

Subhash C. Gupta & Co.

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SITI SIRI DIGITAL NETWORK PRIVATE LIMITED

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **SITI SIRI DIGITAL NETWORK PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of changes in Equity 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder. 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 including the Ind AS, of the financial position of the company as at 31st March 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter(s)

9. The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2016 and 31 March 2015 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports to the shareholders of the Company dated 20 May 2016 and 20 May 2015 respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. 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.

11. 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, the Statement of Cash Flows and the statement of changes in equity 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 relevant rule issued thereunder.

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



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

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

- i. The Company has disclosed the impact, if any, of pending litigations as at 31st March 2017 on its financial position in its standalone financial statements – Refer Note no. 1.2.c. of the 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.
- iv. The Company has provided disclosures in Note 1.2.g. to the financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, the total receipts, total payments and total amount deposited in banks are in accordance with the books of account maintained by the company. However, in the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness of classification between Specified Bank Notes and other denomination notes of 'Permitted receipts', 'Non-permitted receipts', 'Permitted payments' and 'Amount deposited in banks' as disclosed under such Note.

For Subhash C. Gupta & Co.

Chartered Accountants

Firm's Registration No.: 004103N

Manoj Kumar

(Partner) Accountants

Membership No.: 504435

Place : New Delhi

Date :20.05.2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 1 of the Independent Auditors' Report of even date to the members of Siti Siri Digital Network Pvt. Ltd. on the standalone financial statements for the year ended 31st March 2017

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets *except for Set Top Boxes capitalized/installed at customer premises.*
- (b) According to the information and explanations given to us the fixed assets (*other than Set Top Boxes installed at customer premises and those in transit or lying with the distributors/cable operators and distribution equipments comprising overhead and underground cables physical verification of which is infeasible owing to the nature and location of these assets*) have been physically verified by the Management during the year in a phased manner 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 the verification of these assets.
- (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 inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made.
- (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 & TDS where there are significant delays.*

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

Name of Statute	Nature of Dues	Amount Involved Rs.	Forum/period where the dispute is pending
Andhra Pradesh VAT Department	VAT	6,78,95,235	Appeal pending in VAT Department, Andhra Pradesh/Telangana.

(viii) The Company has not defaulted in repayment of dues payable to a financial institution or a bank or debenture-holders during the year.

(ix) The company has not raised any funds during the year from initial public offer or further public offer or by way of term loan. 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) No managerial remuneration has been paid or provided by the company during the year accordingly the provisions of clause 3(xi) of the order are not applicable.

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

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



Manoj Kumar
(Partner)
Membership No.: 504435

Place : New Delhi
Date : 20.05.2017

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 Siri Digital Network Pvt. Ltd. on the standalone financial statements for the year ended 31st March 2017.

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 Siri Digital Network Pvt. Ltd. ("the Company") as of 31st March, 2017 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 2017, 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

Mandeep Kumar
(Partner)

Membership No.: 504435

Place : New Delhi

Date : 20.05.2017

SITI SIRI DIGITAL NETWORK PVT LTD.,
Balance Sheet as at March 31, 2017

	Notes	March 31, 2017 Rs.	March 31, 2016 Rs.	April 1, 2015 Rs.
A. Assets				
1. Non-current assets				
Fixed assets				
(a) Property, plant and equipment	2	1,060,672,847	944,765,935	128,368,075
(b) Capital work-in-progress		31,818,620	29,365,069	28,337,474
(c) Other intangible assets		-	-	-
(d) Financial assets		-	-	-
(i) Investments		-	-	-
(ii) Loans & Advances	3	518,500	458,500	84,500
(e) Other non-current assets		-	-	-
Sub-total of Non-current assets		1,093,009,967	974,589,504	156,790,049
2. Current assets				
(a) Financial assets		-	-	-
(i) Trade receivables	4	145,574,780	3,902,318	2,553,436
(ii) Investments		-	-	-
(iii) Cash and bank balances	5	22,288,783	13,594,622	6,389,049
(iv) Others Financial Assets	6	15,982,806	23,217,806	7,235,000
(b) Current tax assets		-	-	-
(c) Other current assets	7	99,865,498	79,373,468	20,113,089
Sub-total of Current assets		283,709,868	120,088,215	36,290,574
Total assets		1,376,719,835	1,094,677,719	193,080,623
B. Equity and liabilities				
Equity				
(a) Equity share capital	8	100,000	100,000	100,000
(b) Other equity	9	(67,962,378)	(52,054,739)	(6,575,582)
(c) Non-controlling interests		-	-	-
Sub-total - Equity		(67,862,378)	(51,954,739)	(6,475,582)
Liabilities				
1. Non-current liabilities				
(a) Financial liabilities		-	-	-
(i) Long-term borrowings	10	755,886,208	764,360,596	16,802,500
(ii) Other financial liabilities		-	-	-
(b) Provisions	11	218,062	80,735	-
(c) Deferred tax liability (net)	12	24,670,225	16,427,977	3,028,375
(d) Other non-current liabilities	13	67,207,266	64,291,468	10,875,740
Sub-total - Non-current liabilities		848,481,760	845,160,776	30,706,615
2. Current liabilities				
(a) Financial liabilities		-	-	-
(i) Borrowings		-	-	-
(ii) Trade payables	14	518,176,935	222,108,923	131,600,911
(iii) Other financial liabilities		-	-	-
(b) Other current liabilities	15	75,530,846	67,188,950	36,445,649
(c) Provisions	16	3,992,671	12,173,099	803,030
Sub-total of current liabilities		597,700,453	301,471,682	168,849,590
Total equity and liabilities		1,376,719,835	1,094,677,719	193,080,623

Summary of significant accounting policies

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

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

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

Firm Regn No.-004103N

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

Place : New Delhi
Date :

For and on behalf of the Board of Directors of
Siti Siri Digital Network Pvt. Ltd.

