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Subhash C. Gupta & Co.

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF Bargachh Digital Communication Network Pvt. Ltd.

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **Bargachh Digital Communication 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

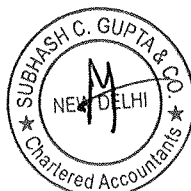
2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the 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.

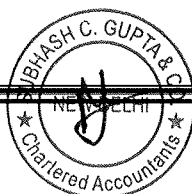
10. As required by Section 143 (3) of the Act, we report that:

(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**.

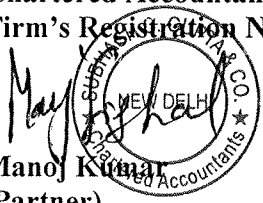
(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

- 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

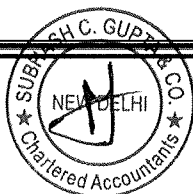
Date : 17.05.2016

Annexure A to Independent Auditors' Report

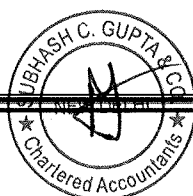
Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Bargachh Digital Communication Network Pvt. Ltd. on the standalone financial statements for the year ended 31st March 2016

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 *except for Set Top Boxes capitalized/installed at customer premises.*
- (b) According to the information and explanations given to us the fixed assets (*other than Set top boxes installed at customer premises and those in transit or lying with the distributors/cable operators and distribution equipment comprising overhead and underground cables physical verification of which is infeasible owing to the nature and location of these assets*) have been physically verified by the management during the year in a phased periodical manner which, in our opinion, is reasonable, having regard to the size of the Company and nature of the assets. No material discrepancies were noticed on such verification.
- (c) Since the company does not own any immovable properties the provisions of the said clause of the Order are not applicable.
- (ii) The company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loans, Secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act.
- (iv) The Company has not granted any loans, made any investments nor provided any guarantee or security during the year accordingly the provisions of the said clause of the Order are not applicable.
- (v) To the best of our knowledge & according to the information and explanations given to us the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

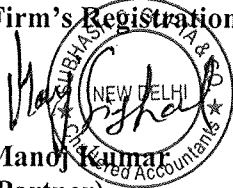


- (vii) (a) To the best of our knowledge and according to the information and explanations given to us the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added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


NEW DELHI
Subhash C. Gupta & Co.
Chartered Accountants

Manoj Kumar
(Partner)
Membership No.: 504435

Place : New Delhi
Date : 17-05-2016

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of **Bargachh Digital Communication 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

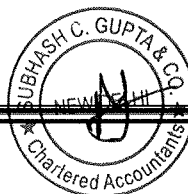
1. We have audited the internal financial controls over financial reporting of **Bargachh Digital Communication Network Pvt. Ltd. ("the Company")** as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

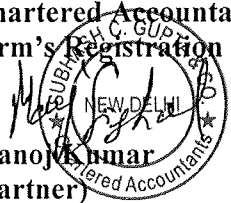
Manoj Kumar

(Partner)

Membership No.: 504435

Place : New Delhi

Date : 17-05-2016



BARGACHH DIGITAL COMMUNICATION NETWORK PVT LTD

BALANCE SHEET AS AT MARCH 31,2016

AMOUNTS IN INR

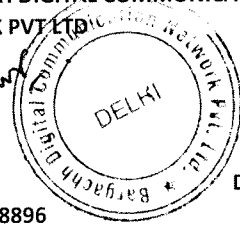
Particulars	Notes	31-Mar-16
I. EQUITY AND LIABILITY		
(1) Shareholder's Funds		
(a) Share Capital	2	100,000
(b) Reserves and Surplus	3	2,448,850
(2) Share Application Money Pending Allotment		
	4	-
(3) Non-Current Liabilities		
(a) Long Term borrowings	5	21,110,000
(b) Deferred Tax Liability	6	946,274
(c) Other Long term liabilities	7	-
(d) Long term provisions	8	37,201
(4) Current Liabilities		
(a) Trade payables	9	55,025,508
(b) Other current liabilities	9	17,928,927
(c) Short term provisions	10	2,042,492
Total		99,639,252
II. ASSETS		
(1) Non-current assets		
<i>(a) Fixed assets</i>		
(i) Tangible assets	11	71,330,475
(ii) Intangible assets	11	51,145
(iii) Capital work-in-progress		25,658
(c) Long term loans and advances	12	314,500
(d) Other non-current assets	13	-
(2) Current assets		
(a) Trade Receivables	14	11,902,598
(b) Cash and cash equivalents	15	264,560
(c) Short-term loans and advances	16	11,844,846
(d) Other current assets	13	3,905,470
Total		99,639,252
Significant Accounting Policies	1	-
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. 004103N



