

Subhash C. Gupta & Co.

CHARTERED ACCOUNTANTS

B-3/1, First Floor, Rajouri Garden, New Delhi-110027

Tel. 45056702 · Telefax : 25458346

E-mail : subhashgupta@vsnl.com

cascg@airtelmail.in

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF Siti Siri Digital Network Pvt. Ltd. (formerly known as Siri Digital Network Pvt. Ltd.)

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require



that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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



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

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

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

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

For Subhash C. Gupta & Co.

Chartered Accountants

Firm's Registration No.: 004103N


Manoj Kumar

(Partner)

Membership No.: 504435

Place : New Delhi

Date : 20.05.2016

Annexure A to Independent Auditors' Report

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

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets *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.

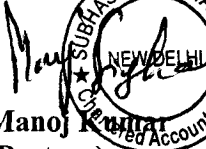
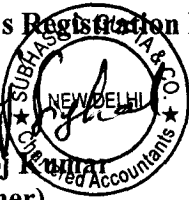


- (vii)(a) To the best of our knowledge and according to the information and explanations given to us the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, 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 and TDS 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 not made any defaults in repayment of dues to a financial institution or bank or debenture holders.
- (ix) As per the information and explanation provided to us moneys raised by way of debt instruments and term loans were applied for the purposes for which those are raised.
- (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 raised the money through optionally convertible debentures during the year. To the best of our knowledge & according to the information and explanations given to us the Company has complied the requirement of Section 42 of the Companies Act, 2013 and the amount raised have been used for the purposes for which the funds were raised.



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

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

Manoj K. Gupta
(Partner)
Membership No.: 504435

Place : New Delhi
Date : 20.05.2016

Annexure B to Independent Auditors' Report

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 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 : 20.05.2016

SITI SIRI DIGITAL NETWORK PVT. LTD.
(Formerly Knowns as Siri Digital Network Pvt. Ltd.)
BALANCE SHEET AS AT MARCH 31,2016

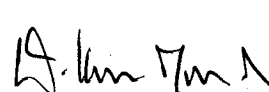
AMOUNTS IN INR


| Particulars | Notes | 31-Mar-16 | 31-Mar-15 |
|---|-------|-----------------------|---------------------|
| I. EQUITY AND LIABILITY | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 2 | 1,00,000 | 1,00,000 |
| (b) Reserves and Surplus | 3 | 4,02,83,394 | 82,54,972 |
| (4) Non-Current Liabilities | | | |
| (a) Long Term borrowings | 4 | 76,43,60,596 | 1,68,02,500 |
| (b) Deferred Tax Liability | 5 | 1,64,27,977 | 30,28,375 |
| (c) Long term provisions | 6 | 90,994 | - |
| (2) Current Liabilities | | | |
| (a) Trade payables | 7 | 22,21,08,923 | 13,16,00,911 |
| (b) Other current liabilities | 7 | 3,91,42,285 | 3,24,90,835 |
| (c) Short term provisions | 8 | 1,21,63,550 | 8,03,030 |
| Total | | 1,09,46,77,719 | 19,30,80,623 |
| II. ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 9 | 94,47,65,935 | 12,83,68,075 |
| (ii) Capital work-in-progress | | 2,93,65,069 | 2,83,37,474 |
| (c) Long term loans and advances | 10 | 4,58,500 | 84,500 |
| (2) Current assets | | | |
| (a) Trade Receivables | 11 | 39,02,318 | 25,53,436 |
| (b) Cash and cash equivalents | 12 | 1,35,94,622 | 63,89,049 |
| (c) Short-term loans and advances | 13 | 10,25,91,274 | 2,73,48,089 |
| Total | | 1,09,46,77,719 | 19,30,80,623 |
| Significant Accounting Policies | 1 | - | - |
| Notes referred above form integral part of the Balance Sheet | | | |

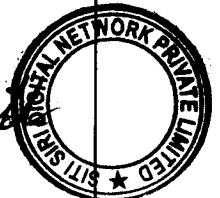
As per our Report of even date attached
For Subhash C. Gupta & Co.
Chartered Accountants
Firm Regn. No. 064203N


(Manoj Kumar)
Partner
M. No. FCA - 504435
Dated: 20/05/2016
Place: Vijayawada

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


Director
DIN 00098362
Name D. K. Mohan Rao


Director
DIN 03354319
Name P. Jayanth



SITI SIRI DIGITAL NETWORK PVT LTD.
(Formerly Knowns as Siri Digital Network Pvt. Ltd.)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

