

Sumit Gupta & Co.

Chartered Accountants

23, 11nd Floor, T-565,

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Near Idgah Circle, Delhi-110006

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Independent Auditor's Report

To the Members of SITI JAI MAA DURGEE COMMUNICATIONS PRIVATE LIMITED

Report on the Financial Statement

We have audited the accompanying Financial Statements of M/s SITI JAI MAA DURGEE COMMUNICATIONS PRIVATE LIMITED("the Company") which comprises the Balance Sheet as at 31st March, 2016, the Statement of Profit & Loss, the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information annexed.

Management's Responsibility for the Financial Statements

1. 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 financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; 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

Auditor's Responsibility

2. Our responsibility is to express an opinion on these financial statements based on our audit.
3. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.



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4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. 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 auditor's 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 controls 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.;
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2016;
 - b) In the case of statement of Profit & Loss, of the loss for the year ended on that date; and
 - c) In the case of cash flow statement of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the **Annexure I** a statement on the matters specified in paragraphs 3 and 4 of the Order.



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9. Further to our comments in the Annexure referred to above, 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 as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Financial Statement and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the Financial Statement and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 133 of the Companies Act, 2013, to the extent applicable.
 - e. On the basis of written representations received from the directors as on 31st March, 2016 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of provisions of section 164 of the Companies Act, 2013.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the accounting policies and notes of schedule 15 thereon give the information in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.-:
 - i) In the case of the Financial Statement, of the state of affairs of the Company as at 31st March, 2016 and;
 - ii) In the case of the cash flow statement of the cash flows of the Company for the year ended on that date.
 - g. We have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 12th May, 2016 as per **Annexure II** expressed unqualified opinion; and



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- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. as detailed in financial statements, the Company has disclosed the impact of pending litigations on its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company(if any)

For Sumit Gupta & Co.
Chartered Accountants

FRN. 022622N

Delhi

CA Sumit Gupta
(Partner)

Membership No 513086

Place- Delhi

Date- 12th May 2016

Annexure I to the Independent Auditor's Report of even date to the members of Siti Jai Maa Durgee Communications Private Limited, on the financial statements for the year ended 31-March-2016

Annexure-I

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

- I. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company has not any immovable properties.
- II. The Company does not have any inventory. Accordingly, the provision of the clause 3(ii) of the Order are not applicable.
- III. The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act Accordingly, the provision of the clause 3(iii)(a), 3(iv)(b) and 3(iii)(c) of the Order are not applicable
- IV. In our opinion, the company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees and security
- V. The Company has not accepted deposits within the meaning of sections 73 to 76 the Act and the Companies (Acceptance of Deposits) Rule, 2014 (as amended). Accordingly the provision 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) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited with the appropriate authorities. Further, no disputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six month from the date they become payable.
- (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



Annexure I to the Independent Auditor's Report of even date to the members of Siti Jai Maa Durgee Communications Private Limited, on the financial statements for the year ended 31-March-2016

- VIII. The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable
- IX. The Company did not raised moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loan outstanding during the year Accordingly, the provision of clause 3(ix) of the Order are not applicable.
- X. No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit
- XI. In our opinion, the provisions of section 197 of the Act read with Schedule V to the Act is not applicable to the Company as the Company does not pay any remuneration to its directors. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.
- XII. In our opinion, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable
- XIII. In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standard
- XIV. During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year
- XV. The Company has not entered into any non cash transaction with directors or person connected with him.
- XVI. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Sumit Gupta & Co.**
Chartered Accountants
FRN. 022622N



CA Sumit Gupta
(Partner)
Membership No 513086
Place- Delhi

Date- 12th May , 2016

Annexure II to the Independent Auditor's Report of even date to the members of SITI JAI MAA DURGEE COMMUNICATIONS PRIVATE LIMITED on the financial statements for the year ended 31 March 2016

Annexure II

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Act')

1. In conjunction with our audit of the financial statements of **SITI JAI MAA DURGEE COMMUNICATIONS PRIVATE LIMITED** (the 'Company') as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the IFCoFR criteria established by the Company considering the essential components of internal financial controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') 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 the Company's 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing ('Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note 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 IFCoFR were 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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 judgement, 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 IFCoFR.