(Manoj Kumar)
 Partner
 M. No. FCA - 504435
 Dated: 17 MAY 2016

For & on behalf of Board of Directors
 BARGACHH DIGITAL COMMUNICATION
 NETWORK PVT LTD



Director
 DIN: 01588896
 Name: M S E Swamy

Director
 DIN : 07195171
 Name: Bharani Kumar

BARGACHH DIGITAL COMMUNICATION NETWORK PVT LTD

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM MAY 19, 2015 TO MARCH 31, 2016

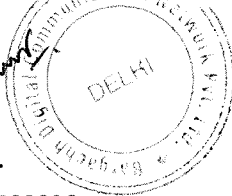
AMOUNTS IN INR

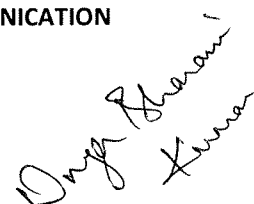
Particulars	Notes	31-Mar-16
Continuing Operations		
Income		
Revenue from operations	17	45,406,339
Other Income	18	-
Total Revenue (I)		45,406,339
Expenses		
Carriage Sharing, Pay Channel and related costs	19	35,551,498
Employees Benefit expenses	20	1,706,757
Financial costs	21	1,979
Depreciation and amortization expense	22	2,454,181
Other expenses	23	2,142,837
Total Expenses (II)		41,857,252
Profit before exceptional and extraordinary items and tax	(I - II)	3,549,087
Exceptional items- Prior Period expenses		-
-Provision for doubtful debt written back		-
Profit before tax		3,549,087
Tax expense:		
(1) Current tax		686,672
(2) Mat Credit Entitlement		(532,709)
(3) Previous Year Tax		-
(4) Deferred tax		946,274
Total Profit/(Loss) for the period		2,448,850
Earning per equity share:		
(1) Basic		281.96
(2) Diluted		281.96
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. 004103N


 (Manoj Kumar)
 Partner
 M. No. FCA - 504435
 Dated: 17 MAY 2016
 Place: New Delhi

For & on behalf of Board of Directors
 BARGACHH DIGITAL COMMUNICATION
 NETWORK PVT LTD


 Director
 DIN: 01588896
 Name: M S E Swamy



 Director
 DIN : 07195171
 Name: Bharani Kumar

BARGACHH DIGITAL COMMUNICATION NETWORK PVT LTD



CASH FLOW STATEMENT

PARTICULARS	Year ended March 31, 2016 Amount in Rs.
A CASH FLOW FROM OPERATING ACTIVITIES	
Net Income / (Loss) before Tax	3,549,087
Adjustments for :	
Depreciation	2,454,181
Loss(profit) on sale /disposal of assets	-
Provision for Doubtful Debts	-
Interest Expense	-
Income Tax paid	-
Provision for Taxation	(1,100,237)
Prior period Adjustment	-
Taxes Paid	-
Operating Profit before working capital changes	4,903,031
Increase/(Decrease) Inventories	-
Increase in Trade Receivables	(11,902,598)
Decrease(increase) in Short Terms L&A and Other current assets	(11,844,846)
Decrease(increase) in Long Terms L&A and Other non-current assets	(4,219,970)
Increase(Decrease) in Long Terms liabilities and provisions	37,201
Current Liabilities and Provisions	75,943,201
Net Cash Flow from Operating Activities	52,916,019
B CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of Fixed Assets	(73,861,459)
Sale of Investments	-
sale of Fixed Assets	-
Net Cash utilised in Investing Activities	(73,861,459)
C CASH FLOWS FROM FINANCING ACTIVITIES	
Interest paid (Net)	21,110,000
Proceeds from Long Term borrowings	-
Outflow from advances given	-
Procceds from Share Application Money	100,000
Proceeds from Issue of Share Capital	-
Net Cash provided by Financing Activities	21,210,000
Net Increase in cash and cash equivalents during the year	264,560
cash and cash equivalents at beginning of year	-
Cash and Cash Equivalents at end of the Year	264,560
Note :	
1 Previous year figures have been regrouped / rearranged wherever necessary	
2 Component of Cash & cash Equivalents at the end of year	
Cash in hand	107,417
Cheques in Hand	-
Balances with Scheduled Banks in Current Accounts	157,143
	264,560
	(0)

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


Manoj Kumar
Partner
Membership No.: 504435
Place : New Delhi
Date : 17 MAY 2016

For BARGACHH DIGITAL COMMUNICATION NETWORK PVT.LTD



Director


Director

BARGACHH DIGITAL COMMUNICATION NETWORK PVT. LTD.