| AMOUNTS IN INR | | | |
|---|----------|---------------------|--------------------|
| Particulars | Notes | 31-Mar-16 | 31-Mar-15 |
| Continuing Operations | | | |
| Income | | | |
| Revenue from operations | 14 | 42,01,74,855 | 4,75,64,031 |
| Other Income | 15 | 30,966 | 1,308 |
| Total Revenue (I) | | 42,02,05,821 | 4,75,65,339 |
| Expenses | | | |
| Carriage Sharing, Pay Channel and related costs | 16 | 30,39,51,392 | 3,15,53,929 |
| Employees Benefit expenses | 17 | 17,99,907 | 3,46,263 |
| Financial costs | 18 | 5,62,807 | 40,727 |
| Depreciation and amortization expense | 19 | 5,04,37,420 | 16,30,228 |
| Other expenses | 20 | 44,56,046 | 20,36,055 |
| Total Expenses (II) | | 36,12,07,572 | 3,56,07,202 |
| Profit before exceptional and extraordinary items and tax | (I - II) | 5,89,98,249 | 1,19,58,137 |
| Exceptional items | | - | - |
| Profit before tax | | 5,89,98,249 | 1,19,58,137 |
| Tax expense: | | | |
| (1) Current tax | | 1,20,98,047 | 6,63,066 |
| (2) Previous Year Tax | | 14,72,178 | - |
| (2) Deferred tax | | 1,33,99,602 | 30,28,375 |
| Total Profit/(Loss) for the period | | 3,20,28,422 | 82,66,696 |
| Earning per equity share: | | | |
| (1) Basic | | 3,202.84 | 826.67 |
| (2) Diluted | | 3,202.84 | 826.67 |
| 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: 20/05/2016
Place: Vijayawada

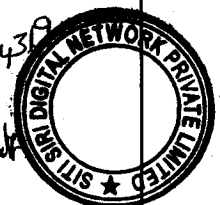
For & on behalf of Board of Directors
Siti Siri Digital Network Pvt. Ltd.

D. Mohan Rao

Director
DIN 00098362
Name D.K. Mohan Rao

P. Jayanth

Director
DIN 0335438
Name P. Jayanth



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

| PARTICULARS | Year ended March 31, 2016 Amount in Rs. | Year ended March 31, 2015 Amount in Rs. |
|---|---|---|
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Income / (Loss) before Tax | 5,89,98,249 | 1,19,58,137 |
| Adjustments for : | | |
| Depreciation | 5,04,37,420 | 16,30,228 |
| Loss(profit) on sale /disposal of assets | - | - |
| Provision for Doubtful Debts | - | - |
| Interest Expense | 5,62,807 | 40,727 |
| Income Tax paid | - | - |
| Provision for Taxation including Deferred Tax | (2,69,69,827) | (36,91,441) |
| Prior period Adjustment | - | - |
| Taxes Paid | - | - |
| Operating Profit before working capital changes | 8,30,28,648 | 99,37,651 |
| Increase in Trade Receivables | (13,48,882) | (25,53,436) |
| Decrease(Increase) in Long Terms L&A and Other non current assets | (3,74,000) | (84,500) |
| Decrease(Increase) in Short Terms L&A and Other current assets | (7,52,43,185) | (2,64,40,953) |
| Increase(Decrease) in Long Terms liabilities and provisions | 1,34,90,596 | 30,28,375 |
| Current Liabilities and Provisions | 10,85,19,983 | 15,42,07,756 |
| Net Cash Flow from Operating Activities | 12,80,73,160 | 13,80,94,893 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (86,68,35,281) | (12,89,89,921) |
| Capital Work in progress | (10,27,595) | (2,83,37,474) |
| sale of Fixed Assets | - | - |
| Net Cash utilised in Investing Activities | (86,78,62,876) | (15,73,27,395) |
| C CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Interest paid (Net) | (5,62,807) | (40,727) |
| Proceeds from Long Term borrowings | 74,75,58,096 | 1,65,52,500 |
| Procceds from Share Application Money | - | - |
| Proceeds from Issue of Share Capital | - | - |
| Net Cash provided by Financing Activities | 74,69,95,289 | 1,65,11,773 |
| Net Increase in cash and cash equivalents during the year | 72,05,573 | (27,20,729) |
| cash and cash equivalents at beginning of year | 63,89,049 | 91,09,778 |
| Cash and Cash Equivalents at end of the Year | 1,35,94,622 | 63,89,049 |

Note :

- 1** Component of Cash & cash Equivalents at the end of year

| | | |
|---|--------------------|------------------|
| Cash In hand | 9,37,799 | 13,55,175 |
| Cheques in hand | - | - |
| Balances with Scheduled Banks in Current Accounts | 1,26,56,823 | 50,33,874 |
| FDR's with Bank | - | - |
| | <u>1,35,94,622</u> | <u>63,89,049</u> |


(0)

As per our report of even date

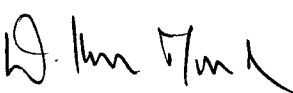
For Subhash C. Gupta & Co.

Firm Regn No. 004103N

Chartered Accountants

NEW DELHI

 Manoj Kumar
 Partner
 Membership No.: 504435

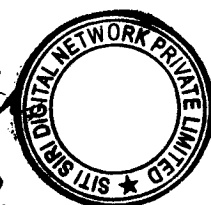
For Siti Siri Digital Network Pvt. Ltd.