Annexure II to the Independent Auditor's Report of even date to the members of SITI JAI MAA DURGEE COMMUNICATIONS PRIVATE LIMITED on the financial statements for the year ended 31 March 2016

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR 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 IFCoFR 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 IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR 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, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the IFCoFR criteria established by the Company considering the essential components of internal financial controls stated in the Guidance Note issued by the ICAI.

For **Sumit Gupta & Co.**

Chartered Accountants

Firm Regn. No. 022622N


CA **Sumit Gupta**
(Partner)

Membership No 513086

Place- Delhi

Date- 12th may 2016

Siti Jai Maa Durgee Communications Pvt. Ltd.

Balance Sheet as at March 31, 2016

CIN NO. U64200DL2011PTC224429

	Notes	Amount in	
		March 31, 2016	March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	100,000	100,000
Reserves and surplus	2	(64,490,372)	(45,582,487)
		(64,390,372)	(45,482,487)
Non-current liabilities			
Long-term borrowings		-	-
Other non-current liabilities		-	-
Long-term provisions		-	-
Current liabilities			
Short-term borrowings		-	-
Trade payables	3	30,155,494	16,110,610
Other current liabilities	4	60,567,277	61,384,401
Short-term provisions		-	-
		90,722,771	77,495,011
Total		26,332,399	32,012,524
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	5	2,324,855	2,851,150
Intangible assets	5	2,562,855	8,713,675
Capital work-in-progress		-	-
Non-current investments		-	-
Long-term loans and advances		-	-
Other non-current assets		-	-
		4,887,710	11,564,825
Current assets			
Current investments		-	-
Inventories		-	-
Trade receivables	6	19,298,869	14,455,801
Cash and bank balances	7	494,654	2,996,335
Short-term loans and advances	8	1,609,015	2,995,563
Other current assets	9	42,151	-
		21,444,689	20,447,699
Total		26,332,399	32,012,524

Significant Accounting Policies and Notes on Accounts -As per Note"15"

As per our attached report of even date

For Sumit Gupta & Co.

Firm Registration No:- 022622N

Chartered Accountants

Delhi

CA Sumit Gupta

Partner

M.NO:- 513086

Place:- Delhi

Date:-

For and on behalf of the Board of Directors of

SITI Jai Maa Durgee Communication Pvt Ltd

(Sunder Singh)

Director

(Rajeev Sharma)

Director



Siti Jai Maa Durgee Communications Pvt. Ltd.

Statement of Profit and Loss for the year ended March 31, 2016

CIN NO. U64200DL2011PTC224429

	Notes	Amount in `	
		March 31, 2016	March 31, 2015
Revenue			
Revenue from operations	10	16,290,596	27,303,668
Other income	11	23,271	-
Total revenue		16,313,867	27,303,668
Expenses			
Cost of materials consumed		-	-
Purchases of traded goods		-	-
Carriage sharing, pay channel and related costs		21,436,596	21,983,732
Employee benefit expenses	12	2,840,232	1,482,510
Finance costs		-	-
Depreciation and amortisation expenses	5	6,641,537	6,756,182
Other expenses	13	4,175,297	10,325,601
Total expenses		35,093,662	40,548,025
Loss before and after tax		(18,779,795)	(13,244,357)
Exceptional item			-
Loss before tax		(18,779,795)	(13,244,357)
Tax expenses			
Current tax (Income taxes for earlier years written off)			-
Loss for the year		(18,779,795)	(13,244,357)
Loss per share after tax	14		
Basic		(1,878)	(1,324)
Diluted		(1,878)	(1,324)

Significant Accounting Policies and Notes on Accounts -As per Note"15"

As per our attached report of even date

For Sumit Gupta & Co.