NOTES TO THE BALANCE SHEET AS AT MARCH 31, 2016

Note-1

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1.1 SIGNIFICANT ACCOUNTING POLICIES

a. Accounting Convention

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

b. Fixed Assets

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

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

c. Depreciation

The company has adopted Schedule II to the Companies Act, 2013, for depreciation purposes. The company has 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 as mentioned below:

Type of assets	Useful Life (Years)
Furnitures & Fixtures	10.00
Air Conditioners	5.00
Office Equipment	5.00
Leasehold Improvements	5.00
Set Top Boxes	8.00
Electrical Equipment	5.00
Network Equipment	13.00
Software	3.00
Computers	3.00

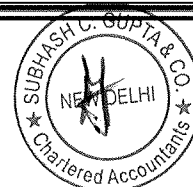
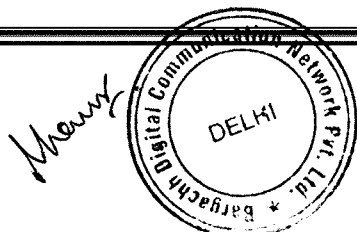
d. Taxation on Income

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.

e. Revenue recognition

a.) Subscription revenue and other service revenue are recognised on completion of services.



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

f. 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.

g. 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.

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 Loss on a straight-line basis over the lease term.

i. Earning Per Share:

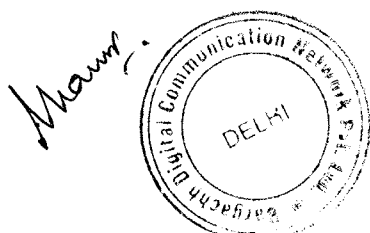
The Basic earning per share is computed by dividing the net profit or loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earning per share comprises the weighted 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

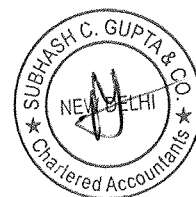
Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

1.2 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS

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



AS



31.03.2016

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	960,157
Deferred tax assets on account of disallowance under section 43 B	13,883
Net Deferred Tax Assets/(Liabilities)	(946,274)

b. Earning per share:**31.03.2016**

a) Profit after Tax	2,602,813
b) Weighted average No. of Ordinary Shares	
Basic	8,685
Diluted	8,685
c) Nominal Value of Ordinary Share	10
d) Earning per Ordinary share considering:	
Basic	299.69
Diluted	299.69

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

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

d. Segment Reporting

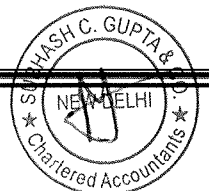
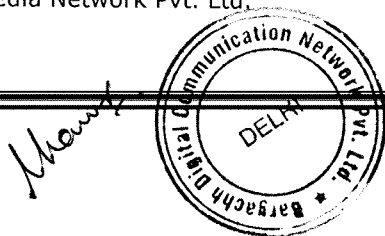
Segment Reporting as required by Accounting Standard -17 issued by the Institute of Chartered Accountant of India is not applicable since the Company is in the business of providing Cable TV Services in one segment and there is no Geographical Segment.