Director
 DIN 00098362
 Name D.K. Mohan Rao



Director
 DIN 03354319
 Name P. Jayanth



Place : Vijayawada
 Date : 20/05/2016

SITI SIRI DIGITAL NETWORK PVT. LTD. (Formerly knowns as Siri Digital 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) |
|------------------------|---------------------|
| Computers | 3.00 |
| Digital Equipment | 8.00 |
| Office Equipments | 5.00 |
| Set-Top-Boxes | 8.00 |
| Furniture and fixtures | 10.00 |
| Vehicle | 8-10 Year |

d. Taxation on Income

Income Tax expenses comprises of current tax expense and deferred tax expense or credit

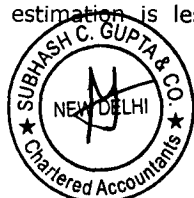
Provision for current tax is made in accordance with the provisions of Income Tax Act, 1961. Deferred Tax is recognised for timing differences between taxable income and accounting Income that originate in one period and capable of reversal in one or more subsequent period.

e. Revenue recognition

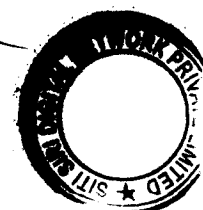
- Subscription revenue and other service revenue are recognised on completion of services.
- Activation charges on Set top boxes (STB) is recognised as revenue on activation of the related boxes.
- Carriage fees are recognised on accrual basis over the terms of related agreements.

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.



A. Kumar
P. Jayarath



g. 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.

h. 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 NOTES ON ACCOUNTS

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

| | 31st March, 2016 | 31st March, 2015 |
|---|---------------------|--------------------|
| Deferred tax liability on account of difference between book value of depreciable assets as per books of account and written down value as per Income Tax | 16,429,080 | 3,030,029 |
| Deferred tax assets on account of disallowance under section 43 B or allowed on payment basis. | 1,103 | 1,654 |
| Net Deferred Tax Assets/(Liabilities) | (16,427,977) | (3,028,375) |

b. Earning per share:

| | 31st March, 2016 | 31st March, 2015 |
|--|------------------|------------------|
| a) Profit after Tax | 32,028,422 | 8,266,696 |
| b) Weighted average No. of Ordinary Shares | | |
| Basic | 10,000 | 10,000 |
| Diluted | 10,000 | 10,000 |
| c) Nominal Value of Ordinary Share | 10 | 10 |
| d) Earning per Ordinary share considering: | | |
| Basic | 3,202.84 | 826.67 |
| Diluted | 3,202.84 | 826.67 |

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

| Particulars | 31st March, 2016 | 31st March, 2015 |
|----------------|------------------|------------------|
| Audit fees Rs. | 30,000 | 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 (W.e.f. 02.02.2015)

ii Fellow Subsidiary Companies

Indinet Service Pvt. Ltd. (100% Subsidiary of ICNCL)
Bargachh Digital Communication N/w Pvt. Ltd.
Siti Prime Uttarakhand Communication Pvt. Ltd.

SITI GLOBAL PVT. LTD.
Siti Broadband Services Pvt. Ltd.
Indian Cable Net Company Ltd.



Q. Khan
P. Jayanthi



Siti Jind Digital Media Communication Pvt. Ltd.
Panchsheel Digital Communication Network Pvt. Ltd.
Siti Jal Maa Durge Communications Pvt. Ltd.
Siti Bhatia Network Entertainment Private Limited
Siti Krishna Digital Media Private Limited
Siti Jony Digital Cable Network Private Limited
Master Channel Community Network Private Limited
Siti Maurya Cable Net povt. Ltd. (Subsidiary of ICNCL)
Siti Kamal Digital Media Network Pvt. Ltd.

Siti Vision Digital Media Pvt. Ltd.
Sai Star Digital Media Pvt. Ltd.
Siti Guntur Digital Network Pvt. Ltd.
Variety Entertainment Pvt. Ltd.
Wire & Wireless Tisai Satellite Ltd.
Siticable Broadband South Ltd.
Siti Faction Digital Private Limited
Central Bombay Cable Network Ltd.

iii Key Managerial Personnel

SURYANARAYANA GUDURU
SURESH KUMAR
KRISHAN MOHAN RAO DANDAMUDI
BHARANI KUMAR DURGA
ANIL KUMAR JAIN

POTLURI JAYANTH-MANAGING DIRECTOR
VINAY CHANDOK
SAI BABU POTLURI
SANJEEV TONDON

v Associate Person

3 Way Cable Communications Pvt Ltd.
Singareni Home Entertainment Pvt. Ltd.
Mega Satellite Services Private Limited
Sri Lakshmi Saritha
Sri Uday Satvision Pvt Ltd
The Gudiwada Communication
Dowleswaram Communication
Sity Digital Network
City Cable Network

9 Star Digital Cable Network
Lotus Broadband Private Limited
City Cable Network
Sri Vaishnavi Communication
Sri Vaenketeswara Star
Sri Srinivasa cable TV N/w
21 Century Cable N/w Pvt Ltd
Divya Cable Network