Director
DIN

Director
DIN

SITI SIRI DIGITAL NETWORK PVT LTD.,
Statement of Profit and Loss for the year ended March 31, 2017

	Notes	March 31, 2017 Rs.	March 31, 2016 Rs.	March 31, 2015 Rs.
Revenue				
Revenue from operations	17	444,021,085	342,667,276	47,564,031
Other income	18	8,471,125	30,966	1,308
Total revenue		452,492,210	342,698,242	47,565,339
Expenses				
Carriage sharing, pay channel and related costs	19	211,175,643	-	-
Employee benefits expense	20	3,568,473	1,799,907	346,263
Finance costs	21	3,007,581	562,807	40,727
Depreciation and amortisation expenses	22	130,714,513	50,437,420	1,630,228
Other expenses	23	111,106,921	308,407,438	33,589,984
Total expenses		459,573,132	361,207,572	35,607,202
Profit before prior period expenses		(7,080,922)	(18,509,330)	11,958,137
Prior period expenses		-	-	-
Profit before tax		(7,080,922)	(18,509,330)	11,958,137
Tax Expenses				
Current Tax		572,600	12,098,047	663,066
Previous Year Tax		-	1,472,178	-
Deferred Tax		8,242,248	13,399,602	3,028,375
Total Profit/(Loss) for the period		(15,895,770)	(45,479,157)	8,266,696
Other Comprehensive income				
(i) Items that will not be reclassified to profit or loss				
(a) Remeasurement of the defined benefit (liabilities) / assets		11,869	-	-
Total Comprehensive Income/(loss) for the year		(15,907,639)	(45,479,157)	8,266,696
Profit/(Loss) per share after tax	24			
Basic		(1,590)	(4,548)	827
Diluted		(1,590)	(4,548)	827
Summary of significant accounting policies	1			

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

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

For **Subhash C. Gupta & Co.**
Chartered Accountants
Firm Regn No.-004103N

For and on behalf of the Board of Directors of
Siti Siri Digital Network Pvt. Ltd.

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

Director
DIN

Place : New Delhi
Date :

Director
DIN

**SITI SIRI DIGITAL NETWORK PVT. LTD.
FORMERLY KNOWN AS SIRI DIGITAL NETWORK PVT. LTD.
CASH FLOW STATEMENT**

PARTICULARS	Year ended March 31 ,2016 Amount in Rs.	Year ended March 31 ,2015 Amount in Rs.
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Income / (Loss) before Tax	(7,080,922)	(18,509,330)
Adjustments for :		
Depreciation	130,714,513	50,437,420
Loss(profit) on sale /disposal of assets	-	-
Provision for Doubtful Debts	-	-
Interest Expense	3,007,581	562,807
Income Tax paid	-	(1,472,178)
Provision for Taxation including Deferred Tax	(8,814,848)	(25,497,649)
Prior period Adjustment	-	-
comprehensive income recognised directly in retained earnings	(11,869)	-
Operating Profit before working capital changes	117,814,455	5,521,070
Increase in Trade Receivables	(141,672,462)	(1,348,882)
Decrease(Increase) in Long Terms L&A and Other non current assets	(60,000)	(374,000)
Decrease(Increase) in Short Terms L&A and Other current assets	(13,255,030)	(75,243,185)
Increase(Decrease) in Long Terms liabilities and provisions	11,795,372	66,896,065
Current Liabilities and Provisions	294,628,770	132,622,092
Net Cash Flow from Operating Activities	269,251,106	128,073,160
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(246,621,425)	(866,835,281)
Capital Work in progress	(2,453,551)	(1,027,595)
sale of Fixed Assets	-	-
Net Cash utilised in Investing Activities	(249,074,976)	(867,862,876)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid (Net)	(3,007,581)	(562,807)
Proceeds from Long Term borrowings	(8,474,388)	747,558,096
Proceeds from Share Application Money	-	-
Proceeds from Issue of Share Capital	-	-
Net Cash provided by Financing Activities	(11,481,969)	746,995,289
Net Increase in cash and cash equivalents during the year	8,694,160	7,205,574
cash and cash equivalents at beginning of year	13,594,622	6,389,049
Cash and Cash Equivalents at end of the Year	22,288,783	13,594,622
Note :		
1 Component of Cash & cash Equivalents at the end of year		
Cash in hand	480,030	937,799
Cheques in hand	-	-
Balances with Scheduled Banks in Current Accounts	21,808,753	12,656,823
FDR's with Bank	-	-
	22,288,783	13,594,622
	0	-

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

For Siti Siri Digital Network Pvt. Ltd.

**Manoj Kumar
Partner
Membership No.: 504435**

**Director
DIN
Name**

**Director
DIN
Name**

**Place : Vijayawada
Date :**

SITI SIRI DIGITAL NETWORK PVT. LTD.,

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

	March 31, 2017 Rs.	March 31, 2016 Rs.	April 1, 2015 Rs.
3. Loans & Advances			
Security deposits			
Unsecured, considered good	518,500	458,500	84,500
Doubtful	-	-	-
	518,500	458,500	84,500
Less: Provision for doubtful security deposits	(518,500)	(458,500)	(84,500)
	-	-	-
4. Trade receivables			
Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.	April 1, 2015 Rs.
Trade Receivable - others	145,574,780	3,902,318	2,553,436
Trade Receivable - Related parties	-	-	-
Less: Expected Credit Loss Allowance	-	-	-
	145,574,780	3,902,318	2,553,436
Sub-classification			
-Unsecured, considered good	145,574,780	3,902,318	2,553,436
-Unsecured, considered doubtful	-	-	-
Expected Credit Loss Allowance	(145,574,780)	(3,902,318)	(2,553,436)
	-	-	-
Allowance: Movement for Trade Receivables			
Balance at the beginning of the year	-	-	-
Provision for doubtful trade receivables (net) for the year	-	-	-
	-	-	-
5. Cash and bank balances			
Cash and cash equivalents			
Cash on hand	480,030	937,799	1,355,175
Cheques on hand	-	-	-
Balances with banks			
On current accounts	21,808,753	12,056,823	5,033,874
In deposit account (with maturity upto three months)	-	-	-
	22,288,783	13,994,622	6,389,049
6. Other Financial Assets			
Unsecured, considered good			
Unbilled Revenue	-	7,235,000	7,235,000
Expenses Recoverable	15,982,806	15,982,806	-
Less: Provision for doubtful advances	(15,982,806)	(15,982,806)	(7,235,000)
	-	7,235,000	7,235,000
7. Other Current Assets (Unsecured, considered good)			
Advance to suppliers	802,688	1,750,825	6,294,549
Advance to Employees	-	1,815	12,000
Advance tax	7,184,421	4,422,190	226,021
Deposit against VAT demand	15,507,574	-	-
Prepaid Expenses	1,065,338	30,572	639,436
Balances with statutory authorities	75,303,477	73,168,066	12,941,083
	99,863,498	79,373,468	20,113,089
8. Share capital			
Authorized share capital			
10,000 (Previous year: 10,000) equity shares of ₹ 10 each	100,000	100,000	100,000
Total authorized capital	100,000	100,000	100,000
Issued, Subscribed and Paid up			
10,000 (Previous year: 10,000) equity shares of ₹ 10 each	100,000	100,000	100,000
Total paid up capital	100,000	100,000	100,000
(i) Reconciliation of number of shares outstanding as on 31.03.2017			
Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Balance at the beginning of the year	Nos 10,000	10,000	-
Issued during the year	Nos -	-	10,000
Balance at the end of the year	Nos 10,000	10,000	10,000
(ii) Rights, Preferences and Restrictions attached to equity shares			
The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend, if any proposed by the Board of Directors is subject to the approval of the shareholders in the existing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, if any, in proportion to their shareholding.			
(iii) Shares held by Holding Company:			
The details of equity shares held by holding company are as under			
Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Siti Networks Limited	Nos 5,100	5,100	-
	Rs 51,000	51,000	-
(iv) Shareholders holding more than 5% of total equity shares			
Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Siti Networks Limited	Nos 5,100	5,100	-
	Rs 51,000	51,000	-
Krishan Mohan Rao Dandamudi	Nos 2,450	2,450	5,000
	Rs 24,500	24,500	50,000
Potturi Sai Babu	Nos 2,450	2,450	5,000
	Rs 24,500	24,500	50,000