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

Indinet Service Pvt. Ltd. (100% Subsidiary of ICNCL)	SITI GLOBAL PVT. LTD.
Wire & Wireless Tisai Satellite Ltd.	Siti Broadband Services Pvt. Ltd.
Siti Prime Uttaranchal Communication Pvt. Ltd.	Indian Cable Net Company Ltd.
Siti Jind Digital Media Communication Pvt. Ltd.	Siti Vision Digital Media Pvt. Ltd.
Panchsheel Digital Communication Network Pvt. Ltd.	Sai Star Digital Media Pvt. Ltd.
Siti Jai Maa Durge Communications Pvt. Ltd.	Siti Guntur Digital Network Pvt. Ltd.
Siti Bhatia Network Entertainment Private Limited	Variety Entertainment Pvt. Ltd.
Siti Krishna Digital Media Private Limited	Siti Siri Digital Network Pvt. Ltd.
Siti Jony Digital Cable Network Private Limited	Siticable Broadband South Ltd.
Master Channel Community Network Private Limited	Siti Faction Digital Private Limited
Siti Maurya Cable Net povt. Ltd. (Subsidiary of ICNCL)	Central Bombay Cable Network Ltd.
Siti Karnal Digital Media Network Pvt. Ltd.	



iii Key Managerial Personnel

Mr. Divi Venkat Ram Kumar
 Mr. Sanjeev Tondon
 Mr. Bharani Kumar Durga

Mr. Suresh Kumar
 Mr. Sai Eswara Swamy Mendu

iv Associate Persons/Firms

M/s Vaji Digital Network

Transactions with:

Holding Company	<u>2016</u>
Advance recd	-
Purchase-Set Top Boxes/Material	74,780,578
Payment for exp.on behalf of SCNL	-
Expenses reimbursed to SCNL	280,000
Operational expenses paid	30,108,435

With Key Managerial Personnel

	<u>2016</u>
Salary	-
Loan Received	21,110,000
Loan repaid	-
Reimbursement of Expenses	3,582,729
Incentive on Collection	-

With Associate Persons

Operational expenses	3,958,474
STB Activation revenue received	31,164,047
Reimbursement of Exp	488,729

Balance Outstanding:**Sundry Creditors**

Siti Cable Network Limited	52,876,843
M/s Vaji Digital Network Cr	1,325,749

Amount Payable to

Mr. MSE Swamy Loan	16,460,000
Mr. MSE Swamy Cr	3,572,729
Mr. Venkat Ram Kumar Divi	4,650,000

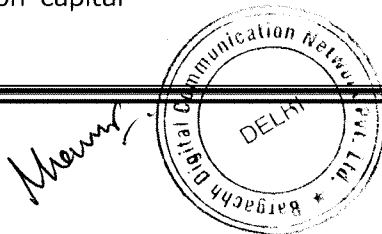
Amount Recoverable from

M/s Vaji Digital Network Dr	7,333,555
-----------------------------	-----------

f. Other Particulars

	<u>2016</u>
Earnings in Foreign Exchange	Nil
CIF Value of Imports	Nil
Expenditure in Foreign Currency	Nil
Contingent Liabilities	
Bank Guarantee Given	Nil
Other Legal Matter	Amount Not Ascertained

Estimated amount of contracts remaining to be executed on capital account (Net of Advances) Nil



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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

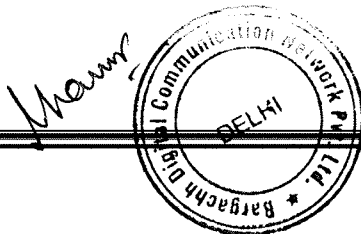
In accordance with Accounting Standards 15 (Revised), the actuarial valuation carried out in respect of the

Acturial 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)	26.00	26.00

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

Present Value of obligation	-	-
Acquisition adjustment	-	-
Interest cost	-	-
Past service cost	-	-
Current service cost	23,146.00	14,055.00
Curtailment cost/(Credit)	-	-
Settlement cost/(Credit)	-	-
Benefits paid	-	-
Actuarial (gain)/loss on obligation	-	-
Present value of obligation as at the end of period (31st March, 2016)	23,146.00	14,055.00
Change in fair value plan Assets	Nil	Nil



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Movement in the liability recognized in the Balance Sheet

Opening net liability	-	-
Expense as above	23,146	14,055
Benefits paid	-	-
Actual return on plan assets	-	-
Acquisition adjustment	-	-
Net assets/(Liability) recognised in Balance Sheet as provision (31.03.2016)	(23,146)	(14,055)

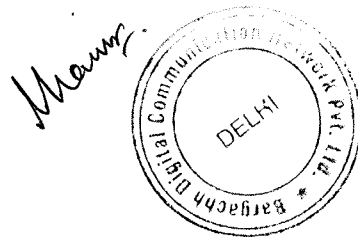
Expenses recognised in Profit and Loss Account