Transactions with:

Holding Company

| | 31st March, 2016 | 31st March, 2015 |
|-------------------------|-------------------------|-------------------------|
| Purchase-Set Top Boxes | 843,144,479 | 109,514,774 |
| Reimburshment of Exp. | 3,593,635 | - |
| Management Charges paid | 90,000,000 | 30,000,000 |
| OCD Issued | 744,900,000 | - |

Fellow Subsidiary Companies

Variety Entertainment Pvt. Ltd.

| | | |
|-------------------------|-------------|---|
| Management Charges paid | 183,600,000 | - |
|-------------------------|-------------|---|

With Key Managerial Personnel

| | 31st March, 2016 | 31st March, 2015 |
|----------------------|-------------------------|-------------------------|
| Professional Charges | 700,000 | 500,000 |
| Rent Paid | 720,000 | 600,000 |
| Loan Received | 7,900,000 | 16,802,500 |
| Loan repaid | 6,800,000 | 250,000 |

With Associate Persons

| | | |
|----------------------------------|------------|------------|
| Digital Service Charges received | 27,000,000 | 1,825,608 |
| Advance Received | 3,000,000 | 19,890,000 |
| Advance repaid | 14,800,000 | 3,690,000 |
| Internet Charges | 53,400 | - |
| Bandwidth/other Charges received | 30,963,327 | 1,012,850 |

Balance Outstanding as on 31.03.2016:

Sundry Creditors

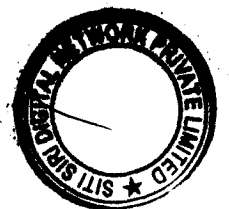
| | | |
|-------------------------------|-------------|-------------|
| Siti Cable Network Limited | 18,508 | 128,987,774 |
| Variety entertainment Pvt Ltd | 206,550,000 | - |

Loan/Advance Payable

| | | |
|----------------------------|-------------|------------|
| OCD amount payable to SCNL | 744,900,000 | - |
| POTLURI JAYANTH | 10,002,500 | 16,802,500 |
| D.K. Mohan | 7,900,000 | - |
| Divya Digital Network | 2,900,000 | - |



A. J. Jayanth
P. Jayanth



| | | |
|---|-----------|-----------|
| 3 Way Cable Communications Pvt Ltd. | - | 9,700,000 |
| Singareni Home Entertainment Pvt. Ltc | 5,000,000 | 5,000,000 |
| Mega Satellite Services Private Limited | - | 5,000,000 |

Sundry Debtors

| | | |
|-----------------------------|-----------|-----------|
| Recoverable from associates | 3,447,292 | 1,046,284 |
| payable to associates | 193,426 | |

Rent Payable:

| | | |
|---------------|---|--------|
| Mr. Jayant P. | - | 54,000 |
|---------------|---|--------|

| | | |
|---------------------------------|-------------------------|-------------------------|
| f. Other Particulars | 31st March, 2016 | 31st March, 2015 |
| Earnings in Foreign Exchange | Nil | Nil |
| CIF Value of Imports | 1,334,000 | 25,501,160 |
| Expenditure in Foreign Currency | Nil | Nil |

Contingent Liabilities

| | | |
|----------------------------|------------------------|------------------------|
| Vat Demand | 46,919,520.00 | - |
| | Amount Not Ascertained | Amount Not Ascertained |
| Other Legal Matter, if any | | |

| | | |
|---|---|-----------|
| Estimated amount of contracts remaining to be executed on capital account (Net of Advances) | - | 6,294,190 |
|---|---|-----------|

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

h. 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.

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

j. 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 MSME Act, 2006.

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

Defined Benefit Plans

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

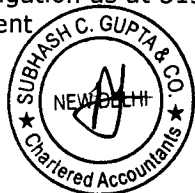
In accordance with Accounting Standards 15 (Revised), the actuarial valuation carried out in respect of the

| Actuarial Assumption | Leave Encashment | Employee Gratuity Fund |
|---|-------------------------|-------------------------------|
| Discount Rate (Per annum) | 8.00% | 8.00% |
| Rate of Increase in compensation levels | 5.00% | 5.00% |
| Expected Rate of return on plan assets | - | - |
| Expected Average remaining working lives of employees | 32.30 | 32.30 |

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

Present Value of obligation as at 31st March, 2015

Acquisition adjustment



A. Kumar
K. Jayanth

| | | |
|--|-----------|-----------|
| Interest cost | - | - |
| Past service cost | - | - |
| Current service cost | 39,425.00 | 51,569.00 |
| Curtailement 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) | 39,425.00 | 51,569.00 |
| Change in fair value plan Assets | Nil | Nil |
| Movement in the liability recognized in the Balance | | |
| Opening net liability | - | - |
| Expense as above | 39,425.00 | 51,569.00 |
| Benefits paid | - | - |
| Actual return on plan assets | - | - |
| Acquisition adjustment | - | - |
| Net assets/(Liability) recognised in Balance Sheet as provision (31.03.2016) | (39,425) | (51,569) |
| Expenses recognised in Profit and Loss Account | | |
| Current service cost | 39,425 | 51,569 |
| Past service cost | - | - |
| Interest cost | - | - |
| Expected return on plan assets | - | - |
| Curtailement cost / (Credit) | - | - |
| Settlement cost / (credit) | - | - |
| Net actuarial (gain)/ loss recognized in the period | - | - |
| Expenses recognized in the statement of profit & losses | 39,425 | 51,569 |