	March 31, 2017 Rs.	March 31, 2016 Rs.	April 1, 2015 Rs.
9 Other Equity			
Retained Earnings			
Balance at the beginning of the year	(52,054,739)	(6,575,582)	(11,724)
Adjustment due to change in useful life of assets	-	-	-
Add: Profit/(Loss) for the year	(15,095,730)	(15,479,157)	8,206,906
Balances as at the end of the year (A)	(67,990,909)	(52,054,739)	8,154,972
Others			
Transfer from OCD	-	-	-
Balances as at the end of the year (B)	-	-	-
Other Comprehensive Income			
Other comprehensive income recognised directly in retained earnings-Gratuity/Leave Encashment	(11,809)	-	(14,030,554)
Other comprehensive income recognised directly in retained earnings-Deferred Activation Revenue	(11,809)	-	(14,030,554)
Balances as at the end of the year (C)	(11,809)	-	(14,030,554)
Balances as at the end of the year (A+B+C)	(67,962,378)	(52,054,739)	(6,575,582)
III Long-term borrowings			
(a) Term loans from banks (Secured)			
HDFC Bank Car Loan	1,071,568	1,558,096	-
*Terms of Repayment: 36 Monthly Installments	-	-	-
*Rate of Interest: 9.50%	-	-	-
Total	1,071,568	1,558,096	-
(b) Unsecured Optionally Convertible Debentures (OCD) issued to holding company			
74490000 (74490000) No. of OCDs of Rs.1/- each	736,912,140	744,900,000	-
Less: Transfer to equity (Refer note 32)	-	-	-
Add: Interest Accrued for the year (Refer note 32)	-	-	-
At the end of the year	736,912,140	744,900,000	-
Terms & Conditions:			
The term of OCD shall be 20 years from the date or option exercised by company /Debenture Holders, whichever is earlier.			
- The Company or the Debenture holder have an option either to redeem or to convert the one OCD into Equity shares of such no. within a period of 20 Years.			
Each OCD shall be converted into such number of equity shares/preference shares of the face value of Rs.10 each calculated at fair market value as on the date of issue of OCDs.			
-The OCDs issued are Unsecured Debentures and are non marketable.			
The OCDs would carry an interest @0.01% p.a. Which shall be cumulative and payable only at the time of conversion and/or redemption.			
(c) Loans and advances from Directors/Related parties- Unsecured			
*Terms of Repayment: Not Specified	17,902,500	17,902,500	16,802,500
* Rate of Interest: Nil	-	-	-
Total Long term Loan (A+B+C)	17,902,500	17,902,500	16,802,500
	755,886,208	764,360,596	16,802,500
II Provisions			
Provision for employee benefits (Refer Note 31)			
Provision for gratuity	124,750	51,394	-
Provision for compensated absences	93,312	29,341	-
	218,062	80,735	-
12 Deferred tax liability (net)			
Deferred tax liability			
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	24,787,837	16,429,080	3,030,029
Others	-	-	-
Gross deferred tax liability	24,787,837	16,429,080	3,030,029
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	117,612	1,103	1,654
Others	-	-	-
Gross deferred tax Assets	117,612	1,103	1,654
Net deferred tax asset/(Liabilities)	24,670,225	16,427,977	3,028,375
13 Other Non-Current Liabilities			
Deferred Activation Revenue	67,707,266	64,291,468	10,875,740
	67,707,266	64,291,468	10,875,740
14 Trade payables			
Trade Payables - others	74,256,961	15,540,415	2,612,137
Trade payables - related parties	443,919,974	206,568,508	128,988,774
	518,176,935	222,108,923	131,600,911
15 Other Current Liabilities			
Advances from customers	16,527,794	17,058,218	8,210,293
Payable for statutory liabilities (refer note 8 (i) below)	13,703,501	16,847,414	4,580,542
ESIC/PF Payable	51,761	-	-
Bonus Payable	250,400	-	-
Others - Employee dues	1,463,238	236,653	-
Income received in advance	38,534,153	28,046,665	3,954,814
Deferred Activation Revenue	5,000,000	5,000,000	12,200,000
Interest free advance received against STB	75,530,846	67,188,950	36,445,649
	1,51,004,653	1,37,336,850	65,381,208
16 Provisions			
Liability for expenses	1,796,668	65,503	139,964
Liability for Gratuity	404	175	-
Liability for Leave Encashment	22,999	10,084	-
Provision for Taxation A/c	572,600	12,098,047	663,066
	2,392,671	12,173,809	803,030

SITI SIRI DIGITAL NETWORK PVT LTD.,

Notes forming part of the financial statements for the year ended 31 March 2017

		(Amounts in Rupees)						
Note - 2 : Property, Plant and Equipment		Computer	Digital Equipment	Office Equipment	Vehicle	Furniture and Fixtures	Set Top Boxes	Total
Tangible Assets								
For year ended 31 March 2016								
	Deemed Cost as at 1 April 2015	52,500	24,166,360	756,800	-	66,200	104,956,443	129,998,303
	Additions during the year*	142,300	4,285,417	10,150	1,841,440	-	860,555,974	866,835,281
	Gross carrying amount as at 31 March 2016	194,800	28,451,776	766,950	1,841,440	66,200	965,512,417	996,833,583
Accumulated depreciation								
	Opening as at 1 April 2015	719	1,514,002	78,982	-	581	35,944	1,630,228
	Depreciation charge during the year	34,357	3,342,292	153,162	31,532	6,620	46,869,457	50,437,420
	Deferred Government Grant	-	-	-	-	-	-	-
	Disposals	-	-	-	-	-	-	-
	Elimination on re-classification of assets as held for sale	-	-	-	-	-	-	-
	Accumulated depreciation as at 31 March 2016	35,076	4,856,294	232,144	31,532	7,201	46,905,401	52,067,648
	Net carrying amount	159,724	23,595,482	534,806	1,809,908	58,999	918,607,016	944,765,935
For year ended 31 March 2017								
	Gross carrying amount	194,800	28,451,776	766,950	1,841,440	66,200	965,512,417	996,833,583
	Additions during the year	-	133,875	54,210	-	82,503	246,350,837	246,621,425
	Deferred Government Grant	-	-	-	-	-	-	-
	Disposals	-	-	-	-	-	-	-
	Gross carrying amount as at 31 March 2017	194,800	28,585,651	821,160	1,841,440	148,703	1,211,863,254	1,243,455,008
Accumulated depreciation								
	Opening as at 1 April 2016	35,076	4,856,294	232,144	31,532	7,201	46,905,401	52,067,648
	Depreciation charge during the year	64,934	3,567,183	163,608	230,180	6,813	126,681,795	130,714,513
	Deferred Government Grant	-	-	-	-	-	-	-
	Disposals	-	-	-	-	-	-	-
	Accumulated depreciation as at 31 March 2017	100,010	8,423,477	395,752	261,712	14,014	173,587,196	182,782,161
	Net carrying amount	94,790	20,162,174	425,408	1,579,728	134,689	1,038,276,058	1,060,672,847