Current service cost	23,146	14,055
Past service cost	-	-
Interest cost	-	-
Expected return on plan assets	-	-
Curtailment cost / (Credit)	-	-
Settlement cost / (credit)	-	-
Net actuarial (gain)/ loss recognized in the period	-	-
Expenses recognized in the statement of profit & losses	23,146	14,055

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.** In view of mandatory digital addressable system (DAS) regulation announced by the Ministry of Information and Broadcasting, Government of India, digitalisation of cable network has been implemented in the cities notified for phase 1 and phase 2. The company has activated more than 30000 Set top boxes in Rajahmundry and adjoining region under Digital Addressable cable TV System (DAS) in accordance with TRAI mandate for phase III cities. Owing to the initial delays in implementation of DAS in Vijayawada region and challenges faced by all the MSO's during transition from analog business to DAS, the company is in the process of executing contracts with the subscribers and implementation of revenue sharing contracts entered into with the local cable operators. Accordingly company has not invoiced and recognised subscription revenue under the new DAS regime.
- During the year the company has initiated ground work and STB seeding under Digital Addressable cable TV System (DAS) in Rajmundri areas in accordance with TRAI mandate for phase III cities. Since the TRAI is yet to notify the mandatory date of digitalisation company has not made the subscription billing as per DAS.
- n.** Liabilities on account of Provident Fund, ESI etc. has not been paid/provided.



- o.** Company has become the Subsidiary Company of M/s Siti Cable Network Limited with effect from 11.01.2016 by virtue of Section 2(87) of the Companies Act, 2013, as the M/s Siti Cable Network Limited has purchased 5100 shares (i.e. 51% of total issued share capital) of Rs.10 each fully paid up of the company from the existing shareholders.
- p.** Figures have been rounded off to the nearest rupee.
- q.** Notes 1 to 23 form an integral part of the accounts and have been duly authenticated.
- r.** Since it is the first year of the company, no previous year figures have been given.

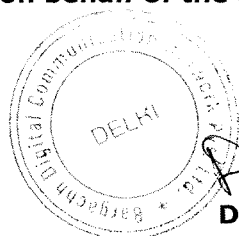
**As per our Report of even date
For Subhash C. Gupta & Co.
Firm Regn. No. 004103N
Chartered Accountants**


Manoj Kumar
Partner
M. No. 504435

Place: New Delhi

Date: 17 MAY 2016

For and on behalf of the Board


Director **Director**

BARGACHH DIGITAL COMMUNICATION NETWORK PVT LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Note 2. SHARE CAPITAL	31-Mar-16
Authorised Shares	
10000 Nos. Equity Shres of Rs.10 each	100,000
	100,000
Issued , Subscribed and Fully Paid up	
10000 Nos. Equity Shres of Rs.10 each	100,000
Total Issued, Subscribed and paid up Share Capital	100,000

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	
Particulars	Nos.	Amount
Opening number of Shares outstanding	-	-
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

* Company was incorporated on May 19, 2015

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
SITI CABLE NETWORK LIMITED	Holding Company	5100 Shares (51%)

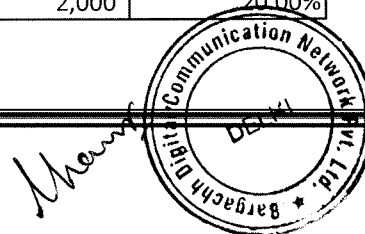
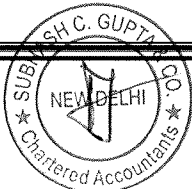
c. Terms/Rights attached to equity shares

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

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

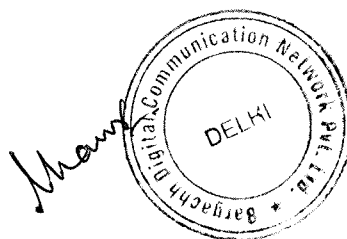
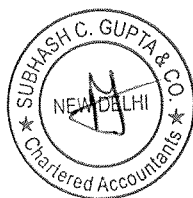
d. Details of Shareholders holding more than 5 percent shares

Name of Shareholders	31-Mar-16	
	No. of Shares	% Shareholding
SITI CABLE NETWORK LIMITED	5,100	51.00%
MR. VENKAT RAM KUMAR DIVI	2,900	29.00%
MR. MENDU SAI ESWARA SWAMY	2,000	20.00%