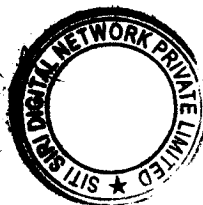
Acturial Assumption.

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.

- k. 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 6 Lakh Set top boxes in Vijaywara and adjoining region under Digital Addressable cable TV System (DAS) in accordance with TRAI mandate for phase 2 cities. Owing to the initial delays in implementation of DAS in Vijaywara 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.
- l. During the year the company has initiated ground work and STB seeding under Digital Addressable cable TV System (DAS) in Vijaywada and adjoining area in accordance with TRAI mandate for phase III cities. Since the TRAI is yet to notify the mandatory date of digitalisation company is not doing subscription billing as per DAS system.
- m. Liabilities on account of Provident Fund, ESI, etc. has not been paid/provided.
- n. Figures have been rounded off to the nearest rupee.
- o. 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.



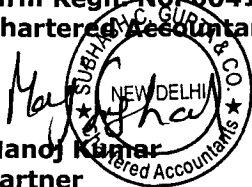
A. Kumar
R. Jayanthi



P. The Company has issued 0.01% Optionally Convertible Debentured (OCD) 744900000 no.'s of RS.1 each to its holding company in terms of the resolution passed in EGM held on 14.03.2016 Against the trade payable balance amounting to Rs.744900000.

p. Notes 1 to 20 form an integral part of the accounts and have been duly authenticated.

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



Mandoj Kumar
Partner
M. No. 504435

Place: Vijayawada
Date: 20/05/2016

For and on behalf of the Board

Director
Name D.K. Mohan Rao
DIN 00098362

Director
Name
DIN
P. Jayanth
DIN 03354319



SITI SIRI DIGITAL NETWORK PVT. LTD.

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

| Note 2. SHARE CAPITAL | 31-Mar-16 | 31-Mar-15 |
|---|------------------|------------------|
| Particulars | Rs. | Rs. |
| Authorised Shares | | |
| 10000 Nos. Equity Shres of Rs.10 each | 1,00,000 | 1,00,000 |
| | 1,00,000 | 1,00,000 |
| Issued , Subscribed and Fully Paid up | | |
| 10000 Equity Shares of Rs. 10 each fully paid up | 1,00,000 | 1,00,000 |
| Total Issued, Subscribed and paid up Share Capital | 1,00,000 | 1,00,000 |

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 | | 31-Mar-15 | |
|---|------------------|-----------------|------------------|-----------------|
| | Nos. | Amount | Nos. | Amount |
| Opening number of Shares outstanding | 10,000 | 1,00,000 | - | - |
| Add : Issued during the year | - | - | 10,000 | 1,00,000 |
| Less: Bought back during the year | - | - | - | - |
| Closing number of outstanding shares at the end of the period | 10,000 | 1,00,000 | 10,000 | 1,00,000 |

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

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

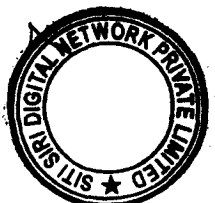
In the event of liquidation of the Company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity share held by the shareholders.

d. Details of Shareholders holding more than 5 percent shares

| Name of Shareholders | 31-Mar-16 | | 31-Mar-15 | |
|-----------------------------|----------------------|-----------------------|----------------------|-----------------------|
| | No. of Shares | % Shareholding | No. of Shares | % Shareholding |
| Siti Cable Network Limited | 5,100 | 51.00% | - | - |
| Krishna Mohan Rao Dandamudi | 2,450 | 24.50% | 5,000 | 50.00% |
| Potluri Sai Babu | 2,450 | 24.50% | 5,000 | 50.00% |



*L. Anan 17m
f. Jayanthi*

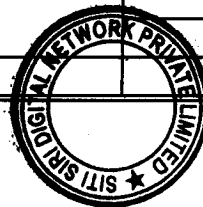


SITI SIRI DIGITAL NETWORK PVT. LTD.