SITI SIRI DIGITAL NETWORK PVT LTD.,

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

17 Revenue from operations

	March 31, 2017	March 31, 2016	March 31, 2015
	Rs.	Rs.	Rs.
Sale of services			
Subscription/Other income	308,351,874	145,937,277	2,366,152
Advertisement income	-	-	-
Carriage income	29,715,025	112,692	-
Activation and Set top boxes pairing charges	105,954,186	196,617,307	45,197,879
	-	-	-
	444,021,085	342,667,276	47,564,031

18 Other income

	March 31, 2017	March 31, 2016	March 31, 2015
	Rs.	Rs.	Rs.
Interest income on Bank deposits and other	-	-	-
Misc. Income on fair valuation of OCD	7,987,860	-	-
Excess provisions written back	10,565	-	-
Prior Period Income	452,500	-	-
Other non-operating income	20,200	30,966	1,308
	8,471,125	30,966	1,308

19 Carriage Sharing, Pay Channel and Related Cost

	March 31, 2017	March 31, 2016	March 31, 2015
	Rs.	Rs.	Rs.
Pay Channel Expenses	211,175,643	-	-
	211,175,643	-	-

20 Employee benefits expense

	March 31, 2017	March 31, 2016	March 31, 2015
	Rs.	Rs.	Rs.
Salaries, allowances and bonus	2,880,758	1,668,748	336,021
Contributions to provident and other funds	253,839	-	-
Employee benefits expenses	138,602	90,994	-
Bonus	250,400	-	-
Staff welfare expenses	44,874	40,165	10,242
	3,568,473	1,799,907	346,263

SITI SIRI DIGITAL NETWORK PVT LTD.,

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

21 Finance costs

	March 31, 2017	March 31, 2016	March 31, 2015
	Rs.	Rs.	Rs.
Interest on late deposit of TDS/Service Tax	2,874,099	337,897	-
Bank charges	6,283	212,270	40,727
Interest on secured/unsecured loan	127,200	12,640	-
	3,007,581	562,807	40,727

22 Depreciation and amortisation expenses

	March 31, 2017	March 31, 2016	March 31, 2015
	Rs.	Rs.	Rs.
Depreciation of tangible assets (Refer note 12)	130,714,513	50,437,420	1,630,228
Amortisation of intangible assets (Refer note 13)	-	-	-
	130,714,513	50,437,420	1,630,228

23 Other expenses

	March 31, 2017	March 31, 2016	March 31, 2015
	Rs.	Rs.	Rs.
Rent	1,625,000	850,000	600,000
Rates and taxes	1,265,677	1,518,188	8,150
Communication expenses	146,806	67,359	23,532
Repairs and maintenance			
- Network	2,072,503	98,831	6,975
- Building	-	-	307,215
- Others	60,250	-	-
Bandwidth Charges	16,542,330	8,307,875	312,906
Repair and Maintenance -Network	-	243,066	2,800
Other Operational Expenses	6,179,917	20,461,015	72,498
Technical Consultancy Fees	-	1,339,436	1,065,725
Licence Fees	-	-	100,000
Management Charges	80,400,000	273,600,000	30,000,000
Electricity and water charges	1,247,590	572,355	360,520
Legal, professional and consultancy charges	615,500	33,500	500,000
Printing and stationery	481,671	839,580	115,085
Travelling and conveyance expenses	83,019	49,781	5,405
Auditors' remuneration*	75,000	35,000	30,000
Vehicle expenses	35,533	-	-
Insurance expenses	85,947	107,647	-
Office Expenses	133,769	125,179	30,457
Other operational cost	48,983	-	-
Preliminary Expenses	-	-	7,136
Exchange fluctuation loss (net)	-	118,056	41,580
Miscellaneous expenses	7,426	40,570	-
	111,106,921	308,407,438	33,589,984

*Auditors' remuneration

as an auditor	75,000	35,000	30,000
Limited review fees			
for other services (certifications)			
for reimbursement of expenses			
	75,000	35,000	30,000

SITI SIRI DIGITAL NETWORK PVT LTD.,

Summary of significant accounting policies and other explanatory information for the year ended March 31, 201724 Earnings per share

	March 31, 2017	March 31, 2016	March 31, 2015
	Rs.	Rs.	Rs.
Loss attributable to equity shareholders	(15,895,770)	(45,479,157)	8,266,696
Number of weighted average equity shares			
Basic	10,000	10,000	10,000
Diluted	10,000	10,000	10,000
Effect of dilutive potential equity shares~			
Employee stock options		-	-
Warrants		-	-
Optionally fully convertible debentures		-	-
Nominal value of per equity share (₹)	10	10	10
Profit/Loss per share after tax (₹)			
Basic	(1,589.58)	(4,547.92)	826.67
Diluted	(1,589.58)	(4,547.92)	826.67

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

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2 Notes to the financial statements

2.1 First-time adoption of Ind-AS

The financial statements of Siti Siri Digital Network Pvt. Ltd, for the year ended 31 March 2017 have been prepared in accordance with Ind-AS. For the purpose of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard, with 1 April 2015 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing the standalone financial statements for the year ended 31 March 2017 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, Statement of Profit and Loss, is set out in note 2.2 and 2.2.2.