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BARGACHH DIGITAL COMMUNICATION NETWORK PVT LTD	
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016	
Note 3. Reserves and Surplus	31-Mar-16
	Rs.
a Securities Premium	
As per last Balance Sheet	-
Add : Any other adjustments	-
Less : Any other adjustments	-
	-
b Surplus in the statement of Profit & Loss Account	
As per last Balance Sheet	-
Add : Profit/ (Loss) for the year	2,448,850
Less : Appropriations	
Proposed Dividend	-
Tax on dividend	-
Transfer to general reserve	
Net surplus in the statement of profit and loss	2,448,850
Less: Appropriations	-
Total Reserves and Surplus	2,448,850
Note 4. Share Application Money Pending Allotment	31-Mar-16
	Rs.
As per last Balance Sheet	-
Add : Recd during the year	-
Less : Amount refunded during the year	-
Total	-

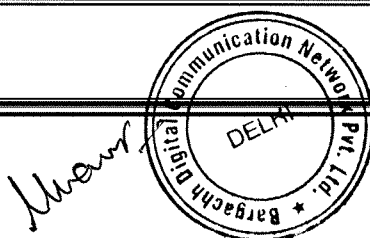
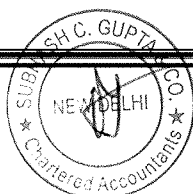


BARGACHH DIGITAL COMMUNICATION NETWORK PVT LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Note:5 Long-term borrowings	Non-current
	31-Mar-16
Particulars	Rs.
Unsecured and Unconfirmed	
(a) Loans and advances from Directors/Related parties	21,110,000
(b) Loans and advances from Others	-
*Terms of Repayment: Not Specified	
* Rate of interest: Nil	
Total Unsecured	21,110,000

Note:6 Deferred Tax Aseets (Net)	31-Mar-16
Particulars	Rs.
Deferred tax liability	
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	960,157
Others	
Gross deferred tax liability	960,157
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	13,883
Others	
Gross deferred tax asset	13,883
Net deferred tax asset/(Liabilities)	(946,274)

Note:7 Other Long-term Liabilities	Non-current
Unsecured	31-Mar-16
	Rs.
(a) Deposits from operators	-
*Terms of Repayment: Not Specified	
(b) Advance from Holding Company	-
*Terms of Repayment: Not Specified	
Total Unsecured	-



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BARGACHH DIGITAL COMMUNICATION NETWORK PVT LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Note: 8 Long Term Provisions

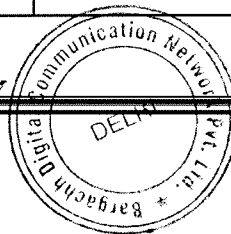
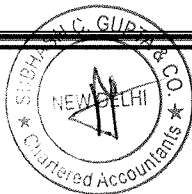
Particulars	Long-term
	31-Mar-16
	Rs.
Provision for employee benefits	
Gratuity (unfunded)	14,055
Leave Encashment (unfunded)	23,146
Total	37,201

Note: 9 Other current liabilities

Particulars	31-Mar-16
	Rs.
Trade payables (including acceptances)	55,025,508
Total Trade Payables	55,025,508
Other liabilities	
Income received in advance	-
Amount payable to related parties	4,898,478
Prospective Advances	-
Interest free Advances from customers	3,112,788
Credit balance of staff	-
Service tax payable	6,595,955
Professional Tax Payable	-
Provident Fund/ESI Payable	-
Entertainment Tax Payable	-
TDS payable	3,321,706
	17,928,927
Total Trade Payables and Other Liabilities	72,954,435

Note: 10 Short Term Provisions

Particulars	31-Mar-16
	Rs.
Liability for Expenses	1,355,820
Provision for Taxation	686,672
Total	2,042,492



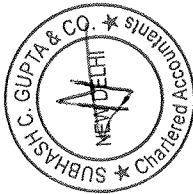
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BARGACHH DIGITAL COMMUNICATION NETWORK PVT LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

