

Subhash C. Gupta & Co.

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF Siti Guntur Digital Network Pvt. Ltd.

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **Siti Guntur Digital Network Pvt. Ltd.** ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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



6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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



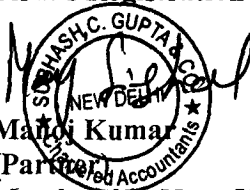
(e) On the basis of the written representations received from the directors as on 31st March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

- i. The Company has disclosed the impact, if any, of pending litigations as at 31st March 2016 on its financial position in its standalone financial statements – Refer Note no. 1.2- f of the additional notes to the financial statements;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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


Manoj Kumar
(Partner)

Membership No.: 504435

Place : New Delhi

Date : 13.05.2016

Annexure A to Independent Auditors' Report

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

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us the fixed assets have been physically verified by the management during the year in a phased periodical manner which, in our opinion, is reasonable, having regard to the size of the Company and nature of the assets. No material discrepancies were noticed on such verification.
- (c) Since the company does not own any immovable properties the provisions of the said clause of the Order are not applicable.
- (ii) The company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) a) The Company has granted interest free unsecured loan of Rs. 4.06 crore (Previous Year 2.41 Crore) to one party listed in the register maintained under Section 189 of the Act.
- b) In our opinion and according to information given to us the terms and conditions of such loans are not prima facie prejudicial to the interests of the Company subject to non-charging of interest.
- c) No repayment schedules have been fixed for the loans taken by company.
- d) Rs.4.06 Crore are outstanding at the end of the year.
- (iv) The Company has not granted any loans, made any investments nor provided any guarantee or security during the year accordingly the provisions of the said clause of the Order are not applicable.
- (v) To the best of our knowledge & according to the information and explanations given to us the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.



- (vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) To the best of our knowledge and according to the information and explanations given to us the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable *except in case service tax where there are considerable delays.*
- (b) There are no dues in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has no dues payable to a financial institution or a bank or debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The company has not raised any funds during the year from initial public offer or further public offer or by way of term loans. Accordingly, the provisions of said clause of the Order are not applicable.
- (x) Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statement and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.
- (xi) Managerial remuneration has been paid or provided by the company during the year in accordance with the requisite approvals mandate by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
- (xii) Since the company is not a Nidhi company the provisions of clause 3(xii) of the order are not applicable.
- (xiii) As per the information and explanation provided to us, all the transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.



- (xiv) The company has not made any preferential allotment/private placement of shares or convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable.
- (xv) According to the information and explanation provided to us the company has not entered into any non-cash transactions with directors or persons connected with him during the year accordingly the provisions of clause 3(xv) of the order are not applicable.
- (xvi) In our opinion and according to the information and explanation provided to us the company is not required to be registered u/s 45-IA of the Reserve Bank of India Act, 1934.

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



Mandar Kumar
(Partner)

Membership No.: 504435

Place : New Delhi

Date : 13.05.2016

Annexure B to Independent Auditors' Report

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

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

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

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act'2013.

Auditors' Responsibility

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



5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

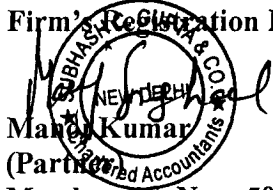
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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


Manoj Kumar
(Partner)
Membership No.: 504435

Place : New Delhi
Date : 13.05.2016

SITI GUNTUR DIGITAL NETWORK PVT. LTD.