2.2 Reconciliations

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

- Equity as at 1 April 2015 and 31 March 2016
- Net profit for the year ended 31 March 2016

2.2.1 Reconciliation of equity as previously reported under IGAAP to Ind AS

(Amounts in Rupees)

Particulars	Opening Balances as at 1 April 2015			Balance Sheet as at 31 March 2016		
	IGAAP	Effects of transition to Ind AS	Ind AS	IGAAP	Effects of transition to Ind AS	Ind AS
ASSETS						
I. Non-current assets						
(a) Property, plant and equipment	128,368,075	-	128,368,075	944,765,935	-	944,765,935
(b) Capital WIP	28,337,474	-	28,337,474	29,365,069	-	29,365,069
(c) Investment	-	-	-	-	-	-
(d) Financial assets						
(i) Other Financial assets	84,500	-	84,500	458,500	-	458,500
(e) Income tax assets	-	-	-	-	-	-
Total Non-current assets	156,790,049	-	156,790,049	974,589,504	-	974,589,504
II. Current assets						
(a) Inventories	-	-	-	-	-	-
(b) Financial assets						
(i) Trade receivables	2,553,436	-	2,553,436	3,902,318	-	3,902,318
(ii) Cash and cash equivalents	6,389,049	-	6,389,049	13,594,622	-	13,594,622
(iii) Other Bank Balances	-	-	-	-	-	-
(iv) Other financial assets	-	-	-	-	-	-
(c) Other current assets	27,348,089	-	27,348,089	102,591,274	-	102,591,274
Total current assets	36,290,574	-	36,290,574	120,088,215	-	120,088,215
Total Assets	193,080,623	-	193,080,623	1,094,677,719	-	1,094,677,719
EQUITY AND LIABILITIES						
Equity						
(a) Equity Share Capital	100,000	-	100,000	100,000	-	100,000
(b) Other Equity	8,254,972	14,830,554	(6,575,582)	40,283,394	92,338,133	(52,054,739)
Total Equity	8,354,972	14,830,554	(6,475,582)	40,383,394	92,338,133	(51,954,739)
Liabilities						
I. Non-current liabilities						
(a) Financial Liabilities						
(i) Borrowings	16,802,500	-	16,802,500	764,360,596	0	764,360,596
(b) Provisions	-	-	-	80,735	-	80,735
(c) Deferred Tax Liability	3,028,375	-	3,028,375	16,427,977	-	16,427,977
(d) Other Non Current Liability	-	(10,875,740)	10,875,740	-	(64,291,468)	64,291,468
Total non-current liabilities	19,830,875	(10,875,740)	30,706,615	780,869,308	(64,291,468)	845,160,776
II. Current Liabilities						
(a) Financial Liabilities						
(i) Trade payables	131,600,911	-	131,600,911	222,108,923	(0)	222,108,923
(b) Other current liabilities	32,490,835	(3,954,814)	36,445,649	39,142,285	(28,046,665)	67,188,950
(c) Provisions	803,030	-	803,030	12,173,809	-	12,173,809
Total current liabilities	164,894,776	(3,954,814)	168,849,590	273,425,017	(28,046,665)	301,471,682
Total equity and liabilities	193,080,623	-	193,080,623	1,094,677,719	-	1,094,677,719

SITI SIRI DIGITAL NETWORK PVT LTD.,

2.2.2 Reconciliation Statement of Profit and Loss as previously reported under IGAAP to Ind AS

(Amounts in Rupees)

Particulars	Note	Year ended 31 March 2016		
		IGAAP	Effects of transition to Ind-AS	Ind AS
I. Income				
(a) Revenue from operations		420,174,855	77,507,579	342,667,276
(b) Other Income		30,966	-	30,966
Total Income		420,205,821	77,507,579	342,698,242
II. Expenses				
(a) Operational Expenses		-	-	-
(b) Employee benefit expense	A	1,799,907	-	1,799,907
(c) Financial expense		562,807	-	562,807
(c) Depreciation and amortization expense		50,437,420	-	50,437,420
(e) Other expenses		308,407,438	-	308,407,438
Total Expenses		361,207,572	-	361,207,572
III. Profit/(Loss) before tax (I-II)		58,998,249	77,507,579	(18,509,330)
IV. Tax Expense				
-Current tax		13,570,225	-	13,570,225
-Deferred tax		13,399,602	-	13,399,602
V. Profit/(Loss) for the year		32,028,422	77,507,579	(45,479,157)
VI. Other Comprehensive income				
(i) Items that will not be reclassified to profit or loss				-
(a) Remeasurement of the defined benefit (liabilities) / assets	A	-	-	-
VII. Total Comprehensive Income/(loss) for the year		32,028,422	77,507,579	(45,479,157)

Explanations for reconciliation of Statement of Profit and loss as previously reported under IGAAP to Ind AS

A. Employee benefit expenses

i) As per Ind AS-19 Employee Benefits, actuarial gains and losses are recognized in other comprehensive income and not reclassified to profit and loss in a subsequent period.

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	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
(a) Equity share capital	10,000	100,000	10,000	100,000	10,000	100,000
Balance at the beginning of the reporting period	-	-	-	-	-	-
Changes in equity share capital during the year	-	-	-	-	-	-
Balance at the end of the reporting period	10,000	100,000	10,000	100,000	10,000	100,000

Particulars	Attributable to the equity holders of the parent					
	Reserves & Surplus	Other items of other comprehensive income	Equity portion of OCD conversion	Total	Non-Controlling Interests	Total Equity
Balance at April 1, 2015	(6,575,582)	-	-	(6,575,582)	-	(6,575,582)
Changes in accounting policy / prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	(6,575,582)	-	-	(6,575,582)	-	(6,575,582)
Profit/(Loss) for the year	(45,479,157)	-	-	(45,479,157)	-	(45,479,157)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	(45,479,157)	-	-	(52,054,739)	-	(52,054,739)
Any other charge (to be specified)	-	-	-	-	-	-
Balance at March 31, 2016	(52,054,739)	-	-	(52,054,739)	-	(52,054,739)
Changes in accounting policy / prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting period 01.04	(52,054,739)	-	-	(52,054,739)	-	(52,054,739)
Profit/(Loss) for the year	(15,895,770)	-	-	(15,895,770)	-	(15,895,770)
Other comprehensive income for the year	-	(11,869)	-	(11,869)	-	(11,869)
Total comprehensive income for the year	(67,950,509)	(11,869)	-	(67,962,378)	-	(67,962,378)
Add : Equity portion of OCD conversion	-	-	192,000,000	-	-	192,000,000
Balance at March 31, 2017	(67,962,378)	-	192,000,000	124,037,622	-	124,037,622

SITI SIRI DIGITAL NETWORK PVT. LTD.

Note: 1 Company Overview and Significant Accounting Policies

1.1 Company Overview

- a. Siti Siri Digital Network Pvt, Ltd,(hereinafter referred to as the 'Company' or 'SSDN') was incorporated in the state of Andhra Pradesh, India. The Company is engaged in distribution of television channels through analogue and digital cable distribution network and allied services.
- b. **Basis of preparation**
These financial statements are prepared on going concern basis in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values as per the provisions of the Companies Act , 2013 (Rs.Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period as at and for the year ended 31 March 2016. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS.
Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.2 Summary of Accounting Policies

a. Use of estimate

The preparation of Company's standalone financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

b. Foreign Currency Translation

Functional and presentation currency

The standalone financial statements are presented in currency INR, which is also the functional currency of the Company.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions (spot exchange rate).

Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

c. Revenue recognition

i.) Revenue is recognised when it is probable that the economic benefits will flow to the Company and it can be reliably measured.

ii.) Revenue is measured at the fair value of the consideration received/receivable net of rebates and taxes. The Company applies the revenue recognition criteria to each separately identifiable component of the sales transaction as set out below.