Firm Registration No:- 022622N

Chartered Accountants

Delhi

CA Sumit Gupta

Partner

M.NO:- 513086

Place:- Delhi

Date:-

For and on behalf of the Board of Directors of

SITI Jai Maa Durgee Communication Pvt Ltd


(Surender Singh)
Director


(Rajeev Sharma)
Director



Siti Jai Maa Durgee Communications Pvt. Ltd.
Notes forming Part of Balance Sheet

Notes:-1

1 Share capital

	March 31, 2016	March 31, 2015
Authorised share capital		
3,10,000 Equity Shares of Rs. 10/- each	3,100,000	3,100,000
Total authorised capital	<u>3,100,000</u>	<u>3,100,000</u>
Issued share capital		
10000 Equity shares of Rs. 10/-each	100,000	100,000
Total issued capital	<u>100,000</u>	<u>100,000</u>
Subscribed and fully paid up capital		
10,000 Equity Shares of Rs. 10 each (Rs. 10.00 paid up)	100,000	100,000
Total paid up capital	<u>100,000</u>	<u>100,000</u>
Forfeited shares	-	-
	<u>100,000</u>	<u>100,000</u>

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	As at 31 March 2016
Siti Cable Network Limited	Holding Company	51

Name of Shareholder	Equity Shares As at 31 March 2016	
	No. of Shares held	% of Holding
Siti Cable Network Limited (formerly known as Wire & Wireless (India) Ltd)	5,100.00	51.00
Rohit Dlal	1,225.00	12.25
Pale Ram	2,450.00	24.50
Narender Chauhan	1,225.00	12.25



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Siti Jai Maa Durgee Communications Pvt. Ltd.
Notes forming Part of Balance Sheet

2 Reserves and surplus

Deficit in the Statement of profit and loss

Balance at the beginning of the year

Add:- Adjustment on account of depreciation charge pursuant to implementation of Schedule II of the Companies Act, 2013.

Loss for the year

Balance at the end of the year

	March 31, 2016	March 31, 2015
	(45,582,487)	(32,338,130)
	(128,090)	
	(18,779,795)	(13,244,357)
	(64,490,372)	(45,582,487)
	(64,490,372)	(45,582,487)

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Siti Jai Maa Durgee Communications Pvt. Ltd.
Notes forming Part of Balance Sheet

Note:-3

3 Trade payables

Dues to micro and small enterprises (Refer note below)
Dues to others

March 31, 2016	March 31, 2015
30,155,494	16,110,610
30,155,494	16,110,610

The Company had requested its vendors to confirm their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). Based on confirmations received, there are

4 Other liabilities

Book overdraft
Advances from customers
Payable for other
Payable to employees
Others
Interest free deposits from customers
Payable for statutory liabilities

Non-current March 31, 2016	Current March 31, 2016	Non-current March 31, 2015	Current March 31, 2015
-	-	-	-
-	152,539	-	178,104
-	59,512,075	-	59,810,188
-	227,700	-	220,000
-	-	-	-
-	674,963	-	1,176,109
-	60,567,277	-	61,384,401

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SITI JALMAA DURGEE COMMUNICATIONS PRIVATE LIMITED

Notes forming Part of Balance Sheet

Note-5
Fixed Assets

	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1 April 2015	Additions/ (Disposals)	Balance as at 31 March 2016	Opening Equity	Depreciation charge for the year	Balance as at 31 March 2016	Balance as at 1 April 2015	Balance as at 31 March 2016
a								
Tangible Assets (Not Under Lease)								
Plant & Machinery	3,618,250.00	0	3,618,250.00	103,853.00	429,667.00	1,436,906.00	2,714,864.00	2,181,344.00
Computers	58,286.000	0	58,286.00	4,415.00	12,686.00	55,372.00	20,015.00	2,914.00
Office Equipment	116,603.000	92412	209,015.00	12,224.00	39,713.00	83,618.00	84,922.00	125,397.00
Furniture & Fixtures	3,024.00	0	3,024.00	355.00	287.00	1,077.00	2,589.00	1,947.00
Air Conditioner	44,000.00	0	44,000.00	7,207.00	8,360.00	30,747.00	28,820.00	13,253.00
Total (i+ii)	3,840,163.00	92,412.00	3,932,575.00	128,054.00	490,713.00	1,607,720.00	2,851,210.00	2,324,855.00
b								
Intangible Assets								
Goodwill	30,754,119.00	-	30,754,119.00	-	61,50823.8	28,191,263.80	8,713,679.00	2,562,855.20
Total	30,754,119.00	-	30,754,119.00	-	61,50,823.80	28,191,263.80	8,713,679.00	2,562,855.20
c								
Capital Work In Progress								
Total								
d								
Intangible assets under Development								
Total	34,594,282.000	92,412.00	34,686,694.00	128,054.00	6,641,536.80	29,798,983.80	11,564,889.00	4,887,710.20