BALANCE SHEET AS AT MARCH 31,2016

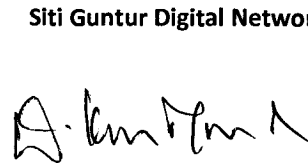
AMOUNTS IN INR

Particulars	Notes	31-Mar-16	31-Mar-15
I. EQUITY AND LIABILITY			
(1) Shareholder's Funds			
(a) Share Capital	2	100,000	100,000
(b) Reserves and Surplus	3	18,581,408	12,250,649
(4) Non-Current Liabilities			
(a) Long term provisions	4	532,787	260,069
(2) Current Liabilities			
(a) Trade payables	5	64,161,226	40,810,943
(b) Other current liabilities	5	12,422,166	14,218,845
(c) Short term provisions	6	6,528,153	10,057,240
Total		102,325,740	77,697,745
II. ASSETS			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	7	1,442,373	1,480,260
(ii) Capital work-in-progress			-
(b) Deferred Tax Assets	8	573,089	56,749
(c) Long term loans and advances	9	329,000	316,000
(2) Current assets			
(a) Trade Receivables	10	35,402,248	23,643,180
(b) Cash and cash equivalents	11	16,934,547	22,915,427
(c) Short-term loans and advances	12	47,644,483	29,286,129
Total		102,325,740	77,697,745
Significant Accounting Policies	1	(0)	0
Notes referred above form integral part of the Balance Sheet			

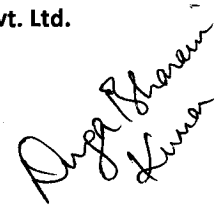
As per our Report of even date attached
 For Subhash C. Gupta & Co.
 Chartered Accountants
 Firm Regn. No. 894103N


 (Manoj Kumar)
 Partner
 M. No. FCA - 504435
 Dated: 13.05.2016
 Place: New Delhi

For & on behalf of Board of Directors
 Siti Guntur Digital Network Pvt. Ltd.



Director
 DIN 00098362
 D. K. M. Rao



Director
 DIN 071995171
 Bhasni K. Durg

SITI GUNTUR DIGITAL NETWORK PVT. LTD.

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

Particulars	Notes	AMOUNTS IN INR	
		31-Mar-16	31-Mar-15
Continuing Operations			
Income			
Revenue from operations	13	116,283,926	114,739,349
Other Income	14	791,421	928,685
Total Revenue (I)		117,075,347	115,668,034
Expenses			
Operational Expenses	15	86,331,237	87,268,990
Employees Benefit expenses	16	7,331,447	6,341,049
Financial costs	17	716,475	189,809
Depreciation and amortization expense	18	552,057	454,295
Other expenses	19	12,040,289	11,662,573
Total Expenses (II)		106,971,505	105,916,715
Profit before exceptional and extraordinary items and tax	(I - II)	10,103,842	9,751,319
Exceptional items		(9,984)	
Profit before tax		10,093,858	9,751,319
Tax expense:			
(1) Current tax		3,887,090	3,072,750
(2) Previous Year Tax		392,348	162,607
(2) Deferred tax		(516,340)	(463)
Total Profit/(Loss) for the period		6,330,760	6,516,425
Earning per equity share:			
(1) Basic		633.08	651.64
(2) Diluted		633.08	651.64
Significant Accounting Policies	1		
Notes referred to above form integral part of the Statement of Profit & Loss			

As per our Report of even date attached

For Subhash C. Gupta & Co.

Chartered Accountants

Firm Regn. No. 0064103N


(Manoj) Kumar
Partner

M. No. FCA - 504435

Dated: 13.05.2016

Place: New Delhi

For & on behalf of Board of Directors

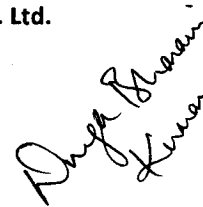
Siti Guntur Digital Network Pvt. Ltd.



Director

DIN 00098362

D. K. Mo Rao



Director

DIN 07195171

Bhazni K. Durga

SITI GUNTUR DIGITAL NETWORK PVT. LTD.