Revenue from rendering of Services

Subscription income is recognised on completion of services and when no significant uncertainty exists regarding the amount of consideration that will be derived.

Other networking and management income and carriage income are recognised on accrual basis over the terms of related agreements and when no significant uncertainty exists regarding the amount of consideration that will be derived. Carriage revenue recognition is done basis negotiations/formal agreement with broadcasters.

Advertisement income is recognised when the related advertisement gets telecasted and when no significant uncertainty exists regarding the amount of consideration that will be derived. Other advertisement revenue for slot sale is recognised on period basis.

Activation and set top boxes pairing charges are recognised as revenue to the extent it relates to pairing and transfer of the related boxes and when no significant uncertainty exists regarding the amount of consideration that will be derived and the upfront obligation is discharged. Where part of the revenues collected at the time of activation relates to future services to be provided by the Company, a part of activation revenue is deferred and recognized over the associated service contract period or customer life

d. 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 a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalization of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary, interruption. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

e. Property, Plant and Equipment Recognition and initial measurement

Properties plant and equipment are stated at their cost of acquisition. The cost comprises purchase price (net of CENVAT Credit availed), borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

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

f. Subsequent measurement (depreciation and useful lives)

i.) Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013.

Type of assets	Useful Life (Years)
Computer	3.00
Office Equipments	5.00
Digital Equipment	8.00
Furniture & Fixtures	10.00
Set Top Boxes	8.00
Vehicles	8 to 10

ii.) Leasehold Improvements is amortised over the effective period of lease.

iii.) The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

g. Intangible Assets

Intangible assets acquired separately are stated at their cost of acquisition.

Subsequent measurement (Amortisation)

Cost of Intangible Assets are amortised under straight line method over the period of life.

h. Impairment of non-financial 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. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss.

If at the reporting 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 Comprehensive Income.

i. Investments and Other Financial Assets

Financial assets

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs.

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

All other debt instruments are measured at Fair Value through other comprehensive income or Fair value through profit and loss based on Company's business model.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Impairment of Financial Assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for Financial Assets.

~~ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive.~~

j. Post-employment, long term and short term employee benefits

Defined contribution plans

Provident Fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Gratuity (Funded)

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of other comprehensive income in the year in which such gains or losses are determined.

Other Employee Benefits

Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the reporting date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the Balance Sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined.

k. Taxation on Income

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are generally recognised in full, although IAS 12 'Income Taxes' specifies limited exemptions. As a result of these exemptions the Company does not recognise deferred tax on temporary differences relating to goodwill, or to its investments in subsidiaries.

l. Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- * Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent Assets are disclosed when probable and recognised when realization of income is virtually certain.

m. Earning Per Share:

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.

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.

n. Leases

Finance leases

Finance leases, which effectively transfer to the lessee 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 the 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 capitalized.

Operating leases

Where the Company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Associated costs, such as maintenance and insurance, are expensed as incurred.

Significant management judgement in applying accounting policies and estimation uncertainty

Financial Statements are prepared in accordance with GAAP in India which require management to make estimates and assumptions that affect the reported balances of assets, liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of income & expenses during the periods. Although these estimates and assumptions used in accompanying Financial Statements are based upon management's evaluation of relevant facts and circumstances as of date of Financial Statements which in management's opinion are prudent and reasonable, actual results may differ from estimates and assumptions used in preparing accompanying Financial Statements. Any revision to accounting estimates is recognized prospectively from the period in which results are known/ materialise in accordance with applicable Accounting Standards.

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

Significant Management Judgements

The following are significant management judgements in applying the Accounting Policies of the Company that have the most significant effect on the Financial Statements.

Recognition of Deferred Tax Assets - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for Impairment of Assets - The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Property, Plant and Equipment - Management assess the remaining useful lives and residual value of property, Plant and Equipment and believes that the assigned useful lives and residual value are reasonable

Estimation Uncertainty- Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

k. Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' The amendments are applicable to the Company from 1 April

Amendment to Ind AS 7:

Amendment to Ind AS 7

The amendment to Ind AS 7 requires the entities to provide certain additional disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from financing cash flows and non-cash transactions. The amendment suggests entities to include a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirements. The Company is currently evaluating the requirements of the amendment and the effect of the disclosure on the financial statements is being evaluated.

1.2 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS

a. Earning per share:

	31.03.2017	31.03.2016
a) Profit/(Loss) after Tax	(15,907,639)	(45,479,157)
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	(1,590.76)	(4,547.92)
Diluted	(1,590.76)	(4,547.92)

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

Particulars	2016-17	2015-16
Audit fees Rs.	75,000	35,000
Tax Audit Fees	-	-
Other Matter	-	-
(Amount are exclusive of Service Tax)		

c. Additional Information

Contingent Liabilities not provided for on account of:

	Amount	-
VAT department	67,895,235	46,919,520
Director Remuneration	-	-
Earning in Foreign Currency	-	-
Remittances in Foreign Currency	-	-
Expenditure in Foreign Currency	-	-
CIF Value of Import	1,614,993	1,334,000

d. Commitments

Future commitments towards capital contributions - NIL

e. Segment Reporting

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

f. Related Parties Disclosure:

List of Parties where control exists

i Ultimate Holding Company

Siti Networks Limited (Formerly known as Siti Cable Networks Limited)

ii Fellow Subsidiary Companies

Indinet Service Pvt. Ltd. (100% Subsidiary of ICNCL)	SITI GLOBAL PVT. LTD.
SITI KARNAL DIGITAL MEDIA NETWORK PRIVATE LIMITED	Indian Cable Net Company Ltd.
Siti Prime Uttaranchal Communication Pvt. Ltd.	Siti Jind Digital Network Pvt. Ltd.
Central Bombay Cable Network Limited.	Siti Vroadband Services Pvt. Ltd.
Panchsheel Digital Communication Network Pvt. Ltd.	Sai Star Digital Media Pvt. Ltd.
Bargachh Digital Communication Network Pvt. Ltd.	Siti Vision Digital Media Pvt. Ltd.
Siti Jai Maa Durga Communications Pvt. Ltd.	Variety Entertainment Pvt. Ltd.
Siti Bhatia Network Entertainment Private Limited	Siti Guntur Digital Network P. Limited
Siti Krishna Digital Media Private Limited	Siti Faction Digital Private Limited
Siti Jony Digital Cable Network Private Limited	Siticable Broadband South Ltd.
Master Channel Community N/w Pvt. Ltd.	Wire & Wireless Tisai Satellite Ltd.
Siti Maurya Cable Net Pvt. Ltd. (Subsidiary of ICNCL)	Central Bombay Cable Network Ltd

iii Key Managerial Personnel

SURYANARAYANA GUDURU	ANIL KUMAR JAIN
SURESH KUMAR	VINAY CHANDOK
KRISHAN MOHAN RAO DANDAMUDI	SAI BABU POTLURI
BHARANI KUMAR DURGA	SANJEEV TONDON
POTLURI JAYANTH-MANAGING DIRECTOR	

iv Other Related Parties

Mega Satellite Services Private Limited
3 Way Cable Communication Pvt. Ltd.
Singareni Home Entertainment Pvt. Ltd.