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

| Note 3. Reserves and Surplus | 31-Mar-16 | 31-Mar-15 |
|--|--------------------|------------------|
| Particulars | | Rs. |
| Surplus in the statement of Profit & Loss Account | | |
| As per last Balance Sheet | 82,54,972 | (11,724) |
| Add : Profit/ (Loss) for the year | 3,20,28,422 | 82,66,696 |
| Less : Appropriations | | |
| Proposed Dividend | - | - |
| Tax on dividend | - | - |
| Transfer to general reserve | | |
| Net surplus in the statement of profit and loss | 4,02,83,394 | 82,54,972 |
| Less: Appropriations | - | - |
| Total Reserves and Surplus | 4,02,83,394 | 82,54,972 |

| Note:4 Long-term borrowings | 31-Mar-16 | 31-Mar-15 |
|--|---------------------|--------------------|
| Particulars | | Rs. |
| Secured Loan | | |
| HDFC Bank-Car Loan | 15,58,096 | - |
| *Terms of Repayment: 36 monthly installments | | |
| * Rate of interest: 9.5% | | |
| Total Secured Loan | 15,58,096 | - |
| Unsecured and Unconfirmed | | |
| a.) Optionally Convertible Debentures (OCD) | | |
| 74,49,00,000 No. of OCD of Rs.1/- each | 74,49,00,000 | - |
| Terms & Conditions: | | |
| The term of OCD shall be 20 years from the date of issue or option exercised by Debenture Holders ,whichever is earlier. | | |
| The Debenture holder have an option either to redeem or to convert the one OCD into Equity shares of such no. within a period of 20 Years. | | |
| Each OCD shall be converted into such number of equity shares/preference shares of the face value of Rs.10 each calculated at fair market value as on the date of issue of OCDs. | | |
| The OCDs issued are Unsecured Debentures and are non marketable. | | |
| The OCDs would carry an interest @0.01% p.a. Which shall be cumulative and payable only at the time of conversion and/or redemption. | | |
| (b) Loans and advances from Directors/Related parties | 1,79,02,500 | 1,68,02,500 |
| (c) Loans and advances from Others | - | - |
| *Terms of Repayment: Not Specified | | |
| * Rate of interest: Nil | | |
| Total Unsecured Loan | 1,79,02,500 | 1,68,02,500 |
| Total Long term Loan | 76,43,60,596 | 1,68,02,500 |



D. Anurag K
P. Jayanth

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

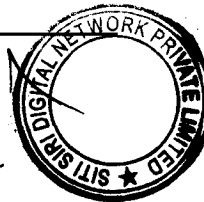
Note: 5

Deferred tax asset (net)

| | 31-Mar-16 | 31-Mar-15 |
|---|----------------------|--------------------|
| | Rs. | Rs. |
| Deferred tax liability | | |
| Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting | 1,64,29,080 | 30,30,029 |
| Others | - | - |
| Gross deferred tax liability | 1,64,29,080 | 30,30,029 |
| Deferred tax asset | | |
| Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis | 1,103 | 1,654 |
| Others | - | - |
| Gross deferred tax asset | 1,103 | 1,654 |
| Net deferred tax asset/(Liabilities) | (1,64,27,977) | (30,28,375) |



D. Kumar
P. Jayarath



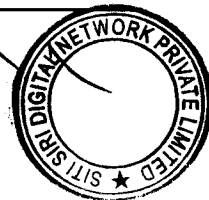
SITI SIRI DIGITAL NETWORK PVT. LTD.

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

| Note: 6 | Long Term Provisions | Long-term | |
|--|----------------------|---------------------|---------------------|
| | | 31-Mar-16 | 31-Mar-15 |
| Particulars | | Rs. | Rs. |
| Provision for employee benefits | | | |
| Gratuity (unfunded) | | 51,569 | - |
| Leave Encashment (unfunded) | | 39,425 | - |
| Total | | 90,994 | - |
| Note: 7 Other current liabilities | | | |
| Particulars | | 31-Mar-16 | 31-Mar-15 |
| | | | Rs. |
| Trade payables (including acceptances) | | 22,21,08,923 | 13,16,00,911 |
| Total Trade Payables | | 22,21,08,923 | 13,16,00,911 |
| Other current Liabilities | | | |
| Income Received in Advance | | 2,36,653 | - |
| Advance From Customer | | 1,70,58,218 | 82,10,293 |
| Interest Free Advance Received against STB | | 50,00,000 | 1,97,00,000 |
| Service Tax Payable | | 96,36,371 | 15,40,157 |
| TDS Payable | | 72,11,044 | 30,40,385 |
| Total Other Liabilities | | 3,91,42,285 | 3,24,90,835 |
| Note: 8 Short Term Provisions | | | |
| Particulars | | 31-Mar-16 | 31-Mar-15 |
| | | | Rs. |
| Liability for Expenses | | 65,503 | 1,39,964 |
| Provision for Taxation | | 1,20,98,047 | 6,63,066 |
| Total | | 1,21,63,550 | 8,03,030 |