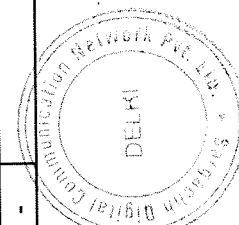
Note 11

Tangible and Intangible Assets

Description	Gross Block			Depreciation			Net Block	
	As at April 1, 2015	Additions	Deductions	As at March 31, 2016	As at April 1, 2015	For the Year	Upto March 31, 2016	As at March 31, 2016
Network Equipment	-	12,651,390	-	12,651,390	-	199,496	199,496	12,451,894
Office Equipment	-	398,679	-	398,679	-	18,500	18,500	380,179
Computer	-	131,292	-	131,292	-	13,147	13,147	118,145
Electrical Equipment	-	333,670	-	333,670	-	10,485	10,485	323,185
Furniture & Fixtures	-	505,087	-	505,087	-	8,779	8,779	496,308
Leasehold Improvements	-	654,622	-	654,622	-	21,881	21,881	632,741
SET TOP BOX	-	59,109,061	-	59,109,061	-	2,181,038	2,181,038	56,928,023
Total	-	73,783,801	-	73,783,801	-	2,453,326	2,453,326	71,330,475
Previous year	-	-	-	-	-	-	-	-
Intangible Assets								
Tally Software	-	52,000	-	52,000	-	855	855	51,145
Total	-	52,000	-	52,000	-	855	855	51,145
Previous year	-	-	-	-	-	-	-	-



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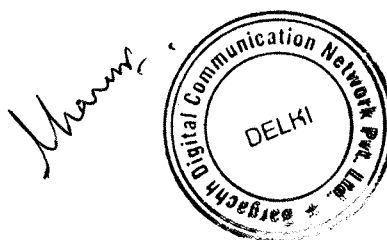


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BARGACHH DIGITAL COMMUNICATION NETWORK PVT LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Note: 12 Loans and advances Particulars	Non-current
	31-Mar-16
	Rs.
a. Security Deposits	
Secured, considered good	314,500
Unsecured, considered good	-
Doubtful	-
Less: Provision for doubtful deposits	-
Total	314,500

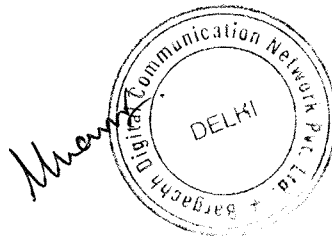
Particulars	31-Mar-16
	Rs.
Directors *	-
To Holding company	-
Firm in which director is a partner *	-
Private Company in which director is a member	-
*Either severally or jointly	



BARGACHH DIGITAL COMMUNICATION NETWORK PVT LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Note 13 Other assets Particulars	Non- Current	Current
	31-Mar-16	31-Mar-16
	Rs.	Rs.
Advance to suppliers	-	3,905,470
Income accrued but not billed	-	-
Recoverable from others	-	-
	-	3,905,470
b. Others		
Secured, considered good	-	-
Unsecured, considered good		
Doubtful		
Less: Provision		
	-	-
Total	-	3,905,470

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



BARGACHH DIGITAL COMMUNICATION NETWORK PVT LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Note: 14

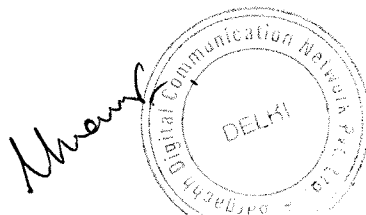
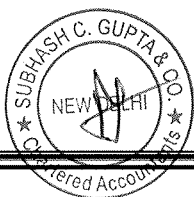
Trade receivables (Debtors) and other assets

Particulars	31-Mar-16
	Rs.
Trade receivables outstanding for a period less than six months from the date they are due for payment	
Secured, considered good	11,902,598
Unsecured, considered good	-
Unsecured, considered doubtful	-
Less: Provision for doubtful debts	
	11,902,598
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	
Secured, considered good	-
Unsecured, considered good	-
Unsecured, considered doubtful	-
Less: Provision for doubtful debts	-
	-
Total	11,902,598

Trade receivables include:

Particulars	31-Mar-16
	Rs.
Directors *	-
Other officers of the Company *	-
Firm in which director is a partner *	7,333,555
Private Company in which director is a member	-
Total	7,333,555

*Either severally or jointly



BARGACHH DIGITAL COMMUNICATION NETWORK PVT LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Note : 15	Cash & Bank Balances	31-Mar-16
Cash & Cash Equivalents		
	Cash on Hand	107,417
	<u>Balances with banks</u>	
	Cheques in hand	-
	- On current accounts	157,143
TOTAL		264,560