Lotus Broadband Private Limited
Divya Cable Network
City Cable Network

Transactions with:

Holding Company- Siti Network Ltd.

	2017	2016
Operational Expenses Paid	-	-
Management Charges	86,179,917	90,000,000
Purchase of STB	246,523,592	843,144,479
Reimbursement of expenses	10,854,188	3,593,635
OCD Issued	-	744,900,000
Debit Note Issued	3,998,455	-

Fellow Subsidiary Companies

Variety Entertainment Pvt. Ltd.

Management Charges Paid	-	183,600,000
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With Key Managerial Personnel

	2017	2016
Professional Charges Paid	-	700,000
Rent Paid	720,000	720,000
Loan Received	-	7,900,000
Loan Repaid	-	6,800,000
Reimbursement of expenses	30,895	-

With other related parties

Digital Service Charges received	113,170,742	27,000,000
Advance Received	-	3,000,000
Advance repaid	-	14,800,000
Internet Charges	106,800	53,400
Bandwidth/other Charges received	562,500	30,963,327

Outstanding as on 31.3.2017

Unsecured Loan

Siti Cable Network Limited	237,369,974	18,508
Variety Entertainment Pvt. Ltd.	206,550,000	206,550,000
POTLURI JAYANTH	10,002,500	10,002,500
D.K. Mohan	7,900,000	7,900,000

Sundry Creditors

OCD amount payable to SCNL	736,912,140	744,900,000
Divya Digital Network	2,900,000	2,900,000
Singareni Home Entertainment Pvt. Ltd.	5,016,032	5,000,000

Amount recoverable from

Mega Satellite Services Private Limited	-	-
3 Way Cable Communication Pvt. Ltd.	3,271,544	-
Singareni Home Entertainment Pvt. Ltd.	10,772,250	-
	15,649,235	-

q Disclosure for SBN (Specified Bank Notes)

Particulars	SBN	Other denomination	Total
Closing cash in hand as on November 8, 2016	23,210,500	54,847	23,265,347
(+) Permitted receipts	0	5,304,550	5,304,550
(-) Permitted payments	0	308,167	308,167
(-) Amount deposited in Banks	23,210,500	451,895	27,729,450
Closing cash in hand as on December 30, 2016	0	532,280	532,280

- h. Optionally Convertible Debentures (OCD) has been fair valued as on 31st March 2017 by the Management and fair value income for the year of Rs.7987860/- has been booked through statement of Profit & Loss.

i. Tax Expense
The major components of income tax for the year are as under:

	Rs. in million	
	Mar 31, 2017	April 01, 2016
Income tax related to items recognised directly in the statement of profit and		
Current tax - current year	0.57	13.57
Deferred tax change / (benefit)	8.25	13.40
Total	8.82	26.97
Effective tax rate	-58.52% ^a	-145.71% ^a
A reconciliation of the income tax expense applicable to the profit before income tax at statutory rate to the income tax expense at the		
Loss before tax	-15.07	-18.51
Effective tax rate	30.90% ^a	30.90% ^a
Tax at statutory income tax rate	-	-
Tax effect on non-deductible expenses	-	-
Additional allowances for tax purposes	-	-
Other differences	8.82	26.97
Tax expense recognised in the statement of profit and loss	8.82	26.97

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

	<u>2017</u>	<u>2016</u>
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	24,787,837	16,429,080
Deferred tax assets on account of disallowance under section 43 B or allowed on payment basis.	117,612	1,103
Net Deferred Tax Assets/(Liabilities)	(24,670,225)	(16,427,977)

k. **Financial risk management objectives and policies**

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors is responsible for overseeing the Company's risk assessment and management policies and processes

a. **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Credit risk management

Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk on financial reporting date

B: High credit risk

The Company provides for expected credit loss based on the following:

Asset group	Basis of categorisation	Provision for expected credit loss
Low credit risk	Investment, Cash and cash equivalents and other financial assets	12 month expected credit loss
High credit risk	Trade receivables, security deposits and amount recoverable	Based on estimates

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Credit rating	Particulars			
		March 31, 2017	March 31, 2016	April 01, 2015
A: Low credit risk	Investment, Cash and cash equivalents and other financial assets except security deposits and amount recoverable	122.15	100.20	33.74
B: High credit risk	Trade receivables, security deposits and amount recoverable	162.08	20.34	2.64

as at March 31, 2017

Rs. in million

Particular	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	145.57	-	145.57
Security deposits	0.52	-	0.52
Advances recoverable	15.98	-	15.98

as at March 31, 2016

Rs. in million

Particular	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	3.90	-	3.90
Security deposits	0.46	-	0.46
Advances recoverable	15.98	-	15.98

as at April 01, 2015

Rs. in million

Particular	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	2.55	-	2.55
Security deposits	0.08	-	0.08
Advances recoverable	-	-	-

Reconciliation of loss allowance provision – Trade receivable, security deposit and accounts receivable

Loss allowance on April 01, 2015	-
Changes in loss allowance	-
Loss allowance on March 31, 2016	-
Changes in loss allowance	-
Loss allowance on March 31, 2017	-

(I) Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. An impairment analysis is performed at each reporting date on an individual basis for major customers.

(II) Financial assets that are neither past due nor impaired

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's assessment of credit risk about particular financial institution. None of the Company's cash equivalents, including term deposits (i.e., certificates of deposit) with banks, were past due or impaired as at 31 March 2017.

b. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

2017

Amounts in Rs

Particulars	Less than 1 year	1-5 year	Total
Borrowings	-	755,886,208	755,886,208
Trade payables	518,176,935	-	518,176,935

2016

Amounts in Rs

Particulars	Less than 1 year	1-5 year	Total
Borrowings	-	764,360,596	764,360,596
Trade payables	222,108,923	-	222,108,923

2015

Amounts in Rs

Particulars	Less than 1 year	1-5 year	Total
Borrowings	-	16,802,500	16,802,500
Trade payables	131,600,911	-	131,600,911

c. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

d. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Long-term borrowings do not expose the company to risk of changes in interest rates as the Company had issued the same at 0%

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

n Trade receivables, Trade payables, Current liabilities, Expenses Recoverable/payable & other loans & Advances are subject to confirmation and reconciliation from the parties.

o 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, 2017 there are no dues to Micro, Small and Medium Enterprises that are reportable under the MSMED Act, 2006.

p In view of mandatory digital addressable system (DAS) regulation announced by the Ministry of Information and Broadcasting, Government of India, digitalisation of cable network has been implemented in the cities notified for phase 1 & 2. The company has activated Set top boxes in Vijayawara and adjoining region under Digital Addressable cable TV System (DAS) in accordance with TRAI mandate for phase 2 cities. Owing to the initial delays in Implementation of DAS in Jind, Haryana region and challenges faced by all the MSO's during transition from analog business to DAS, the company is in the process of executing contracts with the subscribers and implementation of revenue sharing contracts entered into with the local cable operators. Accordingly company has invoiced and recognised subscription revenue under the new DAS regime w.e.f 01.06.2016.

q 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 aforesaid defined benefit plans is based on the following assumption.