A. Inu Tom
P. Jayanth



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

Note 9

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 | As at March 31, 2015 |
| | | | | | | | | | |
| Tangible Assets | | | | | | | | | |
| Digital Equipment | 2,41,66,360 | 42,85,417 | - | 2,84,51,776 | 15,14,002 | 33,42,292 | 48,56,294 | 2,35,95,482 | 2,26,52,358 |
| Office Equipment | 7,56,800 | 10,150 | - | 7,66,950 | 78,982 | 1,53,162 | 2,32,144 | 5,34,806 | 6,77,818 |
| Set Top Boxes-HD | 20,81,420 | 1,85,56,733 | - | 2,06,38,153 | 713 | 14,03,223 | 14,03,936 | 1,92,34,217 | 20,80,707 |
| Set Top Boxes-SD | 10,28,75,023 | 84,19,99,241 | - | 94,48,74,264 | 35,231 | 4,54,66,234 | 4,55,01,465 | 89,93,72,799 | 10,28,39,792 |
| Computers | 52,500 | 1,42,300 | - | 1,94,800 | 719 | 34,357 | 35,076 | 1,59,724 | 51,781 |
| Furniture & Fixture | 66,200 | - | - | 66,200 | 581 | 6,620 | 7,201 | 58,999 | 65,619 |
| Vehicle | | 18,41,440 | - | 18,41,440 | | 31,532 | 31,532 | 18,09,908 | |
| Total | 12,99,98,303 | 86,68,35,281 | - | 99,68,33,583 | 16,30,228 | 5,04,37,420 | 5,20,67,648 | 94,47,65,935 | 12,83,68,075 |
| Previous Year | 10,08,382 | 12,89,89,921 | - | 12,99,98,303 | - | 16,30,228 | 16,30,228 | 12,83,68,075 | - |



A. Anil Kumar
P. Jayarath

SITI SIRI DIGITAL NETWORK PVT. LTD.

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

| Note: 10 Long Term Loans and advances | Non-current | |
|---|------------------|------------------|
| | 31-Mar-16 | 31-Mar-15 |
| | Rs. | Rs. |
| Particulars | | |
| a. Deposits | | |
| Secured, considered good | | - |
| Unsecured, considered good | 458500 | 84,500 |
| Doubtful | | - |
| Less: Provision for doubtful deposits | | - |
| Total | 4,58,500 | 84,500 |
| | | |
| | 31-Mar-16 | 31-Mar-15 |
| Particulars | | Rs. |
| Directors * | | - |
| Other officers of the Company * | | - |
| Firm in which director is a partner * | | - |
| Private Company in which director is a member | | - |
| *Either severally or jointly | | |



D. Anurag
P. Jayanthi

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

Note: 11

Trade receivables (Debtors) and other assets

| Particulars | 31-Mar-16 | 31-Mar-15 |
|--|------------------|------------------|
| | | Rs. |
| Trade receivables outstanding for a period less than six months from the date they are due for payment | | |
| Secured, considered good | | - |
| Unsecured, considered good | 30,10,839 | 25,53,436 |
| Unsecured, considered doubtful | | - |
| Less: Provision for doubtful debts | | |
| | 30,10,839 | 25,53,436 |
| Trade receivables outstanding for a period exceeding six months from the date they are due for payment | | |
| Secured, considered good | 8,91,479 | - |
| Unsecured, considered good | - | - |
| Unsecured, considered doubtful | | |
| Less: Provision for doubtful debts | | |
| | 8,91,479 | - |
| Total | 39,02,318 | 25,53,436 |

Trade receivables include:

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

*Either severally or jointly

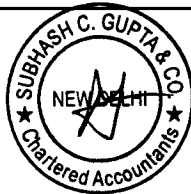


L. K. M. M.
f. Jayarath

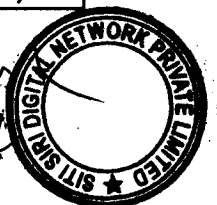
SITI SIRI DIGITAL NETWORK PVT. LTD.

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

| Note : 12 | Cash & Bank Balances | 31-Mar-16 | 31-Mar-15 |
|------------------------------------|--|---------------------|--------------------|
| | | | Rs. |
| Cash & Cash Equivalents | | | |
| | Cash on Hand | 9,37,799 | 13,55,175 |
| | <u>Balances with banks</u> | | |
| | Cheques in hand | | - |
| | - On current accounts | 1,26,56,823 | 50,33,874 |
| TOTAL | | 1,35,94,622 | 63,89,049 |
| | | | |
| Note : 13 | Short term Loans & Advances | 31-Mar-16 | 31-Mar-15 |
| | | | Rs. |
| Other advances | | | |
| | Advances to suppliers against material | 17,50,825 | 62,94,549 |
| | Advance to Staff | 1,815 | 12,000 |
| | Prepaid Expenses | 30,572 | 6,39,436 |
| | Advance Direct Taxes | 44,22,190 | 2,26,021 |
| | Income accrued but not due | 72,35,000 | 72,35,000 |
| | Advance Indirect Taxes | 7,31,68,066 | 1,29,41,083 |
| | Expenses Recoverable | 1,59,82,806 | - |
| TOTAL | | 10,25,91,274 | 2,73,48,089 |



A. K. M. T. S.
R. Jayanthi

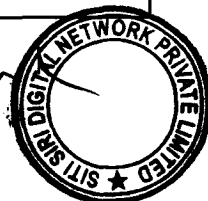


SITI SIRI DIGITAL NETWORK PVT. LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

| Note: 14 Revenue from operations | 31-Mar-16 | 31-Mar-15 |
|---|---------------------|--------------------|
| Particulars | | Rs. |
| Revenue from operations | | |
| Sale of services | | |
| STB Activation charges | 27,41,24,886 | 4,51,97,879 |
| SMS/other Income | 14,59,37,277 | 23,66,152 |
| Carriage | 1,12,692 | - |
| Revenue from operations (net) | 42,01,74,855 | 4,75,64,031 |
| | | |
| Note: 15 Other income | 31-Mar-16 | 31-Mar-15 |
| Particulars | | Rs. |
| Interest income on | | |
| Bank deposits | | - |
| Others | | - |
| Other non-operating income(Round off) | 30,966 | 1,308 |
| Total | 30,966 | 1,308 |
| | | |
| Note: 16 Carriage Sharing, Pay Channel and Related Costs | 31-Mar-16 | 31-Mar-15 |
| Particulars | | Rs. |
| Band Width Charges | 83,07,875 | 3,12,906 |
| Repairs and Maintenance - Network | 2,43,066 | 2,800 |
| Other Operational Cost | 2,04,61,015 | 72,498 |
| Technical Consultancy fees | 13,39,436 | 10,65,725 |
| License Fees | - | 1,00,000 |
| Management Charges | 27,36,00,000 | 3,00,00,000 |
| Total | 30,39,51,392 | 3,15,53,929 |
| | | |



A. Kumar
P. Jayanthi



SITI SIRI DIGITAL NETWORK PVT. LTD.

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

| Note: 17 Particulars | Employee benefits expense | |
|---|---------------------------|-----------------|
| | 31-Mar-16 | 31-Mar-15 |
| | | Rs. |
| (a) Salaries and incentives: | | |
| - To Staff | 16,68,748 | 3,36,021 |
| - To Directors | - | - |
| (b) Gratuity fund contributions | 51,569 | - |
| (c) Leave Encashment fund contributions | 39,425 | - |
| (d) Staff welfare expenses | 40,165 | 10,242 |
| Total | 17,99,907 | 3,46,263 |

| Note: 18 Particulars | Finance costs | |
|--------------------------------------|-----------------|---------------|
| | 31-Mar-16 | 31-Mar-15 |
| | | Rs. |
| Interest/late fee on service tax/TDS | 3,37,897 | - |
| Interest on Car Laon | 12,640 | - |
| Bank charges | 2,12,270 | 40,727 |
| Total | 5,62,807 | 40,727 |

| Note : 19 Particulars | Depreciation and amortization expenses | |
|--|--|------------------|
| | 31-Mar-16 | 31-Mar-15 |
| | | Rs. |
| Depreciation of tangible assets | 5,04,37,420 | 16,30,228 |
| | 5,04,37,420 | 16,30,228 |
| Less: recoument from revaluation reserve | - | - |
| Total | 5,04,37,420 | 16,30,228 |



S. Kumar
R. Jayanth

| SITI SIRI DIGITAL NETWORK PVT. LTD. | | | |
|--|----------------|------------------|------------------|
| NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 | | | |
| Note: 20 Particulars | Other expenses | 31-Mar-16 | 31-Mar-15 |
| | | | Rs. |
| Office Rent | | 8,50,000 | 6,00,000 |
| Office Expenses | | 1,25,179 | 30,457 |
| ROC Fee | | 14,900 | 7,600 |
| Telephone Expenses | | 5,962 | 5,297 |
| Repairs and Maintenance : | | | |
| - Building | | - | 3,07,215 |
| - STB/Others | | 98,831 | 6,975 |
| Power & Electricity Expenses | | 5,72,355 | 3,60,520 |
| Legal, Professional and Consultancy Charges | | 33,500 | 5,00,000 |
| Swachh Bharat Cess | | 14,92,577 | |
| Rates & Taxes | | 10,711 | 550 |
| Printing and Stationery | | 8,39,580 | 1,15,085 |
| Foreign Currency Fluctuation | | 1,18,056 | 41,580 |
| Misc. Expenses | | 40,570 | - |
| Postage & Courier | | 7,997 | 18,235 |
| Conveyance Expenses | | 49,781 | 5,405 |
| Insurance | | 1,07,647 | - |
| Internet Charges | | 53,400 | - |
| Prilimentary Expenses | | - | 7,136 |
| Payment to auditor (Refer details below) | | 35,000 | 30,000 |
| Total | | 44,56,046 | 20,36,055 |
| Payment to auditor | | 31-Mar-16 | 31-Mar-15 |
| | | Rs. | Rs. |
| As auditor: | | | |
| Audit fee | | 35000 | 30,000 |
| Tax audit fee | | - | - |
| In other capacity: | | - | - |
| Total | | 35,000 | 30,000 |



A. Kumar
K. Jayaram