billion. Advertising revenues of ₹ 327 billion contributed 40% to the industry's total revenues. Advertising revenues are estimated to grow at a CAGR of 14% between 2013 at ₹ 362 billion and 2017 at ₹ 630 billion. Indian Media & Entertainment industry received multiple welcome changes through the government's economic reforms agenda. FDI norms in TV broadcasting service sector were relaxed by increasing upper cap from 49% to 74%, a timely action to help the ongoing mandatory digitization get the required funds infusion. The long awaited announcement of allowing 839 new FM radio channels in FY13 was another catalyst for the industry's growth.

Television Segment in Indian M&E Industry

In 2012, Television segment revenues at ₹ 370 billion continued to be the largest contributor to total M&E revenues at 45%. The 12.5% growth in 2012 over ₹ 329 billion in 2011 is further estimated to have robust growth ahead. Television segment is estimated to grow at a CAGR of 18% between 2013 and 2017 to reach ₹ 847.6 billion mark in 2017 from ₹ 419.9 billion in 2013.

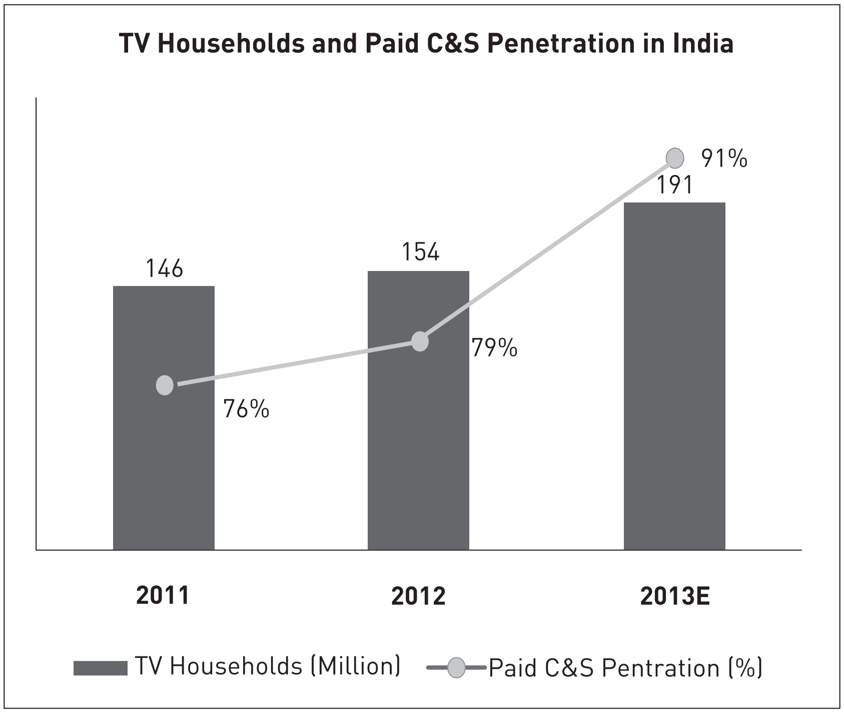
The year was truly momentous for Indian TV industry with mandatory digitization rolling-out on ground completing the phase 1 of covering four metro cities and roll-out of phase 2 in cities having more than 1 million populations. Subscription revenues of are expected to increase their contribution in total TV industry revenues from 66% in 2012 to 72% in 2017.



Source: FICCI-KPMG 2013 Report

TELEVISION CONTENT DISTRIBUTION

India has 154 millions TV households as at the close of calendar year 2012 with 79% paid Cable & Satellite (C&S) TV households. The paid C&S penetration is expected to reach 91% of the 191 millions estimated TV households in 2017.



Source: FICCI-KPMG 2013 Report

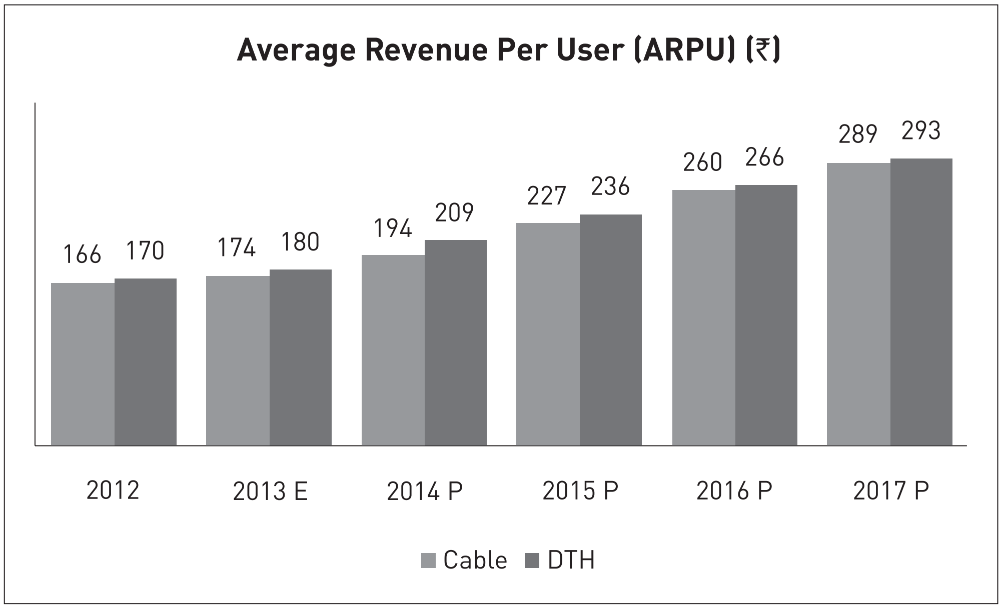
FY 13 was a landmark year for the Indian TV content distribution sector. The much awaited convergence of cable distribution from conventional analogue to revolutionary digital TV signal was finally rolled out in four metro cities in phase 1 from the midnight of October 31, 2012. Following the success of phase 1 and viewers welcome to digitization with about 68% conversion, as on September 2012 (Ministry of I&B release), the government stood firm to its deadline of phase 2 digitization in another 38 urban cities with above 1 million population, by the midnight of March 31, 2013. Even though the process of shift to digital signal started on a moderate note, it picked up a month before the deadline. The digitization is estimated to be 67% complete as on March 2013 as per Ministry of I&B press release.

The advantages of digitization over conventionally used analogue TV signal include:

- High capacity to carry more number of channels
- Efficient carrying capability of voice and data besides TV signals
- Possibility of interactivity
- Enhanced picture and sound quality
- Digital addressability & accountability transparency

The leading Multi System Operators (MSOs'), including SITI Cable Network, are striving to match and exceed the customer friendly packages and services with those provided by Direct to Home (DTH) service providers. These steps include engaging the LCOs with a digitally managed subscriber management system to handle subscriber queries and transactions.

With a large cable TV network in place, the Digitally Addressable System holds competitive edge over DTH. DAS has the ability to offer bundled two way services like broadband, video on demand, digitization after transition, HD channels and higher penetration in rural areas. As the leading MSOs continue to lead the way by putting proper infrastructure in place in line with the deadline set for the remaining two phases of digitization, they are likely to sustain their market share in cable & satellite TV distribution market.



Source: FICCI-KPMG report 2013

Following the convergence of entire country from analogue to digital TV signals, MSOs are likely to reap-in the benefit of the same in the coming two to three years. The same would be enabled by revenue sharing model with broadcasters, free to air channels, and also the additional subscription fee that MSOs get out of value added services, which are increasingly being used by subscribers at additional cost. Higher Average Revenue Per User (ARPU) shall be the significant contributor to the Cable TV segment growth.

COMPANY OVERVIEW

SITI Cable Network Limited (erstwhile known as Wire and Wireless (India) Limited) is one of the largest MSO in the country with presence across 60 major cities and adjoining areas of the country providing digital & analogue TV Cable TV signals and local TV Channels. Out of the four metros and 38 other urban cities with more than 1 million population which have already undergone digitization in Phase 1 and 2, the Company provides DAS network in three phase 1 metros and 17 cities under phase 2 of the phased mandatory digitization. The Company is also set to leverage its presence in about 40 cities out of 60 cities in phase 3 of digitization.

At present, the Company has close to 10 million subscribers through its Local Cable Operator (LCO) partners wherein more than 25% of these are already subscribing to digital network through DAS. SITI has a robust delivery platform of 56 analogue & 14 digital headends and 12000 kilometre of Optical Fibre & Coaxial Cable Network. Besides providing digital cable distribution in 20 cities of phase under phase 1 & 2 of digitization, SITI Cable provides analogue Cable TV signal in many other rural and smaller urban towns which are still a step away from complete digital convergence in next two phases. SITI Cable Network is part of the Essel Group-India's leading business conglomerate having business interest spanning across media, entertainment and broadcasting; TV content distribution; print media, infrastructure development; and packaging etc.

OPERATION REVIEW – LEADING THE DIGITAL REVOLUTION

Meticulous Execution

FY13 was a breakthrough year for SITI Cable Network following the roll-out of nationwide mandatory digitization of TV signals. SITI Cable is present in 3 out of 4 metros under phase 1 of digitization. With strong commitment, focus, technological tie-ups and immaculate planning SITI Cable seeded 3 million digital Set Top Boxes (STBs) including 2 million in phase 1 cites and 1 million in phase 2 cities of digitization mandate.

Strategic Initiatives

Own Your Customer (OYC): SITI Cable is the first MSO in India to provide the much needed digital subscriber management system – Own Your Customer. OYC is the first-of-its-kind online system to address customer issue and manage customer accounts with real-time capabilities. SITI Cable has empowered its LCOs with access to OYC through Computer, Laptop, Tablet and even mobile. The move has increased LCO and customer loyalty besides bringing in new LCOs in SITI's network.

Carriage Revenue Sharing (CRS): SITI Cable came up with unique proposition to share Carriage Revenue, that its charges from the broadcasters, with its networked LCOs. SITI Cable was the first and till date is the only MSO to share carriage revenue with LCOs.

DAS Interconnect Arrangement with Broadcasters and Content Aggregators: SITI Cable was one of the first ones to enter into DAS Interconnect arrangement with broadcasters strategic content aggregator to market and deliver broadcasting services. SITI Cable is aggressively scouting for more such strategic tie-ups and is better placed among peers being part of Essel group that has strong presence and long standing in Indian media industry.

Geared for Phase 2 and beyond of Digitization

Inspired by the success of phase 1 of digitization, SITI Cable has put strong execution and industry relation capabilities to gain maximum out of phase 2. SITI Cable is present in 17 out of the 38 phase 2 cities coming under full digitization (DAS) from the close of midnight of March 31, 2013. Major cities of SITI Cable's expansion under phase 2 and beyond are Bhopal, Jabalpur, Ujjain, Indore, Jaipur, Patna, Guwahati and Pune. SITI Cable has set ambitious goal of taking its total digital subscriber base from 2.4 million on March 31, 2013 to over 5 million. The Company is steadily working towards expanding its presence in more cities and exploring newer geographies.

Funds Infusion

Towards the close of FY'13, SITI Cable got the Foreign Investment Promotion Board (FIPB) approval for funds infusion by promoter(s) to the tune of ₹ 324 crore. The Company has already received ₹ 81 crore out of the total ₹ 324 Crores. SITI Cable is set to pursue its ambitious expansion plans and reaping benefits of digitization with remaining fund infusion in the nature of Share warrants. The funds released shall also help invest in technology and infrastructure.

Strengthening Revenues with utmost transparency

Set Top Boxes (STB): SITI Cable has been seeding the required number of STBs with utmost transparency in realizing the capital cost of the same. The Company has recovered a larger portion of its capex in STB purchase by offering STBs to its subscribers against cost, subsidized in some cases. The recovery of STB cost since April 2012 has made positive impact on its working capital requirements. The Company hopes to continue with this practice to meet its working capital requirements in times ahead.

Subscription Revenues: SITI Cable was the first MSO to realize subscription revenues from customers through LCOs. The Company has maintained its leadership position among peers for being the first mover and highest gainer in this aspect.

FINANCIAL REVIEW (CONSOLIDATED)

Total Revenue

Total revenue increased by 33%, from ₹ 3,642.6 millions in FY12 to ₹ 4,836.6 millions in FY13. The major focus during the year was on making the most out of the digitization. Subscription revenues, as anticipated, grew by 33% from ₹ 909.7 millions in FY12 to ₹ 1,206.9 millions in FY13.

Operating Income

Operating Income increased from ₹ 3,428.2 millions in FY12 to ₹ 4,696.4 millions in FY13, a healthy 37% increase. The growth is attributable to rising subscriptions and inflow of carriage revenue shared by the broadcasters.

Total Expenditure

Total Expenditure increased by 15% from ₹ 3,450.6 millions in FY12 to ₹ 3,967.1 millions in FY13. It includes Operational cost, Personal cost, Administrative, Selling and Distribution expenses.

Employee Benefit Expenses

Employee Benefit Expenses witnessed 18% increase from ₹ 271.1 millions in FY12 to ₹ 319.4 millions in FY13. The reasons for increase were on account of manpower rationalization and due to expansion of business operation to newer places in Central India and eastern region.

Finance Cost

Finance Cost increased by 52% from ₹ 566.4 millions in FY'12 to ₹ 863.7 millions in FY'13. The increase in finance cost is primarily due to debt raised for technical up gradation and cost of acquiring digital Set Top Boxes for phase 1 and 2 of mandatory digitization. However, the Company has started recovering cost of STBs form customers through LCOs. Besides, this, the Company has received ₹ 81 crore through FDI route towards the close of FY'13, to further fund its expansion drive.

Depreciation & Amortization Expenses

Depreciation & Amortization Expenses increased by 85% from ₹ 304.1 millions in FY12 to ₹ 563.1 millions in FY13. The increase is on account of due to capitalisation of STB.

EBIDTA

SITI Cable registered Operating Profit (EBIDTA) of ₹ 869.6 millions against a moderate ₹ 192 millions in FY 12, recording a staggering growth of 353%. The additional EBIDTA growth is attributable to increase in subscription revenue and revenue sharing model with broadcasters. The EBIDTA margin improved from 5% in FY12 to 18% in FY13 of the total revenues.

Profit/(Loss) After Tax

Profit/(Loss) after tax for FY13 at ₹ (640.7) millions was recovered by 30% from ₹ (913.4) millions in FY12. With the rapid digitization in the country and the impact of phase 2 likely to catch up in FY14, the Company hopes to close the FY14 on a positive note of increased net profit.

FINANCIAL POSITION

Sources of Funds

Share Capital and Reserves & Surplus

No change in Equity Share Capital. Reserves and Surplus as on March 31, 2013 is ₹ (1,922.82) millions as compared to ₹ (1282.09) as on March 31, 2012.

Loan Funds

Total loan funds as on March 31, 2013 stood at ₹ 9,094.83 millions, up from ₹ 4,480.50 millions as on March 31, 2012.

Application of Funds

Fixed Assets

During the year the Company's Gross Fixed Assets Block increased by ₹ 3,228.17 millions from ₹ 4,025.10 millions as on March 31, 2012 to ₹ 7,253.27 millions as on March 31, 2013. The Net Block increased by ₹ 2,669.7 millions from ₹ 1,842.64 millions as on March 31, 2012 to ₹ 4,512.34 millions as on March 31, 2013. Capital Work-in-Progress is ₹ 691.38 millions as on March 31, 2013 as against ₹ 123.15 millions as on March 31, 2012.

Current and Non Current Assets

Inventories

Inventories of the Company decreased from ₹ 161.17 millions as on March 31, 2012 to ₹ 79.01 millions as on March 31, 2013.

Sundry Debtors

Sundry Debtors have increased from ₹ 777.59 millions as on March 31, 2012 to ₹ 967.94 millions as on March 31, 2013.

Cash and Bank Balances

Cash and Bank Balances lying with the Company were ₹ 1,293.56 millions as on March 31, 2013 as against ₹ 1,482.83 millions as on March 31, 2012.

Loans & Advances

Total Non Current Assets

Total Non Current Assets Loans and Advances increased to ₹ 3,596.21 millions as on March 31, 2013 from ₹ 833.93 millions as on Mach 31, 2012.

Total Current Assets

Total Current Assets Loans and Advances decreased to ₹ 799.99 millions as on March 31, 2013 from ₹ 399.54 millions as on March 31, 2012.

Current Liabilities and Provisions

Total Non Current Liabilities and Provision

Total Non Current liabilities and Provision stood at ₹ 860.68 millions as on March 31, 2013 as against ₹ 28.21 millions as on March 31, 2012.

Total Current Liabilities and Provision

Total Current liabilities and Provision stood at ₹ 2,499.97 millions as on March 31, 2013 as against ₹ 1,854.78 millions as on March 31, 2012.

RISK MANAGEMENT

In today's competitive business environment, like all growing businesses, SITI Cable Network too has certain risks inherent to its business, industry and global & Indian macro-economic environment. SITI Cable consistently invests in its technology, management approach, systems & processes and infrastructure to minimize the risk impact. The Company has a constant risk monitoring and management system to have effective risk management. Following are some of the key risks and their respective mitigation measures at SITI Cable Network:

Competition from DTH Providers

The Company faces competition from DTH players providing digital cable service through satellite in majority of its markets to gain larger consumer base from digital conversion. Some churning out from MSOs to DTH providers may happen in areas where digitization has already been implemented or where digitization is yet to happen. However, with the long standing presence of SITI Cable, inherent superior strengths of DAS and early success continuous investment in its delivery infrastructure, SITI Cable is able to avert this risk. Further, the crucial presence of LCOs in case of DAS as the last mile customer touch point further strengthens SITI's customer reach wherein SITI Cable enjoys excellent LCO relations.

Regulatory Changes

Any change or revision in applicable regulations could impact Company's business prospects. As a due diligence measure, the Company closely keeps a continuous check on regulatory developments closely associated with digitization, and remains active to keep a close check of regulatory changes in order to minimize any delays of proposed changes in Cable & Satellite TV distribution sector.

Technological Risks

Continuous technological upgrade and investments will be the key and major driver of service quality of Cable TV distribution post digitization. The Company may face certain risks arising from old technology or a better technology launched by its peers. SITI Cable tracks the technological evolution closely and keeps updating its business with technological up-gradations from time-to-time. At present, SITI Cable is leading in the industry with path-breaking mitigation like shifting to end user consumer billing with OYC in Phase 1 and has empowered most of its LCOs with multiplatform access to OYC. The Company is upgrading its network to deliver superior quality to its digital customers and enable itself to offer Value Added Services going forward.

Presence in Select Locations

The Company is still not present in some urban and metro regions where digitization has already been implemented in Phase 1 or Phase 2 like Chennai etc. The Company is in process of slowly and steadily expanding its presence across a wider territory evident from new cities like Guwahati, Pune etc., added during FY13.

Indirect on-ground presence through LCOs

Cable TV distribution has LCO as the most important part of entire value chain being last mile connectivity provider. LCOs are the last customer touch point and are critical enabler of revenue generation, service delivery and customer service. In an event of non-congenial relations with LCOs, the Company may face under or slow revenue recovery. SITI Cable has been leading in the industry for its excellent relation, regular interaction and very close working with LCOs. Carriage Revenue sharing with LCOs and empowering LCOs with digital subscriber management system accessible through multiple platforms and to offering channel packages for customers position the LCOs in SITI Cable's network as more competitive compared to other networks and bring in committed and transparent LCO relations.