CASH FLOW STATEMENT

PARTICULARS	Year ended	Year ended
	March 31, 2016	March 31, 2015
	Amount in Rs.	Amount in Rs.
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Income / (Loss) before Tax	10,093,858	9,751,319
Adjustments for :		
Depreciation	552,057	454,295
Loss(profit) on sale /disposal of assets	-	-
Provision for Doubtful Debts	1,000,000	-
Interest Expense	716,475	189,809
Income Tax paid	-	-
Provision for Taxation including Deferred Tax	(3,763,098)	(3,234,894)
Prior period Adjustment	-	-
Taxes Paid	-	-
Operating Profit before working capital changes	8,599,292	7,160,528
Increase in Trade Receivables	(12,759,068)	(11,018,159)
Decrease(Increase) in Long Terms L&A and Other non current assets	(529,340)	(39,463)
Decrease(Increase) in Short Terms L&A and Other current assets	(18,358,354)	(10,832,159)
Increase(Decrease) in Long Terms liabilities and provisions	272,718	154,832
Current Liabilities and Provisions	18,024,517	16,904,751
Net Cash Flow from Operating Activities	(4,750,235)	2,330,330
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(514,170)	(483,370)
outflow towards Investments	-	-
sale of Fixed Assets	-	-
Net Cash utilised in Investing Activities	(514,170)	(483,370)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid (Net)	(716,475)	(189,809)
Proceeds from Long Term borrowings	-	-
Proceeds from Share Application Money	-	-
Proceeds from Issue of Share Capital	-	-
Net Cash provided by Financing Activities	(716,475)	(189,809)
Net Increase in cash and cash equivalents during the year	(5,980,880)	1,657,152
cash and cash equivalents at beginning of year	22,915,427	21,258,276
Cash and Cash Equivalents at end of the Year	16,934,547	22,915,427

Note :

1 Component of Cash & cash Equivalents at the end of year		
Cash in hand	2,275,574	1,720,460
Cheques in hand		2,437,123
Balances with Scheduled Banks in Current Accounts	14,549,613	12,713,973
FDR's with Bank	109,360	6,043,871
	<u>16,934,547</u>	<u>22,915,427</u>
	(0)	(0)

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

Manoj Kumar
Partner
Membership No.: 504435

Place : New Delhi
Date : 13-05-2016

For Siti Guntur Digital Network Pvt. Ltd.

Director
DIN 00098362

D. K. M. Rao

Director
DIN 07195171

Bhaskar K. Dugga

SITI GUNTUR DIGITAL NETWORK PVT. LTD.

NOTES TO THE BALANCE SHEET AS AT MARCH 31, 2016

Note-1

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1 SIGNIFICANT ACCOUNTING POLICIES

a. Accounting Convention

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

b. Fixed Assets

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

c. Depreciation

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

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

Type of assets	Useful Life (Years)
Furntirues & Fixtures	10.00
Air Conditioners	5.00
Office Equipment	5.00
Electrical Equipment	5.00
Computers	3.00

d. Taxation on Income

Income Tax expenses comprises of current tax expense and deferred tax expense.

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



A handwritten signature or set of initials, possibly 'SCG', written in black ink.

A handwritten signature in black ink, appearing to read 'A. Kumar'.

e. Revenue recognition

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

f. Retirement Benefits

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

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

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

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

g. Impairment of Assets

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

h. Leases

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

i. Earning Per Share:

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

j. Provisions

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

2 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS

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

	31.03.2016	31.03.2015
Deferred tax liability on account of difference between book value of depreciable assets as per books of account and written down value as per Income Tax	8,143	64,064



RS

A. Kumar

Deferred tax assets on account of disallowance under section 43

B	581,232	120,813
Net Deferred Tax Assets/(Liabilities)	573,089	56,749

b. Earning per share:

	31.03.2016	31.03.2015
a) Profit after Tax	6,330,760	6,516,425
b) Weighted average No. of Ordinary Shares		
Basic	10,000	10,000
Diluted	10,000	10,000
c) Nominal Value of Ordinary Share	10	10
d) Earning per Ordinary share considering:		
Basic	633.08	651.64
Diluted	633.08	651.64

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

Particulars	31.03.2016	31.03.2015
Audit fees Rs.	30,000	25,000
Tax Audit Fees	5,000	5,000
Other Matter	-	-
(Amount are exclusive of Service Tax)		

d. Segment Reporting

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

e. Related Parties Disclosure:

List of Parties where control exists

i. Holding Company

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

ii Fellow Subsidiary Companies

Siticable Broadband South Ltd.
Wire & Wireless Tisai Satellite Ltd.
Indian Cable Net Company Ltd.
Siti Jind Digital Media Communication Pvt. Ltd.
Siti Vision Digital Media Pvt. Ltd.
Siti Jai Maa Durge Communications Pvt. Ltd.
Siti Bhatia Network Entertainment Private Ltd
Siti Krishna Digital Media Private Limited
Siti Jony Digital Cable Network Private Limited
Master Channel Community Network Pvt Ltd
Siti Faction Digital Private Limited

SITI GLOBAL PVT. LTD.
SITI BROADBAND SERVICES PRIVATE LIMITED
SITI PRIME UTTARANCHAL COMMUNICATION PRIVATE LIMITED
PANCHSHEEL DIGITAL COMMUNICATION NETWORK PRIVATE Ltd
SAI STAR DIGITAL MEDIA PRIVATE LIMITED
BARGACHH DIGITAL COMMUNICATION NETWORK PRIVATE Ltd
VARIETY ENTERTAINMENT PRIVATE LIMITED
Siti Siri Digital Network Pvt. Ltd.
SITI MAURYA CABLE NET PRIVATE LIMITED (Subsidiary of ICNCL)
INDINET SERVICE PRIVATE LIMITED (100% Subsidiary of ICNCL)
SITI KARNAL DIGITAL MEDIA NETWORK PRIVATE LIMITED
Central Bombay Cable Network Ltd.

iii Key Managerial Personnel

Mr. Anil Kumar Malhotra
Mr.Sanjeev Tondon
Mr.Bharni Kumar Durga

Mr. Srinivasa Ramakrishna Inavolu
MrD.KrishanMohan-Managing Director



iv Associate Person

M/s Future Path
M/s Tele Media Agencies
Dandamudi Dhana Lakshmi
Dandamudi Shanthi
Gadde Nagesh
Vellanki Srinivas
3 Way Cable Communication Pvt Ltd
VEERAPANENI CHENCHU LAKSHMI

K SUBRAMANYAM
P INDUMATHI
GOVINDA RAJU
NADELLA VINAY
Bobba srinivas
Praveen Jummuala
GANTA PRATHIMA

Transactions with:**Holding Company**

	2016	2015
Advance recd	10,095,000	-
Payment for exp.on behalf of SCNL	268,212	-
Expenses reimbursed to SCNL	841,986	16,519
Operational expenses paid	33,000,000	15,000,000

With Fellow Subsidiary Companies

Master Channel Community N/w Pvt. Ltd.		
Loan/Advances Given	16,500,000	9,500,000
Payment for exp.on behalf of MCCN	927,662	-
STB activation income recd on behalf of MCCN	5,523,060	-

With Key Managerial Personnel

	2016	2015
Salary	600,000	600,000
Advance Received	-	-
Advance repaid	-	-
Reimbursement of Expenses	-	-
Incentive on Collection	3,068,844	3,969,365

With Associate Persons

Operational expenses	-	11,524,324
Incentive on Collection	3,866,754	3,233,222
Carriage Income Received	-	44,500

Balance Outstanding:**Sundry Creditors**

Siti Cable Network Limited	56,605,049	35,430,802
M/s Future Path	568,294	189,012
M/s Tele Media Agencies	143,909	230,857
Dandamudi Dhana Lakshmi	-	1,535,400
Dandamudi Shanthi	-	1,867,379

Amount Payable to

Mr. D. Krishan Mohan	2,010,621	2,226,327
Others	-	5,200,000

Amount Recoverable from

Master Channel Community N/w Pvt. Ltd.	40,838,602	24,100,000
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f. Other Particulars	<u>2016</u>	<u>2015</u>
Earnings in Foreign Exchange	Nil	Nil
CIF Value of Imports	Nil	Nil
Expenditure in Foreign Currency	Nil	Nil
Contingent Liabilities	Nil	Nil
Estimated amount of contracts remaining to be executed on capital account (Net of Advances)	Nil	Nil

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

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

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

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

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

Defined Benefit Plans

- a.) Gratuity Plan
- b.) Leave Encashment

In accordance with Accounting Standards 15 (Revised), the actuarial valuation carried out in respect of the

Actuarial Assumption

	Leave Encashment	Employee Gratuity Fund
Discount Rate (Per annum)	8.00%	8.00%
Rate of Increase in compensation levels	5.00%	5.00%
Expected Rate of return on plan assets	-	-
Expected Average remaining working lives of employees (years)	24.40	24.40

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

Present Value of obligation	83,547.00	176,522.00
Acquisition adjustment	-	-
Interest cost	6,684.00	14,122.00
Past service cost	-	-
Current service cost	53,545.00	122,394.00
Curtailment cost/(Credit)	-	-
Settlement cost/(Credit)	-	-
Benefits paid	-	-
Actuarial (gain)/loss on obligation	(1,559.00)	77,532.00



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Present value of obligation as at the end of period (31st March, 2016)	142,217.00	390,570.00
Change in fair value plan Assets	Nil	Nil
Movement in the liability recognized in the Balance Sheet		
Opening net liability	83,547	176,522
Expense as above	58,670	214,048
Benefits paid	-	-
Actual return on plan assets	-	-
Acquisition adjustment	-	-
Net assets/(Liability) recognised in Balance Sheet as provision (31.03.2016)	(142,217)	(390,570)
Expenses recognised in Profit and Loss Account		
Current service cost	53,545	122,394
Past service cost	-	-
Interest cost	6,684	14,122
Expected return on plan assets	-	-
Curtailment cost / (Credit)	-	-
Settlement cost / (credit)	-	-
Net actuarial (gain)/ loss recognized in the period	(1,559)	77,532
Expenses recognized in the statement of profit & losses	58,670	214,048

Actuarial Assumption.

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

- l. In view of the nature of business, where the necessary documentary evidence does not support the payment made/expenses incurred, the same are accounted for on the basis of certification of the Management.
- m. Figures have been rounded off to the nearest rupee.
- n. Notes 1 to 19 form an integral part of the accounts and have been duly authenticated.
- o. Figures for the previous year have been regrouped / rearranged / recast whenever necessary to confirm for comparison purpose.

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

**Mandir Kumar
Partner
M. No. 504435**

Place: New Delhi

Date: 13.05.2016

For and on behalf of the Board

D.K.M. Rao

Director

DIN 00098362

D.K. M. Rao

Bhaonik Durgga

Director

DIN 07195171

Bhaonik Durgga

SITI GUNTUR DIGITAL NETWORK PVT. LTD.

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

Note 2. SHARE CAPITAL

	31-Mar-16	31-Mar-15
Authorised Shares		
10000 Nos. Equity Shres of Rs.10 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Issued , Subscribed and Fully Paid up		
10000 Equity Shares of Rs. 10 each fully paid up	100,000	100,000
Total Issued, Subscribed and paid up Share Capital	<u>100,000</u>	<u>100,000</u>

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

Share Capital Schedule (No. of Shares Outstanding)	31-Mar-16		31-Mar-15	
	Nos.	Amount	Nos.	Amount
Opening number of Shares outstanding	10,000	100,000	-	-
Add : Issued during the year	-	-	10,000	100,000
Less: Bought back during the year	-	-	-	-
Closing number of outstanding shares at the end of the period	10,000	100,000	10,000	100,000

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

Particulars	Nature of relationship	31-Mar-16	31-Mar-15
Siti Cable Network Limited	Holding Company	7400	7400

c. Terms/Rights attached to equity shares

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

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

d. Details of Shareholders holding more than 5 percent shares

Name of Shareholders	31-Mar-16		31-Mar-15	
	No. of Shares	% Shareholding	No. of Shares	% Shareholding
Siti Cable Network Limited	7,400	74.00%	7,400	74.00%
D. Krishan Mohan Rao	2,600	26.00%	2,600	26.00%



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

Note 3. Reserves and Surplus	31-Mar-16	31-Mar-15
	Rs.	Rs.
Surplus in the statement of Profit & Loss Account		
As per last Balance Sheet	12,250,649	5,734,224
Add : Profit/ (Loss) for the year	6,330,760	6,516,425
Less : Appropriations		
Proposed Dividend		-
Tax on dividend		-
Transfer to general reserve		
Net surplus in the statement of profit and loss	18,581,408	12,250,649
Less: Appropriations		-
Total Reserves and Surplus	18,581,408	12,250,649

Note: 4 Long term Provisions		
Particulars	31-Mar-16	31-Mar-15
	Rs.	Rs.
Provision for employee benefits		
Superannuation (unfunded)		-
Gratuity (unfunded)	390,570	176,522
Leave Encashment (unfunded)	142,217	83,547
Total Long term provisions	532,787	260,069

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

Note: 5 Other current liabilities

Particulars	31-Mar-16	31-Mar-15
	Rs.	Rs.
Trade payables (including acceptances)	64,161,226	40,810,943
Total Trade Payables	64,161,226	40,810,943
Other current Liabilities		
Income received in advance	2,198,068	5,130,107
Interest free Advances from customers	2,646,131	1,931,954
HDFC Bank- Credit Balance		
Credit balance of staff		
Service Tax Payable	4,105,219	4,192,536
Professional Tax Payable		2,500
EPF/ESI Payable	101,255	44,861
Entertainment Tax Payable	37,372	109,747
TDS Payable	3,334,121	2,807,140
Total Other Liabilities	12,422,166	14,218,845

Note: 6 Short Term Provisions

Particulars	Long-term	
	31-Mar-16	31-Mar-15
	Rs.	Rs.
Liability for Expenses	2,641,063	6,984,490
Provision for Taxation	3,887,090	3,072,750
Total	6,528,153	10,057,240



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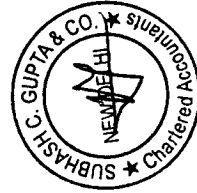
SITI GUNTUR DIGITAL NETWORK PVT. LTD.

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

Note 7

Tangible and Intangible Assets

Description	Gross Block			Depreciation			Net Block		
	As at April 1, 2015	Additions	Deductions	As at March 31, 2016	For the Year	Deductions	Upto March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible Assets									
AIR CONDITIONERS	317,800	-	-	317,800	70,297	-	147,309	170,491	240,788
COMPUTER & ACCESSORIES	363,785	294,900	-	658,685	151,462	-	281,352	377,333	233,895
CAMERA	439,010	172,000	-	611,010	121,942	-	195,820	415,190	365,132
FURNITURE & FIXTURES	41,100	5,470	-	46,570	4,260	-	10,131	36,439	35,229
GENERATOR	415,000	-	-	415,000	102,271	-	227,549	187,451	289,722
OFFICE EQUIPMENT	425,885	41,800	-	467,685	101,825	-	212,216	255,469	315,494
Total	2,002,580	514,170	-	2,516,750	552,057	-	1,074,377	1,442,373	1,480,260



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

Note: 8

Deferred tax asset (net)

	31-Mar-16	31-Mar-15
	Rs.	Rs.
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	8,143	64,064
Others	-	-
Gross deferred tax liability	8,143	64,064
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	581,232	120,813
Others	-	-
Gross deferred tax asset	581,232	120,813
Net deferred tax asset/(Liabilities)	573,089	56,749



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

Note: 9

Loans and advances

Particulars	Non-current	
	31-Mar-16	31-Mar-15
	Rs.	Rs.
a. Deposits		
Secured, considered good	-	-
Unsecured, considered good		
- Security Deposits	309,000	296,000
- NSC Deposit	20,000	20,000
Doubtful	-	-
Less: Provision for doubtful deposits	-	-
Total	329,000	316,000

Particulars	31-Mar-16	31-Mar-15
	Rs.	Rs.
Directors *	-	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	-	-

*Either severally or jointly



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

Note: 10

Trade receivables (Debtors) and other assets

Particulars	31-Mar-16	31-Mar-15
	Rs.	Rs.
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	22,411,036	23,643,180
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts		
	22,411,036	23,643,180
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	12,991,212	-
Unsecured, considered doubtful	1,000,000	-
Less: Provision for doubtful debts	1,000,000	-
	12,991,212	-
Total	35,402,248	23,643,180

Trade receivables include:

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

*Either severally or jointly



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

Note : 11 Cash & Bank Balances	31-Mar-16	31-Mar-15
	Rs.	Rs.
Cash & Cash Equivalents		
Cash on Hand	2,275,574	1,720,460
Balances with banks		
-Deposits with original maturity of less than three months (Including interest)	109,360	6,043,871
- On current accounts	14,549,613	12,713,974
- Cheques in hand		2,437,123
TOTAL	16,934,547	22,915,428

Note : 12 Loans & Advances	31-Mar-16	31-Mar-15
	Rs.	Rs.
Short Term		
Other Loan & advances (Unsecured)		
Advances to staff and others	78,532	105,143
Advance to related parties	41,527,662	24,100,000
Prepaid Expenses	57,252	75,248
Advance Direct Taxes	573,638	2,328,903
Advance Indirect Taxes	5,407,399	2,676,835
TOTAL	47,644,483	29,286,129



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

Note: 13

Revenue from operations

Particulars	31-Mar-16	31-Mar-15
	Rs.	Rs.
Revenue from operations		
Sale of services		
Subscription Income	66,400,015	67,185,751
Advertisement Income	27,125,298	23,557,112
Carriage Income	22,758,613	23,996,486
Revenue from operations (net)	116,283,926	114,739,349

Note: 14 Other income

Particulars	31-Mar-16	31-Mar-15
	Rs.	Rs.
Interest income on		
Bank deposits	677,026	809,377
Others	-	-
Other non-operating income	114,395	119,308
Total	791,421	928,685

160,008

Note: 15 Operational Expenses

Particulars	31-Mar-16	31-Mar-15
	Rs.	Rs.
Pay Channel Subscription	51,434,453	58,673,270
Program Production Expenses	590,455	573,272
Repairs and Maintenance - Network	960,724	1,015,238
Other Operational Cost	282,605	428,136
Local Shooting Expenses	63,000	54,750
Equipment Hire Charges	-	-
Management Charges	33,000,000	26,524,324
Total	86,331,237	87,268,990



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SITI GUNTUR DIGITAL NETWORK PVT. LTD.

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

Note: 16 Employee benefits expense

Particulars	31-Mar-16	31-Mar-15
	Rs.	Rs.
(a) Salaries and incentives:		
- To Staff	5,454,263	4,726,024
- To Directors	600,000	600,000
(b) Contributions to -		
(i) Provident and other fund	401,499	274,624
(c) Gratuity fund contributions	214,048	93,784
(d) Ex-Gratia	348,223	319,250
(e) Leave Encashment fund contributions	58,670	61,048
(f) Staff welfare expenses	254,744	266,319
Total	7,331,447	6,341,049



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

Note: 17 Finance costs

Particulars	31-Mar-16	31-Mar-15
	Rs.	Rs.
Interest/late fee on service tax/TDS	707,666	183,756
Bank charges	8,809	6,053
Total	716,475	189,809

Note : 18 Depreciation and amortization expenses

Particulars	31-Mar-16	31-Mar-15
	Rs.	Rs.
Depreciation of tangible assets	552,057	454,295
	552,057	454,295
Less: recoupment from revaluation reserve	-	-
Total	552,057	454,295

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

Note: 19 Other expenses

Particulars	31-Mar-16	31-Mar-15
	Rs.	Rs.
Rent	894,676	863,353
Office Expenses	206,727	236,562
Rates and Taxes	3,983	12,495
Communication Expenses	230,828	245,652
Repairs and Maintenance :		
- Building	-	-
- Others	52,466	62,217
Electricity Expenses & Water Charges	1,495,768	1,372,275
Legal, Professional and Consultancy Charges	132,000	190,608
Printing and Stationery	55,369	77,038
R.O.C. Filing fee	23,100	8,648
Swachh Bharat Tax	252,188	-
Travelling and Conveyance Expenses	401,276	952,671
Vehicle Expenses	165,132	204,922
Miscellaneous Expenses	2,500	3,090
Insurance	32,725	34,832
Books & Periodicals	18,585	17,902
Festival Charges	27,768	22,654
Provision for doubtful debts	1,000,000	-
Payment to auditor (Refer details below)	35,000	30,000
Commission Charges and Incentives	6,935,598	7,202,587
Business and Sales Promotion	74,600	125,067
Total	12,040,289	11,662,573
Payment to auditor		
	31-Mar-16	31-Mar-15
	Rs.	Rs.
As auditor:		
Audit fee	30,000	25,000
Tax audit fee	5,000	5,000
In other capacity:	-	-
Total	35,000	30,000



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