Note : 16	Loans & Advances	31-Mar-16
Other advances		
	Prepaid Expenses	-
	Advances to staff	-
	Advance Direct Taxes	220,000
	Mat Credit	532,709
	Advance Indirect Taxes	11,092,137
TOTAL		11,844,846



BARGACHH DIGITAL COMMUNICATION NETWORK PVT LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Note: 17

Revenue from operations

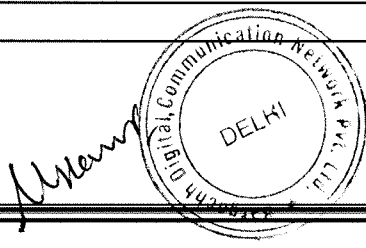
Particulars	31-Mar-16
	Rs.
Revenue from operations	
Sale of services	
Digital Services Charges	45,406,339
Revenue from operations (net)	45,406,339

Note: 18 Other income

Particulars	31-Mar-16
	Rs.
Interest income on	
Bank deposits	-
Others	
Other non-operating income	
Excess Provision Credit Balance written back	
Total	-

Note: 19 Carriage Sharing, Pay Channel and related costs

Particulars	31-Mar-16
	Rs.
Pay Channel Subscription	2,958,474
Other Operational Cost	1,268,320
Repairs and Maintenance - Network	1,218,624
VC Card Maintenance Charges	-
Freight Charges	106,080
Management Charges	30,000,000
Total	35,551,498

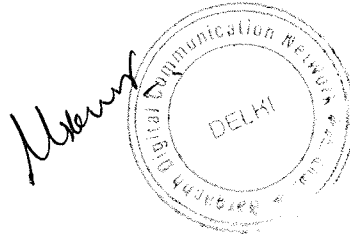


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BARGACHH DIGITAL COMMUNICATION NETWORK PVT LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Note: 20 **Employee benefits expense**

Particulars	31-Mar-16
	Rs.
(a) Salaries and incentives:	
- To Staff	1,443,146
- To Directors	-
(b) Contributions to -	
(i) Provident and other fund	
(c) Gratuity fund contributions	14,055
(d) Exgratia/Bonus	
(e) Leave Encashment fund contributions	23,146
(f) Staff Insurance expenses	
(g) Staff welfare expenses	226,410
Total	1,706,757

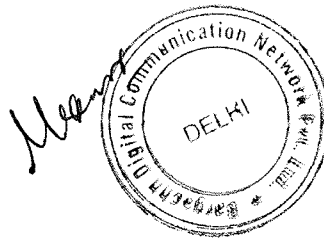


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BARGACHH DIGITAL COMMUNICATION NETWORK PVT LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Note: 21	Finance costs	31-Mar-16
Particulars		Rs.
Interest/late fee on service tax/TDS		
Bank charges		1,979
Interest Paid		-
Interest on Custom Duty		-
Total		1,979.00

Note : 22	Depreciation and amortization expense	31-Mar-16
Particulars		Rs.
Depreciation of tangible assets		2,454,181
		2,454,181
Less: recoupment from revaluation reserve		-
Total		2,454,181



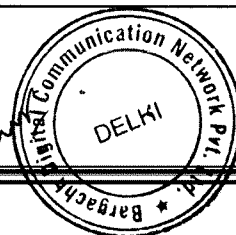
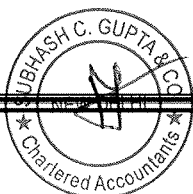
BARGACHH DIGITAL COMMUNICATION NETWORK PVT LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Note: 23 **Other expenses**

Particulars	31-Mar-16
	Rs.
Rent	424,000
Office / Guest House Expenses	11,231
Rates and Taxes	110,200
Communication Expenses	6,720
Repairs and Maintenance :	
- Building	216,543
- Others	1,950
Electricity Expenses & Water Charges	84,821
Legal, Professional and Consultancy Charges	41,060
Printing and Stationery	47,260
Preliminary/R.O.C. Filing fee	9,660
Books & Periodicals	-
Security Charges	78,909
Travelling and Conveyance Expenses	562,931
Vehicle Expenses	17,183
Service Tax penalty	-
Provident Fund Penalty	
Miscellaneous Expenses	5,753
Festival Charges	
Donations	9,616
Payment to auditor (Refer details below)	35,000
Swatch Bharat Cess	169,971
Commission Charges and Incentives	
Business and Sales Promotion	310,029
Total	2,142,837

Payment to auditor

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



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