16 Disclosure pursuant to Note no.1 (iv) and J (iii) of Part I of Schedule VI to the Companies Act, 1956

The following disclosure should be made for each class of asset as required

Particulars	Year		
	2009-10	2010-11	2013-14
Asset details: Balance as at 1 April Impairment/ Revaluation Balance as at 31 March			



9 Trade receivables

	March 31, 2016	March 31, 2015
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	34,489,974	29,646,906
Unsecured, considered doubtful	34,489,974	29,646,906
Less: Provision for doubtful debts	15,191,105	15,191,105
Other receivables	19,298,869	14,455,801
Unsecured, considered good	-	-
	19,298,869	14,455,801

10 Cash and bank balances

	Non-current March 31, 2016	Current March 31, 2016	Non-current March 31, 2015	Current March 31, 2015
Cash and cash equivalents				
Cash on hand	-	103,290	-	382,940
Cheques on hand	-	-	-	-
Balances with banks				
On current accounts	-	391,364	-	2,613,395
In deposit account (with maturity upto three months)	-	-	-	-
	-	494,654	-	2,996,335
Other bank balances				
Margin money deposit and deposit with statutory authorities	-	-	-	-
Bank deposit with maturity upto twelve months	-	-	-	-
	-	-	-	-
Amount disclosed under non-current assets (note 10)	-	-	-	-
	-	494,654	-	2,996,335

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Siti Jai Maa Durgee Communications Pvt. Ltd.
Notes forming Part of Balance Sheet

11 Revenue from operations

	March 31, 2016	March 31, 2015
Sale of services		
Subscription income	9,987,750	19,208,250
Advertisement income	2,101,438	3,737,988
Carriage income	4,201,408	4,357,430
Activation income	-	-
Other operating revenue		
Sale of traded goods*	-	-
Lease rental charges	-	-
Management charges and other networking income	-	-
Scrap sales	-	-
	16,290,596	27,303,668

12 Other income

	March 31, 2016	March 31, 2015
Interest income on		
Bank deposits	-	-
Others	23,271	-
Excess provisions written back	-	-
Profit on sale of fixed assets	-	-
Other non-operating income	-	-
	23,271	-



Siti Jai Maa Durgee Communications Pvt. Ltd.
Notes forming Part of Balance Sheet

12 Employee benefit expenses

	March 31, 2016	March 31, 2015
	₹	₹
Salaries, allowances and bonus	2,485,000	1,320,000
Contributions to provident and other funds	-	-
Employee benefits expenses	-	-
Staff welfare expenses	355,232	162,510
	2,840,232	1,482,510

13 Other expenses

	March 31, 2016	March 31, 2015
	₹	₹
Rent	1,020,000	720,000
Diesel and Fuel Exp.	159,073	50,000
Electricity and water charges	860,789	200,000
Legal, professional and consultancy charges	4,930	2,200
License Fee's	-	100,000
Pay Channel Exp.	21,436,596	21,983,732
Communication expenses-Telephone	49,600	-
Repairs and maintenance	-	-
- Network	139,379	-
- Building	-	-
- Others	-	-
Printing and stationery	10,308	-
ROC/MCA Filing Charges	12,500	4,500
Travelling and conveyance expenses	121,000	-
Payment to auditors- Audit fee and Tax Audit Fee's	64,750	55,000
Professional Charges	7,750	27,100
Other operational cost	1,449,996	350,000
Other operational cost -Salary	-	-
Internet Exp.	19,162	-
Postage and Courier Exp.	1,470	-
Copy Right Exp.	105,000	-
Books & Periodical exp.	8,880	-
House Keeping exp.	2,705	-
Provision for doubtfuldebts	-	8,759,560
Diwali Exp.	70,080	-
Gardening Exp.	5,200	-
Studio Exp.	24,030	-
Swach Bharat Cess Exp.	38,108.00	-
Bank Charges & Interest	587	57,241
	25,611,893	32,309,333



Siti Jai Maa Durgee Communications Pvt. Ltd.
Notes forming Part of Balance Sheet

15 Earnings per share

	March 31, 2016	March 31, 2015
Loss attributable to equity shareholders	(18,779,795)	(13,244,357)
Number of weighted average equity shares		
Basic	10,000	10,000
Diluted	10,000	10,000
Nominal value of per equity share (₹)	10	10
Loss per share after exceptional item and after tax (₹)		
Basic	(1,878)	(1,324)
Diluted	(1,878)	(1,324)

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

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SITI JAI MAA DURGEE COMMUNICATIONS PRIVATE LIMITED
CIN NO. U64200DL2011PTC224429

NOTE:-15

Significant Accounting Policies and Notes to Accounts:

1. Background

Siti Jai Maa DurgEE Communications Private Limited (hereinafter referred to as 'the Company') was incorporated in the state of Delhi on 01st September, 2011. The Company is engaged in distribution of television channel through analogue and digital distribution network.

The Company has entered into an slump sale agreement dated 01st September, 2011 with M/S Jai Maa Durgaa Cable, a partnership firm to purchase the Cable business i.e providing cable TV services to the subscribers, from M/s Jai Maa Durga Cable having operation in Panipat (Haryana) at a consideration of ` 3,30,00,000/- (Rupees Three Crore and Thirty lakhs Only). The seller (M/s Jai Maa Durga Cable) hereby transfer and/or assigns the benefits of all contracts together with the cable connections provided to the cable operators and subscribers and/or direct point subscribers relating to the cable business in favor of the Company. The Company shall be entitled to all the rights and benefits under the contracts and shall be exclusively entitled to collect subscription charges from the Subscribers including Cable Operators and Direct Cable Points. Against the purchase consideration of ` 3,30,00,000/- the company has bought explicit fixed assets of `22,45,881/- and rest `3,07,54,119/- is treated as Goodwill.

The Above said consideration is to be settled by issuing 3,00,000 number of equity shares of `10/- each at a premium of ` 100/- each, aggregating to ` 3,30,00,000/-.

The consideration has not been discharged due to non fulfillment of term & conditions as the agreement dated 01st September,2011.

2. Basis of Preparation

The financial statements have been prepared under historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles (GAAP) in India and comply with the Accounting standards prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The accounting policies have been consistently applied by the Company.

All assets and liabilities have been classified as current and non- current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act. Based on the nature of business and the time between the acquisition of assets and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities



3. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

4. Fixed Assets:
Tangible

Tangible Fixed Assets are stated at cost less depreciation. Cost comprises of the purchase price and any allied cost such as Freight, Commissioning cost, Custom etc., including interest, attributable to bringing the asset to its working condition for its intended use.

Intangible Assets and Amortization

- a) Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 "Intangible Assets" as specified in the Companies (Accounting Standards) Rule, 2006 and are amortized as follows:
- a. Preliminary Expenses are written off in terms of AS-26.
 - b. Goodwill on acquisition is amortized using the straight-line method over a period of five years.

5. Depreciation:

Depreciation/ amortization on fixed assets is provided on pro rata basis to the period of use based on straight line method at rates specified in Schedule-II to the Companies Act 2013 except in case of intangible assets and leasehold improvements. In view of the management such rates represents the useful life of such assets Further as part of management policy the residual value of assets is assuming to be 5% of the cost of the asset.

As per management the life of Set up Boxes is estimated to 8 (eight) years, hence depreciated at 12.5% on Straight Line Method (SLM) basis.

6. Revenue Recognition

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

Income from Services



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

7. Provisions and Contingent Liabilities:

Provision are recognized for liabilities that can be measured only by using a substantial degree of estimation, if :-

- a. The company has a present obligation as a result of a past event
- b. A probable outflow of resources is expected to settle the obligation and
- c. The amount of the obligation can be reliably estimated

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received

Contingent Liability is disclosed in the case of

- a. A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- b. A possible obligation, unless the probability of outflow of resources is remote

Contingent Assets are neither recognized, not disclosed

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet Date.

8. Cash & Cash Equivalent

Cash & Cash equivalents are comprises cash at bank and in hand, cheques in hand and short term investments with an original maturity of three months or less.

9. Income Tax

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists set off current tax assets against current tax liabilities and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available



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against which such deferred tax assets can be recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Further, Deferred Tax Assets are not recognized in the Balance Sheet since it is not virtually certain that Deferred Tax Assets can be realized against future taxable profit.

10. Impairment of Assets

As at each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:

- a. The provision for impairment loss, if any required; or
- b. The reversal, if any, required of impairment loss recognized in previous period.

Impairment loss is recognized when the carrying amount of assets exceeds its recoverable amount.

Recoverable amount is determined:

- i) In the case of individual assets, at the higher of the net selling price and the value in use;
- ii) In the cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's net selling price and the value in use;

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset from its disposal at the end of its useful life)

11. Earning Per Share

In accordance with AS-20 "Earning Per Share" as notified by the Companies (Accounting Standards) Rules, 2006, (as amended) basis earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the number of shares outstanding during the year.

12. Provisions

A Provision is recognized when the company has a present obligation (legal or constructive) as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Where the company expects some or all of a provision to be reimbursed, the



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reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expenses relating to any provision is presented in the income statement net of any reimbursement. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet Date and adjusted to reflect the current best estimates.

Provisions for doubtful debts has been made for the debtors outstanding for more than 365 days.

13. There is no amount due to Micro, Small and Medium Enterprises as per the Micro, Small and Medium enterprises Development Act, 2006.

The above information regarding Micro, Small and Medium Enterprises have been determined to the extent to which parties have been identified on the basis of information available with the Company.

14. Auditor's Remuneration:

Amount in `

Particulars	As At March 31,2016	As At March 31,2015
Statutory & Tax Audit Fees	55,000	55,000
TOTAL	55,000	55,000

15. Disclosure of Related Parties / Related Party Transactions.

List of Related Parties

Name of the Related Party	Relationship
Siti Cable Network Limited	Holding Company

Key Management Personnel :

S. No.	Name of Director	Designation
1	Rajeev Sharma	Director
2	Surender Singh	Director



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A. Transactions with related parties:

(Figures in `)

S. No	Nature of transaction	Amount of Transaction	Amount Due To	Amount Due From
1	Surender Singh (Payment against Building Rent)	Amount Due against Exp. 6,48,000/- Amount Paid; 7,56,000/-		
2.	Siti Cable Network Limited (Other Expenses) (Management Charges)	44,14,200/- Amount Paid: 22,01,343/-	1,33,485 1,05,07,908	

16. In the opinion of the management, there is no impairment of assets requiring provisions in accordance with AS-28 relating to Impairment of Assets.

17. Balances of Creditors are subject to confirmation.

18. The Company has purchased the Cable TV business from M/s Jai Maa Durgee Cable at a consideration of ` 3,30,00,000/- (Rupees Three Crore and Thirty lakhs Only) against the seller hereby transfer and/or assigns the benefits of all contracts together with the cable connections provided to the cable operators and subscribers and/or direct point subscribers relating to the cable business in favour of the Purchasers. The Purchaser shall be entitled to all the rights and benefits under the contracts and shall be exclusively entitled to collect subscription charges from the Subscribers including Cable Operators and Direct Cable Points.

In respect of the above the purchaser was pay excess payment of ` 3,07,54,119/- (Three Crore Seven Lacs Fifty four Thousands One Hundred and Nineteen Only) which treated as Goodwill in the books of Accounts and written of equally in the five years.

19. Earnings Per Share is calculated as under:

The basic earning per share is calculated according to the number of shares during the period for financial statement i.e. from 31st March'2016.



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The diluted earnings per share is calculated as described above, after taking into account, where applicable, diluting instruments in the earnings calculation.

Particulars	Amount in `	
	31 st March'2016	31 st March'2015
Net Profit / (Loss) as disclosed in Profit and Loss Account (Rupees Lacs)	(1,87,79,795)	(13,244,357)
Number of Equity Shares	10,000	10,000
Nominal Value of Shares (Rupees)	10.00	10.00
Basic and Diluted Earnings per share (Rupees)	(1877.98)	(1324.43)

For Sumit Gupta & Co.
Chartered Accountants
Firm Regn. No. 022622N
Delhi
CA Sumit Gupta
(Partner)
M No. 513086

For Siti Jai Maa Durgee Communication
Private Limited
Rajeev Sharma
(Director)

Surender Singh
(Director)

Place- Delhi
Date-

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