INTERNAL CONTROL SYSTEMS

SITI Cable has a strong internal control system in place that provides proper safeguards to its assets, continuous operations and follows required compliance with legislations and regulations required. The Company carries out periodic internal audits to strengthen its internal control mechanism by providing necessary checks and controls. Such internal audits also ensure that the assets of the Company are properly accounted for and reported, and the business operations are conducted as per the prescribed policies and procedures of the Company. The team keeps tracking regulatory updates and changes and informs the management of the same to enable them to stay informed and make quick changes, according to information received. Company's Audit Committee of the Board of Directors meets periodically and reviews the adequacy of control mechanism.

HUMAN RESOURCE DEVELOPMENT

The Company believes that its human resources are the key enablers for the growth of the Company and important asset. Hence, the success of the Company is closely aligned to the goals of the human resources of the Company. Keeping this in mind, the Company continuously invests in its Human Resource Development processes and systems starting right from talent acquisition to induction to training to preparing for future roles & responsibilities. The Company administers 'Know Your Talent' online module at recruitment state for intake of 'right talent'. A Comprehensive induction program for new recruits is conducted for seamless integration and absorption. A continual thrust on training & development is given to ensure better performance and inculcate leadership skills in present managers. A host of 'Rewards and Recognitions' programs and systems are put in place to motivate employees for a performance to best of their ability. Besides, SITI Cable has strong internal communication system to ensure a seamless talent pool works towards organization's overall goals.

OUTLOOK

SITI Cable believes in profitable growth and is poised to take the full advantage out of the country's leap towards ongoing digitization march as per TRAI guidelines, which have already been kicked off in 2012 with marginal hiccups. The convergence of C&S TV distribution from analogue to digitization signal (Digital Addressable System or DAS) has already been implemented in four metropolitan cities and subsequently another urban 38 cities with a population of over 1 million each, albeit the relatively slower acceptance in second phase for digitization. The Company has by now seeded 3 million STBs to meet the requirements of its LCOs for their customers out of phase 1 and phase 2, while the company has set an aggressive target to seed 5.5-6 million STBs in FY14.

As one of the largest MSO operator with presence in 17 out of 38 cities in phase 2, the Company is geared up to expand its revenue and profitability by getting the advantage of fees or sale of STBs, apart from higher subscriptions in average revenue per unit (ARPU). These will be enabled by end user consumer billing with subscriber management billing in Phase 1 & 2. Adding to our strength will be "Own your Customer", a unique subscriber management system that empowers an LCO and gives them the advantage over LCOs in other networks

The Company also hopes to be the winner by taking advantage of revenue sharing model to be pursued with broadcasters for HDs and other channels, including some free to air channels with which its revenues and profitability can have a positive impact.

Today, India has 730 millions TV viewers, 154 millions TV Household and 79% paid C&S penetration as per FICCI-KPMG Report 2013. The growth estimates are robust of 191 millions TV households in 2017 with 91% paid C&S penetration. In view of the industry potential and SITI Cable's leading edge, the Company looks forward to exciting times ahead to garner much better profitability apart from rising revenues.

Certification Pursuant to Clause 49 V of the Listing Agreement

We, Amit Goenka, Whole-time Director and Sanjay Goyal, Chief Financial Officer of Siti Cable Network Limited ('the Company') do hereby certify to the Board that :-

a. We have reviewed financial statements and the cash flow statement of the Company for the year ended March 31, 2013 and that to the best of our knowledge and belief :

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

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

b. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2013 are fraudulent, illegal or violative of the Company's Code of Conduct.

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

d. During the year :-

   - there has not been any significant change in internal control over financial reporting;
   - there have not been any significant changes in accounting policies; and
   - there have been no instances of significant fraud of which we are aware that involve management or other employees having significant role in the Company's internal control system over financial reporting.

Amit Goenka	**Sanjay Goyal**
Whole-time Director	**Chief Financial Officer**

Place: Mumbai
Date: May 30, 2013

Independent Auditors' Report

To
The Members of SITI Cable Network Limited (formerly Wire and Wireless (India) Limited)
Report on the Financial Statements

1. We have audited the accompanying financial statements of SITI Cable Network Limited (formerly Wire and Wireless (India) Limited), ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for 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 referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the 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:
   i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
   ii) in the case of Statement of Profit and Loss, of the loss for the year ended on that date; and
   iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, we report that:
   a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   c. the financial statements dealt with by this report are in agreement with the books of account;
   d. in our opinion, the financial statements comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act; and
   e. on the basis of written representations received from the directors, as on March 31, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For **Walker, Chandiok & Co**
Chartered Accountants
Firm Registration No.: 001076N

per **Atul Seksaria**
Partner
Membership No.: 086370

Place: Gurgaon
Date: May 30, 2013

Annexure to the Independent Auditors' Report of even date

to the members of SITI Cable Network Limited (formerly Wire And Wireless (India) Limited), on the financial statements for the year ended March 31, 2013

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 some of the network equipment acquired in a scheme of arrangement in an earlier year where the records are maintained for group of similar assets and not for each individual asset.*

(b) The Company has a regular program of physical verification of its 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), under which fixed assets, *except for some of the network equipment acquired in a scheme of arrangement in an earlier year*, are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification *except in case of some of the network equipment acquired in a scheme of arrangement in an earlier year which have not been physically verified by the management during the year and we are therefore unable to comment on the discrepancies, if any, which could have arisen on verification thereof.*

(c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(b) to 4(iii) (d) of the Order are not applicable.

(b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.

(iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

(v) (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act have been so entered.

(b) In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.

(vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.

(viii) To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act, in respect of Company's products and services. Accordingly, the provisions of clause 4(viii) of the Order are not applicable.

(ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) There are no dues in respect of income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.

(x) *In our opinion, the Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses in the current and the immediately preceding financial year.*

(xi) In our opinion, the Company has not defaulted in repayment of dues to any bank or to debenture-holders during the year. The Company has no dues payable to a financial institution during the year.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, provisions of clause 4(xiii) of the Order are not applicable.

(xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.

(xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable.

(xvi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.

(xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment by the Company.

(xviii) During the year, the Company has not made any preferential allotment of shares to parties/companies covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.

(xix) The Company has created security in respect of debentures issued by it.

(xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.

(xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For **Walker, Chandiok & Co**
Chartered Accountants
Firm Registration No.: 001076N

per **Atul Seksaria**
Partner
Membership No.: 086370

Place: Gurgaon
Date: May 30, 2013

Essel GROUP

Balance Sheet as at March 31, 2013

(₹ millions)

	Notes	March 31, 2013	Marc h 31, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital		452.85	452.85
Reserves and surplus		(1,844.89)	(1,226.48)
Money received against share warrants	6	810.00	-
		(582.04)	**(773.63)**
Non-current liabilities			
Long-term borrowings	7	7,689.19	2,983.15
Other non-current liabilites	8	797.35	-
Long -term provisions	9	22.58	16.30
		8,509.12	**2,999.45**
Current liabilities			
Short-term borrowings	10	244.85	503.70
Trade payables	11	1,355.99	1,037.47
Other current liabilities	8	1,406.97	1,220.82
Short-term provisions	9	0.57	0.33
		3,008.38	**2,762.32**
Total		**10,935.46**	**4,988.14**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	2,667.47	1,083.63
Intangible assets	13	217.11	67.29
Capital work-in-progress		534.63	31.84
Non-current investments	14	230.46	230.24
Long-term loans and advances	15	2,904.35	1,245.39
Other non-current assets	16	593.75	292.18
		7,147.77	**2,950.57**
Current assets			
Current investments	17	8.04	10.04
Inventories	18	47.22	126.49
Trade receivables	19	1,672.74	720.28
Cash and bank balances	20	1,102.72	656.75
Short-term loans and advances	15	917.73	491.48
Other current assets	16	39.24	32.53
		3,787.69	**2,037.57**
Total		**10,935.46**	**4,988.14**
Summary of significant accounting policies	3		

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

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

For **Walker, Chandiok & Co**
Chartered Accountants

Per **Atul Seksaria**
Partner

Place : Gurgaon
Date : May 30, 2013

For and on behalf of the Board of Directors of
SITI Cable Network Limited (formerly known as Wire and Wireless (India) Limited)

Amit Goenka
Whole-time Director

Sureshkumar Agarwal
Director

V D Wadhwa
Chief Executive Officer

Sanjay Goyal
Chief Financial Officer

Suresh Kumar
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2013

(₹ millions)

	Notes	March 31, 2013	March 31, 2012
Revenue			
Revenue from operations	21	4,160.12	2,457.83
Other income	22	132.53	206.65
Total revenue		**4,292.65**	**2,664.48**
Expenses			
Cost of materials consumed	23	9.68	1.00
Purchases of traded goods	24	991.07	28.23
Changes in inventories of traded goods	25	6.34	79.05
Carriage sharing, pay channel and related costs		1,579.01	1,468.68
Employee benefit expenses	26	231.65	196.16
Finance costs	27	862.08	565.21
Depreciation and amortisation expenses	28	396.51	236.78
Other expenses	29	834.72	666.84
Total expenses		**4,911.06**	**3,241.95**
Loss before exceptional item and tax		**(618.41)**	**(577.47)**
Exceptional item	30	-	231.50
Loss before tax		**(618.41)**	**(808.97)**
Tax expenses			
Current tax (Income taxes for earlier years written off)		-	12.40
Loss for the year		**(618.41)**	**(821.37)**
Loss per share after tax	31		
Basic		(1.37)	(1.82)
Diluted		(1.37)	(1.82)
Summary of significant accounting policies	3		
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 **Walker, Chandiok & Co**
Chartered Accountants

Per **Atul Seksaria**
Partner

Place : Gurgaon
Date : May 30, 2013

For and on behalf of the Board of Directors of
SITI Cable Network Limited (formerly known as Wire and Wireless (India) Limited)

Amit Goenka
Whole-time Director

Sureshkumar Agarwal
Director

V D Wadhwa
Chief Executive Officer

Sanjay Goyal
Chief Financial Officer

Suresh Kumar
Company Secretary

Essel GROUP

Cash Flow Statement for the year ended March 31, 2013

(₹ millions)

	March 31, 2013	March 31, 2012
Cash flow from operating activities		
Loss before tax	(618.41)	(808.97)
Depreciation and amortisation expenses	396.51	236.78
(Profit)/loss on sale of fixed assets	(0.01)	3.25
Excess provision written back	(12.64)	(167.86)
Amortisation of ancillary borrowing costs	30.36	71.71
Provision for doubtful debts	103.18	129.75
Provision for doubtful advances	32.27	34.97
Advance tax written off	-	12.40
Income from investment	-	(0.20)
Dividend income on current investment	-	(0.21)
Security deposits written off	-	231.50
Interest expense	712.58	490.30
Interest income	(37.85)	(22.62)
Operating profit/(loss) before working capital changes	**605.99**	**210.80**
Movements in working capital :		
Increase in trade payables	331.16	207.04
Increase in long-term provisions	6.28	3.68
Increase / (decrease) in short-term provisions	0.25	(3.87)
Increase in other current liabilities	797.35	-
Increase/ (decrease) in other current liabilities	55.28	(114.64)
Increase in trade receivables	(1,055.63)	(78.54)
Decrease in inventories	79.27	69.73
Increase in short-term loans and advances	(421.95)	(268.88)
Decrease / (increase) in other non-current assets	56.56	(22.02)
Cash generated from operations	**454.56**	**3.30**
Direct taxes paid (net of refunds)	(36.58)	(40.77)
Net cash flow from/ (used in) operating activities (A)	**417.98**	**(37.47)**
Cash flows from investing activities		
Purchase of fixed assets including capital advance	(2,603.49)	(159.78)
Proceeds from sale of fixed assets	0.03	1.78
Purchase of non-current investments	(0.23)	(35.91)
Purchase of current investments	-	(10.00)
Sale of current investments	2.00	7.70
Dividend income on current investment	-	0.21
Interest received	28.74	16.34
Investments in bank deposits (having original maturity of more than three months)	(302.94)	37.84
Advances to subsidiary companies (Net)	(1,745.00)	(442.20)
Net cash used in investing activities (B)	**(4,620.89)**	**(584.02)**

Cash Flow Statement for the year ended March 31, 2013

(₹ millions)

	March 31, 2013	March 31, 2012
Cash flows from financing activities		
Proceeds from issuance of equity share capital	-	0.60
Proceeds from issuance of shares warrants	810.00	-
Proceeds from long-term borrowings	5,720.27	2,807.11
Repayment of long-term borrowings	(895.56)	(2,180.59)
(Repayment)/proceeds from short-term borrowings (net)	(258.86)	324.76
Interest and finance expenses paid	(726.97)	(554.54)
Net cash flow from financing activities (C)	**4,648.88**	**397.34**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	445.97	(224.15)
Cash and cash equivalents at the beginning of the year	656.75	880.90
Cash and cash equivalents at the end of the year	**1,102.72**	**656.75**

	March 31, 2013	March 31, 2012
Components of cash and cash equivalents		
Cash on hand	28.35	3.84
Cheques on hand	50.97	52.30
With banks- on current account	1,023.40	600.61
Total cash and cash equivalents (note 20)	**1,102.72**	**656.75**
Summary of significant accounting policies		

Notes:

1. Figures in bracket indicate cash outflow.

This is the cashflow statement referred to in our report of even date

For **Walker, Chandiok & Co**
Chartered Accountants

Per **Atul Seksaria**
Partner

Place : Gurgaon
Date : May 30, 2013

For and on behalf of the Board of Directors of
SITI Cable Network Limited (formerly known as Wire and Wireless (India) Limited)

Amit Goenka
Whole-time Director

Sureshkumar Agarwal
Director

V D Wadhwa
Chief Executive Officer

Sanjay Goyal
Chief Financial Officer

Suresh Kumar
Company Secretary

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

1. Corporate information

SITI Cable Network Limited (formerly known as Wire and Wireless (India) Limited) (hereinafter referred to as 'the Company' or 'SCNL') was incorporated in the state of Maharashtra, India. The Company is engaged in distribution of television channels through analogue and digital cable distribution network, primary internet and allied services.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies have been consistently applied by the Company unless otherwise stated. All assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the Company as per the guidance as set out in the Revised Schedule VI to the Companies Act, 1956.

The Company's accumulated losses aggregate to ₹ 6,049.81 millions as at March 31, 2013 (Previous year ₹ 5,431.40 millions) while the other components of shareholders' funds aggregate to ₹ 5,467.77 millions (Previous year ₹ 4,657.77 millions). This has resulted in complete erosion of net worth of the Company.

In view of the warrant subscription, mandatory digitization, expansion in central India 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 statement are prepared on going concern basis.

3. Summary of significant accounting policies

a) Use of estimates

In preparing the Company's financial statements in conformity with accounting principles generally accepted in India, the management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in the period the same is determined.

b) Tangible fixed assets

(i) Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of the purchase price (net of Cenvat credit availed), borrowing costs if capitalisation criteria are met and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

(ii) Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

(iii) Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

(iv) Set top boxes intended to be provided to subsidiaries are treated as part of capital work in progress till at the end of the month of activation thereof. Also, set top boxes intended to be sold are treated as part of inventory.

c) Depreciation on tangible fixed assets

(i) Depreciation on tangible fixed assets is calculated on a straight-line basis using the rates arrived at based on useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies act, 1956 whichever is higher. The Company has used the following rates to provide depreciation on its fixed assets:

	Rates
Building	1.63%
Plant and equipment	10% to 20%
Furniture and fixtures	6.33%
Studio equipment	7.07%
Computers	16.21%
Vehicles	9.50%
Office equipment	4.75%
Air conditioners	4.75%
Set-top boxes	20%
Integrated receiver and decoder boxes	10%

(ii) Leasehold improvements are amortised over the lease term or estimated useful life; which ever is less.

(iii) Plant and equipment taken over under scheme of arrangement in the earlier years are depreciated over the management's estimate of remaining useful life, a period of 5 years.

(iv) Assets costing less than ₹ 5,000 are fully depreciated in the year of purchase.

d) **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

e) **Amortisation of intangible assets**

(i) Goodwill on acquisition is amortised using the straight-line method over a period of five years.

(ii) Computer software are amortised over a period of six years on straight-line basis.

(iii) Cost of news/ current affairs/ chat shows/ events including sports events etc. are fully expensed on first telecast.

(iv) Program/ film/ cable rights are amortised on a straight-line basis over the license period or 60 months from the date of purchase, whichever is shorter.

f) **Leases**

Where the Company is the lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and present value of minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

g) **Borrowing costs**

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

h) **Impairment of tangible and intangible assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and the same is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the statement of profit and loss.

i) **Investments**

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

j) **Inventories**

Stores and spares are valued at cost on first in first out basis or at net realisable value whichever is lower. Stock in trade including Set top boxes are valued at cost on weighted average method or at net realisable value whichever is lower.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

k) **Revenue recognition**

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

(i) **Sale of goods**

Revenue from sale of goods is recognised when the significant risks and rewards in respect of ownership of the goods are transferred to the buyer, usually on delivery of the goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Revenue from high sea sales are being recognised on transfer of title of goods to the customer.

(ii) **Income from services**

Subscription income is recognised on completion of services.

Lease rentals charges and carriage income are recognised on accrual basis over the terms of related agreements. Carriage revenue recognition is deferred till formal agreement is executed with broadcasters.

Advertisement income is recognised when the related advertisement appears before the public. Other advertisement revenue for slot sale is recognised on period basis.

Activation fees on Set top boxes (STB) is recognised as revenue on activation of the related boxes.

The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

(iii) Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

l) Foreign currency transactions

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and the non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of the Group at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

m) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no other obligation, other than the contribution payable to the provident fund.

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 or in case of plans administrated by insurers, based on contribution determined by the insurer.

Accumulated leave, which is expected to be utilised within next twelve months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

Actuarial gains / losses are immediately regonised in the statement profit and loss and are not deferred.

n) 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 Income Tax Act, 1961 enacted in India. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

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

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised 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 realised.

Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is recognised by way of a credit to the statement of profit and loss and presented as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

o) Employees stock compensation cost

Measurement and disclosure of the stock option granted the Company's employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the fair value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

p) Segment reporting

The Company is a multi system operator providing cable television network services, internet services and allied services which is considered as the only reportable segment. The Company's operations are based in India.

q) Earning per share

(i) Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

(ii) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares

r) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and 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. Provisions are not discounted to 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.

s) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

t) Cash and cash equivalents

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

u) Miscellaneous expenditure

Costs incurred in raising funds are amortised equally over the period for which the funds are raised. Preliminary expenditure are amortised in the year when they are incurred.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

4. Share capital

	March 31, 2013	March 31, 2012
	(₹ millions)	
Authorised share capital		
740,000,000 (Previous year: 740,000,000) equity shares of ₹ 1 each	740.00	740.00
10,000,000 (Previous year: 10,000,000) preference shares of ₹ 1 each	10.00	10.00
Total authorised capital	**750.00**	**750.00**
Issued share capital		
453,440,038 (Previous year 453,440,038) equity shares of ₹ 1 each	453.44	453.44
Less:- Forfeited shares 1,227,122 (Previous year 1,227,122) equity shares of ₹ 1 each	(1.23)	(1.23)
23,436 (Previous year: 23,436) 7.25% Non cumulative redeemable preference shares of ₹ 1 each	0.02	0.02
Total issued capital	**452.23**	**452.23**
Subscribed and fully paid up capital		
452,212,916 (Previous year: 452,153,300) equity shares of ₹ 1 each fully paid up	452.21	452.21
23,436 (Previous year: 23,436) 7.25% Non cumulative redeemable preference shares of ₹ 1 fully paid up	0.02	0.02
Total paid up capital	**452.23**	**452.23**
Forfeited shares	0.62	0.62
	452.85	**452.85**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares

	March 31, 2013		March 31, 2012	
	No. of shares	₹ millions	No. of shares	₹ millions
Outstanding at the beginning of the year	452,242,724	452.21	453,440,038	452.80
Add: Receipt of call money	-	-	29,808	0.03
Less : Equity shares forfeited during the year	-	-	(1,227,122)	(0.62)
Outstanding at the end of the year	**452,242,724**	**452.21**	**452,242,724**	**452.21**

Preference shares

There is no movement in preference share capital in current year and previous year.

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹1 per share. Each holder of equity shares is entitled to one vote per share.

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

(c) Terms/ rights attached to preference shares

The Company has only one class of 7.25% Non-cumulative redeemable preference shares of ₹ 1 each. The said preference shares were allotted to Zee Telefilms Limited (now Zee Entertainment Enterprises Limited) on December

29, 2006, pursuant to the scheme of arrangement for demerger of cable business undertaking of Zee Telefilms Limited approved by the Hon'ble Bombay High Court vide its order dated November 17, 2006. Initially, as per the terms of the issue and allotment, the said preference shares were due for redemption on December 29, 2008. However, with the written consent/approval of Zee Entertainment Enterprises Limited, the terms of the issue of said preference shares was varied by extending the period of redemption by another three years i.e. till December 29, 2011. Later on June 6, 2011 these shares were transferred to Churu Enterprises LLP by Zee Entertainment Enterprises Limited. Period for redemption of preference shares has been extended by another period of five years till December 29, 2016 by Churu Enterprises LLP. The preference shares are redeemable at par.

In the event of liquidation of the Company before redemption of preference shares, the holders of preference shares will have priority over equity shares in the payment of dividend and repayment of capital.

(d) Shares held by holding company

Out of equity and preference shares issued by the Company, shares held by its holding company are as below:

(₹ millions)

	March 31, 2013	March 31, 2012
Equity shares		
Bioscope Cinemas Private Limited, the immediate holding company, from December 28, 2011 to November 9, 2012. (122,040,427 (previous year 262,040,427) equity shares of ₹ 1 each fully paid up)	-	262.04

(e) Details of shareholders holding more than 5% shares in the Company

	March 31, 2013		March 31, 2012	
Preference shares	**No. of Shares**	**% of Holding**	**No. of Shares**	**% of Holding**
Churu Enterprises LLP	23,436	100%	23,436	100%

	March 31, 2013		March 31, 2012	
Equity shares	**No. of Shares held**	**% of Holding**	**No. of Shares held**	**% of Holding**
Bioscope Cinemas Private Limited, the immediate holding company, from December 28, 2011 to November 9, 2012.	122,040,427	26.99%	262,040,427	57.95%
Direct Media Solutions Private Limited	140,000,000	30.96%	-	-

(f) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 35.

(g) Terms of securities convertible into equity shares issued along with earliest date of conversion.

During the year ended March 31, 2013, the Company issued 162,000,000 convertible warrants on preferential basis upon payment of a consideration of ₹ 20 per warrant. Each convertible warrant is convertible into one equity share of ₹1 each at a premium of ₹19 per share on payment of remaining consideration. Holders of such warrants have the option to convert these warrants into equity shares upon payment of aforesaid consideration on or before eighteen months from the date of allotment of warrants, viz. March 19, 2013. Amount outstanding as at the year end and disclosed as money received against convertible warrants constitutes ₹ 5 per warrant received from the holders of 162,000,000 warrants.

5. Reserves and surplus

	March 31, 2013	March 31, 2012
		(₹ millions)
Securities premium account		
Balance at the beginning of the year	4,200.07	4,199.50
Add: Premium received on issue of shares	-	0.57
Balance at the end of the year	**4,200.07**	**4,200.07**
Employee stock options outstanding		
Employee stock options outstanding	5.25	5.61
Less: Deferred employee compensation	0.40	0.76
	4.85	**4.85**
Deficit in the statement of profit and loss		
Balance at the beginning of the year	(5,431.40)	(4,610.03)
Loss for the year	(618.41)	(821.37)
Balance at the end of the year	**(6,049.81)**	**(5,431.40)**
	(1,844.89)	**(1,226.48)**

6. Money received against share warrants

Money received against share warrants	810.00	-
Details of utilisation of proceeds raised through warrants issued on preferential basis		
Balance unutilised at the end of the previous year	-	-
Add: Proceeds received during the year	810.00	-
Utilised for working capital requirements	270.00	-
Utilised for capital expenditure and capital advances	467.26	-
Balance unutilised at the end of the current year*	**72.74**	**-**

* Balance unutilised amount is lying in current accounts with banks.

7. Long-term borrowings

	Non-current portion	Current	Non-current portion	Current
				(₹ millions)
	March 31, 2013	March 31, 2013	March 31, 2012	March 31, 2012
(a) Debentures (Secured)				
Nil (Previous year : 1,920) 9.95% Secured redeemable non-convertible debentures of face value ₹ 1,000,000 each, outstanding Nil (previous year ₹ 300,000 each).	-	-	-	576.00
(b) Term loans from banks (Secured)				
Axis bank	2,096.88	453.13	1,750.00	200.00
IDBI bank	756.88	274.38	431.25	168.75
IDBI bank (buyers' credit)	508.98	-	-	-
ICICI bank	2,794.00	336.00	800.00	-
ICICI bank (buyers' credit)	1,530.08	-	-	-
(c) Other loans and advances (Secured)				
Finance lease obligations	2.37	0.48	1.90	0.56
	7,689.19	**1,063.99**	**2,983.15**	**945.31**
The above amount includes				
Secured borrowings	7,689.19	1,063.99	2,983.15	945.31
Amount disclosed under the head "other liabilities" (Note 8)	-	(1,063.99)	-	(945.31)
Net amount	**7,689.19**	**-**	**2,983.15**	**-**

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

(₹ millions)

Name of the bank/ instrument	March 31, 2013		March 31, 2012		Nature of securities	Interest rate	Tenure of repayment
	Non-current	Current	Non-current	Current			
9.95% Secured redeemable non-convertible debentures	-	-	-	576.00	Non-convertible debentures are secured by first ranking pari passu mortgage and/or charge/assignment of all of the Company's immovable properties, present and future and all of the Company's movable properties, including movable plant and machinery, machinery spares, tools and accessories, furniture, ftixtures, vehicles and all other movable assets, present and future and the Company's cash flow, receivables, bank accounts (other than the reserve account) wherever mentioned, all monies lying in and to the credit of such accounts, book debts, revenue of whatsoever nature and wherever arising, present and future and insurance policies. Holders of non-convertible debentures also have an exclusive charge over the reserve account and all amount lying there in and to the credit thereof, present and future.	9.95%	The debentures are redeemable at par in 4 six monthly installments starting from December 2010, 2 each of 20% of the issue size and 2 each of 30% of the issue size.
Axis bank	525.00	275.00	750.00	200.00	Term loans from Axis bank are secured by first pari passu charge on entire movable fixed assets, both present and future, of the Company and on the receivables, cash flow and bank account of the Company. Also secured by corporate guarantee of Zee Entertainment Enterprises Limited (ZEEL) for maintaining revolving debt service reserve account (DSRA) for 1 quarter of the interest and principal repayment to be funded ten days before each due date, for the entire tenure of the loan.	Base rate + 2.25%	16 quarterly installmemts starting from the end of the 15th month from the date of first disbursement.
Axis bank	721.88	28.13	1,000.00	-		Base rate + 1.65%	
Axis bank	850.00	150.00	-	-		Base rate + 1.50%	8 half yearly installments starting from the end of the 15th month from the date of first disbursement.
Sub total	2,096.88	453.13	1,750.00	200.00			
IDBI bank	196.88	234.38	431.25	168.75	Term loans from IDBI bank are secured by parri passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the company's immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/ or pledge of the company's current assets. Also secured by corporate guarantee of ZEEL for maintenance of debt service rerserve account (DSRA) for 2 quarters' interest.	Base rate + 2.00%	16 quarterly installments starting from the end of the one year from the date of first disbursement.
IDBI bank	560.00	40.00	-	-		Base rate + 3.00%	15 quarterly installments starting from the end of the 18th month from the date of first disbursement
IDBI bank (buyers' credit)	508.98	-	-	-		Six months Libor + 90 bps	Repayment at the end of tenure.
Sub total	1,265.86	274.38	431.25	168.75			
ICICI bank	984.00	246.00	800.00	-	Term loans from ICICI bank are secured by first charge by way of hypothecation of the Company's entire current assets which would include stocks and consumable stores and spares and such other movable properties including book debts, receivables both present and future, in a form and manner satisfactory to the bank, ranking pari passu with other banks/ lenders. First charge on all moveable fixed assets of the Company, cash flow and bank account of the Company ranking pari passu with other banks/lenders. Also secured by corporate guarantee of ZEEL for maintaining revolving debt service reserve account (DSRA) for 1 quarter of the interest and principal repayment to be funded 10 days before each due date, for the entire tenure of the loan.	Base rate + 2.25%	16 quarterly installments starting from the end of the 15th month from the date of first disbursement.
ICICI bank	1,710.00	90.00	-	-		Base rate + 2.25%	16 quarterly installments starting from the end of the 15th month from the date of first disbursement.
ICICI bank	100.00	-	-	-		Base rate + 2.25%	16 quarterly installments starting from the end of the 15th month from the date of first disbursement.
ICICI bank (buyers' credit)	1,530.08	-	-	-		Six months Libor + 350 bps	The facility shall be repaid in 4 equal semi annual installments from first drawdown date.
Sub total	4,324.08	336.00	800.00	-			
Finance lease taken from banks	2.37	0.48	1.90	0.56	Finance lease obligations - Secured by hypothecation of vehicles purchased thereunder.		

8. Other liabilities

	Non-current March 31, 2013	Current March 31, 2013	Non-current March 31, 2012	Current March 31, 2012
				(₹ millions)
Current maturities of long-term borrowings (Refer note 7)	-	1,063.51	-	944.75
Current maturities of finance lease obligations (Refer note 7)	-	0.48	-	0.56
Interest accrued but not due on borrowings	-	62.03	-	49.83
Interest accrued and due on borrowings	-	1.56	-	1.56
Book overdraft	-	121.60	-	75.19
Advances from customers	-	52.77	-	64.99
Payable for fixed assets	715.68	-	-	-
Payable to employees	-	8.79	-	-
Others				
Interest free deposits from customers	81.67	-	-	54.90
Service tax payable	-	14.79	-	2.53
TDS payable	-	36.97	-	8.63
Entertainment tax payable	-	22.82	-	15.60
Other statutory liabilities	-	21.65	-	2.28
	797.35	**1,406.97**	**-**	**1,220.82**

9. Provisions

	Long-term March 31, 2013	Short-term March 31, 2013	Long-term March 31, 2012	Short-term March 31, 2012
				(₹ millions)
Provision for employee benefits (Refer Note 34)				
Provision for gratuity	14.46	0.31	10.57	0.22
Provision for compensated abesences	8.12	0.26	5.73	0.11
	22.58	**0.57**	**16.30**	**0.33**

10. Short-term borrowings

	March 31, 2013	March 31, 2012
		(₹ millions)
Secured		
Loans repayable on demand		
from IDBI bank	244.85	503.70
	244.85	**503.70**

Details of security

Secured by first pari passu charge on the fixed assets and current assets of the Company. The Company is required to maintain debt service reserve account (DSRA) for 2 quarters' interest. All the loans are further secured by corporate guarantee of ZEEL to maintain DSRA.

11. Trade payables

	March 31, 2013	March 31, 2012
		(₹ millions)
Dues to micro and small enterprises (Also, refer note below)	-	-
Dues to others	1,355.99	1,037.47
	1,355.99	**1,037.47**

The Company had requested its vendors to confirm their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). Based on confirmations received, there are no amounts due to any micro or small enterprise under the MSMED Act, 2006.

Further the Company's liability towards any interest for delayed payments, if any, under the provisions of the said Act is not likely to be material.

12. Tangible assets

(₹ millions)

Gross block	Building	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Air conditioners	Studio equipment	Vehicles	Leasehold improvements	Set top boxes	IRD boxes	Total
Balance as at April 1, 2011	26.96	1,879.35	77.82	24.31	19.67	11.11	26.32	11.44	37.26	493.01	1.26	2,608.51
Additions	-	126.67	0.46	1.29	0.10	1.30	0.23	2.64	3.82	166.82	-	303.33
Deductions	-	-	-	0.01	0.55	-	-	1.62	-	-	-	2.18
Balance as at March 31, 2012	**26.96**	**2,006.02**	**78.28**	**25.59**	**19.22**	**12.41**	**26.55**	**12.46**	**41.08**	**659.83**	**1.26**	**2,909.66**
Additions	-	237.05	5.73	2.04	0.44	1.61	4.94	1.76	7.18	1,690.72		1,951.47
Deductions	-	-	-	-	-	-	-	0.36	-	-		0.36
Balance as at March 31, 2013	**26.96**	**2,243.07**	**84.01**	**27.63**	**19.66**	**14.02**	**31.49**	**13.86**	**48.26**	**2,350.55**	**1.26**	**4,860.77**
Accumulated depreciation												
Balance as at April 1, 2011	6.34	1,257.05	53.99	8.35	10.07	4.28	21.60	5.43	18.89	221.04	0.53	1,607.57
Charge for the year	0.44	101.61	8.93	1.17	0.97	0.56	0.40	0.88	3.75	100.12	0.13	218.96
Reversal on disposal of assets	-	-	-	0.00	0.09	-	-	0.41	-	-	-	0.50
Balance as at March 31, 2012	**6.78**	**1,358.66**	**62.92**	**9.52**	**10.95**	**4.84**	**22.00**	**5.90**	**22.64**	**321.16**	**0.66**	**1,826.03**
Charge for the year	0.44	128.85	7.42	1.33	1.46	0.65	0.47	0.99	5.97	220.03		367.61
Reversal on disposal of assets	-	-	-	-	-	-	-	0.34	-	-		0.34
Balance as at March 31, 2013	**7.22**	**1,487.51**	**70.34**	**10.85**	**12.41**	**5.49**	**22.47**	**6.55**	**28.61**	**541.19**	**0.66**	**2,193.30**
Net block												
Balance as at March 31, 2012	**20.18**	**647.36**	**15.36**	**16.07**	**8.27**	**7.57**	**4.55**	**6.56**	**18.44**	**338.67**	**0.60**	**1,083.63**
Balance as at March 31, 2013	**19.74**	**755.56**	**13.67**	**16.78**	**7.25**	**8.53**	**9.02**	**7.31**	**19.65**	**1,809.36**	**0.60**	**2,667.47**

13. Intangible assets

(₹ millions)

Gross block	Goodwill	Program/ film/ cable rights	Computer software	Total
Balance as at April 1, 2011	11.31	50.35	72.44	134.10
Additions	-	-	52.13	52.13
Balance as at March 31, 2012	**11.31**	**50.35**	**124.57**	**186.23**
Additions	-	-	178.72	178.72
Balance as at March 31, 2013	**11.31**	**50.35**	**303.29**	**364.95**
Accumulated amortisation				
Balance as at April 1, 2011	**7.09**	**49.49**	**44.54**	**101.12**
Charge for the year	2.15	-	15.67	17.82
Balance as at March 31, 2012	**9.24**	**49.49**	**60.21**	**118.94**
Charge for the year	1.50	-	27.40	28.90
Balance as at March 31, 2013	**10.74**	**49.49**	**87.61**	**147.84**
Net block				
Balance as at March 31, 2012	**2.07**	**0.86**	**64.36**	**67.29**
Balance as at March 31, 2013	**0.57**	**0.86**	**215.68**	**217.11**

14 Non-current investments (Trade, unquoted) (Valued at cost unless stated otherwise)

(₹ millions)

	March 31, 2013	March 31, 2012
Investment in equity instruments-subsidiaries		
6,831,000 (Previous year 6,831,000) equity shares of ₹ 10 each fully paid up of Indian Cable Net Company Limited	111.14	111.14
50,000 (Previous year 50,000) equity shares of ₹ 10 each fully paid up of Central Bombay Cable Network Limited	0.50	0.50
25,500 (Previous year 25,500) equity shares of ₹ 10 each fully paid up of Wire and Wireless Tisai Satellite Limited	0.26	0.26
748,487 (Previous year 748,487) equity shares of ₹ 10 each fully paid up of Siti Vision Digital Media Private Limited	82.33	82.33
10,000 (Previous year 10,000) equity shares of ₹ 10 each fully paid up of Siticable Broadband South Limited	0.10	0.10
10,409 (Previous year 10,409) equity shares of ₹ 10 each fully paid up of Siti Bhatia Network Entertainment Private Limited	0.10	0.10
5,100 (Previous year 5,100) equity shares of ₹ 10 each fully paid up of Siti Jai Maa Durgee Communications Private Limited	16.83	16.83
102,000 (Previous year 102,000) equity shares of ₹ 10 each fully paid up of Siti Jind Digital Media Communications Private Limited	18.98	18.98
5,100 (Previous year Nil) equity shares of ₹ 10 each fully paid up of Siti Jony Digital Cable Network Private Limited	0.05	-
5,100 (Previous year Nil) equity shares of ₹ 10 each fully paid up of Siti Krishna Digital Media Private Limited	0.05	-
7,400 (Previous year Nil) equity shares of ₹ 10 each fully paid up of Siti Guntur Digital Network Private Limited	0.07	-
5,100 (Previous year Nil) equity shares of ₹ 10 each fully paid up of Siti Faction Digital Private Limited	0.05	-
	230.46	**230.24**
Investment in equity instruments-others		
480 (Previous year 480) equity shares of ₹ 100 each fully paid up of Master Ads Private Limited	0.05	0.05
9,500 (Previous year 9,500) equity shares of ₹10 each fully paid up of Dakshin Communication Private Limited	1.77	1.77
3,000 (Previous year 3,000) equity shares of ₹10 each fully paid up of Centre Channel Private Limited	0.23	0.23
	2.05	**2.05**
Less : Provision for diminution in the value of investments	2.05	2.05
	-	-
Investment in preference shares		
14,080 (previous year 14,080) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of		
Haryana Communication Network Private Limited	7.04	7.04
Less : Provision for diminution in the value of investments	7.04	7.04
	-	-
5,430 (Previous year 5,430) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Bangalore Communication Network Private Limited #	-	-
1,610 (Previous year 1,610) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Banjara Telelinks Private Limited #	-	-

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	(₹ millions) March 31, 2013	March 31, 2012
579 (Previous year 579) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Bargachh Telelinks Private Limited #	-	-
8,420 (Previous year 8,420) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Chanakya Communications Network Private Limited #	-	-
9,680 (Previous year 9,680) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Chandigarh Network Systems Private Limited #	-	-
1,230 (Previous year 1,230) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Chirag Telelinks Private Limited #	-	-
5,489 (Previous year 5,489) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Condoor Communications Private Limited #	-	-
41,960 (Previous year 41,960) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Dakhsin Communications Private Limited #	-	-
8,580 (Previous year 8,580) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Faridabad Entertainment Private Limited #	-	-
6,270 (Previous year 6,270) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Garden City Communications Private Limited #	-	-
14,140 (Previous year 14,140) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Him Mohini Communications Private Limited #	-	-
12,510 (Previous year 12,510) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of North Delhi Cable Network Private Limited #	-	-
8,118 (Previous year 8,118) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Purvalay Communications Private Limited #	-	-
15,270 (Previous year 15,270) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Purvi Communications Private Limited #	-	-
9,820 (Previous year 9,820) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Rajdhani Communication Network Private Limited #	-	-
1,290 (Previous year 1,290) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Tirupathy Communication Network Private Limited #	-	-
2,050 (Previous year 2,050) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Trans Yamuna Communication Network Private Limited #	-	-
3,850 (Previous year 3,850) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Vanasthali Communication Network Private Limited #	-	-
2,530 (Previous year 2,530) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of West Delhi Cable Network Private Limited #	-	-
1,100 (Previous year 1,100) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Zem Communication Private Limited #	-	-
26,020 (Previous year 26,020) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Ahmedabad Network Systems Private Limited #	-	-
7,570 (Previous year 7,570) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Amritsar Communication Network Private Limited #	-	-
2,990 (Previous year 2,990) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Jalandhar Multimedia Private Limited #	-	-
14,220 (Previous year 14,220) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Maninagar Network Private Limited #	-	-

	(₹ millions)	
	March 31, 2013	March 31, 2012
10,898 (Previous year 10,898)6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Panchsheel Communication Network Private Limited #	-	-
23,010 (Previous year 23,010) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Sabarmati Network Private Limited #	-	-
15,440 (Previous year 15,440) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Space Channel Communication Private Limited #	-	-
9,820 (Previous year 9,820) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Shrinath Ji Cable Private Limited#	-	-
1,480 (Previous year 14,80) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Kakinada Communication Network Private Limited#	-	-
#These investments have been written off against provision for diminution in the value of investments.	-	-
	230.46	**230.24**

15. Loans and advances

				(₹ millions)
	Long-term March 31, 2013	Short-term March 31, 2013	Long-term March 31, 2012	Short-term March 31, 2012
Capital advances				
Unsecured, considered good	16.75	-	46.23	-
Unsecured, considered doubtful	4.50	-	-	-
	21.25	**-**	**46.23**	**-**
Less: Provision for doubtful capital advances	4.50	-	-	-
	16.75	**-**	**46.23**	**-**
Security deposits				
Unsecured, considered good	99.04	-	95.81	-
Doubtful	2.81	-	2.81	-
	101.85	**-**	**98.62**	**-**
Less: Provision for doubtful security deposits	2.81	-	2.81	-
	99.04	**-**	**95.81**	**-**
Advances to related parties unsecured, considered good (refer note 37)	2,755.90	306.09	1,010.90	265.68
Advances recoverable in cash or kind				
Unsecured, considered good				
Other advances	32.66	165.26	92.45	5.60
Doubtful				
Advances to distribution companies	-	837.09	-	928.05
Less: Provision for doubtful advances	-	837.09	-	928.05
	32.66	**165.26**	**92.45**	**5.60**
Other loans and advances (Unsecured, considered good)				
Advance tax	-	180.08	-	143.50
Balances with statutory authorities	-	262.79	-	72.70
Prepaid expenses	-	3.51	-	4.00
	-	**446.38**	**-**	**220.20**
	2,904.35	**917.73**	**1,245.39**	**491.48**

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16. **Other assets (unsecured, considered good)**

(₹ millions)

	Non-current March 31, 2013	Current March 31, 2013	Non-current March 31, 2012	Current March 31, 2012
Non-current bank balances (refer note 20)	541.01	-	238.07	-
	541.01	**-**	**238.07**	**-**
Unamortised expenditure				
Ancillary cost of arranging the borrowings	52.74	23.55	54.11	25.95
	52.74	**23.55**	**54.11**	**25.95**
Others				
Interest accrued on fixed deposits	-	15.69	-	6.58
	-	15.69	-	6.58
	593.75	**39.24**	**292.18**	**32.53**

17. **Current investments (Non trade, unquoted)**
(Valued at lower of cost or fair value)

(₹ millions)

	March 31, 2013	March 31, 2012
Investments in mutual funds		
250,404 (Previous year 250,404) units of face value of ₹ 10 each of ICICI Prudential Flexible Income Premium Growth	2.54	2.54
Nil (Previous year 199,952) units of face value of ₹ 10 each of UTI Fixed Income Interval Fund	-	2.00
3,176 (Previous year 3,176) units of face value of ₹100 each of Taurus Short Term Income Fund - Growth Plan	5.50	5.50
	8.04	**10.04**

18. **Inventories (valued at lower of cost or net realisable value)**

(₹ millions)

	March 31, 2013	March 31, 2012
Traded goods	-	34.80
Stores and spares	47.22	91.69
	47.22	**126.49**

19. **Trade receivables**

(₹ millions)

	March 31, 2013	March 31, 2012
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	643.54	338.74
Unsecured, considered doubtful	1,492.40	1,519.69
	2,135.94	**1,858.43**
Less: Provision for doubtful debts	1,492.40	1,519.69
	643.54	**338.74**
Other receivables		
Unsecured, considered good	1,029.20	381.54
	1,672.74	**720.28**

20. Cash and bank balances

(₹ millions)

	Non-current March 31, 2013	Current March 31, 2013	Non-current March 31, 2012	Current March 31, 2012
Cash and cash equivalents				
Cash on hand	-	28.35	-	3.84
Cheques on hand	-	50.97	-	52.30
Balances with banks				
On current accounts	-	1,023.40	-	600.61
	-	**1,102.72**	**-**	**656.75**
Other bank balances				
Margin money deposit	541.01	-	238.07	-
	541.01	**-**	**238.07**	**-**
Amount disclosed under non-current assets (note 16)	(541.01)	-	(238.07)	-
	-	**1,102.72**	**-**	**656.75**

21. Revenue from operations

(₹ millions)

	March 31, 2013	March 31, 2012
Sale of services		
Subscription income	706.79	625.45
Advertisement income	119.66	135.18
Carriage income	1,335.78	1,491.04
Activation income	815.32	-
Other operating revenue		
Sale of traded goods*	1,031.56	95.42
Lease rental charges	5.94	2.83
Management charges and other networking income	144.68	105.01
Scrap sales	0.39	2.90
	4,160.12	**2,457.83**
*** Details of sale of traded goods**		
Set top box and viewing cards	1,025.64	94.44
Store and spares	5.92	0.98
	1,031.56	**95.42**

(₹ millions)

22. Other income	March 31, 2013	March 31, 2012
Interest income on		
Bank deposits	37.85	22.62
Others	3.66	4.41
Dividend income on current investment	-	0.21
Net gain on sale of current investment	-	0.20
Excess provisions written back	12.64	167.86
Profit on sale of fixed assets	0.01	-
Other non-operating income	78.37	11.35
	132.53	**206.65**

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	(₹ millions)	
23. Cost of materials consumed-stores and spares	**March 31, 2013**	**March 31, 2012**
Opening stock	91.69	73.84
	91.69	**73.84**
Add : Purchases during the year	23.61	18.85
	23.61	**18.85**
Less: Transferred to fixed assets	58.40	-
	58.40	**-**
Less : Closing stock	47.22	91.69
	47.22	**91.69**
	9.68	**1.00**

	(₹ millions)	
24. Purchases of traded goods	**March 31, 2013**	**March 31, 2012**
Set top boxes	899.03	-
Viewing cards	92.04	28.23
	991.07	**28.23**

	(₹ millions)	
25. Changes in inventories of traded goods	**March 31, 2013**	**March 31, 2012**
Opening stock		
Set top boxes	15.80	294.27
Viewing cards	19.00	5.45
	34.80	**299.72**
Less: Transferred to fixed assets		
Set top boxes	10.42	177.39
Viewing cards	18.04	8.48
	28.46	**185.87**
Closing stock		
Set top boxes	-	15.80
Viewing cards	-	19.00
	-	**34.80**
	6.34	**79.05**

	(₹ millions)	
26. Employee benefit expenses	**March 31, 2013**	**March 31, 2012**
Salaries, allowances and bonus	201.28	174.77
Contributions to provident and other funds	13.16	11.10
Employee benefits expenses	9.00	4.01
Staff welfare expenses	8.21	6.28
	231.65	**196.16**

	(₹ millions)	
27. Finance costs	**March 31, 2013**	**March 31, 2012**
Interest	712.58	490.30
Bank charges	119.14	3.20
Amortisation of ancillary borrowing costs	30.36	71.71
	862.08	**565.21**

		(₹ millions)
28. Depreciation and amortisation expenses	**March 31, 2013**	**March 31, 2012**
Depreciation of tangible assets (Refer note 12)	367.61	218.96
Amortisation of intangible assets (Refer note 13)	28.90	17.82
	396.51	**236.78**

		(₹ millions)
29. Other expenses	**March 31, 2013**	**March 31, 2012**
Rent	72.59	52.50
Rates and taxes	13.98	1.52
Communication expenses	12.95	9.85
Repairs and maintenance		
- Network	25.49	6.44
- Building	0.42	0.15
- Others	15.91	7.60
Electricity and water charges	24.66	14.39
Legal, professional and consultancy charges	52.31	45.88
Printing and stationery	6.40	5.77
Service charges	64.09	39.69
Travelling and conveyance expenses	18.20	14.51
Payment to auditors*	4.50	3.14
Vehicle expenses	8.73	8.42
Insurance expenses	3.87	6.37
Provision for doubtful debts**	103.18	129.75
Provision for doubtful advances	32.27	34.97
Loss on sale of assets	-	3.25
Advertisement and publicity expenses	65.31	65.19
Commission charges and incentives	36.89	27.46
Rebate and discount	7.61	35.85
Program production expenses	15.99	16.99
Other operational cost	198.40	97.50
Business and sales promotion	13.45	11.57
Miscellaneous expenses	37.52	28.08
	834.72	**666.84**
* Payment to auditors		
Statutory audit fees	1.79	2.30
Limited review fees	1.71	0.75
Other services	0.90	-
Out of pocket expenses	0.10	0.09
	4.50	**3.14**

** Provision for doubtful debts is net of liabilities written back ₹ 87.09 millions (Previous year ₹ 14.14 millions).

		(₹ millions)
30. Exceptional item	**March 31, 2013**	**March 31, 2012**
Security deposits written off*	-	231.50
	-	**231.50**

* The Company had written off security deposit receivable of ₹ 231.50 millions (pertaining to HITS project).

(₹ millions)

31. Earnings per share	March 31, 2013	March 31, 2012
Loss attributable to equity shareholders	(618.41)	(821.37)
Number of weighted average equity shares		
Basic	452,242,724	452,242,724
Diluted	452,242,724	452,242,724
Nominal value of per equity share (₹)	1	1
Loss per share after exceptional item and after tax (₹)		
Basic	(1.37)	(1.82)
Diluted	(1.37)	(1.82)

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

32. The Company has during the year acquired more than 50% stake in four subsidiaries by way of subscription of shares, the details are as below:

a) 5,100 shares of ₹10 each in Siti Jony Digital Cable Network Private Limited (SJDCNPL) w.e.f. December 1, 2012 by paying a consideration of ₹ 0.05 million.

b) 5,100 shares of ₹10 each in Siti Krishna Digital Media Private Limited (SKDMPL) w.e.f. July 2, 2012 by paying a consideration of ₹ 0.05 million.

c) 5,100 shares of ₹10 each in Siti Faction Digital Private Limited (SFDPL) w.e.f. March 16, 2013 by paying a consideration of ₹ 0.05 million.

d) 7,400 shares of ₹10 each in Siti Guntur Digital Network Private Limited (SGDNPL) w.e.f. March 16, 2013 by paying a consideration of ₹ 0.07 million.

The resulting goodwill has been shown as 'goodwill on consolidation'.

33. In view of the mandatory digital addressable system ('DAS') regulation announced by the Ministry of Information and Broadcasting, Government of India, digitization of cable networks has been implemented in the cities notified for Phase 1 and Phase 2 effective November 1, 2012 and April 1, 2013 respectively. Owing to the initial delays in implementation of DAS in phase 1 cities and challenges faced by all the Multi-System Operators (MSOs) 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 (LCOs). Accordingly, the Company has invoiced and recognized subscription revenue net of sharing of revenue with the LCOs under the new DAS regime amounting to ₹ 212.48 millions.

34. Gratuity and other post-employment benefit plans

Defined contribution plan

Contribution to defined contribution plan, recognised as expense for the year are as under :-
Employer's contribution to provident fund ₹ 12.89 millions (Previous year ₹ 10.82 millions).

Defined benefit plan

The following table summarises the components of net benefit expenses recognised in the statement of profit and loss and amounts recognised in the balance sheet for the define benefit gratuity plan.

Expense recognised in statement of profit and loss

(₹ millions)

	Gratuity	
	March 31, 2013	March 31, 2012
Current service cost	2.95	2.03
Interest cost on benefit obligation	0.88	0.87
Net actuarial loss/(gain) recognised in the year	0.58	(1.70)
Expenses recognised in statement of profit and loss	**4.41**	**1.20**
Benefit liability		
Present value of defined benefit obligation at the end of the year	(14.77)	(10.79)
Unfunded liability recognised in balance sheet	**(14.77)**	**(10.79)**

Changes in the present value of the defined benefit obligation are as follows:

(₹ millions)

	Gratuity	
	March 31, 2013	March 31, 2012
Present value of defined benefit obligation at the beginning of the year	10.79	9.99
Current service cost	2.95	2.03
Interest cost	0.88	0.87
Benefits paid	(0.43)	(0.40)
Net actuarial loss/(gain) recognised in the year	0.58	(1.70)
Present value of defined benefit obligation at the end of the year *	**14.77**	**10.79**

* Includes current portion ₹ 0.31 millions (Previous year ₹ 0.22 millions)

The principal assumptions used in determining present value of defined benefit obligation given below:

	Leave encashment		Gratuity	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Discount rate (per annum)	8.25%	8.75%	8.25%	8.75%
Rate of escalation in salary (per annum)	5.00%	5.00%	5.00%	5.00%
Withdrawal rate (per annum)	2.00%	2.00%	2.00%	2.00%

Amounts for the current and previous four years are as follows:

(₹ millions)

Gratuity	**March 31, 2013**	**March 31, 2012**	**March 31, 2011**	**March 31, 2010**	**March 31, 2009**
Defined benefit obligation	14.77	10.79	9.99	8.42	8.13
Experience adjustments on plan liabilities	1.07	1.70	1.11	(1.83)	(0.18)

35. Employee Stock Option Plan –ESOP-2007

The Company instituted the Employee Stock Option Plan – ESOP-2007 to grant equity based incentives to its eligible employees. The ESOP-2007 ("the Scheme") has been approved by the Board of Directors of the Company at their meeting held on June 27, 2007 and by the shareholders of the Company by way of special resolution passed at their Annual General Meeting held on September 18, 2007 to grant 4,344,355 options (not exceeding 2% of the issued, subscribed and paid up equity share capital of the Company as on March 31, 2007), representing one share for each option upon exercise by the employee of the Company at an exercise price determined by the Board / remuneration committee. The Scheme covers grant of options to the specified permanent employees of the Company and Directors of the Company, whether whole time directors or otherwise as may be decided by the Board.

The options granted under the Scheme shall vest not less than one year and not more than five years from the date of grant of options. Under the terms of the Scheme, 20% of the options will vest in the employee every year equally. The option grantee must exercise all vested options within a period of four years from the date of vesting. Once the options vest as per the Scheme, they would be exercisable by the option grantee at any time and the shares arising on exercise of such options shall not be subject to any lock-in period.

The movement in the options granted to the employee during the year is set out below :

	Plan 3	**Plan 2**	**Plan 1**
Date of grant	July 16, 2009	June 16, 2008	October 22, 2007
Date of Board approval	July 16, 2009	June 17, 2008	October 22, 2007
Date of shareholders' approval	October 22, 2009	August 17, 2009	September 18, 2007
Number of options granted	2,808,800	150,000	2,987,300
Method of settlement (cash/equity)	Equity	Equity	Equity
Vesting period*	Five years	Five years	Five years
Exercise period	Four years	Four years	Four years

The details of activity under Plan 1 have been summarised below:

	March 31, 2013		March 31, 2012	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	172,600	20.00	313,300	20.00
Expired/lapsed during the year	-	-	140,700	20.00
Outstanding at the end of the year	172,600	20.00	172,600	20.00
Exercisable at the end of the year	172,600	20.00	138,080	20.00

There is no activity under plan 2

The details of activity under Plan 3 have been summarised below:

	March 31, 2013		March 31, 2012	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	686,600	17.45	1,677,600	17.45
Expired/Lapsed during the year	63,600	17.45	991,000	17.45
Outstanding at the end of the year	623,000	17.45	686,600	17.45
Exercisable at the end of the year	373,800	17.45	274,640	17.45

The details of exercise price for stock options outstanding as at March 31, 2013 :

	Plan 1	Plan 3
Number of options outstanding	172,600	623,000
Weighted average remaining contractual life of options (in years)	1 year	3 years
Weighted average exercise price (₹)	20	17.45

The details of exercise price for stock options outstanding as at March 31, 2012 :

	Plan 1	Plan 3
Number of options outstanding	172,600	686,600
Weighted average remaining contractual life of options (in years)	2 years	4 years
Weighted average exercise price (₹)	20	17.45

36. Leases

Finance lease: Company as lessee

Vehicles obtained on finance lease are for 4 years after which the legal title is passed to the lessee. There is no escalation clause in the lease agreement. There are no restrictions imposed by the lease arrangements. There are no subleases.

(₹ millions)

	March 31, 2013		March 31, 2012	
	Minimum lease payments (MLP)	Present value of MLP	MLP	Present value of MLP
Within one year	1.24	0.99	0.78	0.55
After one year but not more than five years	2.09	1.86	1.98	1.68
More than five years	-	-	-	-
Total minimum lease payments	**3.33**	**2.85**	**2.76**	**2.23**
Less: amounts representing finance charges	0.48	-	0.53	-
Present value of minimum lease payments	**2.85**	**2.85**	**2.23**	**2.23**

Operating lease : Company as lessee

The Company's significant leasing arrangements are in respect of operating leases taken for offices, residential premises, godowns, stores, etc. These leases are cancelable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of the lease generally is for 11 to 120 months. Total future minimum lease payments under non cancellable operating lease is:-

(₹ millions)

	March 31, 2013	March 31, 2012
Within one year	1.84	1.67
After one year but not more than five years	-	1.84
More than five years	-	-
	1.84	**3.51**

Rental expense for operating leases for the years ended March 31, 2013 and March 31, 2012 was ₹ 72.59 millions and ₹ 52.50 millions respectively.

In case of assets given on lease

Operating Lease

Set top boxes given under operating leases are capitalised at an amount equal to cost arrived and the rental income is recognised on equal monthly rental.

(₹ millions)

Nature of assets	Gross block as on March 31, 2013	Accumulated depreciation	Depreciation charged during the year ended March 31, 2013
Set top boxes	28.35	0.02	0.02
Nature of assets	Gross block as on March 31, 2012	Accumulated depreciation	Depreciation charged during the year ended March 31, 2012
Set top boxes	-	-	-

37. Related party disclosures

(i) Names of related parties where control exists

(a) Holding Company

Bioscope Cinemas Private Limited (till November 9, 2012)

(b) Subsidiaries Companies

Indian Cable Net Company Limited
Central Bombay Cable Network Limited
Siticable Broadband South Limited
Wire and Wireless Tisai Satellite Limited
Master Channel Community Network Private Limited
Siti Vision Digital Media Private Limited
Siti Jind Digital Media Communication Private Limited
Siti Jai Maa Durgee Communications Private Limited
Siti Bhatia Network Entertainment Private Limited
Siti Jony Digital Cable Network Private Limited w.e.f. December 1, 2012
Siti Krishna Digital Media Private Limited w.e.f. July 2, 2012
Siti Faction Digital Private Limited w.e.f. March 16, 2013
Siti Guntur Digital Network Private Limited w.e.f. March 16, 2013

(c) Associate Company

Siti Chhattisgarh Multimedia Private Limited

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(ii) **Key Management Personnel**
Mr. Subhash Chandra, Director, Mr. Amit Goenka, Whole-Time Director, Mr. Sudhir Agarwal, CEO (till January 17, 2012)

(iii) **Enterprises owned or significantly influenced by key management personnel or their relatives**
Dish TV India Limited
Zee Entertainment Enterprises Limited
Zee News Limited
Zee Sports Limited
Zee Turner Limited
Essel International Limited
Essel Media Ventures Limited

Related party transactions
The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

a. **Sale/ purchase of goods and services**

(₹ millions)

	Year ended	Sale of goods and services	Purchase of goods and services	Amount owed by related parties	Amount owed to related parties
Subsidiaries					
Indian Cable Net Company Limited	March 31, 2013	950.39	4.22	821.43	-
	March 31, 2012	112.98	3.59	82.39	-
Master Channel Community Network Private Limited	March 31, 2013	12.00	-	16.49	-
	March 31, 2012	8.40	-	0.00	0.51
Siti Vision Digital Media Private Limited	March 31, 2013	72.29	-	104.82	-
	March 31, 2012	24.79	-	30.05	-
Wire and Wireless Tisai Satellite Limited	March 31, 2013	-	-	37.68	-
	March 31, 2012	-	-	39.18	-
Siti Jind Digital Media Communications Private Limited	March 31, 2013	10.00	-	5.87	-
	March 31, 2012	5.00	-	1.83	-
Siti Cable Broadband South Limited	March 31, 2013	-	-	-	0.07
	March 31, 2012	-	-	-	0.07
Siti Jai Maa Durgee Communications Private Limited	March 31, 2013	11.40	-	14.29	-
	March 31, 2012	2.85	-	2.83	-
Siti Krishna Digital Media Private Limited	March 31, 2013	53.41	-	32.42	-
	March 31, 2012	-	-	-	-
Siti Jony Digital Cable Network Private Limited	March 31, 2013	4.28	-	1.64	-
	March 31, 2012	-	-	-	-
Siti Guntur Digital Network Private Limited	March 31, 2013	9.10	-	11.81	-
	March 31, 2012	-	-	-	-
Siti Faction Digital Private Limited	March 31, 2013	65.27	-	66.33	-
	March 31, 2012	-	-	-	-
Enterprises owned or significantly influenced by key management personnel or their relatives					
Dish TV India Limited	March 31, 2013	0.53	0.15	-	14.17
	March 31, 2012	-	5.24	-	19.70
Zee Entertainment Enterprises Limited	March 31, 2013	208.10	9.06	22.79	11.74
	March 31, 2012	177.79	3.55	5.46	3.25
Zee Turner Limited	March 31, 2013	-	-	0.21	281.65
	March 31, 2012	-	46.16	0.21	294.98
Zee News Limited	March 31, 2013	60.13	2.75	13.86	10.78
	March 31, 2012	48.63	-	9.18	10.92

b. Loans and advances given and repayment thereof

(₹ millions)

	Year ended	Loans given	Repayment/ Adjustments	Interest accrued	Amount owed by related parties
Subsidiaries					
Indian Cable Net Company Limited	March 31, 2013	87.41	62.86	-	491.79
	March 31, 2012	32.40	-	-	467.24
Central Bombay Cable Network Limited	March 31, 2013	3,238.14	1,112.55	-	2,490.79
	March 31, 2012	1,072.03	745.04	3.29	365.21
Siti Cable Broadband South Limited	March 31, 2013	0.06	380.00	-	4.37
	March 31, 2012	975.26	714.65	-	384.31
Siti Vision Digital Media Private Limited	March 31, 2013	40.98	15.80		75.03
	March 31, 2012	50.99	5.64	-	49.86
Master Channel Community Network Private Limited	March 31, 2013	-	9.35	-	-
	March 31, 2012	-	-	-	9.35
Siti Jind Digital Media Communications Private Limited	March 31, 2013	-	0.07	-	-
	March 31, 2012	0.07	-	-	0.07
Enterprises owned or significantly influenced by key management personnel or their relatives					
Dish TV India Limited	March 31, 2013	-	-	-	-
	March 31, 2012	-	231.50	-	-
Zee Entertainment Enterprises Limited	March 31, 2013	-	-	-	-
	March 31, 2012	-	40.15	-	-
Zee News Limited	March 31, 2013	-	-	-	-
	March 31, 2012	-	0.04	-	-
Zee Turner Limited	March 31, 2013	-	-	-	13.15
	March 31, 2012	-	0.29	-	13.15

c. Loans and advances taken and repayment thereof

	Year ended	Loans/ Advances taken	Repayment	Interest accrued	Amount owed to the related parties
Enterprises owned or significantly influenced by key management personnel or their relatives					
Siti Vision Digital Media Private Limited	March 31, 2013	25.00	-	-	25.00
	March 31, 2012	-		-	-
Zee News Limited	March 31, 2013	-	24.10	-	-
	March 31, 2012	723.35	701.45	-	24.10

d. **Expenditure paid by the Company on behalf of others and expenditure paid by others on behalf of the Company:**

(₹ millions)

	Expenditure paid by the Company on behalf of the others		Expenditure paid by others on behalf of the Company	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Siti Vision Digital Media Private Limited	0.10	0.04	2.56	0.96
Siti Cable Broadband South Limited	-	-	0.06	0.06
Central Bombay Cable Network Limited	-	-	2.94	0.00
Zee Entertainment Enterprises Limited	14.10	7.90	14.38	1.07
Siti Jai Maa Durgee Communications Private Limited	-	-	4.28	3.67
Zee News Limited	0.01	0.27	-	-
Zee Turner Limited	1.35	0.79	-	-
Dish TV India Limited	0.02	0.03	-	-
Siti Jind Digital Media Communications Private Limited	-	-	5.51	0.01
Siti Jony Digital Cable Network Private Limited	0.02	-	-	-

e. **Money received against share warrants**

(₹ millions)

	March 31, 2013	March 31, 2012
Essel International Limited	310.00	-
Essel Media Ventures Limited	500.00	-

f. **Other related party transactions**

(₹ millions)

	March 31, 2013	March 31, 2012
Interest income from Central Bombay Cable Network Limited	-	3.26
Interest paid to Zee News Limited	-	46.34

g. **Remuneration to key managerial personnel**

(₹ millions)

	March 31, 2013	March 31, 2012
Sudhir Agarwal (till Jan 17, 2012)	-	15.07

38 Capital and other commitments

Estimated amount of contracts remaining to be executed and not provided for (net of advances) amounting to ₹ 104.43 millions (Previous year ₹ 63.66 millions)

39. Contingent liabilities

i) Claims against the Company not acknowledged as debts ₹ 50.34 millions (Previous year ₹ 62.84 millions)

ii) The Company has undertaken to provide continuing financial support to subsidiaries are given as below:

In March 31, 2013

Central Bombay Cable Network Limited
Siticable Broadband South Limited
Wire and Wireless Tisai Satellite Limited
Siti Vision Digital Media Private Limited
Siti Jai Maa Durgee Communications Private Limited
Siti Jind Digital Media Communication Private Limited
Siti Bhatia Network Entertainment Private Limited

In March 31, 2012

Central Bombay Cable Network Limited
Siticable Broadband South Limited
Wire and Wireless Tisai Satellite Limited
Siti Vision Digital Media Private Limited
Siti Jai Maa Durgee Communications Private Limited
Siti Bhatia Network Entertainment Private Limited

40. Unhedged foreign currency exposure

Particulars of unhedged foreign currency exposure as at reporting date:

	March 31, 2013		March 31, 2012	
	USD million	**₹ millions**	**USD million**	**₹ millions**
Trade receivables for carriage income	0.16	8.68	0.38	19.30
Trade payables	10.20	553.97	-	-
Buyers' credit (Secured loan)	37.53	2,039.06	-	-

* Closing rate as at March 31, 2013 (1 USD = ₹ 54.33 (March 31, 2012: 1 USD = ₹ 51.16))

41. The breakup of year end deferred tax assets and liabilities into major components of the respective balance is as under

(₹ millions)

Particulars	**March 31, 2013**	**March 31, 2012**
Deferred tax liabilities		
Unamortised expenditure for ancillary cost of arranging the borrowings	23.58	19.57
Gross deferred tax liabilities	23.58	19.57
Deferred tax assets		
Provision for doubtful debts	23.58	19.57
Gross deferred tax assets	23.58	19.57
Net deferred tax liability/(assets)	-	-

As at the year end March 31, 2013, the Company would have net deferred tax asset primarily comprising of unabsorbed losses and carry forward depreciation under tax laws. In the absence of virtual certainty of sufficient future taxable income, the Company has taken the conservative approach and created deferred tax assets to the extent of deferred tax liability.

42. Value of imports calculated on CIF basis

(₹ millions)

	March 31, 2013	March 31, 2012
Plant and machinery	24.70	76.51
Set top boxes and viewing cards	2,273.91	14.47
Computer software	-	30.78
Stores and spares	3.01	0.38
	2,301.62	**122.14**

43. Expenditure in foreign currency (accrual basis)

(₹ millions)

	March 31, 2013	March 31, 2012
Other operational cost	39.59	8.12
Legal, professional and consultancy charges	9.81	-
	49.40	**8.12**

44. Earnings in foreign currency (accrual basis)

		(₹ millions)
	March 31, 2013	March 31, 2012
Carriage income	15.81	23.70
	15.81	**23.70**

45. Rights issue utilization

The Company had during the year 2009-10 issued 236,222,285 equity shares of ₹ 1 each at a premium of ₹ 18 per share for cash to the existing equity shareholders of the Company. Given below are the details of utilisation of proceeds raised through rights issue.

		(₹ millions)
	March 31, 2013	March 31, 2012
Unutilised amount at the beginning of the year	645.87	1,242.57
Less: amount utilised during the year		
Working capital	120.00	-
General corporate purposes	450.00	596.70
Unutilised amount at the end of the year	**75.87**	**645.87**

46. The Company operates in single business segment of cable distribution in India only. Hence there are no separate reportable business or geographical segments as per Accounting Standard (AS-17) on Segment Reporting.

47. Previous year figures have been presented for the purpose of comparison and have been regrouped/ reclassified wherever necessary.

This is the Summary of significant accounting policies and other explanatory information referred to in our report of even date.

For **Walker, Chandiok & Co**
Chartered Accountants

Per **Atul Seksaria**
Partner

Place : Gurgaon
Date : May 30, 2013

For and on behalf of the Board of Directors of
SITI Cable Network Limited (formerly known as Wire and Wireless (India) Limited)

Amit Goenka
Whole-time Director

Sureshkumar Agarwal
Director

V D Wadhwa
Chief Executive Officer

Sanjay Goyal
Chief Financial Officer

Suresh Kumar
Company Secretary

Independent Auditors' Report

To the Board of Directors of SITI Cable Network Limited (formerly Wire and Wireless (India) Limited)

1. We have audited the accompanying consolidated financial statements of SITI Cable Network Limited (formerly Wire and Wireless (India) Limited), ("the Company") and its subsidiaries and associate (hereinafter collectively referred to as the "Group"), which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated 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 accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
   i) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
   ii) in the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
   iii) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

7. We did not audit the financial statements of certain subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹ 5,329.63 millions as at March 31, 2013; total revenues (after eliminating intra-group transactions) of ₹ 1,732.16 millions and net cash flows aggregating to ₹ 635.46 millions for the year then ended. These financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our audit opinion on the consolidated financial statements of the Group for the year then ended to the extent they relate to the financial statements not audited by us as stated in this paragraph is based solely on the audit reports of the other auditors. Our opinion is not qualified in respect of this matter.

For **Walker, Chandiok & Co.**
Chartered Accountants
Firm Registration No.: 001076N

per **Atul Seksaria**
Partner
Membership No.: 086370

Place: Gurgaon
Date: May 30, 2013

Essel GROUP

Consolidated Balance Sheet as at March 31, 2013

(₹ millions)

	Notes	March 31, 2013	March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	452.85	452.85
Reserves and surplus	5	(1,922.82)	(1,282.09)
Money received against share warrants	6	810.00	-
		(659.97)	**(829.24)**
Share application money pending allotment		-	2.46
Minority interest		132.32	100.17
Non-current liabilities			
Long-term borrowings	7	7,786.00	3,031.48
Deferred tax liability (net)	8	29.04	2.39
Other non-current liabilites	9	832.03	8.75
Long -term provisions	10	28.66	19.47
		8,675.73	**3,062.09**
Current liabilities			
Short term borrowings	11	244.85	503.71
Trade payables	12	1,984.07	1,356.86
Other current liabilities	13	1,575.28	1,442.55
Short-term provisions	10	4.60	0.69
		3,808.80	**3,303.81**
Total		**11,956.88**	**5,639.29**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	14	4,046.72	1,610.13
Intangible assets	15	372.61	139.50
Capital work-in-progress		691.38	123.15
Goodwill on consolidation		93.01	93.01
Non-current investments	16	8.42	8.42
Long-term loans and advances	17	3,001.21	541.22
Other non-current assets	18	594.99	292.70
		8,808.34	**2,808.13**
Current assets			
Current investments	19	8.04	10.04
Inventories	20	79.01	161.17
Trade receivables	21	967.94	777.59
Cash and bank balances	22	1,293.56	1,482.83
Short-term loans and advances	17	760.75	364.35
Other current assets	18	39.24	35.18
		3,148.54	**2,831.16**
Total		**11,956.88**	**5,639.29**
Summary of significant accounting policies	3		

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

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

For **Walker, Chandiok & Co**
Chartered Accountants

Per **Atul Seksaria**
Partner

Place : Gurgaon
Date : May 30, 2013

For and on behalf of the Board of Directors of
SITI Cable Network Limited (formerly known as Wire and Wireless (India) Limited)

Amit Goenka
Whole-time Director

Sureshkumar Agarwal
Director

V D Wadhwa
Chief Executive Officer

Sanjay Goyal
Chief Financial Officer

Suresh Kumar
Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2013

(₹ millions)

	Notes	March 31, 2013	March 31, 2012
Revenue			
Revenue from operations	23	4,696.36	3,428.17
Other income	24	140.29	214.43
Total revenue		**4,836.65**	**3,642.60**
Expenses			
Carriage sharing, pay channel and related costs		2,343.45	2,163.34
Cost of goods sold		40.50	11.68
Employee benefit expenses	25	319.37	271.07
Finance costs	26	863.67	566.41
Depreciation and amortisation expenses	27	563.08	304.06
Other expenses	28	1,263.71	1,004.51
Total expenses		**5,393.78**	**4,321.07**
Loss before exceptional item and tax		**(557.13)**	**(678.47)**
Exceptional item	29	5.35	240.27
Loss before tax		**(562.48)**	**(918.74)**
Tax expenses			
Current tax (including income taxes for earlier years written off)		19.63	23.91
Deferred tax		26.65	6.00
Loss for the year after tax before minority interest		**(608.76)**	**(948.65)**
Adjustment for minority interest		31.97	(35.25)
Loss for the year		**(640.73)**	**(913.40)**
Loss per share after tax	30		
Basic		(1.42)	(2.02)
Diluted		(1.42)	(2.02)
Summary of significant accounting policies	3		

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

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

For **Walker, Chandiok & Co**
Chartered Accountants

Per **Atul Seksaria**
Partner

Place : Gurgaon
Date : May 30, 2013

For and on behalf of the Board of Directors of
SITI Cable Network Limited (formerly known as Wire and Wireless (India) Limited)

Amit Goenka
Whole-time Director

Sureshkumar Agarwal
Director

V D Wadhwa
Chief Executive Officer

Sanjay Goyal
Chief Financial Officer

Suresh Kumar
Company Secretary

Essel GROUP

Consolidated Cash Flow Statement for the year ended\ March 31, 2013

(₹ millions)

	March 31, 2013	March 31, 2012
Cash flow from operating activities		
Loss before tax	(562.48)	(918.74)
Depreciation and amortisation expenses	563.08	304.06
Loss on sale of fixed assets	0.33	4.35
Bad debts written off	16.61	58.46
Excess provision written back	(61.02)	(172.82)
Preliminary expenses written off	0.06	0.02
Amortisation of ancillary borrowing costs	30.36	71.71
Provision for doubtful debts	106.70	137.66
Provision for doubtful advances	32.27	34.97
Net gain on sale of current investment	-	(0.20)
Dividend income on current investment	-	(0.21)
Amusement tax payment	-	8.77
HITS security deposit written off	-	231.50
VAT input credit written off	5.35	-
Interest expense	712.58	491.32
Interest income	(41.87)	(23.72)
Operating profit/(loss) before working capital changes	**801.97**	**227.13**
Movements in working capital :		
Increase in trade payables	688.22	272.57
Increase in long-term provisions	8.56	4.16
Increase / (decrease) in short-term provisions	0.26	(3.81)
Increase in other long term liabilities	823.28	3.17
Increase/ (decrease) in other current liabilities	1.84	(147.36)
Increase in trade receivables	(313.65)	(14.76)
Decrease in inventories	82.16	63.33
(Increase) / decrease in short-term loans and advances	(401.17)	97.14
Increase in long-term loans and advances	(2,453.97)	(23.97)
Decrease in other current assets	2.65	3.54
Decrease/(increase) in other non-current assets	0.29	(0.15)
Cash (used in) / generated from operations	**(759.56)**	**480.99**
Direct taxes paid (net of refunds)	(70.56)	(79.57)
Net cash flow (used in)/ from operating activities (A)	**(830.12)**	**401.42**
Cash flows from investing activities		
Purchase of fixed assets including capital advance	(3,797.22)	(363.86)
Proceeds from sale of fixed assets	12.19	1.53
Consideration paid on acquisition of subsidiaries (net)	(0.23)	(35.56)
Purchase of non-current investments	-	(8.42)
Purchase of current investments	-	(10.00)
Sale of current investments	2.00	7.70
Dividend income on current investment	-	0.21
(Investments in)/redemption of bank deposits having original maturity of more than three months and margin money deposits	(327.08)	47.63
Interest received	32.75	17.44
Net cash used in investing activities (B)	**(4,077.59)**	**(343.33)**

Consolidated Cash Flow Statement for the year ended March 31, 2013

(₹ millions)

	March 31, 2013	March 31, 2012
Cash flows from financing activities		
Shares subscribed by minority	0.17	1.64
Proceeds from issuance of equity share capital	-	0.60
Share application money pending allotment (refunded)/received	(2.46)	2.46
Proceeds from issuance of shares warrants	810.00	-
Proceeds from long-term borrowings	5,768.76	2,843.21
Repayment of long-term borrowings	(895.56)	(2,180.59)
(Repayment)/proceeds from short-term borrowings (net)	(258.85)	324.78
Interest and finance expenses paid	(726.98)	(553.66)
Net cash flow from financing activities (C)	**4,695.08**	**438.44**
Net (decrease) / increase in cash and cash equivalents (A + B + C)	**(212.63)**	**496.53**
Cash and cash equivalents at the beginning of the year	1,476.49	979.61
Cash and cash equivalents of entities acquired during the year	0.23	0.35
Cash and cash equivalents at the end of the year	**1,264.09**	**1,476.49**

	March 31, 2013	March 31, 2012
Components of cash and cash equivalents		
Cash on hand	35.33	7.06
Cheques on hand	83.44	58.96
Deposits	55.11	73.09
With banks- on current account	1,090.21	1,337.38
Total cash and cash equivalents (note 22)	**1,264.09**	**1,476.49**
Summary of significant accounting policies		

1. Figure in brackets indicate cash outflow.

This is the consolidated cash flow statement referred to in our report of even date.

For **Walker, Chandiok & Co**
Chartered Accountants

Per **Atul Seksaria**
Partner

Place : Gurgaon
Date : May 30, 2013

For and on behalf of the Board of Directors of
SITI Cable Network Limited (formerly known as Wire and Wireless (India) Limited)

Amit Goenka
Whole-time Director

Sureshkumar Agarwal
Director

V D Wadhwa
Chief Executive Officer

Sanjay Goyal
Chief Financial Officer

Suresh Kumar
Company Secretary

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

1. a) **Corporate information**

SITI Cable Network Limited (formerly known as Wire and Wireless (India) Limited) (hereinafter referred to as 'the Company' or 'SCNL' or ' the Holding Company' or 'the Parent Company') was incorporated in the state of Maharashtra, India. The Company and its subsidiaries and associate (collectively known as 'the Group') are engaged in distribution of television channels through analogue and digital cable distribution network, primary internet and allied services.

2. a) **Principles of consolidation**

The consolidated financial statements include the financial statements of the Holding Company, its subsidiaries and associate (collectively referred to as "Group").

In preparing the consolidated financial statements, financial statements of the Holding Company, its subsdiaries and associate have been combined on a line by line basis by adding the book values of the like items of assets, liabilities, income and expenses after eliminating intra-group balances/ transactions and unrealised profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the Parent Company and its share in the post-acquisition increase in the relevant reserves of the consolidated entities.

The results of operation of the associate have been reflected in the consolidated financial statements by following the equity method of accounting.

The excess/deficit of cost to the Parent Company of its investment over its portion of net worth in the consolidated entities at the respective dates on which the investment in such entities was made is recognised in the financial statements as goodwill/ capital reserve. Goodwill arising on consolidation is tested for impairment when the relevant indicators of impairment are applicable. The Parent Company's portion of net worth in such entities is determined on the basis of book value of assets and liabilities as per the financial statements of the entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant changes.

Minority interest in subsidiary represents the minority shareholders' proportionate share of the net assets and net income.

Minorities' interest in net profit of consolidated subsidiaries for the year has been identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets has been identified and presented in the consolidated balance sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same have been attributed to the shareholder of the Holding Company.

b) **Basis of preparation**

The consolidated financial statements have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rules 2006 issued by the Central Government in exercise of the power conferred under sub-section(1)(a) of Section 642 and the relevant provisions of the Companies Act, 1956 (the 'Act'). The consolidated financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Group unless otherwise stated.

The Group's accumulated losses aggregate to ₹ 6,127.72 millions as at March 31, 2013 (Previous year ₹ 5,487.01 millions) while the shareholders' funds are ₹ 5,467.77 millions (Previous year ₹ 4,657.77 millions). This has resulted in complete erosion of net worth of the Group.

In view of the warrant subscription, mandatory digitization, central India expansion which will yield substantial subscription revenue, increase in efficiency and assurance to extend all support in foreseeable future from majority of equity shares holder, these financial results are prepared on going concern basis.

3. Summary of significant accounting policies

a) Use of estimates

In preparing the Group's consolidated financial statements in conformity with accounting principles generally accepted in India, the management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in the period the same is determined.

b) Tangible fixed assets

(i) Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of the purchase price (net of Cenvat credit availed), borrowing costs if capitalisation criteria are met and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

(ii) Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

(iii) Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

(iv) Set top boxes intended to be provided to subsidiaries are treated as part of capital work in progress till at the end of the month of activation thereof. Also, set top boxes intended to be sold are treated as part of inventory.

c) Depreciation on tangible fixed assets

(i) Depreciation on tangible fixed assets is calculated on a straight-line basis using the rates arrived at based on useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies act, 1956 whichever is higher. The Group has used the following rates to provide depreciation on its fixed assets:

	Rates (SLM)
Building	1.63%
Plant and equipment	10% to 20%
Ground distribution network	7.07%
Furniture and fixtures	6.33%
Studio equipment	7.07%
Computers	16.21%
Vehicles	9.50%
Office equipment	4.75%
Air conditioner	4.75%
Set top boxes	20%
IRD boxes	10%

(ii) Leasehold improvements are amortized over the lease term or 10 years; which ever is less.

(iii) Leasehold land is amortized over the effective period of lease.

(iv) Plant and machinery taken over under scheme of arrangement in the earlier years are depreciated over the management's estimate of remaining useful life, a period of 5 years.

(v) Assets costing less than ₹ 5,000 are fully depreciated in the year of purchase.

(vi) In case of Siti Vision Digital Media Private Limited, studio equipment are depreciated at the rate of 4.75%.

d) **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

e) **Amortization of intangible assets**

(i) Goodwill arising in a scheme of arrangement and purchase of business is amortized using the straight-line method over a period of five years.

(ii) Computer software are amortized over a period of six years on straight line basis.

(iii) Cost of news/ current affairs/ chat shows/ events including sports events etc. are fully expensed on first telecast.

(iv) Program/ film/ cable rights are amortized on a straight-line basis over the license period or 60 months from the date of purchase, whichever is shorter.

(v) In case of Indian Cable Net Company Limited, computer software are amortized over lower of useful life or period of six years on straight line basis.

f) **Leases**

Where the Group is the lessee

Assets acquired on finance lease, which effectively transfers to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of minimum lease payments at the inception of the lease term. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Lease management fees, legal charges and other initial direct costs are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Group is the lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

g) **Borrowing costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

h) **Impairment of tangible and intangible assets**

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and the same is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the statement of profit and loss.

i) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

j) Inventories

Stores and spares are valued at cost on first in first out basis or at net realizable value whichever is lower. Stock in trade including set top boxes are valued at cost using weighted average method or at net realizable value whichever is lower.

k) Revenue recognition

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

(i) Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards in respect of ownership of the goods are transferred to the buyer, usually on delivery of the goods. The Group collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

Revenue from high sea sales are being recognized on transfer of title of goods to the customer.

(ii) Income from services

Subscription income is recognized on completion of services.

Lease rentals charges and carriage income are recognised on accrual basis over the terms of related agreements. Carriage revenue recognition is deferred till formal agreement is executed with broadcasters.

Advertisement income is recognised when the related advertisement appears before the public. Other advertisement revenue for slot sale is recognised on period basis.

Activation fees on Set top boxes (STB) is recognised as revenue on activation of the related boxes.

The Group collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue.

Income from rendering technical services and broadband services are recognized on accrual basis.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

l) Foreign currency transaction

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and the non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of the Group at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise

m) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Group has no other obligation, other than the contribution payable to the provident fund.

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 or in case of plans administredbu insurers, based on contribution determined by the insurer.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. Short term compensated absences are provided for based on estimates.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

Actuarial gains / losses are immediately recognised to the statement of profit and loss and are not deferred.

n) 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 Income Tax Act, 1961 enacted in India.

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

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

At each balance sheet date the Group re-assesses unrecognised deferred tax assets. It recognises unrecognised 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 realised.

Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is recognised by way of a credit to the statement of profit and loss and presented as MAT credit entitlement. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

o) **Employees stock compensation cost**

Measurement and disclosure of the stock option granted the Group's employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Group measures compensation cost relating to employee stock options using the fair value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

p) **Segment reporting**

The Group is a multi system operator providing cable television network services, internet services and allied services which is considered as the only reportable segment. The Group's operations are based in India.

q) **Earning per share**

(i) Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

(ii) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares

r) **Provisions**

A provision is recognised when an enterprise has a present obligation as a result of past event and 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. Provisions are not discounted to its 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.

s) **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

t) **Cash and cash equivalents**

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

u) **Miscellaneous expenditure**

Costs incurred in raising funds are amortized equally over the period for which the funds are raised. Preliminary expenditure are amortized in the year when they are incurred except in case of Siti Broadband South Limited where these are amortized over a period of 10 years.

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Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

4. Share capital

	March 31, 2013	March 31, 2012
		(₹ millions)
Authorised share capital		
740,000,000 (Previous year: 740,000,000) equity shares of ₹ 1 each	740.00	740.00
10,000,000 (Previous year: 10,000,000) preference shares of ₹ 1 each	10.00	10.00
Total authorised capital	**750.00**	**750.00**
Issued share capital		
453,440,038 (Previous year 453,440,038) equity shares of ₹ 1 each	453.44	453.44
Less:- Forfeited shares 1,227,122 (Previous year 1,227,122) equity shares of ₹ 1 each	(1.23)	(1.23)
23,436 (Previous year: 23,436) 7.25% Non cumulative redeemable preference shares of ₹ 1 each	0.02	0.02
Total issued capital	**452.23**	**452.23**
Subscribed and fully paid up capital		
452,212,916 (Previous year: 452,153,300) equity shares of ₹ 1 each fully paid up	452.21	452.21
23,436 (Previous year: 23,436) 7.25% Non cumulative redeemable preference shares of ₹ 1 fully paid up	0.02	0.02
Total paid up capital	**452.23**	**452.23**
Forfeited shares	**0.62**	**0.62**
	452.85	**452.85**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares

	March 31, 2013		March 31, 2012	
	No. of shares	₹ millions	No. of shares	₹ millions
Outstanding at the beginning of the year	452,242,724	452.21	453,440,038	452.80
Add: Receipt of call money	-	-	29,808	0.03
Less : Equity shares forfeited during the year	-	-	(1,227,122)	(0.62)
Outstanding at the end of the year	**452,242,724**	**452.21**	**452,242,724**	**452.21**

Preference shares

There is no movement in preference share capital in current year and previous year.

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹1 per share. Each holder of equity shares is entitled to one vote per share.

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

(c) **Terms/ rights attached to preference shares**

The Company has only one class of 7.25% Non-cumulative redeemable preference shares of ₹ 1 each. The said preference shares were allotted to Zee Telefilms Limited (now Zee Entertainment Enterprises Limited) on December 29, 2006, pursuant to the scheme of arrangement for demerger of cable business undertaking of Zee Telefilms Limited approved by the Hon'ble Bombay High Court vide its order dated November 17, 2006. Initially, as per the terms of the issue and allotment, the said preference shares were due for redemption on December 29, 2008. However, with the written consent/approval of Zee Entertainment Enterprises Limited, the terms of the issue of said preference shares was varied by extending the period of redemption by another three years i.e. till December 29, 2011. Later on June 6, 2011 these shares were transferred to Churu Enterprises LLP by Zee Entertainment Enterprises Limited.

Period for redemption of preference shares has been extended by another period of five years till December 29, 2016 by Churu Enterprises LLP. The preference shares are redeemable at par.

In the event of liquidation of the Company before redemption of preference shares, the holders of preference shares will have priority over equity shares in the payment of dividend and repayment of capital.

(d) **Shares held by ultimate holding company**

Out of equity and preference shares issued by the Company, shares held by its holding company are as below:

(₹ millions)

	March 31, 2013	March 31, 2012
Equity Shares		
Bioscope Cinemas Private Limited, the immediate holding company, effective from December 28, 2011 to November 9, 2012. (122,040,427 (previous year 262,040,427) equity shares of ₹ 1 each fully paid up)	-	262.04

(e) **Details of shareholders holding more than 5% shares in the Company**

	March 31, 2013		March 31, 2012	
Preference shares	No. of Shares	% of Holding	No. of Shares	% of Holding
Churu Enterprises LLP	23,436	100%	23,436	100%

Equity shares	March 31 2013		March 31 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Bioscope Cinemas Private Limited, the immediate holding company, effective from December 28, 2011 to November 9, 2012.	122,040,427	26.99%	262,040,427	57.95%
Direct Media Solution Private Limited	140,000,000	30.96%	-	-

(f) **Shares reserved for issue under options**

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 34.

(g) **Terms of securities convertible into equity shares issued along with earliest date of conversion**

During the year ended March 31, 2013, the Company issued 162,000,000 convertible warrants on preferential basis upon payment of a consideration of ₹ 20 per warrant. Each convertible warrant is convertible into one equity share of ₹ 1 each at a premium of ₹ 19 per share on payment of remaining consideration. Holders of such warrants have the option to convert these warrants into equity shares upon payment of aforesaid consideration on or before eighteen months from the date of allotment of warrants, viz., March 19, 2013. Amount outstanding as at the year end and disclosed as money received against convertible warrants constitutes ₹ 5 per warrant received from the holders of 162,000,000 warrants.

5. Reserves and surplus

	March 31, 2013	March 31, 2012
		(₹ millions)
Securities premium reserve		
Balance at the beginning of the year	4,200.07	4,199.50
Add: Premium received on issue of shares	-	0.57
Balance at the end of the year	**4,200.07**	**4,200.07**
Employee stock options outstanding		
Employee stock options outstanding	5.25	5.61
Less: Deferred employee compensation	0.40	0.76
	4.85	**4.85**
Deficit in the statement of profit and loss		
Balance at the beginning of the year	(5,487.01)	(4,573.61)
Loss for the year	(640.73)	(913.40)
Balance at the end of the year	**(6,127.74)**	**(5,487.01)**
	(1,922.82)	**(1,282.09)**

6 Money received against share warrants

	March 31, 2013	March 31, 2012
Money received against share warrants	810.00	-
Details of utilisation of proceeds raised through warrants issued on preferential basis		
Balance unutilised at the end of the previous year	-	-
Add: Proceeds received during the year	810.00	-
Utilised for working capital requirements	270.00	-
Utilised for capital expenditure and capital advances	467.26	
Balance unutilised at the end of the current year*	**72.74**	**-**

* Balance unutilised amount is lying in current accounts with banks.

7. Long-term borrowings

(₹ millions)

	Non-current March 31, 2013	Current March 31, 2013	Non-current March 31, 2012	Current March 31, 2012
(a) Debentures (Secured)				
Nil (Previous year : 1,920) 9.95% Secured redeemable non-convertible debentures of face value ₹ 1,000,000 each, outstanding Nil (previous year ₹ 300,000 each).	-	-	-	576.00
(b) Term loans from banks (Secured)				
Axis bank	2,096.88	453.13	1,750.00	200.00
IDBI bank	756.88	274.38	431.25	168.75
IDBI bank (buyers' credit)	508.98	-	-	-
ICICI bank	2,794.00	336.00	800.00	-
ICICI bank (buyers' credit)	1,530.08	-	-	-
(c) Other loans and advances (Secured)				
Finance lease obligations	2.37	0.48	1.90	0.56
(d) Other borrowings (Unsecured)	96.81	-	48.33	-
	7,786.00	1,063.99	3,031.48	945.31

	Non-current March 31, 2013	Current March 31, 2013	Non-current March 31, 2012	Current March 31, 2012
				(₹ millions)
The above amount includes				
Secured borrowings	7,689.19	1,063.99	2,983.15	945.31
Unsecured borrowings	96.81	-	48.33	-
Amount disclosed under the head "other current liabilities" (Note 13)	-	(1,063.99)	-	(945.31)
Net amount	**7,786.00**	**-**	**3,031.48**	**-**

8. **Deferred tax liability (net)**

(₹ millions)

	March 31, 2013	March 31, 2012
Deferred tax liabilities		
Unamortised expenditure for ancillary cost of arranging the borrowings	23.58	19.57
Timing difference in depreciation and amortisation of tangible and intangible assets	45.63	13.00
Gross deferred tax liabilities	**69.21**	**32.57**
Deferred tax assets		
Expenditure debited to statement profit & loss account in the current year but allowed for tax purposes in following years	1.74	1.24
Provision for doubtful debts and advances	38.43	28.94
Gross deferred tax assets	**40.17**	**30.18**
Net deferred tax liability	**29.04**	**2.39**

9. **Other non-current liabilites**

(₹ millions)

	March 31, 2013	March 31, 2012
Advance from customers	3.02	3.20
Security deposits	113.33	1.10
Payable for fixed assets	715.68	4.45
	832.03	**8.75**

10. **Provisions**

(₹ millions)

	Long-term March 31, 2013	Short-term March 31, 2013	Long-term March 31, 2012	Short-term March 31, 2012
Provision for employee benefits (Refer Note 33)				
Provision for gratuity	17.22	0.36	11.78	0.26
Provision for compensated abesences	10.81	0.58	7.69	0.43
Provision for taxation	0.63	3.66	-	-
	28.66	**4.60**	**19.47**	**0.69**

11. **Short-term borrowings**

(₹ millions)

	March 31, 2013	March 31, 2012
Secured		
Loans repayable on demand		
from IDBI Bank	244.85	503.71
	244.85	**503.71**

12. Trade payables

	(₹ millions)	
	March 31, 2013	March 31, 2012
Dues to others	1,984.07	1,356.86
	1,984.07	**1,356.86**

13. Other current liabilities

	(₹ millions)	
	March 31, 2013	March 31, 2012
Current maturities of long-term borrowings (Refer note 7)	1,063.51	944.75
Current maturities of finance lease obligations (Refer note 7)	0.48	0.56
Interest accrued but not due on borrowings	62.03	49.83
Interest accrued and due on borrowings	1.56	1.56
Share application money refundable	17.60	17.53
Book overdraft	127.11	81.17
Advance from customers	59.51	65.16
Payable for fixed assets	-	27.42
Payable to employees	10.18	0.09
Income received in advance	39.29	19.81
Others		
Interest free deposits from customers	-	93.07
Service tax payable	25.70	4.80
TDS payable	45.18	13.20
Entertainment tax payable	23.75	16.62
Statutory and contractual liabilities payable	99.38	106.98
	1,575.28	**1,442.55**

14. Tangible assets

(₹ millions)

Gross block	Building	Leasehold land	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Air conditioners	Studio equipment	Vehicles	Ground distribution network	Leasehold improvements	Set top boxes	IRD boxes	Total
Balance as at April 1, 2011	27.58	6.78	2,069.57	88.42	28.36	34.65	12.37	36.93	14.67	252.54	37.26	630.53	1.26	3,240.92
Addition on acquisition of subsidiaries	-	-	0.36	0.06	-	-	-	-	-	4.65	-	-	-	5.07
Additions	-	2.14	151.11	3.51	2.39	2.15	1.33	0.51	4.00	32.38	3.82	238.26	-	441.60
Deductions	-	-	0.05	-	0.04	0.55	-	-	1.62	3.29	-	21.45	-	27.00
Balance as at March 31, 2012	**27.58**	**8.92**	**2,220.99**	**91.99**	**30.71**	**36.25**	**13.70**	**37.44**	**17.05**	**286.28**	**41.08**	**847.34**	**1.26**	**3,660.59**
Addition on acquisition of subsidiaries	-	-	15.39	0.05	0.05	0.47	0.03	-	-	-	-	-	-	15.99
Additions	-	-	256.42	10.16	4.16	1.18	1.64	4.94	1.81	41.06	7.18	2,623.16		2,951.71
Deductions	-	-	6.85	-	-	-	-	-	0.36	6.26	-	3.65	-	17.12
Balance as at March 31, 2013	**27.58**	**8.92**	**2,485.95**	**102.20**	**34.92**	**37.90**	**15.37**	**42.38**	**18.50**	**321.08**	**48.26**	**3,466.85**	**1.26**	**6,611.17**
Accumulated depreciation														
Balance as at April 1, 2011	6.63	0.64	1,297.68	61.41	9.17	14.42	4.38	26.98	5.86	80.30	18.90	264.60	0.53	1,791.50
Addition on acquisition of subsidiaries	-	-	0.01	0.00	-	-	-	-	-	0.31	-	-	-	0.32
Charge for the year	0.47	0.10	117.55	9.99	1.68	1.44	0.62	0.91	1.27	12.47	3.75	129.38	0.13	279.76
Reversal on disposal of assets	-	-	0.02	-	0.01	0.09	-	-	0.41	0.21	-	20.38	-	21.12
Balance as at March 31, 2012	**7.10**	**0.74**	**1,415.22**	**71.40**	**10.84**	**15.77**	**5.00**	**27.89**	**6.72**	**92.87**	**22.65**	**373.60**	**0.66**	**2,050.46**
Charge for the year	0.47	0.09	146.40	9.98	1.97	2.24	0.67	0.98	1.42	13.34	5.97	335.07	-	518.60
Reversal on disposal of assets	-	-	0.32	-	-	-	-	-	0.34	0.48		3.47		4.61
Balance as at March 31, 2013	**7.57**	**0.83**	**1,561.30**	**81.38**	**12.81**	**18.01**	**5.67**	**28.87**	**7.80**	**105.73**	**28.62**	**705.20**	**0.66**	**2,564.45**
Net block														
Balance as at March 31, 2012	**20.48**	**8.18**	**805.77**	**20.59**	**19.87**	**20.48**	**8.70**	**9.55**	**10.33**	**193.41**	**18.43**	**473.74**	**0.60**	**1,610.13**
Balance as at March 31, 2013	**20.01**	**8.09**	**924.65**	**20.82**	**22.11**	**19.89**	**9.70**	**13.51**	**10.70**	**215.35**	**19.64**	**2,761.65**	**0.60**	**4,046.72**

15. Intangible assets

(₹ millions)

Gross block	Goodwill	Program/ film/ cable rights	Computer softwares	Total
Balance as at April 1, 2011	44.79	50.33	89.54	184.66
Additions	30.75	-	56.09	86.84
Balance as at March 31, 2012	**75.54**	**50.33**	**145.63**	**271.50**
Additions			277.59	277.59
Balance as at March 31, 2013	**75.54**	**50.33**	**423.22**	**549.09**
Accumulated amortisation				
Balance as at April 1, 2011	7.09	47.18	53.43	107.70
Charge for the year	5.74	-	18.56	24.30
Balance as at March 31, 2012	**12.83**	**47.18**	**71.99**	**132.00**
Charge for the year	7.65	-	36.83	44.48
Balance as at March 31, 2013	**20.48**	**47.18**	**108.82**	**176.48**
Net block				
Balance as at March 31, 2012	**62.71**	**3.15**	**73.64**	**139.50**
Balance as at March 31, 2013	**55.06**	**3.15**	**314.40**	**372.61**

16. Non-current investments (Trade, unquoted)
(Valued at cost unless stated otherwise)

(₹ millions)

	March 31, 2013	March 31, 2012
Investment in equity instruments-associate		
70,500 (Previous year Nil) equity share of ₹ 10 each fully paid up of Siti Chhattisgarh Multimedia Private Limited	8.42	8.42
Investment in equity instruments-others		
480 (Previous year 480) equity shares of ₹ 100 each fully paid up of Master Ads Private Limited	0.05	0.05
9,500 (Previous year 9,500) equity shares of ₹ 10 each fully paid up of Dakshin Communication Private Limited	1.77	1.77
3,000 (Previous year 3,000) equity shares of ₹ 10 each fully paid up of Centre Channel Private Limited	0.23	0.23
	10.47	**10.47**
Less : Provision for diminution in the value of investments	2.05	2.05
	8.42	**8.42**
Investment in preference shares		
14,080 (previous year 14,080) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of		
Haryana Communication Network Private Limited	7.04	7.04
Less : Provision for diminution in the value of investments	7.04	7.04
	-	-

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	(₹ millions)	
	March 31, 2013	March 31, 2012
5,430 (Previous year 5,430) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Bangalore Communication Network Private Limited #	-	-
1,610 (Previous year 1,610) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Banjara Telelinks Private Limited #	-	-
579 (Previous year 579) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Bargachh Telelinks Private Limited #	-	-
8,420 (Previous year 8,420) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Chanakya Communications Network Private Limited #	-	-
9,680 (Previous year 9,680) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Chandigarh Network Systems Private Limited #	-	-
1,230 (Previous year 1,230) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Chirag Telelinks Private Limited #	-	-
5,489 (Previous year 5,489) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Condoor Communications Private Limited #	-	-
41,960 (Previous year 41,960) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Dakhsin Communications Private Limited #	-	-
8,580 (Previous year 8,580) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Faridabad Entertainment Private Limited #	-	-
6,270 (Previous year 6,270) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Garden City Communications Private Limited #	-	-
14,140 (Previous year 14,140) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Him Mohini Communications Private Limited #	-	-
12,510 (Previous year 12,510) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of North Delhi Cable Network Private Limited #	-	-
8,118 (Previous year 8,118) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Purvalay Communications Private Limited #	-	-
15,270 (Previous year 15,270) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Purvi Communications Private Limited #	-	-
9,820 (Previous year 9,820) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Rajdhani Communication Network Private Limited #	-	-
1,290 (Previous year 1,290) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Tirupathy Communication Network Private Limited #	-	-
2,050 (Previous year 2,050) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Trans Yamuna Communication Network Private Limited #	-	-
3,850 (Previous year 3,850) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Vanasthali Communication Network Private Limited #	-	-
2,530 (Previous year 2,530) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of West Delhi Cable Network Private Limited #	-	-
1,100 (Previous year 1,100) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Zem Communication Private Limited #	-	-
26,020 (Previous year 26,020) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Ahmedabad Network Systems Private Limited #	-	-
7,570 (Previous year 7,570) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Amritsar Communication Network Private Limited #	-	-
2,990 (Previous year 2,990) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Jalandhar Multimedia Private Limited #	-	-
14,220 (Previous year 14,220) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Maninagar Network Private Limited #	-	-
10,898 (Previous year 10,898)6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Panchsheel Communication Network Private Limited #	-	-

	(₹ millions)	
	March 31, 2013	March 31, 2012
23,010 (Previous year 23,010) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Sabarmati Network Private Limited #	-	-
15,440 (Previous year 15,440) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Space Channel Communication Private Limited #	-	-
9,820 (Previous year 9,820) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Shrinath Ji Cable Private Limited#	-	-
1,480 (Previous year 14,80) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Kakinada Communication Network Private Limited#	-	-
	-	**-**
# These investments have been written off against provision for diminution in the value of investments		
Total	**8.42**	**8.42**

17. Loans and advances

				(₹ millions)
	Long-term March 31, 2013	Short-term March 31, 2013	Long-term March 31, 2012	Short-term March 31, 2012
Capital advances				
Unsecured, considered good	330.49	-	346.79	-
Unsecured considered doubtful	4.50	-	-	-
Less: Provision for doubtful advances	4.50	-	-	-
	330.49	**-**	**346.79**	**-**
Security deposits				
Unsecured, considered good	129.48	1.49	100.89	0.60
Doubtful	2.81	-	2.81	-
	132.29	**1.49**	**103.70**	**0.60**
Less: Provision for doubtful security deposits	2.81	-	2.81	-
	129.48	**1.49**	**100.89**	**0.60**
Advances to related parties (refer Note 36)				
Unsecured, considered good	-	-	-	0.54
Advances recoverable in cash or kind				
Unsecured, considered good				
Other advances	2,502.80	172.33	72.11	73.14
Doubtful				
Advances to distribution companies	-	837.83	-	928.79
	2,502.80	**1,010.16**	**72.11**	**1,001.93**
Less:				
Provision for doubtful advances	-	837.83	-	928.79
	2,502.80	**172.33**	**72.11**	**73.14**
Other loans and advances				
Unsecured, considered good				
Advance tax	38.44	194.13	16.12	161.23
Balances with statutory authorities	-	388.65	5.31	124.79
Prepaid expenses	-	4.15	-	4.05
	38.44	**586.93**	**21.43**	**290.07**
	3,001.21	**760.75**	**541.22**	**364.35**

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18. Other assets

(₹ millions)

	Non-current March 31, 2013	Current March 31, 2013	Non-current March 31, 2012	Current March 31, 2012
Considered good unless stated otherwise				
Non-current bank balances (refer note 22)	542.01	-	238.07	-
	542.01	**-**	**238.07**	**-**
Unamortized expenditure				
Ancillary cost of arranging the borrowings	52.75	23.55	54.11	25.95
	52.75	**23.55**	**54.11**	**25.95**
Others				
Interest accrued on fixed deposits	-	15.69	-	6.58
Miscellaneous	0.23	-	0.52	2.65
	0.23	**15.69**	**0.52**	**9.23**
	594.99	**39.24**	**292.70**	**35.18**

19. Current investments (Non trade, unquoted) (Valued at lower of cost or fair value)

(₹ millions)

	March 31, 2013	March 31, 2012
Investments in mutual funds		
250,404 (Previous year 250,404) units of face value of ₹ 10 each of ICICI Prudential Flexible Income Premium Growth	2.54	2.54
Nil (Previous year 199,952) units of face value of ₹ 10 each of UTI Fixed Income Interval Fund	-	2.00
3,176 (Previous year 3,176) units of face value of ₹100 each of Taurus Short Term Income Fund - Growth Plan	5.50	5.50
	8.04	**10.04**

20. Inventories (valued at lower of cost or net realizable value)

(₹ millions)

	March 31, 2013	March 31, 2012
Traded goods	-	42.10
Stores and spares	79.01	119.07
	79.01	**161.17**

21. Trade receivables

(₹ millions)

	March 31, 2013	March 31, 2012
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	145.98	265.32
Unsecured, considered doubtful	1,573.88	1,614.22
	1,719.86	**1,879.54**
Less: Provision for doubtful debts	1,573.88	1,614.22
	145.98	**265.32**
Other receivables		
Unsecured, considered good	821.96	512.27
Unsecured, considered doubtful	0.01	2.33
	821.97	**514.60**
Less: Provision for doubtful debts	0.01	2.33
	821.96	**512.27**
	967.94	**777.59**

22. Cash and bank balances

(₹ millions)

	Non-current March 31, 2013	Current March 31, 2013	Non-current March 31, 2012	Current March 31, 2012
Cash and cash equivalents				
Cash on hand	-	35.33	-	7.06
Cheques on hand	-	83.44	-	58.96
Balances with banks:				
On current accounts	-	1,090.21	-	1,337.38
Deposits with original maturity of less than three months	-	55.11	-	20.80
Unpaid matured deposits	-	-	-	52.29
	-	**1,264.09**	**-**	**1,476.49**
Other bank balances				
Deposits with original maturity of more than 3 months but less than 12 months and residual maturity of less than 12 months	-	28.49	-	5.00
Margin money deposit	542.01	0.98	238.07	1.34
	542.01	**29.47**	**238.07**	**6.34**
Amount disclosed under non-current assets (note 18)	542.01	-	238.07	-
	-	**1,293.56**	**-**	**1,482.83**

23. Revenue from operations

(₹ millions)

	March 31, 2013	March 31, 2012
Sale of services		
Subscription income	1,206.89	909.70
Advertisement income	151.10	156.41
Carriage income	2,035.47	2,238.04
Activation income	1,231.49	-
Other operating revenue		
Sale of traded goods*	39.26	19.44
Lease rental charges	24.72	2.83
Management charges and other networking income	7.04	98.85
Scrap sales	0.39	2.90
	4,696.36	**3,428.17**

* **Details of sale of traded goods**

Set top box and viewing cards	37.81	18.46
Spares parts	1.45	0.98
	39.26	**19.44**

24. Other income

(₹ millions)

	March 31, 2013	March 31, 2012
Interest income on		
Bank deposits	41.87	23.72
Others	0.13	1.16
Dividend income on current investment	-	0.21
Net gain on sale of current investment	-	0.20
Excess provision written back	61.02	172.82
Other non-operating income	37.27	16.32
	140.29	**214.43**

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25. Employee benefit expenses

(₹ millions)

	March 31, 2013	March 31, 2012
Salaries, allowances and bonus	275.30	241.88
Contributions to provident and other funds	17.90	15.45
Employees benefit expenses	11.08	2.60
Staff welfare expenses	15.09	11.14
	319.37	**271.07**

26. Finance costs

(₹ millions)

	March 31, 2013	March 31, 2012
Interest	712.58	491.32
Bank charges	120.73	3.38
Amortisation of ancillary borrowing costs	30.36	71.71
	863.67	**566.41**

27. Depreciation and amortization expense

(₹ millions)

	March 31, 2013	March 31, 2012
Depreciation of tangible assets (Refer note 14)	518.60	279.76
Amortization of intangible assets (Refer note 15)	44.48	24.30
	563.08	**304.06**

28. Other expenses

(₹ millions)

	March 31, 2013	March 31, 2012
Rent	87.94	65.63
Rates and taxes	15.29	2.44
Communication expenses	16.64	12.74
Repairs and maintenance		
- Plant and equipment	57.47	37.78
- Building	0.76	0.19
- Others	30.06	15.00
Electricity and water charges	39.89	25.49
Legal, professional and consultancy charges	78.33	62.37
Printing and stationery	8.63	7.75
Service charges	90.51	55.36
Travelling and conveyance expenses	32.61	24.24
Payment to auditors	4.84	3.69
Vehicle expenses	21.21	18.38
Insurance expenses	4.29	6.47
Provision for doubtful debts*	106.70	137.66
Bad debts written off	16.61	58.46
Provision for doubtful advances	32.27	34.97
Loss on sale of assets	0.33	4.35
Preliminary expenses written off	0.06	0.02
Advertisement and publicity expenses	73.27	70.25
Commission charges and incentives	84.67	47.92
Rebate and discount	54.12	70.34
Program production expenses	16.98	19.55
Other operational cost	311.86	158.32
Business and sales promotion	21.20	32.79
Miscellaneous expenses	57.17	32.35
	1,263.71	**1,004.51**

* Provision for doubtful debts is net of liabilities written back ₹ 87.09 millions (Previous year ₹ 14.14 millions).

29. Exceptional items

	March 31, 2013	March 31, 2012
		(₹ millions)
Amusement tax payment	-	8.77
HITS security deposit written off	-	231.5
VAT input credit written off	5.35	-
	5.35	**240.27**

30. Earning per share

	March 31, 2013	March 31, 2012
		(₹ millions)
Loss attributable to equity shareholders	(640.73)	(913.40)
Number of weighted average equity shares		
Basic	452,242,724	452,242,724
Diluted	452,242,724	452,242,724
Nominal value of equity share (₹ 1)	1	1
Loss per share after exceptional item and after tax		
Basic	(1.42)	(2.02)
Diluted	(1.42)	(2.02)

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

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

31. In compliance with Accounting Standard – 21 "Consolidated Financial Statements" and Accounting Standard – 23 "Accounting for Investments in Associates in Consolidated Financial Statements" referred to in the Companies (Accounting Standards) Rules 2006 issued by the Central Government in exercise of the power conferred under sub-section(1)(a) of Section 642 and the relevant provisions of the Companies Act, 1956 (the 'Act'), the Parent Company has prepared the accompanying consolidated financial statements, which include the financial statements of the Parent Company, its subsidiaries and the results of operations of its associate listed below:

Name of the Subsidiaries	Country of incorporation	Percentage of ownership
Indian Cable Net Company Limited (hereinafter referred as "ICNCL")*	India	67.99%
Central Bombay Cable Network Limited (hereinafter referred as "CBCNL")	India	100.00%
Siticable Broadband South Limited (hereinafter referred as "SBSL")	India	100.00%
Wire and Wireless Tisai Satellite Limited (hereinafter referred as "WWTSL")	India	51.00%
Master Channel Community Network Private Limited (hereinafter referred as "MCCNPL")**	India	66.00%
Siti Vision Digital Media Private Limited (hereinafter referred as "SVDMPL")	India	50.65%
Siti Jind Digital Media Communication Private Limited (hereinafter referred as "SJDMCPL")	India	51.00%
Siti Jai Maa Durgee Communications Private Limited (hereinafter referred as "SJMDCPL")	India	51.00%
Siti Bhatia Network Entertainment Private Limited (hereinafter referred as "SBNEPL")	India	51.00%
Siti Jony Digital Cable Network Private Limited (SJDCNPL) w.e.f. December 1, 2012	India	51.00%
Siti Krishna Digital Media Private Limited w.e.f. July 2, 2012	India	51.00%
Siti Faction Digital Private Limited (SFDPL) w.e.f. March 16, 2013	India	51.00%
Siti Guntur Digital Network Private Limited (SGDNPL) w.e.f. March 16, 2013	India	74.00%

*Include 0.30% held through Central Bombay Cable Network Limited.
** Subsidiary of CBCNL.

Name of the associate	Country of incorporation	Percentage of ownership
Siti Chhattisgarh Multimedia Private Limited (SCMPL)	India	23.50%

32. In view of the mandatory digital addressable system ('DAS') regulation announced by the Ministry of Information and Broadcasting, Government of India, digitization of cable networks has been implemented in the cities notified for phase 1 and phase 2 effective November 1, 2012 and April 1, 2013 respectively. Owing to the initial delays in implementation of DAS in phase 1 cities and challenges faced by all the Multi-System Operators (MSOs) 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 (LCOs). Accordingly, the Company has invoiced and recognized subscription revenue net of sharing of revenue with the LCOs under the new DAS regime.

33. Gratuity and other post-employment benefit plans

Defined contribution plan

Contribution to defined contribution plan, recognized as expense for the year are as under :-
Employer's contribution to provident Fund ₹ 17.09 millions (Previous year ₹ 14.21 millions).

Defined benefit plan

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary of last drawn salary for each completed year of service. These benefits are unfunded except in case of ICNCL where the same are funded.

The following table summarizes the components of net benefit expenses recognized in the statement of profit and loss and amounts recognized in the balance sheet for the respective plans.

Expense recognised in statement of profit and loss

(₹ millions)

	Gratuity	
	March 31, 2013	March 31, 2012
Current service cost	4.17	3.02
Interest cost on benefit obligation	1.16	1.13
Actuarial gain on plan assets	(0.20)	(0.17)
Net actuarial loss/(gain) recognized in the year	1.26	(1.38)
Expenses recognised in statement of profit and loss	**6.39**	**2.60**
Actual return on plan assets	**0.20**	**0.17**

Benefit asset/ liability

(₹ millions)

	Gratuity	
	March 31, 2013	March 31, 2012
Present value of defined benefit obligation	(20.38)	(14.22)
Fair value of plan assets	2.80	2.18
Plan asset / (liability)	**(17.58)**	**(12.04)**

Changes in fair value of assets

(₹ millions)

	Gratuity	
	March 31, 2013	March 31, 2012
At the beginning of the year	2.18	2.27
Actuarial gain on plan assets	0.20	0.17
Contribution by employer	0.42	1.33
Benefits paid	-	(1.59)
At the closing of the year	**2.80**	**2.18**
Expected employer contribution next year#	**0.90**	**0.90**

pertains to ICNCL only.

Changes in the present value of the defined benefit obligation are as follows:

(₹ millions)

	Gratuity	
	March 31, 2013	March 31, 2012
Present value of defined benefit obligation at the beginning of the year	14.21	13.43
Current service cost	4.17	3.02
Interest cost	1.17	1.13
Benefits paid	(0.43)	(1.99)
Actuarial loss/(gains) recognised during the year	1.26	(1.38)
Present value of defined benefit obligation at the end of the year *	**20.38**	**14.21**

* Includes current portion ₹ 0.36 millions (Previous year ₹ 0.26 millions)

The principal assumptions used in determining present value of defined benefit obligation given below:

	Gratuity	
	March 31, 2013	March 31, 2012
Discount rate (per annum)	8.25% - 8.75%	8.35% - 8.75%
Rate of escalation in salary (per annum)	5.00% - 8.00%	5.00% - 8.00%
Rate of return of plan assets	8%	8%
Withdrawal rate (per annum)	2.00%	2.00%

Amounts for the current and previous four periods are as follows:

(₹ millions)

Gratuity	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Defined benefit obligation	20.38	14.22	13.43	11.07	10.24
Plan assets*	2.80	2.18	2.27	1.10	1.10
Net deficit	(17.58)	(12.04)	(11.16)	(9.97)	(9.14)
Experience adjustments on plan liabilities	1.07	1.70	1.11	(1.83)	(0.18)

*pertains to ICNCL only.

34. Employee Stock Option Plan –ESOP-2007

The Holding Company instituted the Employee Stock Option Plan – ESOP-2007 to grant equity based incentives to its eligible employees. The ESOP-2007 ("the Scheme") has been approved by the Board of Directors of the Holding Company at their meeting held on June 27, 2007 and by the shareholders of the Holding Company by way of special resolution passed at their Annual General Meeting held on September 18, 2007 to grant 4,344,355 options (not exceeding 2% of the issued, subscribed and paid up equity share capital of the Holding Company as on March 31, 2007), representing one share for each option upon exercise by the employee of the Holding Company at an exercise price determined by the Board / remuneration committee. The Scheme covers grant of options to the specified permanent employees of the Holding Company and Directors of the Holding Company, whether whole time directors or otherwise as may be decided by the Board.

The options granted under the Scheme shall vest not less than one year and not more than five years from the date of grant of options. Under the terms of the Scheme, 20% of the options will vest in the employee every year equally. The option grantee must exercise all vested options within a period of four years from the date of vesting. Once the options vest as per the Scheme, they would be exercisable by the option grantee at any time and the shares arising on exercise of such options shall not be subject to any lock-in period.

The movement in the options granted to the employee during the year is set out below :

	Plan 3	Plan 2	Plan 1
Date of grant	July 16, 2009	June 16, 2008	Oct. 22, 2007
Date of Board approval	July 16, 2009	June 17, 2008	Oct. 22, 2007
Date of shareholders' approval	Oct. 22, 2009	Aug. 17, 2009	Sept. 18, 2007
Number of options granted	2,808,800	150,000	2,987,300
Method of settlement (cash/equity)	Equity	Equity	Equity
Vesting period	Five years	Five years	Five years
Exercise period	Four years	Four years	Four years

The details of activity under Plan 1 have been summarised below:

	March 31, 2013		March 31, 2012	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	172,600	20.00	313,300	20.00
Expired/lapsed during the year	-	-	140,700	20.00
Outstanding at the end of the year	172,600	20.00	172,600	20.00
Exercisable at the end of the year	172,600	20.00	138,080	20.00

There is no activity under plan 2.

The details of activity under Plan 3 have been summarised below:

	March 31, 2013		March 31, 2012	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	686,600	17.45	1,677,600	17.45
Expired/Lapsed during the year	63,600	17.45	991,000	17.45
Outstanding at the end of the year	623,000	17.45	686,600	17.45
Exercisable at the end of the year	373,800	17.45	274,640	17.45

The details of exercise price for stock options outstanding as at March 31, 2013 :

	Plan 1	Plan 3
Number of options outstanding	172,600	623,000
Weighted average remaining contractual life of options (in years)	1 year	3 years
Weighted average exercise price (₹)	20	17.45

The details of exercise price for stock options outstanding as at March 31, 2012 :

	Plan 1	Plan 3
Number of options outstanding	172,600	686,600
Weighted average remaining contractual life of options (in years)	2 years	4 years
Weighted average exercise price (₹)	20	17.45

35. Leases

Finance lease: Group as lessee

Vehicles obtained on finance lease are for 4 years after which the legal title is passed to the lessee. There is no escalation clause in the lease agreement. There are no restrictions imposed by the lease arrangements. There are no subleases.

(₹ millions)

	March 31, 2013		March 31, 2012	
	Minimum lease payments (MLP)	Present value of MLP	MLP	Present value of MLP
Within one year	1.24	0.99	0.78	0.55
After one year but not more than five years	2.09	1.86	1.98	1.68
More than five years	-	-	-	-
Total minimum lease payments	**3.33**	**2.85**	**2.76**	**2.23**
Less: amounts representing finance charges	0.48	-	0.53	-
Present value of minimum lease payments	**2.85**	**2.85**	**2.23**	**2.23**

Operating lease : Group as lessee

The Group's significant leasing arrangements are in respect of operating leases taken for offices, residential premises, godowns, stores, etc. These leases are cancelable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of the lease generally is for 11 to 120 months. Total future minimum lease payments due under non cancellable operating lease is:-

(₹ millions)

	March 31, 2013	March 31, 2012
Within one year	15.16	1.86
After one year but not more than five years	43.44	2.11
More than five years	-	-
	58.60	**3.97**

Rental expense for operating leases for the years ended March 31, 2013 and March 31, 2012 was ₹ 87.94 millions and ₹ 65.63 millions respectively.

In case of assets given on lease

Operating Lease

Set top boxes given under operating leases are capitalised at an amount equal to cost arrived and the rental income is recognised on equal monthly rental billed to subscriber.

The Company has leased assets to its business associates and other parties by way of non cancellable operating lease. The detail of gross book value of such assets, accumulated depreciation and depreciation for the year is as under.

Gross block as on March 31, 2013	Accumulated depreciation	Depreciation charged during the year
55.55	3.53	3.53

The total future minimum lease payment receivable under non cancellable operating lease is:

(₹ millions)

	March 31, 2013	March 31, 2012
Lease payment for the year	3.18	3.08
Minimum lease payment not later than 1 year	13.32	0.19
Minimum lease payment later than 1 year but not later than 5 years	43.44	0.17
Minimum lease payment later than 5 years	-	-

36. Related party disclosures

(i) Names of related parties where control exists

Holding Company

Bioscope Cinemas Private Limited (till November 9, 2012)

Associate Company

Siti Chhattisgarh Multimedia Private Limited

(ii) Key management personnel

Mr. Subhash Chandra, Director, Mr. Amit Goenka, Whole-Time Director, Mr. Sudhir Agarwal, CEO (till January 17, 2012)

(iii) Enterprises owned or significantly influenced by key management personnel or their relatives

Dish TV India Limited

Zee Entertainment Enterprises Limited

Zee News Limited

Zee Sports Limited

Zee Turner Limited

Essel International Limited

Essel Media Ventures Limited

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

a. Sale/ purchase of goods and services (₹ millions)

	Year ended	Sale of goods and services	Purchase of traded goods	Amount owed by related parties	Amount owed to related parties
Associate					
Siti Chhattisgarh Multimedia Private Limited	March 31, 2013	17.03	-	2.71	4.70
	March 31, 2012	-	-	-	-
Enterprises owned or significantly influenced by key management personnel or their relatives					
Dish TV India Limited	March 31, 2013	0.53	0.15	-	14.17
	March 31, 2012	-	5.24	-	19.70
Zee Entertainment Enterprises Limited	March 31, 2013	208.10	9.06	22.79	11.74
	March 31, 2012	177.79	3.55	5.46	3.25
Zee Turner Limited	March 31, 2013	-	-	0.21	281.65
	March 31, 2012	-	46.16	0.21	294.98
Zee News Limited	March 31, 2013	60.13	2.75	13.86	10.78
	March 31, 2012	48.63	-	9.18	10.92

b. Loans given and repayment thereof (₹ millions)

	Year ended	Loans given	Repayment	Interest accrued	Amount owed by related parties
Enterprises owned or significantly influenced by key management personnel or their relatives					
Dish TV India Limited	March 31, 2013	-	-	-	-
	March 31, 2012	-	231.50	-	-
Zee Entertainment Enterprises Limited	March 31, 2013	-	-	-	-
	March 31, 2012	-	40.15	-	-
Zee News Limited	March 31, 2013	-	-	-	-
	March 31, 2012	-	0.04	-	-
Zee Turner Limited	March 31, 2013	-	0.29	-	13.15
	March 31, 2012	-	-	-	13.44

c. Loans and advances taken and repayment thereof (₹ millions)

	Year ended	Loans taken	Repayment	Interest accrued	Amount owed to the related parties
Enterprises owned or significantly influenced by key management personnel or their relatives					
Zee News Limited	March 31, 2013	-	24.10	-	-
	March 31, 2012	723.35	701.45	-	24.10

d. Expenditure paid by the Company on behalf of others and expenditure paid by others on behalf of the Company:

(₹ millions)

	Expenditure paid by the Company on behalf of the others		Expenditure paid by others on behalf of the Company	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Zee Entertainment Enterprises Limited	14.10	7.90	14.38	1.07
Zee News Limited	0.01	0.27	-	-
Zee Turner Limited	1.35	0.79	-	-
Dish TV India Limited	0.02	0.03	-	-

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e. **Remuneration to key managerial personnel**

(₹ millions)

	March 31, 2013	March 31, 2012
Sudhir Agarwal (till Jan 17, 2012)	-	15.07

f. **Money received on allotment of share warrants**

(₹ millions)

	March 31, 2013	March 31, 2012
Essel International Limited	310.00	-
Essel Media Ventures Limited	500.00	-

g. **Interest paid to**

(₹ millions)

	March 31, 2013	March 31, 2012
Zee News Limited	-	46.34

37. Capital and other commitments

Estimated amount of contracts remaining to be executed and not provided for (net of advances) amounting to ₹ 134.08 millions (Previous year ₹ 76.28 millions).

ICNCL has entered into a memorandum of understanding (MOU) dated September 25, 2009 (subsequently amended vide Addendum MOU dated December 30, 2009) with another company M/S Jay Properties Private Limited for purchase of office space in Mumbai, at the terms and conditions set forth in the said MOU. ICNCL had given a sum of ₹ 30.00 millions as an advance for the purchase / acquisition of the said office space and the amount is included in capital advance.

During the year the ICNCL has entered into a joint development agreement with M/s Choate Developers Private Limited for construction of multistoried building on its leasehold land on the terms and condition as set out in the said agreement. The relevant financial implication shall be determined on completion of the construction and shall be accounted for on the said completion.

38. Contingent liabilities

i) Claims against the Group not acknowledged as debts ₹ 53.14 millions (Previous year ₹ 65.64 millions)

ii) Demands raised by the statutory authories being contested by the Group ₹ 37.90 millions (Previous year ₹ 16.63 millions)

iii) In case of ICNCL, counter bank guarantees in respect of outstanding bank guarantees and FD pledged ₹ 0.86 millions (Previous year ₹ 1.00 millions).

39. The Commercial Tax authorities, Government of West Bengal, by an order dated June 9, 2003, sought to impose sales tax, with retrospective effect from April 2, 1997, on the Company's income from cable TV services. ICNCL has filed an application before the Hon'ble West Bengal Taxation Tribunal on July 15, 2003, seeking, inter alia, that the aforesaid order be set aside. The Hon'ble West Bengal Taxation Tribunal by its order dated August 1, 2003 has directed that pending disposal of the application, assessment proceedings may continue but that no demand notice will be issued. The matter had come for hearing on several occasions but has been adjourned, pending state's submissions. In view of the fact that neither assessment proceedings have been completed nor demand notice has been issued, the alleged liability for sales tax cannot be ascertained. Consequently no liability on account of sales tax has been recognized by the subsidiary in the books of accounts

40. Unhedged foreign currency exposure

Particulars of unhedged foreign currency exposure as at reporting date:

	March 31, 2013		March 31, 2012	
	USD millions	₹ millions	USD millions	₹ millions
Trade receivables for carriage income	0.16	8.68	0.38	19.30
Trade payables	10.20	553.97	-	-
Buyers' credit (Secured loan)	37.53	2,039.06	-	-
Advances for access equipment	0.01	0.54	-	-

* Closing rate as at March 31, 2013 (1 USD = ₹ 54.33 (March 31, 2012: 1 USD = ₹ 51.16))

41. Rights issue utilization

The Company had during the year 2009-10 issued 236,222,285 equity shares of ₹ 1 each at a premium of ₹ 18 per share for cash to the existing equity shareholders of the Company. Given below are the details of utilisation of proceeds raised through rights issue.

(₹ millions)

	March 31, 2013	March 31, 2012
Unutilised amount at the beginning of the year	645.87	1,242.57
Less: amount utilised during the year		
Working capital	120.00	-
General corporate purposes	450.00	596.70
Unutilised amount at the end of the year	**75.87**	**645.87**

42. The Group operates in single business segment of cable distribution in India only. Hence there are no separate reportable business or geographical segments as per Accounting Standard (AS-17) on Segment Reporting.

43. Previous year figures have been presented for the purpose of comparison and have been regrouped/ reclassified wherever necessary

This is the Summary of significant accounting policies and other explanatory information referred to in our report of even date.

For **Walker, Chandiok & Co**
Chartered Accountants

Per **Atul Seksaria**
Partner

Place: Gurgaon
Date: May 30, 2013

For and on behalf of the Board of Directors of
SITI Cable Network Limited (formerly known as Wire and Wireless (India) Limited)

Amit Goenka
Whole-time Director

Sureshkumar Agarwal
Director

V D Wadhwa
Chief Executive Officer

Sanjay Goyal
Chief Financial Officer

Suresh Kumar
Company Secretary

Details pertaining to Subsidiary Companies as per the requirements of para (iv) of the Direction under Section 212(8) of the Companies Act, 1956, issued by the Ministry of Corporate Affairs vide General Circulars No. 2/2011 dated 08/02/2011 are as follows:-

(₹ millions)

Particular	Indian Cable Net Company Limited	Central Bombay Cable Network Limited	Siticable Broadband South Limited	Wire and Wireless Tisai Satellite Limited	Master Channel Community Network Private Limited	Siti Vision Digital Media Private Limited	Siti Jind Digital Media Communications Private Limited	Siti Jai Maa Durgee Communications Private Limited	Siti Bhatia Network Entertainment Private Limited	Siti Jony Digital Cable Network Private Limited	Siti Krishna Digital Media Private Limited	Siti Guntur Digital Network Private Limited	Siti Faction Digital Private Limited
Summary Balance Sheet													
Share Capital	100.91	0.50	2.33	0.50	0.50	14.70	2.00	0.10	0.20	0.10	0.10	0.10	0.10
Reserve and Surplus	290.82	6.30	-6.47	-67.26	16.47	-99.81	-3.68	-22.11	-28.64	0.06	-0.01	0.58	0.42
Total Asset	2,145.51	2,505.79	0.61	42.04	54.17	318.12	12.82	44.85	31.06	5.42	54.96	26.92	113.17
Total Liabilities	1,753.78	2,498.99	4.75	108.80	37.20	403.23	14.50	66.86	59.49	5.25	54.87	26.24	112.65
Investment (excluding subsidiary)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.42	0.00	0.00	0.00	0.00
Summary Profit and Loss Account													
Turnover	1,216.76	2.45	0.00	0.00	92.69	216.98	32.62	31.82	29.31	1.37	26.14	49.95	32.05
Profit/(Loss) before Tax	133.75	-0.16	-0.10	-1.97	9.43	-28.15	-4.79	-21.66	-6.55	0.09	0.05	0.82	0.97
Provision for Tax	42.29	0.00	0.00	0.00	3.05	0.00	0.06	0.00	0.00	0.03	0.05	0.25	0.55
Profit/(Loss) after Tax	91.46	-0.16	-0.10	-1.97	6.38	-28.15	-4.84	-21.66	-6.55	0.06	0.00	0.57	0.42
Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

SITI CABLE NETWORK LIMITED

Registered Office: Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

PROXY FORM

I/We.. of ....
.... being a member/members of SITI CABLE NETWORK LIMITED hereby appoint ....
.... of .... or failing
him/her .... of as my/our proxy to attend and vote for me/
us on my/our behalf at the Seventh Annual General Meeting of the Company to be held on 30th August, 2013 at 3.30 p.m. at the 'Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 and at any adjournment(s) thereof.

Signed this... day of ...., 2013

Signature of Shareholder ....

Regd. Folio No. ....
DP ID No. ....
Client ID No. ....
No. of Shares ....

Affix ₹ 1/-
Revenue
Stamp

Note: The Proxy completed in all respects must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

SITI CABLE NETWORK LIMITED

Registered Office: Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

ATTENDANCE SLIP

(To be presented at the entrance)

I hereby record my presence at the Seventh Annual General Meeting of the Company held on held on 30th August, 2013 at 3.30 p.m. at the 'Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

....
Name of the Shareholder/Proxy (in block letters)

....
Signature of Shareholder/Proxy

Regd. Folio No. ....
DP ID No. ....
Client ID / Demat A/c No. ....
No. of Shares ....

NOTE: Please carry your copy of Annual Report at the Annual General Meeting