Actuarial Assumption

	Leave Encashment	Employee Gratuity Fund
Discount Rate (Per annum)	7.50%	7.50%
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)	32.20	32.20

Change in obligation during the year ended 31st March, 2017

Present Value of obligation as at 1st April, 2016	39,425	51,569
Acquisition adjustment	-	-
Interest cost	2,957	3,868
Past service cost	-	-
Current service cost	64,642	67,135
Curtailement cost/(Credit)	-	-
Settlement cost/(Credit)	-	-
Benefits paid	-	-
Actuarial (gain)/loss on obligation	9,287	2,582
Present value of obligation as at the end of period (31st March, 2017)	116,311	125,154

Change in fair value plan Assets

Nil

Nil

Movement in the liability recognized in the Balance Sheet

Opening net liability (01.04.2016)	(39,425)	(51,569)
Expense as above	76,886	73,585
Benefits paid	-	-
Actual return on plan assets	-	-
Acquisition adjustment	-	-
Net assets/(Liability) recognised in Balance Sheet as provision (31.03.2017)	(116,311)	(125,154)

Expenses recognised in Profit and Loss Account

Current service cost	64,642	67,135
Past service cost	-	-
Interest cost	2,957	3,868
Expected return on plan assets	-	-
Curtailement cost / (Credit)	-	-
Settlement cost / (credit)	-	-
Net actuarial (gain)/ loss recognized in the period	9,287	2,582
Expenses recognized in the statement of profit & losses	67,599	71,003
Other comprehensive (Income) / expenses (Remeasurement)	9,287	2,582

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.

r Figures have been rounded off to the nearest rupee.

s Note 1 to 23 form an integral part of the accounts and have been duly authenticated.

t Fair value measurements**A. Financial Instruments by category****NOTES****Rs. millions**

	March 31, 2017	
	FVTPL	Amortised cost
Financial assets		
Bank deposits	-	0.52
Amount recoverable	-	15.98
Interest accrued and not due on fixed deposits	-	-
Security deposits	-	-
Unbilled revenues	-	-
Trade receivables	-	145.57
Investments (Current, financial assets)	-	-
Cash and cash equivalents	-	22.29
Total financial assets	-	184.36
Financial liabilities		
Borrowings (Non-current, financial liabilities)	7.98	755.89
Borrowings (Current, financial liabilities)	-	-
Payables for purchase of property, plant and equipment	-	-
Security deposits received from customer	-	-
Trade payables	-	518.18
Other financial liabilities (current)	-	-
Total financial liabilities	7.98	1,274.07

Rs. millions

	March 31, 2016	
	FVTPL	Amortised cost
Financial assets		
Bank deposits	-	0.46
Amount recoverable	-	15.98
Interest accrued and not due on fixed deposits	-	-
Security deposits	-	-
Unbilled revenues	-	7.24
Trade receivables	-	3.90
Investment (Current, financial assets)	-	-
Cash and cash equivalents	-	13.59
Other bank balances	-	-
Total financial assets	-	41.18
Financial liabilities		
Borrowings (non-current, financial liabilities)	-	764.36
Borrowings (Current, financial liabilities)	-	-
Payables for purchase of property, plant and equipment	-	-
Security deposits	-	-
Trade payables	-	222.11
Other financial liabilities (current)	-	-
Total financial liabilities	-	986.47

Rs. millions

	April 01, 2015	
	FVTPL	Amortised Cost
Financial assets		
Bank deposits	-	-
Amount recoverable	-	-
Interest accrued and not due on fixed deposits	-	-
Security deposits	-	0.08
Investment (Non-current, financial assets)	-	-
Unbilled revenues	-	7.24
Trade receivables	-	2.55
Investment (Current, financial assets)	-	-
Cash and cash equivalents	-	6.39
Other bank balances	-	-
Total financial assets	-	16.26

Financial liabilities			
Borrowings (non-current, financial liabilities)		-	16.80
Borrowings (current, financial liabilities)		-	-
Payables for purchase of property, plant and equipment		-	-
Security deposits		-	-
Trade payables		-	131.60
Other financial liabilities (current)		-	-
Total financial liabilities		-	148.40

C. Fair value of financial assets and liabilities measured at amortised cost Rs. in million

	March 31, 2017		March 31, 2016	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Bank deposits	0.52	0.52	0.46	0.46
Amount recoverable	15.98	15.98	15.98	15.98
Interest accrued and not due on fixed deposits	-	-	-	-
Security deposits	-	-	-	-
Unbilled revenue	-	-	7.24	7.24
Trade receivables	145.57	145.57	3.90	3.90
Cash and cash equivalents	22.29	22.29	13.59	13.59
Other bank balances	-	-	-	-
Total financial assets	184.36	184.36	41.18	41.18
Financial liabilities				
Borrowings (non-current, financial liabilities)	755.89	755.89	764.36	764.36
Borrowings (current, financial liabilities)	-	-	-	-
Payables for purchase of property, plant and equipment	-	-	-	-
Security deposits	-	-	-	-
Trade payables	518.18	518.18	222.11	222.11
Other financial liabilities (current)	-	-	-	-
Total financial liabilities	1,274.07	1,274.07	986.47	986.47

Rs. In million

	April 01, 2015	
	Carrying amount	Fair value
Financial assets		
Bank deposits	-	-
Amount recoverable	-	-
Interest accrued and not due on fixed deposits	-	-
Security deposits	0.08	0.08
Investment (Non-current, financial assets)	-	-
Unbilled revenue	7.24	7.24
Trade receivables	2.55	2.55
Cash and cash equivalents	6.39	6.39
Other bank balances	-	-
Total financial assets	16.26	16.26
Financial liabilities		
Borrowings (non-current, financial liabilities)	16.80	16.80
Borrowings (current, financial liabilities)	-	-
Payables for purchase of property, plant and equipment	-	-
Security deposits	-	-
Trade payables	131.60	131.60
Other financial liabilities (current)	-	-
Total financial liabilities	148.40	148.40

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

For and on behalf of the Board
For Siti Siri Digital Network
Pvt. Ltd.

Manoj Kumar
Partner
M. No. 504435

Director
DIN:
Director
DIN:

Place: New Delhi

Date: