SITI Networks Limited
(Formerly known as SITI Cable Network Limited)
4th Floor, FC-19 & 20, Sector 16 A, Film City
Noida, Uttar Pradesh - 201301, India
Tel. : +91-120-4526700
Website : www.sitinetworks.com

SITI NETWORKS

September 5, 2017

The General Manager
Corporate Relationship Department
BSE Limited
Phiroze Jeejeeboy Towers
Dalal Street, Fort,
Mumbai- 400 001
Fax No.: 22722037/39/41/61/3121/3719
BSE Scrip Code: 532795

The Manager
Listing Department
National Stock Exchange of India limited
Plaza, 5th Floor, Plot no. C/1, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai- 400 051
Fax No.: 26598237/38
NSE Scrip Symbol: SITINET

Subject – Notice of 11th Annual General Meeting and Annual Report of Siti Networks Limited for the Financial Year 2016-17

Dear Sir,

This is to inform you that 11th Annual General Meeting of the members of the Company is scheduled to be held on Tuesday, September 26, 2017 at 3:00 PM at The Orchid, 70-C, Nehru Road, Near Mumbai Domestic Airport, Vile Parle (E), Mumbai, Maharashtra 400099.

The Company has completed the dispatch of Annual Report for the financial year 2016-17 comprising *inter-alia* Notice of the Annual General Meeting, Audited Financial Statements on a standalone and consolidated basis, Directors' Report & Auditor's Report for the financial year ended March 31, 2017 electronically to all the members whose e-mail IDs are registered with the Company / Depository Participant(s) and physically to all other members at their registered address. A Public Notice in this regard intimating relevant particulars of dispatch of notice and availability of E-voting facility has been published in newspaper today. Copy of publication is enclosed for our record.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of Siti Networks Limited for the Financial Year 2016-17 along with Notice of 11th Annual General Meeting, for your information and record.

Thanking you

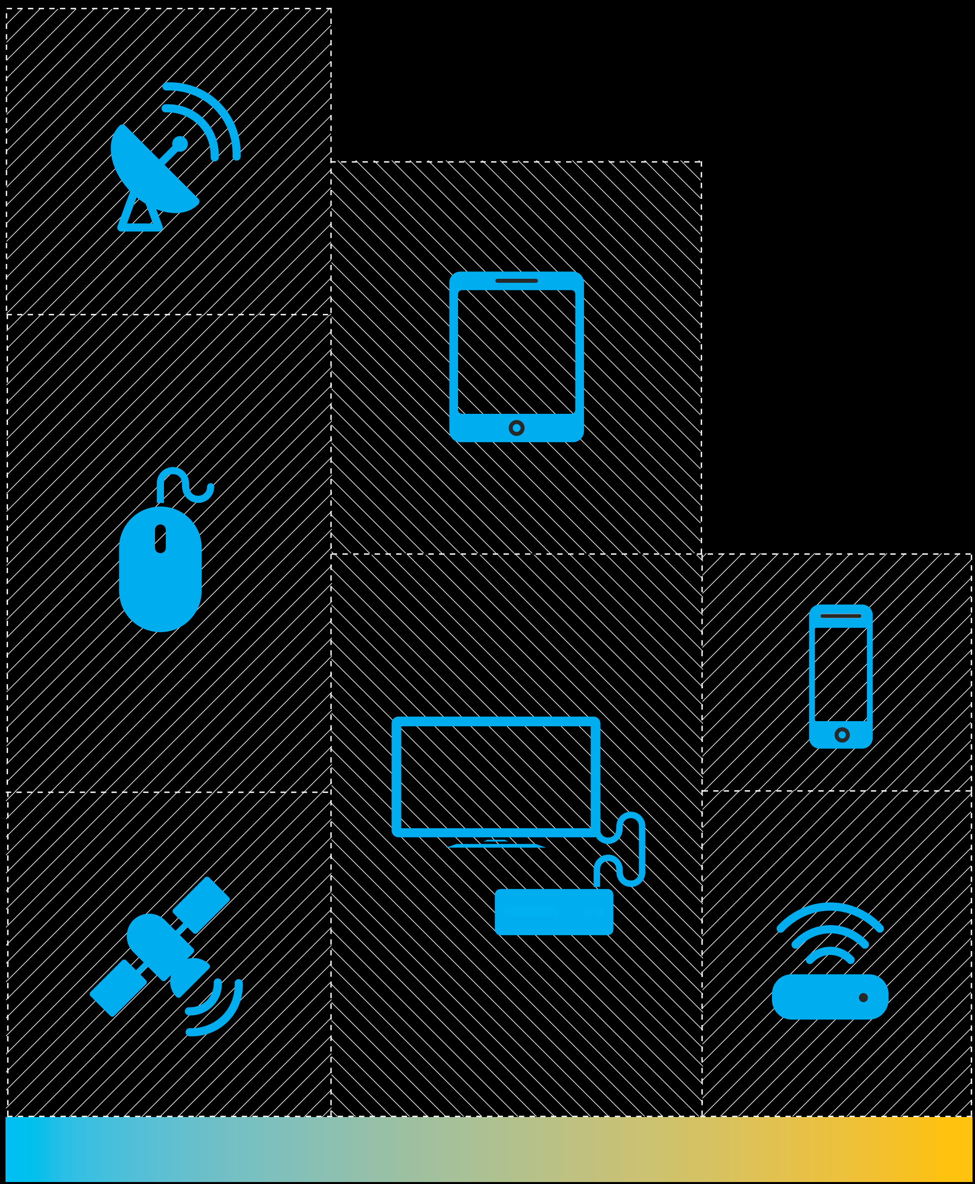
Yours truly,
For Siti Networks Limited
(Formerly Known as Siti Cable Network Limited)

SITI NETWORKS LIMITED

Suresh Kumar
Company Secretary

2016 -2017

ANNUAL REPORT
SITI NETWORKS LIMITED



WELL-POSITIONED

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This Annual Report is available online at www.sitinetworks.com

SITI Networks has grown to be India's largest Multi-System Operator (MSO) and a leading wired broadband service provider.

With presence in 580+ locations across India, we are omnipresent, making the most of emerging opportunities. As the drive for digitisation is becoming all-pervasive, touching even the Tier-IV cities of the country, we are well positioned to grow and create more value for our stakeholders. Growing rural electrification and the advancement of the Smart Cities Mission also enhances our business optimism.

In line with a digitally-powered India, we are also leading the change on the Internet front, providing state-of-the-art wired broadband connectivity across large and small cities of the country.

We have also fostered partnerships and are collaborating with esteemed industry players in the media and entertainment industry. Our strategies are rightly aligned to the future growth trajectory that the media distribution industry is taking.

WE ARE OPTIMISTIC ABOUT THE FUTURE AND ARE WELL POSITIONED TO CAPITALISE ON OPPORTUNITIES.

580 Locations
Presence

₹ **970** Mn
Broadband Income

₹ **5690** Mn
Cable Subscription Income

3001 Mn
Carriage Revenue

2.1 Mn
Video Customers Added

MESSAGE FROM CHIEF PATRON

We utilised advanced technologies like the Internet of Things (IoT) to strengthen our customer-connect, while offering integrated services. Additionally, we infused funds worth ₹1500 million in the Company in 2017. This investment is expected to help us tap more opportunities in the sector.

Dear Shareholders,

I am delighted to report that your Company recorded yet another year of growth on all fronts. And in the dynamic industry ecosystem, we maintained our leadership position owing to our persistent efforts. Our growth trajectory is expected to strengthen as the regulatory environment becomes more conducive for organised players like us.

Despite global challenges, India's GDP growth rate remained at 7.1% in FY 2016-17; and it continued to be one of the fastest growing major economies of the world. The year saw wide-ranging reforms undertaken by the Government. Its policy initiatives helped reinforce the formalisation and transparency in the economy. In this context, the Goods and Services Tax (GST) and demonetisation deserve a special mention.

While the GST focused on significantly reforming India's indirect tax framework, demonetisation was aimed at eradicating unaccounted money in the economy. Despite temporary hardships, these reforms are expected to bolster the economy, going forward. The benefits of GST, fixed at 18% for cable services and other cable infrastructure, will be passed on to customers. These GST benefits are likely to drive demand further by making television more affordable to the masses, as both entertainment and service tax gets subsumed into GST.

Moreover, the Union Budget 2017 made infrastructure a prominent focus area - earmarking nearly ₹4 trillion for infrastructure development and upgradation. Rapid infrastructure creation augurs well for the economy and the Media and Entertainment (M&E) in particular, which grew at 9.1% in FY 2016-17.

Events such as rising rural electrification, the advancement of the Smart Cities Mission, the advocacy for digitisation and so on have major infrastructural and developmental impact. Thus, the organised players in the M&E industry are expected to grow further.

These developments will augment the business optimism of operators like us. Along similar lines, the Digital India programme is also progressing; and there is a rising demand for internet in the country.

At the same time, the recent reduction of interest rates by the Reserve Bank will boost the overall spending in the economy. As the propensity for discretionary spending rises, the media and entertainment industry stands to benefit. The implementation of the Seventh Pay Commission recommendations has also fuelled the economy's spending power.

With particular reference to our industry, the latest Tariff and Interconnect Order 2017 by TRAI will result in a more customer-friendly and transparent operating environment. It would streamline the value chain and boost revenues for players like SITI. This is in addition to the BARC rating system introduced last year, which oversees content.

As cable TV digitisation reaches near-completion, Multi System Operators (MSOs) like us are expected to reap the benefits, going forward. While infrastructure for digitisation has been laid out in most areas, various litigations created a temporary delay, forcing the government to extend the cable TV digitisation deadlines.

Consequently, MSOs incurred costs during the year, as the regulatory push for transitioning into digital cable was dampened. However, at SITI, we witnessed increased monetisation from the seeded households, where over 11.5 million digital subscribers consume cable services, using SITI's content packages.

India's digital transformation has opened several avenues for internet-based consumption, especially in the M&E industry. By offering high-speed, stable data at competitive rates, broadband service providers like us can leverage this growing trend. At the end of June 2017, our broadband subscriber base stood at 240,000.

We utilise advanced technologies like the Internet of Things (IoT) to strengthen our customer-connect, while offering integrated services. Additionally, we infused funds worth ₹1500 million in the Company in 2017. This investment is expected to help us tap more opportunities in the sector.

During the year under review, we enhanced our presence across different tiers. We are now present across more than 580 locations. With our widening subscriber base and growing technology adoption, we are suitably poised to scale new heights by catering to the changing customer requirements.

Going forward, we will continue to follow prudent strategies, deploy the right resources and technologies in an increasingly favourable regulatory ecosystem. We expect, this approach, combined with our growing market presence and focus on delighting customers, to help us strengthen our business further.

Before I conclude, I would like to congratulate every member of the SITI Networks family; and express my gratitude to all other stakeholders for supporting our vision and ambition to grow in an exciting landscape of opportunities.

Best Wishes,
Dr. Subhash Chandra

ENTERTAINING AN ASPIRING NATION

SITI Networks Limited (formerly known as SITI Cable Network Limited) is a part of the Essel Group, which is one of India's leading business houses with a diverse portfolio of assets in media, packaging, entertainment, technology-enabled services, infrastructure development and education.

Being one of the most prominent Multi System Operators (MSO), SITI Networks Limited is reaching millions of people across India. With 15 digital headends and a network of more than 32,500 kilometres of optical fibre and coaxial cable, it provides its cable services in India's 580 locations reaching out to over 13.2 million viewer fraternity.

SITI Networks deploys state-of-the-art technology for delivering multiple TV signals to enhance the consumer viewing experience. Its product range includes, Analog Television, Digital Television, Broadband and Local Television Channels. SITI Networks has been providing services in analogue and digital mode, equipped with technical capability to provide features like Video on Demand, Pay per View and Electronic Programming Guide (EPG). All products are marketed under the SITI brand name.

13.2 Mn
Cable Universe

11.6 Mn
Digital Cable Subscribers

220,000
HD Subscribers

580 +
Locations Presence

2.1 Mn
Video Customers added

As of 30th June 2017

Vision

To gain the leadership position in the industry as an integrated service provider by being the preferred choice of the consumer by enhancing the consumer delight through offering superior content, quality, services by using advance technology as an edge.

Values

Sensitive

I am empathetic
Open work culture, team empowerment and partner engagement.

Trustworthy

I can be trusted with dependable services
Transparent policies
Longest serving MSO
Loyal Associates

Inclusive

I am for everyone and I add value to their lives
First MSO to provide subscriber Management System – Own Your Customer (OYC) module to business partners
Transparent policies

Innovative

I use latest technological advancements
First MSO to provide MPEG-4 set-top boxes

EVENTFUL JOURNEY

1992

Cable business started by Promoters

2006

Wire and Wireless (India) Ltd. Incorporated

2007

Implemented CAS in metros of Delhi, Mumbai and Kolkata; listed on the stock exchanges

2008

Initiated mass digitisation through HITS Services

2009

Right Issue of ₹ 4500 mn fully subscribed

2010

India's largest Multi System Operator (MSO) in the cable industry

2011

Expanded further across 54 key cities

2012

- DAS implemented in Phase -1 Cities; Delhi, Mumbai & Kolkata; Offered 400 Standard Definition Channels; consolidated pan-India presence through expansions in UP and Central India
- Broadband started in Eastern region on EOC Technology

2013

- DAS implemented in Phase -2 Cities; achieved 3 million digital subscriber base
- Operationalised 'Own Your Customer' Customer Management System
- Fund infusion of ₹ 3240 mn by Promoters

2014

- Achieved 4 million digital subscriber base; package-wise billing started in DAS Phase 1 cities
- Broadband launched in Delhi on DOCSIS 2/ 3 Technology
- Started providing 18 HD Channels

2015

- Raised ₹ 2210 mn from the Secondary Market via QIP Route in February 2015
- Digital cable subscribers at 5.4 mn with a cable universe of 10.5 mn; broadband subscribers at 70,100

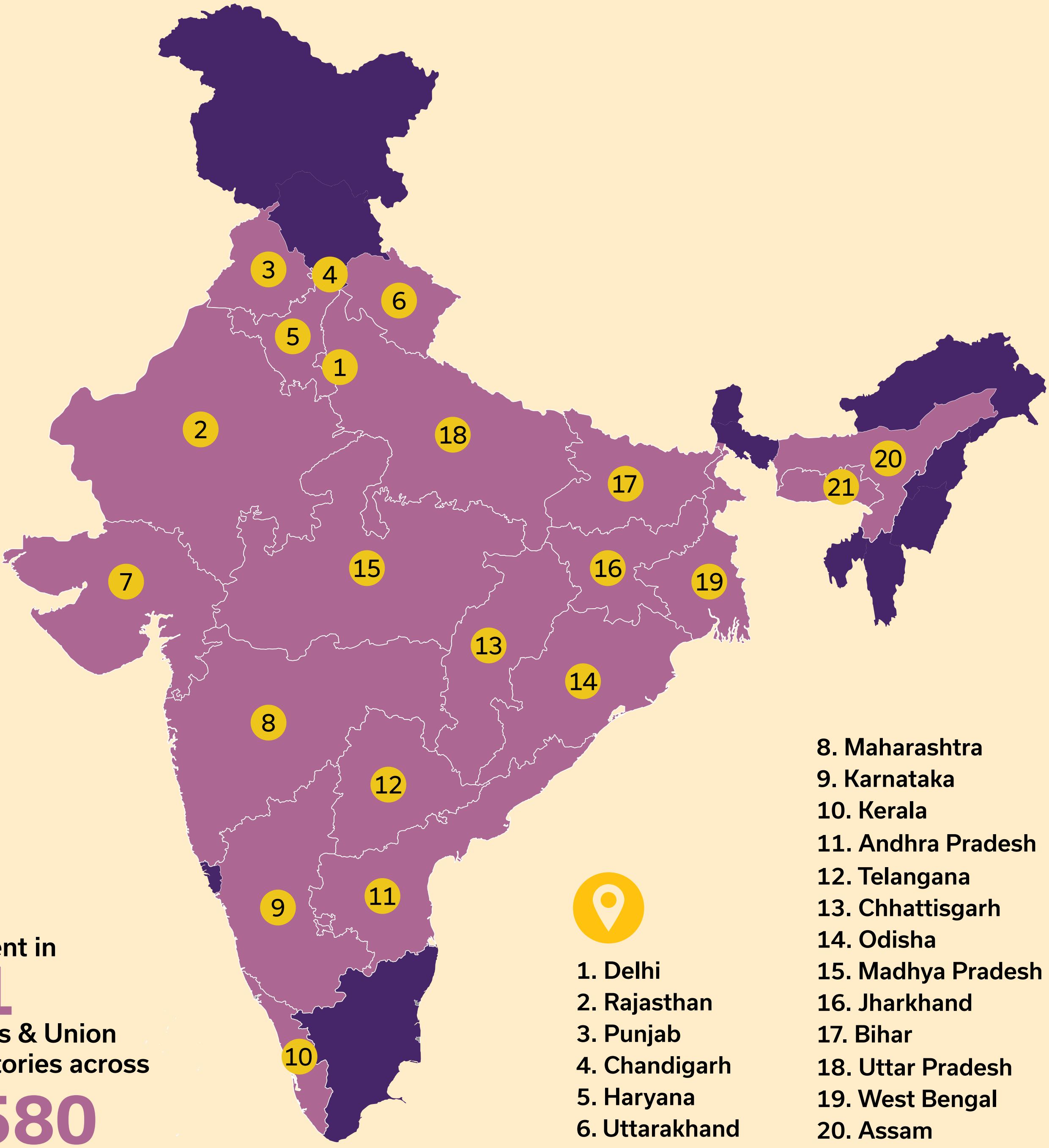
2016

- Achieved financial turnaround for the first time in its history; reported PAT of ₹ 9 crores and PBT of ₹ 22 crores in FY16
- Fund infusion of ₹ 5300 mn by Promoters through OFCDs and convertible warrants
- Acquired majority stakes/ entered into strategic partnerships with regional MSOs in Assam, Maharashtra, Gujarat and Odisha

2017

- Chosen to be a constituent of the Morgan Stanley Capital International (MSCI) India Domestic & Global Small Cap Index
- Started providing OTT services in partnership with Ditto TV; customer base at 60,000 subscribers
- Created a portfolio of 130+ local channels across India
- Extended broadband presence in 3 cities of Haryana namely Hissar, Karnal and Rohtak
- Prepaid on-going in select states with 1.2 mn subscribers on prepaid across 134 locations
- Fund infusion of ₹ 1500 mn by Promoters

PAN-INDIA OUTREACH



Present in
21
states & Union Territories across
~580
locations

1. Delhi
2. Rajasthan
3. Punjab
4. Chandigarh
5. Haryana
6. Uttarakhand
7. Gujarat
8. Maharashtra
9. Karnataka
10. Kerala
11. Andhra Pradesh
12. Telangana
13. Chhattisgarh
14. Odisha
15. Madhya Pradesh
16. Jharkhand
17. Bihar
18. Uttar Pradesh
19. West Bengal
20. Assam
21. Meghalaya

ED'S MESSAGE

Sidharth Balakrishna

In FY 2016-17, our revenue registered 18% growth to touch ₹1,204 crores. Of this, subscription revenue contributed ₹569 crores, carriage revenue ₹300 crores, and broadband revenue ₹97 crores. The three core streams grew on a y-o-y basis, at 39%, 17%, and 100%, respectively.

Dear Shareholders,

I am excited to share with you the performance of your Company against the backdrop of external and internal developments. While externally, policy interventions are creating a level-playing field for formal players like us, internally our customer-centric approach continues to delight customers by catering to their changing aspirations. The result is strong revenue growth across segments.

During FY 2016-17, we grew both geographically and operationally. The year saw us extend our reach to 230 more locations, taking the total count to 580. Moreover, our competitive advantages such as country-wide access, avant-garde technology, integrated systems and processes, strategic alliances, and efficient execution have helped us continue operations profitably.

The ongoing cable TV digitisation drive has enhanced the prospects for monetisation in our cable business. During FY 2016-17, we added 2.1 million subscribers in the digital cable segment, which helped us cross an important milestone – 10 million total customers in our video business. As of 30th June 2017, the total number of digital video customers stand at 11.6 mn. Moreover, this large number reflects huge cross-selling opportunities for your Company that delivers integrated services as part of our product suite.

With the advent of new technology and proliferation of low-cost data services, India's average data consumption has considerably surged. Today, the country has an 'always-online' young population and an array of digital services that fuels demand for the internet. Moreover, the whole range of e-commerce services is expected to reach a market size of USD 100 billion by 2020; thus, pushing the demand for data further.

Besides, the government's emphasis on digitisation of the economy is encouraging this trend. Keeping in line with increased data consumption, at SITI, we have grown our broadband subscriber base to 240,000 as of 30th June 2017. This escalation in the number of broadband customers is

100%, compared to that of last year, and serves as a major growth driver for us.

At SITI, we are delighting customers by aligning our services to the growing requirements of our expanding customer base. We are bundling our services to offer an immersive experience for our end consumers, who are now empowered to control and customise the content they view. Additionally, integrating backward to the content side, we have a large bouquet of regional channels, specific to the states we operate in. This provides us a local connect with the population.

The company is also undertaking various initiatives such as consumer panels and other methods to precisely gauge the response on marketing initiatives and new product launches to develop a better understanding of usage, perception and preferences on our businesses. This will enable us to serve the customer better and iterate our service offerings for a improved experience .

WELL-POISED TO LEAD

We have been pioneers on several fronts in the past, such as introducing a Subscriber Management System called 'Own Your Customer' giving our partners full control to manage their respective subscribers. With such industry-first, best-in-class offerings and favourable industry position, we aim to carve a large market share for your Company. As an organised and established brand, we are well positioned to capitalise on emerging trends and lead the industry by bringing innovative solutions for our customers.

OPERATIONAL REVIEW

In FY 2016-17, our revenue registered 18% growth to touch ₹1,204 crores. Of this, subscription revenue contributed ₹569 crores, carriage revenue ₹300 crores, and broadband revenue ₹97 crores. The three core streams grew on a y-o-y basis, at 39%, 17%, and 100%, respectively.

The year's EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation), including activation ₹228.7 crores and the EBITDA margin was at 19%. Despite an encouraging performance, delay in completion of cable TV digitisation affected our bottomline due to increased content costs. However, as the deadline for completion of the digitisation process draws near, we expect increased monetisation in the coming quarters.

IMPACT OF TARIFF AND INTERCONNECT ORDER 2017

The Telecom Regulatory Authority of India (TRAI) recently unveiled the Tariff and Interconnect Order 2017. A critical move to revamp the system and improve industry transparency; it is a harbinger of change. It empowers customers to choose the content they want to view. Besides, it favours organised entities like MSOs and ensures a minimum return to them, relying on systematic processes and practices, and improves compliance.

At SITI, we are bound to benefit from the implementation of the Tariff and Interconnect Order, as a significant part of our revenue is harnessed from the cable business. According to the new business model defined by the order, MSOs would be paying to the broadcaster on the basis of subscriber choice, passing though the content cost.

ROAD AHEAD

At SITI Networks, we have embarked on an exciting journey as the phases of digitisation is nearing completion and broadband opportunities in India continue to grow. Straddling both the digital cable and broadband businesses, we are charting a stellar growth trajectory.

As we expand our presence, we will continue to maintain a prudent capex and cost strategy, improving monetisation of our customer base. Moreover, we will channelise more capital to our broadband division, which is now a highly scalable opportunity.

We believe we are well positioned for growth, leveraging the talent and teamwork of our people. We will continue to invest in sharpening the capabilities of our people, in adopting new technology and participating in the developmental aspirations of the community.

We seek the support and guidance of all our stakeholders in this endeavour.

Best Regards,
Sidharth Balakrishna

SYSTEMS & PROCESSES

- OYC Subscriber Management System
- Conax CAS
- SAP Based systems
- Uniform commercial policies

WHY INDI
PREFE

ADVANCED TECHNOLOGY

- Using latest MPEG4 STBs
- Broadband through hybrid network
- Introducing unified devices

COUNTRY-WIDE ACCESS

- India's largest MSO
- Presence across 580 locations

EFFICIENT EXECUTION

- Robust corporate governance & compliance
- Professional Management
- Low dependence on Subsidiaries
- Value unlocking: Consolidating MSOs

STRATEGIC ALLIANCES

- VNO tie-up with BSNL to provide broadband (BSNL holds 62%+ market share in Fixed BB) under progress

PRIORITIES THAT DRIVE OUR PROGRESS

VIDEO

Our digital cable vertical will remain the mainstay of our business, steadily generating revenue from monetising the seeded households.

MIGRATION TO PREPAID MODEL
Increase collection efficiency by further implementing Prepaid model

REVENUE ENHANCEMENT
- Monetise across phases
- Increase HD subscriber base
- In the process of streamlining AMS channels to improve AD revenue
- Background work to gear up for TRAI Tariff order is in progress
- Up-sell Broadband, HD, OTT and video to customers
- Strengthen margins

COST OPTIMISATION
- Improve extraction from low utilised IP based locations and exiting non-profitable ones
- Increase operational efficiency
- Improve sales productivity

BROADBAND

Our broadband offering remains a major growth driver; and is thoroughly expanding through expansion and cross-selling activities.

LOYALTY ENHANCEMENT
Simplified plans with focus on long-term contracts. Plans come with added benefits to enhance loyalty.

HIGHER SPEED AND HIGHER DATA PACKS
Design and offer new plans with higher speeds and data allowance, based on changing consumer preferences

FTTX
Adoption of FTTx technology @1Gbps speed to improve customer experience with feature-rich services

NEW PRODUCT LAUNCHES
Next-Gen product on digital convergence, expected to be launched soon

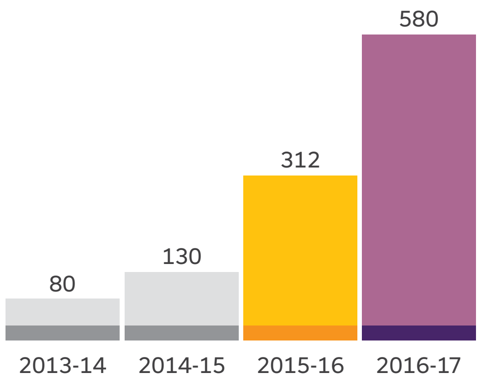
SITI WI-FI
SITI Neighbourhood WiFi to complement existing users to experience SITI broadband service outside their homes

KEY PERFORMANCE INDICATORS

Powered by efficient execution of strategies, SITI has exhibited stellar performance over the years, across indicators.

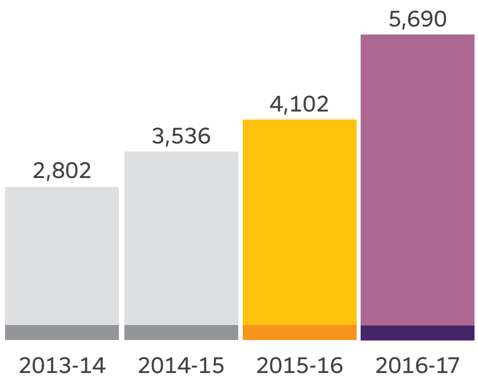
Locations Present

(₹ Mn)



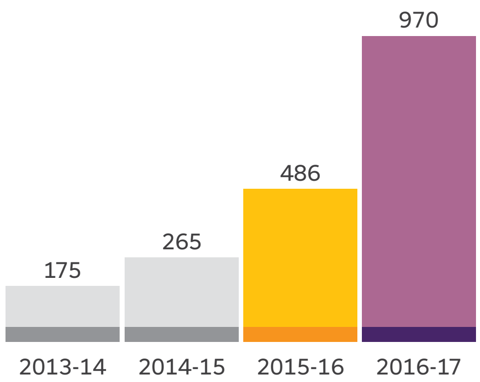
Video Subscription

(₹ Mn)



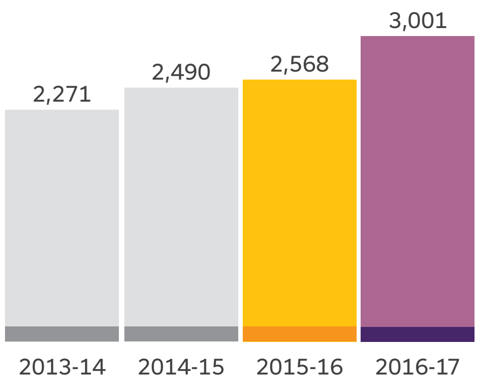
Broadband

(₹ Mn)



Carriage

(₹ Mn)



LEADING WITH CONFIDENCE, GROWING MARKET SHARE

At SITI Networks, we are sustaining our market leadership in a dynamic industry scenario. We continue to be one of India's largest multi-system operators. With a cable universe of 13.2 million we are expanding our presence further to Phase 4 areas, in line with the government's drive for digitisation.

24,000+

Business partners

11.6 Mn

Digital video customers

At SITI, we nurture a strong network of over 24,000+ business partners. They are integral to our business model and are facilitating our migration from postpaid service to a prepaid one. With their help, SITI has added 1.16 million prepaid customers across 134 locations, in 2016-17 alone.

The digitisation exercise in cable TV is nearing completion with households in Phase 4 areas being seeded. We have seeded over 11.6 million STBs in all four phases cities.

During the year, we expanded our geographic footprint from 350 locations to 580 locations. Owing to litigations opposing the digitisation exercise, there was a delay in the Phase 3 and Phase 4 digitisation. Since the regulatory push was softened, the incentive for subscribers to opt for digital networks also eroded. The monetisation, thus, was restricted in the past year for most of the MSOs. Despite this scenario, we demonstrated a satisfactory performance during the year. This was a result of increased monetisation in Phase 3 and Phase 4 areas, better collection efficiencies, cost rationalisation, and improved recurring cash flows.

With the recently published Tariff and Interconnect Order 2017, the organised players such as SITI are likely to receive a shot in the arm. The Order enhances in-system transparency and brings about a customer-driven operations model. For MSOs, the Order ensures a minimum revenue, helping expedite returns from investment.

It will further reduced any undue advantage that the unorganised players have over the organised ones as systems and processes will be institutionalised in the ecosystem. This would entail a better level-playing field for organised players.

As the entire digitisation process is being completed across all tiers, we at SITI, have started monetising the seeded connections. This will help us break-even faster and garner better returns on capital.

FOCUSING ON BROAD-BAND OPPORTUNITY

With digitisation transcending geographic borders, along with touching and transforming lives, we believe broadband has a huge gap to fill in India. Consider the opportunity: Wired broadband covers only 5% of total 422 million internet subscribers in India. It is poised to grow to 79 million by 2025. In rural India alone, there are 750 million potential internet users.

60,000+
OTT Subscribers

100 Mbps
Broadband Speed Offered

The consumer requirement is constantly evolving: from text to pictures to videos to high-quality videos. The advent of OTT (Over The Top) platforms and on-demand video services have mandated the need for higher internet speeds, and larger data availability. With nearly every service being facilitated online, the sector's potential is substantial.

While data access using mobile networks holds a major share in the total internet usage in the country, competitive pricing, reliable connections, and high data speeds attract many customers towards wired broadband. The appetite for consuming broadband internet in India is largely tilted towards unlimited plans with average speed. The users prefer more value for money with unlimited plans.

In FY 2016-17, we launched exciting new plans that surpassed 4G limits, both in terms of effective cost per GB as well as speeds to provide more value to the end consumer. SITI Broadband's latest plans offer unlimited data@ 50 Mbps, while we also offer plans with 100 Mbps speed.

For SITI Networks, our already established digital customer base of 11.6 million, digital cable provides a huge opportunity for us to cross-sell our broadband services. The dual advantage for scale-up that a player like us has is the last-mile connectivity to a household and an existing relationship with the customer.

Even compared to cable, the broadband opportunity tends to provide a higher operating margin. Additionally, we already have a basic infrastructure set-up for broadband through our network.

Building on this foundation, in FY 2016-17 alone, we added customers (around 1 lakh) to our broadband portfolio.

While we are providing internet services, we have also ventured into services that consume data. By partnering with 'Ditto TV' we offer OTT services and our broadband subscribers can now enjoy on-demand content. This works as a mutually interdependent model. At present, the total number of OTT customer base is 60,000.

With an established pan-India presence, and a wide customer base to cater to, we at SITI Networks are well-positioned to capitalise on the broadband opportunity.

ADOPTING NEW TECHNOLOGY FOR NEW INDIA

Technology, powered by human ideas, is driving our future industry trends. In India, new horizons of content consumption are shaping up; and SITI is foraying into the space by collaborating with providers and technologies.

SITI HD+

packages provide the highest number of HD channels among all MSOs

Technology brings enhanced value

As a strategy, we have sharpened our focus on higher 'Lock-in' plans. About 40% of our customer acquisition at present are from these longer duration plans. This is set to increase to 50% and above, going forward. Our DOCSIS and FTTH technology ensures higher average internet speeds and coupled with enhanced data packs, our customers receive great value at attractive price points.

At SITI, we use state-of-the-art technology to provide a premium internet experience. Taking cues from shifting customer trends, we inferred that, to keep pace with the ever demanding customer; advanced technology — DOCSIS and FTTH are being used to deliver superior internet experience. Plans and packages are continuously evolved to remain competitive throughout the year, keeping in mind customer's needs and market offerings. This ideology is in line with our vision statement where we endeavour to gain prominent position in the industry as an integrated service provider.

SITI has always followed the best practices in the industry when it comes to its customers. Through best-in-class offerings such as multiple packages and add-ons, we deliver tailor-made solutions to our subscribers. We also provide MPEG-4 set top boxes to ensure the best viewing experience along with high channel carrying capacity and reduced bandwidth consumption. SITI HD+ packages provide the highest number of HD channels among all MSOs and SITI HD+ STB provides various features such as live recording and delayed playback at no additional cost.

SITI is leading the race in providing top services to all business partners and consumers. With OYC (Own Your Customer) system, uniform commercial policy, MIAs and interconnect offers we have built a bond of trust with all our associates and ensured prompt and best possible services to our consumers.

We have partnered with Ditto TV, the OTT platform from Zee Entertainment Enterprises Limited (ZEEL) to deliver content according to customer preferences. This helps us in reducing customer attrition, triggered by the migration to newer formats. Moreover, this builds demand for our broadband services as well.

With more and more consumers preferring on-demand content, SITI is in step with New India. At SITI, we are thus consistently analysing customer aspirations to enhance our future preparedness.

FOSTERING DEEP CUSTOMER RELATION-SHIPS

India's entertainment industry is witnessing a transformation. Customers are more well-informed and discerning and they demand content that suits their evolving aspirations.

This has happened particularly with the explosive expansion of the internet in the country. SITI loves to be associated with changing customer aspirations and aims at delivering a holistic package to its subscribers, giving them multiple choices for entertainment consumption.

At SITI, we have built enduring relationships to cross-sell our offerings between digital cable and broadband internet. With existing relationships and a huge customer base, we focus on deepening the same. Apart from umbrella services such as broadband and digital cable, we are now offering content, suited to particular customer interests.

From helping the customer consume our array of services from one single device, we are now elevating him/her to a unified device system. The system acts as the modem, the Wi-Fi router and the Over the Top (OTT) platform helping convert regular TVs into smart TVs.

Every plan that SITI unveils is centred around delivering exceptional value to the customer. Since we distribute our services through Local Cable Operators (LCOs) in majority of locations, the maintenance services are easily accessible for customers.

Every plan that SITI unveils is centred around delivering exceptional value to the customer.

In comparison with the Direct to Home (DTH) services, the cost of service is negligible and the turnaround time is reduced. The cable services offer better networks and are less susceptible to interruptions occurring from weather-related phenomenon as well.

Even in the broadband space, we offer plans with the lowest price per GB at lightning fast speeds. We deliver optimised network layout and unlimited plans at highly attractive price points. A major selling point of SITI broadband is that It offers truly unlimited plans at affordable price with speeds as high as 100 Mbps.

With all the above services, SITI is getting closer to the consumer, straddling the verticals of digital cable, broadband internet and even content through our OTT platform. We understand the customer better and are rightly positioned to leverage our position as a wholesome service provider.

PROFILES OF THE BOARD OF DIRECTORS

BRIJENDRA K. SYNGAL
Independent Director

Mr. Syngal is regarded as the father of Internet and data services in India, which propelled the growth of software exports from India. He was responsible for executing a GDR issue of USD 527 million at VSNL, the largest GDR issue out of India to be listed on the London Stock Exchange and third largest issue out of Asia.

In the international telecom arena, he has held the positions of Chairman, Commonwealth Telecommunications Organisation (CTO) London, and Councillor for India INMARSAT Council, London, Vice Chairman and Director, ICO Boards, Chairman of Governance Committee ICO, Cayman Islands and Governor, INTELSAT Board, Washington DC. He is the recipient of many industry awards including 'Telecom Man of the Decade' Award by Wisitex Foundation, India and Partners in Progress Award by Maharashtra State Government for his contribution in telecommunications both in India and Abroad. Mr. Syngal was one of the fifty Stars of Asia, chosen by Business Week magazine for the year 1998.

VINOD KUMAR BAKSHI
Independent Director

Mr. Bakshi is a Non-Executive Independent Board member of the Company appointed with effect from October 27, 2010. He is an experienced professional with a career spanning over 4 decades in domestic and overseas marketing, public relations, administration and image building, holding senior position in reputed organisations like Care India, Gabriel India Ltd, Escorts Ltd., Williamson & Magor Group, Exide Industries Ltd., BBC etc. As BBC's Resident Director in India, he was responsible for supporting strategic directions, instilling operating standards to achieve goals, building talent and business infrastructure, as well as enhancing business growth and upholding and improving the image of BBC. Mr. Bakshi is also a painter of repute and a member of Lalita Kala Academy and Central Film Censor Board. He is also an ex-member of the Central Film Censor Board.

SURESH KUMAR AGARWAL
Independent Director

Mr. Agarwal is a Commerce Graduate from Haryana University, with an entrepreneurial background. He is the Managing Director and major shareholder of Super Dynic Clothing Pvt. Ltd., a leading player in home textiles. Mr. Agarwal also has a keen interest in the steel business. He is an active member of renowned charitable institutions such as the Lions Club of Millennium.

KAVITA KAPAHI
Independent Director

Ms. Kapahi, a Commerce Graduate from Bombay University, is an entrepreneur engaged in the security and surveillance industry. She manages business operations of APK Trading & Investment Pvt. Ltd., an entity engaged in the business of meeting needs and demands of security and surveillance industry. She is also a Director of Minotaur Holdings and Finance Private Ltd.

SANDEEP KHURANA
Non Executive Director

Mr. Khurana is a lawyer and is a Fellow member of the Institute of Company Secretaries of India apart from being an associate member of the Institute of Cost Accountants of India. Mr. Khurana has over 30 years of experience having worked with renowned corporates in India besides running a successful professional practice in investment banking - raising long-term and short-term resources from Banks and Financial Institutions together with private equity from investors.

During his long and illustrious career. Mr. Khurana has not only had exposure to several organisational functions but also to several sectors such as Automotive components, Electronics, Engineering, Floriculture, Transportation and logistics, Finance and Financial Services, Realty Development, Milk processing, Hotels and hospitality, Food processing, EPC, Renewable Energy, Perfumery and Toiletries, Coal, Coal Washery and related transportation logistics, weaning foods, adhesives, garments manufacturing among others.

SIDHARTH BALAKRISHNA
Executive Director

Mr. Sidharth Balakrishna holds an MBA from IIM Calcutta and an Economics degree from the Shri Ram College of Commerce (SRCC), Delhi University. He has over 13 years of experience in the energy, infrastructure and education sectors.

In the past, he has led strategy and headed projects including in the fields of oil & gas, renewable energy, education, water and vocational training. Mr. Balakrishna has also been a Strategy Consultant with Accenture and KPMG. Some of the projects that he has led have been awarded nationally and internationally.

Mr. Balakrishna also has considerable academic experience and has written five books published by Pearson, the world's largest publishing house, and Tata McGraw Hill. He is a Visiting Faculty at a number of management institutes in India. He has presented at a number of international fora in the past including at London, Muscat, Dubai, Myanmar, Mozambique, Kuwait, New Delhi, Goa, Mumbai etc. He is a columnist with the Economic Times and other reputed publications.

SENIOR MANAGEMENT

SIDHARTH BALAKRISHNA
Executive Director

ALOK GOVIL
Chief Business Officer - Video

ASHISH BHATIA
Chief Business Officer - Broadband

ABHISHEK MISHRA
Chief Human Resources Officer

GANPAT SINGH BHATI
Vice President - Credit Control, SMS and Revenue Assurance

ANIL MALHOTRA
Chief Operating Officer - Content, Compliances and Adv. Sales

SANJAY BERRY
Chief Financial Officer

MUKESH GHURIANI
Chief Technology Officer

SAURABH DATTA
Head - Marketing

SURESH KUMAR
Company Secretary and Compliance Officer

NURTURING A COMPETENT WORKFORCE

At SITI, it's our strong belief that "people make an organisation." Along the lines of this belief system, we select and nurture the right mix of employees, whose career objectives are in line with the organisation's vision. We engage creativity, benchmarking, and culture-fitting while absorbing people into the world of SITI.

We work closely with acclaimed surveys such as Great Places to Work, which allows us to evaluate and scale up our people practices through learning, unlearning and relearning.

THE RIGHT FIT, THE RIGHT MIX

When the desired skills meet the right opportunities, the organisation benefits from enhanced productivity and better employee satisfaction levels. To ensure that our employees get the chance to do what they are best at, we offer Internal Job Postings and encourage similar culture fit through our referral policy. While a coherent culture is maintained, we also strive to ensure diversity in our workforce. We engage professionals from different verticals and industries and recruit fresh and young talent from leading institutions.

BENCHMARKED EMPLOYEE DEVELOPMENT

Our employee development and review mechanisms are based on a quarterly assessment of performance management. This ensures a robust review apparatus for individuals and for people managers. We work closely with acclaimed surveys such as Great Places to Work, which allows us to evaluate and scale up our people practices through learning, unlearning and relearning. Further, this helps in benchmarking our

PRACTICES AND POLICIES TO GLOBAL STANDARDS

Learning & Development is a focal point for the development of our employees. While on the job learning is facilitated through mentorship, internal and external learning forums are also regularly utilised. During the year, we conducted a business workshop on Blue Ocean Strategy and Design Thinking for cross functional teams. To help our people achieve a better work-life balance, a session on happiness was also held.

SAMWAD PHILOSOPHY – INTEGRAL TO SITI

SAMWAD philosophy is integral to SITI. SAMWAD essentially translates into conversation, interlocution, news, information, message, and dialogue. It means effective conversation and its philosophy aims at creating foundation for a great workplace. From the time an employee is sourced, this philosophy remains a core facet of his/her life cycle. It enables managers to have a people connect, measure and gauge the feedback & productivity from team members. Through this, we encourage flow of lateral and vertical communication, where employees have direct access to the top management and can voice their opinions freely.

REWARDS & RECOGNITION

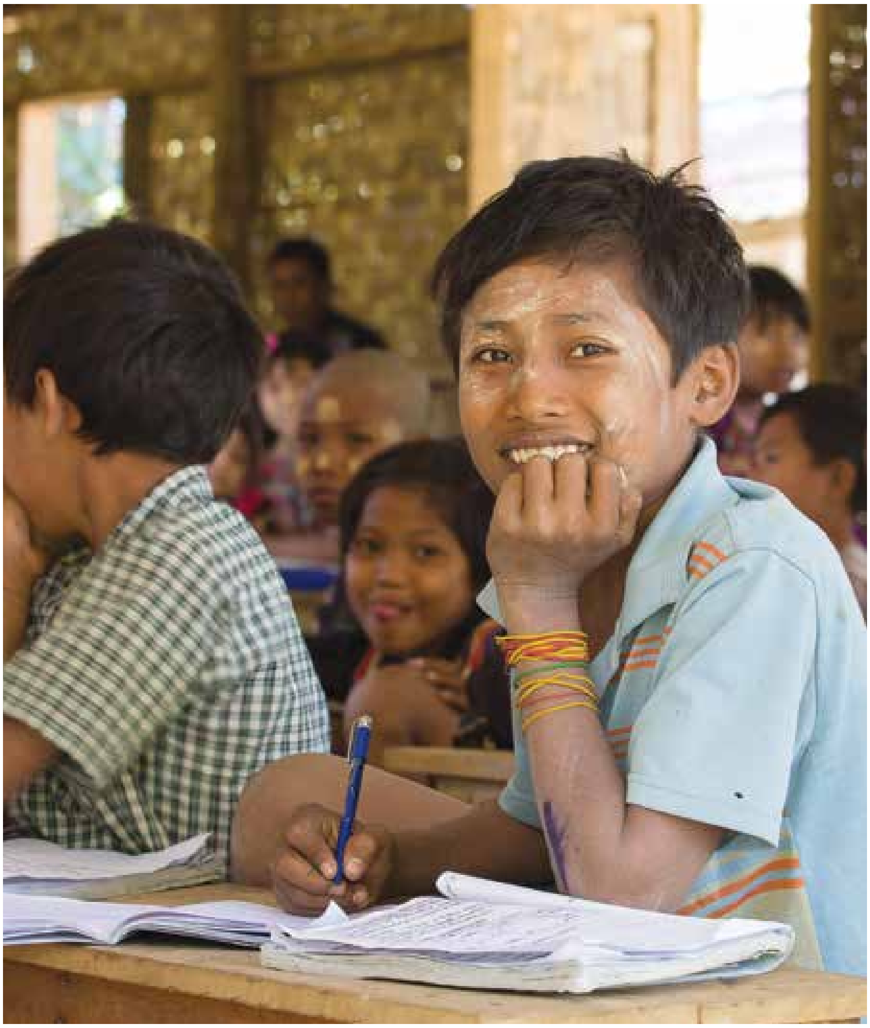
Employee satisfaction and productivity are strongly linked to rewards and recognition. At SITI, we always encourage and boost the morale of our employees, directing them towards excellence & professional growth. Our reward programme motivate employees to perform to their fullest potential. We also maintain an Innovation Cell, which provides a platform to all employees to share their ideas, thoughts and be rewarded for being innovative.

LENDING A HELPING HAND

Beginning of the last fiscal year, SITI employees had collectively put in efforts and pooled funds to help drought affected farmers & their families in Latur and other villages of Maharashtra.

MAKING A DIFFERENCE

It's an integral part of the SITI credo to give back to the society and the environment. In the areas that we operate in, we ensure that the multiple stakeholders are benefited and empowered. Being a responsible organisation, we augment our philosophy of sustainability with this.



Guided by an age-old axiom of 'Vasudhaiva Kutumbakam', which fosters shared humanity and a place for everyone, we stand in favour of a world where there is lesser inequality and heightened harmony.

Actioning our thought process, we constantly partner with the government, NGOs and other relevant stakeholders through an array of programmes such as plantation drives and fundraisers. We also create opportunities for our employees to volunteer and be a step closer to benefiting SOS (Self, Organisation and Society).

AWARDS AND RECOGNITIONS

SITI Networks was awarded at multiple forums, for its leadership, execution and contribution to the industry.

SITI Networks receiving the coveted Most Outstanding MSO with Best Customer (LCO & Consumer) Management Services - National' Award

"Most Outstanding MSO with Best Customer (LCO & Consumer) Management Services - National"

SITI has always followed the best practices in the industry when it comes to its customers. We have the best when it comes to the product i.e. multiple packages and add-ons for customers to cater the different needs.

"Emerging MSO in Broadband Sector - National"

SITI envisions a prominent position in the industry as an integrated service provider. We constantly adapt to changing customer needs using the latest, state-of-the-art technologies.

CORPORATE INFORMATION

BOARD OF DIRECTORS

B. K Syngal
Independent Director

Vinod Kumar Bakshi
Independent Director

Sureshkumar Agarwal
Independent Director

Kavita Kapahi
Independent Director

Sandeep Khurana
Non - Executive Director

Sidharth Balakrishna
Executive Director

SENIOR MANAGEMENT

Sidharth Balakrishna
Executive Director

Alok Govil
Chief Business Officer - Video

Ashish Bhatia
Chief Business Officer - Broadband

Anil Malhotra
Chief Operating Officer - Carriage, Content and Compliances

Sanjay Berry
Chief Financial Officer

Mukesh Ghuriani
Chief Technology Officer

Abhishek Mishra
Chief Human Resources Officer

Ganpat Singh Bhati
Vice President - Credit Control, SMS and Revenue Assurance

Saurabh Datta
Head - Marketing

Suresh Kumar
Company Secretary and Compliance Officer

STATUTORY AUDITORS

Walker Chandiok & Co. LLP
Chartered Accountants, New Delhi.

BANKERS

- IDBI Bank Limited
- Axis Bank Limited
- ICICI Bank Limited
- Kotak Mahindra Bank Limited
- Standard Chartered Bank
- RBL Bank Limited
- IndusInd Bank Limited

OFFICES

Registered offices
4th Floor, Madhu Industrial Estate, Pandurang Budhkar Marg, Worli, Mumbai 400013
Phone No.:+91 - (022) 43605555
Email: csandlegal@siti.esselgroup.com

Corporate office
FC- 19 & 20, Sector -16A, Film City, Noida-201301
Phone No.: +91- (0120) 4526707
Email: csandlegal@siti.esselgroup.com

Regional offices

- **Allahabad**- 16/8, T.B.Sapru Road, Vrindavan Vihar, Opp.: Agneepath Colony, Civil Line, Allahabad - 211001
- **Bengaluru** - United Mansions, 4th Floor, 39, M.G. Road, Bengaluru - 560001
- **Delhi NCR** – FC- 19& 20, Sector -16A, Film City, Noida - 201301
- **Hyderabad** - 6-2-935/2, Savitri Nilayam,Behind Bharat Petrol Pump, Khairatabad, Hyderabad - 500 004
- **Indore** - 201-203 "Grravity Tower" 2rd Floor, Dr. R.S.Bhandari Marg Janjeerwala Square, Indore - 452 001
- **Jaipur** - 801-807, 8th Floor, Apex Tower (Mangalam) Tonk Road, Jaipur- 302019
- **Karnal** - SCO-IIIrd Floor D.C. Colony, Meerut Road Karnal - 132001
- **Kolkata** - 4th floor, Powergrid Building Plot no. J-1/15, Block EP Sector V, Salt Lake Electronics Complex, Kolkata - 700091
- **Mumbai**- 4th Floor, Madhu Industrial Estate, Pandurang Budhkar Marg, Worli, Mumbai - 400013

INVESTOR RELATIONS

Ankit Saint
Phone No.: 0120 - 4526754
Email: ankit.saint@siti.esselgroup.com

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NOTICE

Notice is hereby given that the 11th Annual General Meeting (AGM) of the Equity Shareholders of SITI Networks Limited (formerly known as 'SITI Cable Network Limited') will be held at The Orchid, 70-C, Nehru Road, Near Mumbai Domestic Airport, Vile Parle (E), Mumbai, Maharashtra 400099 on Tuesday, the 26th day of September, 2017 at 3:00 p.m. to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company, on a standalone and consolidated basis, for the financial year ended March 31, 2017 including the Balance Sheet as at March 31, 2017, the Statement of Profit & Loss for the financial year ended on that date, and the Reports of the Auditors and Directors thereon.

2. To appoint a Director in place of Mr. Sandeep Khurana (DIN 02118658), who retires by rotation, and being eligible, offers himself for re-appointment.

3. To ratify the appointment of M/s. Walker Chandiok & Co. LLP, Chartered Accountants, New Delhi and to fix their remuneration.

   Pursuant to the provisions of Section 139 of the Companies Act, 2013, the Shareholders had passed a resolution at the 9th Annual General Meeting of the Company to appoint Auditors for a period of 5 years namely till the conclusion of the 14th Annual General Meeting of the Company subject to the ratification at every Annual General Meeting.

   A draft of the resolution(s) to be passed in this regard is set out herein under:

   "RESOLVED THAT the appointment of M/s. Walker Chandiok & Co. LLP, Chartered Accountants, New Delhi, having Firm Registration No. 001076N/N500013, as Statutory Auditors be and is hereby ratified.

   RESOLVED FURTHER THAT M/s. Walker Chandiok & Co. LLP, Chartered Accountants, New Delhi be paid such remuneration and reimbursement of out of pocket expenses as may be determine by the Board of Directors and accepted by the said Auditors."

SPECIAL BUSINESS:

4. ***To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:-***

   "RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and rules made thereunder, Mr. Sidharth Balakrishna (DIN 07868948), who was appointed as an Additional Director of the Company by the Board of Directors with effect from July 14, 2017 and who holds office up to the date of this Annual General Meeting in terms of Section 161(1) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company."

5. ***To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:-***

   "RESOLVED THAT pursuant to Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and Rules made thereunder including Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force and subject to required regulatory approvals, if any, consent be and is hereby accorded for the appointment of Mr. Sidharth Balakrishna as a Whole-Time Director of the Company, for a period of three years with effect from July 14, 2017, on the terms and conditions including remuneration and reimbursement of out of pocket expenses as set out in the Explanatory Statement annexed to the Notice.

   RESOLVED FURTHER THAT for the purposes of giving effect to this resolution, the Board of Directors (hereinafter referred to as the "Board" which term be deemed to include any Committee of the Board of Directors duly authorized in that behalf for the time being exercising powers conferred on the Board by this resolution) be and is hereby authorized to alter, vary or modify, from time to time, said terms and conditions within the limits specified in the Explanatory Statement annexed to the Notice or otherwise as may be permissible by law and to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard."

6. ***To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:-***

"RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013, read with Rule 14 of Companies (Audit and Auditors) Rules, 2014, M/s Jitender, Navneet and Co., Cost Accountants (Firm Registration No. 000119) appointed by the Board of Directors of the Company as Cost Auditor for the financial year 2016-17 be paid remuneration of ₹ 1,50,000 (Rupees One Lakhs Fifty Thousand Only) with addition of applicable taxes and reimbursement of out of pocket expenses."

7. ***To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:-***

"RESOLVED THAT in supersession to the Special Resolution passed by the Members at the 10th Annual General Meeting of the Company held on September 27, 2016 and pursuant to the provisions of Section 94 of the Companies Act, 2013 ('Act') read with Companies (Management and Administration) Rules, 2014 and other applicable statutory / regulatory provisions, all the Registers to be kept and maintained by the Company under Section 88 of the Act including the Register and Index of Members, Register and Index of Debenture holders and other Security holders etc. and copies of all Annual Returns prepared under Section 92 of the Act, together with the copies of certificates and documents relevant to the said Registers / Annual Returns be kept and maintained at the office of the Registrar and Share Transfer Agent of the Company namely Link Intime India Private Limited at C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083, instead of the Registered Office of the Company."

8. ***To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:-***

"RESOLVED THAT pursuant to Regulation 31A and other relevant provisions, if any, of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and applicable provisions, if any, of the Companies Act, 2013, and pursuant to communications received from Mr. Ashok Mathai Kurien and subject to necessary Regulatory approvals, if so required, consent of the members be and is hereby granted for reclassification of Mr. Ashok Mathai Kurien along with entity controlled by him (i.e. Ambience Business Services Private Limited) from "Promoters" of the Company to "Public" category .

RESOLVED FURTHER THAT Mr. Ashok Mathai Kurien along with entity controlled by him (Outgoing Promoters), post reclassification would not:

a. directly or indirectly, exercise control, over the affairs of the Company;

b. have any special rights through formal or informal arrangements, shareholding agreements;

c. exercise only those rights in the Company exercisable by an ordinary shareholder;

RESOLVED FURTHER THAT Mr. Ashok Mathai Kurien along with entity controlled by him shall not be considered as Persons Acting in concert and relatives of continuing promoters for the purpose of applicable SEBI Regulations with regard to the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard."

By Order & on behalf of the Board

Place: Noida
Date: July 14, 2017

Suresh Kumar
Company Secretary
M.No. ACS 14390

Registered Office :
4th Floor, Madhu Industrial Estate,
Pandurang Budhkar Marg,
Worli, Mumbai 400013
Email: csandlegal@siti.esselgroup.com

NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll on his behalf, instead of himself/ herself and a proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the Total Equity Share Capital of the Company. Any Member holding more than 10% of the Total Equity Share Capital of the Company may appoint a single person as proxy and in such a case, the said person shall not act as proxy for any other person or member. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed.

3. Corporate Members intending to send their authorized representative to attend the meeting are requested to send (in advance) at the Registered Office of the Company, a duly certified copy of the relevant Board Resolution/ Letter of Authority/ Power of Attorney, together with the respective specimen signatures of those representative(s), pursuant to Section 113 of the Companies Act, 2013, authorizing their representative(s) to attend and vote on their behalf at the Annual General Meeting.

4. The Attendance Slip and a Proxy Form with clear instructions for filing, stamping, signing and/or depositing the Proxy Form are enclosed. Members/ Proxy holder must bring the attendance slip (attached herewith) duly signed, to the meeting and handover it at the entrance of the meeting hall. The Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

5. Route map and details of prominent land mark of the venue of the meeting is provided on the Attendance slip and forms part of the Notice calling the Annual General Meeting.

6. Additional information, pursuant to SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, on Directors recommended by the Board for appointment/reappointment at the Annual General Meeting forms part of the Report on Corporate Governance in the Annual Report.

7. Members who wish to obtain information on Financial Statements for the year ended March 31, 2017 and operations of the Company, if any, may send their queries at least seven days in advance of the Annual General Meeting to the Company Secretary at the registered office of the Company or at email id csandlegal@siti.esselgroup.com

8. Electronic Copy of the Annual Report for 2016-17 is being sent to all the Members whose email IDs are registered with the Company / Depository Participants(s) for communication. For Members who have not registered their email address, physical copies of the Annual Report for 2016-17 is being sent. The Annual Report may also be accessed on the Company's Website www.sitinetworks.com.

9. The Register of Members and Share Transfer Books of the Company will remain closed from September 22, 2017 to September 25, 2017 (both days inclusive).

10. The Company has appointed M/s Link Intime India Private Limited, Mumbai as the Registrar and Share Transfer Agents with effect from July 1, 2016. Members are requested to notify immediately about any change in their address/e-mail address / bank details to their Depository Participant (DP) in respect of their shareholding in demat mode and in respect of their physical shareholding to the Company's new Registrar and Share Transfer Agent, M/s Link Intime India Private Limited at C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083. Shareholders holding Equity Shares of the Company in physical form may register their email address with the Registrar and Share Transfer agent of the Company to receive all communications by the Company including Annual Report and Notice of Meeting(s) by email, by sending appropriate communication on rnt.helpdesk@linkintime.co.in.

11. Members who hold shares in dematerialised form are requested to write their DP ID and Client ID number(s) and those who hold share(s) in physical form are requested to write their Folio Number(s) in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.

12. As per Securities and Exchange Board of India (SEBI) notification, submission of Permanent Account Number (PAN) is compulsorily required for participation in the securities market and for deletion of name of deceased Shareholder or for transmission/ transposition of shares. Members holding shares in dematerialised mode are requested to submit the PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Company's Registrars and Transfer Agents.

13. Relevant documents referred to in the accompanying Notice and Annual Report will be available for inspection by the Members at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public Holidays) from 2 P.M. to 4 P.M. up to the date of the Annual General Meeting.

14. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send share certificates to the Company for consolidation into a single folio. Members who hold shares in physical form are advised to convert their shareholding in dematerialized form with any depository participant.

15. In all correspondences with the Company, members are requested to quote their account/folio numbers and in case their shares are held in the dematerialized form, they must quote their DP ID and Client ID No(s).

16. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic/demat form, the nomination form may be filed with the respective Depository Participant.

E-Voting

17. In compliance with Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as may be amended from time to time, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard -2 issued by ICSI, the Company is pleased to provide Members facility to exercise their right to vote at the 11th Annual General Meeting (AGM) by electronic means. The facility of casting votes by a member using an electronic voting system (remote E-Voting) from a place other than venue of the AGM will be provided by Central Depository Services (India) Limited (CDSL) for all the business as detailed in this notice.

18. The remote E-Voting period for all items of business contained in this Notice shall commence from Friday, September 22, 2017 at 9.00 a.m. and will end on Monday, September 25, 2017 at 5.00 p.m. During this period Equity Shareholders of the Company holding shares either in physical form or in dematerialised form as on the cut -off date of September 20, 2017, may cast their vote electronically. The E-Voting module shall be disabled by CDSL for voting thereafter. Once

the vote on a resolution is cast by any Member, he/ she shall not be allowed to change it subsequently.

19. The facility for voting by way of Ballot / Poll paper shall also be made available at the meeting venue and members as on cut-off date i.e. September 20, 2017 attending the meeting and who have not already cast their vote by remote E-voting shall be able to exercise their right to vote at the meeting.

20. The Members who have cast their vote by remote E-Voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

21. The voting rights of Members for remote e-voting prior to the meeting or by way of Ballot / Poll Paper at the meeting shall be in proportion to their equity shareholding in the paid-up equity share capital of the Company as on the cut-off date of September 20, 2017.

22. At the Annual General Meeting the Chairman of the meeting shall after discussions on all the resolutions on which voting is to be held, allow voting by use of Ballot / Poll Paper by all those members who are present at the meeting but have not cast their votes by availing the remote E-Voting facility.

23. The Company has appointed Mr. Satish K. Shah (C.P No. 3142) as a Scrutiniser to scrutinise the E-Voting and Poll process in a fair and transparent manner and for conducting the scrutiny of the votes cast. The Scrutiniser shall, within a period not exceeding three (3) working days from the conclusion of the E-Voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutiniser's Report of the votes cast in favour or against, if any, and submit forthwith to the Chairman of AGM/Executive Director of the Company. The Results declared along with the Scrutiniser's report shall be placed on the website of the Company www.sitinetworks.com and the website of the CDSL, besides communicating to the stock exchanges on which the shares of the Company are listed. The Resolutions, if approved, shall be deemed to be passed, on the date of Annual General Meeting.

24. The instructions and process for E-Voting are as under:

    i. The voting period begins on Friday, September 22, 2017 at 9.00 a.m. and ends on Monday, September 25, 2017 at 5.00 p.m. During this period, Shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date September 20, 2017 may cast their vote electronically. The E-Voting module shall be disabled by CDSL for voting thereafter.

    ii. The Shareholders should log on to the E-Voting website www.evotingindia.com.

    iii. Click on Shareholders.

    iv. Now Enter your User ID

        a. For CDSL: 16 digits beneficiary ID,

        b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

        c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

    v. Next enter the Image Verification as displayed and Click on Login.

    vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

    vii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders)
	Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.
	If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

viii. After entering these details appropriately, click on "SUBMIT" tab.

ix. Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for E-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x. For Members holding shares in physical form, the details can be used only for E-Voting on the resolutions contained in this Notice.

xi. Click on the EVSN for the relevant SITI NETWORKS LIMITED on which you choose to vote.

xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option 'YES' or 'NO' as desired. The option 'YES' implies that you assent to the Resolution and option 'NO' implies that you dissent to the Resolution.

xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xvii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the Instructions as prompted by the mobile app while voting on your mobile.

xix. Note for Non – Individual Shareholders and Custodians

- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.

xx. In case you have any queries or issues regarding E-Voting, you may refer the Frequently Asked Questions ("FAQs") and E-Voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No.4 & 5:

Your Board of Directors at their meeting held on July 14, 2017, based on recommendation of Nomination and Remuneration Committee, had approved the appointment of Mr. Sidharth Balakrishna (DIN 07868948) as an Additional Director of the Company w.e.f. July 14, 2017. Mr. Sidharth Balakrishna holds office till the date of this Annual General Meeting and requisite notice has been received from a member proposing appointment of Mr. Sidharth Balakrishna as a Director of the Company liable to retire by rotation. Requisite consent has also been received from Mr. Sidharth Balakrishna pursuant to Section 152 of the Companies Act, 2013.

Further, your Board of Directors at their meeting held on July 14, 2017, subject to approval of the Members and in accordance with recommendations of Nomination & Remuneration Committee, approved the appointment of Mr. Sidharth Balakrishna as Whole-Time Director of the Company on the following terms and conditions:

(i) **Period of appointment:** The appointment of Mr. Sidharth Balakrishna shall be for a period of 3 years commencing July 14, 2017;

(ii) Remuneration:-

(a) The Board of Directors of the Company is empowered to fix the remuneration payable to Mr.Sidharth Balakrishna, from time to time, in the slab of ₹ 60,00,000/- to ₹ 90,00,000/- per annum, subject to deduction of all applicable taxes.

(b) The Board of Directors is also empowered to finalise the breakup /components of remuneration including its modification(s) within the overall range of remuneration specified above, as it may deem fit, during the term of his appointment.

(c) Mr. Sidharth Balakrishna shall be entitled to (i) all other employee benefits with respect to Provident Fund, Superannuation Fund, Gratuity, Earned / Privilege leave including Encashment of Leave; (ii) reimbursement of all business related expenses incurred by him on actual basis; and (iii) coverage under group medical and personal accident insurance, as per Company's policy, practice and procedure as shall be in effect from time to time.

(iii) Performance of Mr. Sidharth Balakrishna shall also be reviewed by the Board annually and his remuneration shall also be revised commensurately within the overall range as mentioned above.

(iv) **Minimum Remuneration:** Remuneration payable to Mr. Sidharth Balakrishna, shall be fixed by the Board of Directors of the Company within the limits approved by the Shareholders of the Company, which shall constitute minimum remuneration payable to him irrespective of the fact that the Company has inadequate profits or has losses.

Memorandum of Interest or Concern: The terms and conditions as specified above shall also be treated as an abstract of the terms and conditions of his appointment and memorandum of disclosure of nature of interest or concern therein as required to be given under Section 190 of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel or their relatives, except Mr. Sidharth Balakrishna, are in any way concerned or interested in passing of this resolution.

Your Board recommends passing of the Ordinary Resolution as set out in Item No. 4 and Special Resolution as set out in Item No. 5 of the Notice.

Annexure forming part of the Explanatory Statement as required to be given pursuant to Part II of Schedule V of the Companies Act, 2013, for payment of Remuneration to Whole-Time Director in case of no profit or inadequate profits.

I. GENERAL INFORMATION

1. **Nature of Industry:** The Company is a Multi System Operator and is carrying on business of reception of signals of Television channels of various Broadcasters from the designated Satellites (including reception of terrestrial signals of various Channels of Doordarshan) and distribution thereof through cable networks to the Cable Operators and/or subscribers in various cities, town & villages in India.

2. **Date of commencement of commercial production:** March 27, 2006

3. **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable.

4. **Financial performance based on given indicators**

(₹ in million)

Particular	Financial Year		
	2016-17	2015-16	2014-15
Sales	7,736.79	8,558.06	5,991.55
Total Income	7,899.58	8,765.87	6,133.16
Gross Profit before Interest, Depreciation & Tax	910.35	1,799.76	763.68
Interest	1,210.12	1,375.79	1,197.87
Depreciation	1,345.24	943.53	743.38
Profit (loss) before Tax	(1,645.01)	(519.56)	(1,177.57)
Profit (loss) after Tax	(1,849.95)	(519.56)	(1,177.57)
Paid-up Equity Share Capital	872.67	794.76	678.25

5. **Foreign investments or collaborators, if any:** The Company is listed on BSE Limited and National Stock Exchange of India Limited and as on July 10, 2017, the foreign holdings in the Company were 17.97%.

II. INFORMATION ABOUT THE APPOINTEE:

1. **Background details:** Mr. Sidharth Balakrishna holds an MBA from IIM Calcutta and an Economics degree from the Shri Ram College of Commerce (SRCC), Delhi University. He has over 13 years of experience in the energy, infrastructure and education sectors.

In the past, he has led strategy and headed projects including in the fields of oil & gas, renewable energy, education, water and vocational training. Mr. Balakrishna has also been a Strategy Consultant with Accenture and KPMG. Some of the projects that he has led have been awarded nationally and internationally.

Mr. Balakrishna also has considerable academic experience and has written five books published by Pearson, the world's largest publishing house and Tata McGraw Hill. He is a visiting faculty at a number of management institutes in India. He has presented at a number of international fora in the past including at London, Muscat, Dubai, Myanmar, Mozambique, Kuwait, New Delhi, Goa, Mumbai etc. He is also a columnist with the Economic Times and other reputed publications.

2. **Past remuneration:**

(₹ in millions)

Organisation	Designation	Financial year	Annual total cost to the Company
Cairn India Limited	Strategist	2016-17	6.00
	Strategist	2015-16	5.50
	Strategist	2014-15	5.00

3. **Recognition and awards:.**

- Mr.Sidharth Balakrishna has authored 5 books, published by Pearson PLC. and numerous articles in renowned journals.
- He has presented papers at a number of international conferences in over 10 countries across the world.
- Projects he has led have won several awards namely:-
  - Recipient of Petrotech award 2016 –'Special Technical Award-Sustainability'.
  - Recipient of the runners-up prize in the 'Project of the Year' category by the Project Management Institute (PMI), an international organization with more than half a million members in more than 185 countries.

4. **Job profile and his suitability:**

- To implement key Strategic initiatives in the Company and provide strategic direction.
- To oversee operational matters.

5. **Remuneration proposed:** The remuneration proposed is mentioned hereinabove.

6. **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):**

Company	Turnover (₹ in millions)	Person and Profile	Designation	Total Remuneration (₹ in million)
DEN Networks Ltd. *	11,443.99	Mr. Sameer Manchanda Chairman	Chairman & Managing Director	29.04*
Hathway Cable And Datacom Limited @	13,074.00	Mr. Jagdishkumar G. Pillai ** Managing Director and CEO	Managing Director and CEO	16.12**
		Mr. Rajan Gupta Managing Director #	Managing Director	7.29 #

* As per the Annual Report for the financial year 2015-16

@ As per the Annual Report for the financial year 2016-17

** Mr. Jagdishkumar G. Pillai's salary is for the period 01.04.2016 to 25.11.2016.

\# Mr. Rajan Gupta's salary is for the period 25.11.2016 to 31.03.2017

7. **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** Mr. Sidharth Balakrishna has no pecuniary relationship with the Company, except to the extent of remuneration as proposed to be paid to him. Further, he has no relationship with any of the managerial personnel of the Company.

III. OTHER INFORMATION

1. **Reasons of loss or inadequate profits:.**

- Delay in implementation of digitization in Phase 3 due to litigation(s), which resulted in lower than planned seeding of boxes and affecting monetization. However, the costs pertaining to Phase 3 of digitization were incurred throughout the year, due to which the operating profit declined during the financial year 2016-17.

- Although the Company was able to reduce the finance cost from ₹ 1400 million in financial year 2015-16 to ₹ 1270 million in financial year 2016-17, the depreciation and amortization expenses increased from ₹ 1650 million in financial year 2015-16 to ₹ 2410 million in financial year 2016-17 on account of capital expenditure incurred in Broadband and Video businesses. This further contributed to the losses incurred during the financial year 2016-17.

2. **Steps taken or proposed to be taken for improvement:**

- To digitize analog subscriber base in Phase 4 areas and to seed STBs in unrepresented areas, which would result in growth of subscription income;

- To improve monetization levels across phases with particular focus on Phase 3 & 4 geographies;

- To work with industry peers and improve consumer level ARPUs. In this regard, the new tariff order has been notified by TRAI. However, the same has been stayed by the Hon'ble Supreme Court of India. Once the legal hurdles are cleared, the implementation of the Tariff Order is expected to improve ARPUs and rationalize content costs;

- To achieve growth in carriage revenue by leveraging reach in Phase 3 & 4 areas;
- To increase advertisement sales on local channels;

3. Expected increase in productivity and profits in measurable terms:

- Operating profit as well as margins are expected to improve in the financial year 2017-18 on account of rationalization of costs/expenses;
- All revenue streams are expected to show strong growth;

IV. DISCLOSURES:

The Remuneration package of the managerial personnel has been provided in the Notice and the appropriate disclosures as required under Schedule V of the Companies Act, 2013 have been made in the Corporate Governance Report forming part of the Directors' Report of the Company.

Item No.6:

The Ministry of Corporate Affairs, vide Notification No. GSR. 695(E) dated July 14, 2016, had amended the Companies (Cost Records and Audit) Rules, 2014, which *inter-alia* removed specific exclusion / exemption available earlier to Broadcasting entities from carrying out Cost Audit. Since the Company meets other requirements prescribed under the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors of the Company at the meeting held on November 22, 2016 had, after reviewing confirmation received and based on the recommendations of the Audit Committee, approved appointment of M/s Jitender, Navneet and Co., Cost Accountants (Firm Registration No. 000119), as Cost Auditor of the Company for financial year 2016-17. The Board of Directors has also approved the remuneration of ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand Only), with addition of applicable taxes and reimbursements of out of pocket expenses, of the said Cost Auditor, subject however, to the approval of the Shareholders.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014, approval / ratification of Shareholders is being sought for payment of remuneration to the Cost Auditor for financial year 2016-17.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in passing of this resolution.

Your Board recommends passing of the Ordinary Resolution as set out in Item No. 6 of the Notice.

Item No.7:

In compliance with the requirements of Section 94 of the Companies Act, 2013, Members of the Company at the 10th Annual General Meeting held on September 27, 2016, had approved a proposal for maintaining the Register and Index of Members, Register and Index of Debenture holders and other Security holders, etc. and copies of all Annual Returns prepared under Section 92 of the Act, together with the copies of certificates and documents relevant to the said Registers / Annual Returns at the office of the Registrar & Share Transfer Agent of the Company Link Intime India Pvt Ltd ('RTA Agent') located at C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup West, Mumbai 400 078, rather than at the Registered Office of the Company.

Since, RTA Agent has shifted its Registered Office, approval of Members is sought for maintaining Register & Index of Equity / Preference Shareholders, Share Transfer Register and related records including Annual Returns etc. at the new location at C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083.

Section 94 of the Companies Act, 2013 permits the Company to maintain its Registers and Annual Returns at any place other than its Registered Office subject to Members approval by way of a Special Resolution. A copy of the proposed resolution will be forwarded in advance to the Registrar of Companies, Maharashtra, Mumbai, as required under the said Section 94(1) of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in passing of this resolution.

Your Board recommends passing of the Special Resolution as set out in Item No. 7 of the Notice.

Item No.8:

The Company had received a communication dated January 27, 2017 from Mr. Ashok Mathai Kurien, for reclassifying him along with entity controlled by him (i.e, Ambience Business Services Private Limited) from 'promoter' of the Company to 'public' category in terms of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Ashok Mathai Kurien along with entity controlled by him shall not be considered as 'Persons Acting in concert' for the purpose of applicable SEBI Regulations with regard to the Company.

The Company would make necessary application to National Stock Exchange of India Ltd. and BSE Limited to seek their approval for reclassifying the Promoter / Promoter Group to public, as required.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in passing of this resolution.

Your Board recommends passing of the Ordinary Resolution as set out in Item No. 8 of the Notice.

By Order & on behalf of the Board

Place: Noida
Date: July 14, 2017

Suresh Kumar
Company Secretary
M.No. ACS 14390

Registered Office :
4th Floor, Madhu Industrial Estate,
Pandurang Budhkar Marg,
Worli, Mumbai 400013
Email: csandlegal@siti.esselgroup.com

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 11th Annual Report of the Company, together with the Audited Financial Statements for the year ended March 31, 2017 prepared as per Indian Accounting Standards as prescribed under Section 133 of the Companies Act, 2013(Act).

FINANCIAL HIGHLIGHTS

The Financial Performance of your Company for the year ended March 31, 2017 is summarised below:

(₹ millions)

Particulars	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Revenue from operations	7,736.79	8,558.06	11,949.16	11,460.40
Other Income	162.79	207.81	258.85	231.16
Total Income	**7,899.58**	**8,765.87**	**12,208.01**	**11,691.56**
Total Expenses	6,989.23	6,966.11	9,921.07	9,000.99
EBIDTA	**910.35**	**1,799.76**	**2,286.95**	**2,690.57**
Less: Finance costs	1,210.12	1,375.79	1,274.47	1,399.29
Less : Depreciation	1,345.24	943.53	2,411.82	1,654.54
Profit/(Loss) before share of profit/(loss) of associates and joint ventures, exceptional item and tax	**(1,645.01)**	**(519.56)**	**(1,399.35)**	**(363.26)**
Share of profit/(loss) of associates and joint ventures	0.00	0.00	2.04	(2.06)
Profit/(Loss) before exceptional item and tax	**(1,645.01)**	**(519.56)**	**(1,397.31)**	**(365.32)**
Exceptional item	202.36	0.00	202.36	(1.58)
Profit/(Loss) before tax & exceptional items	**(1,847.37)**	**(519.56)**	**(1,599.67)**	**(363.74)**
Provision for Taxation (net)	2.58	0.00	192.64	49.17
Profit/(Loss) after tax & exceptional items	**(1,849.95)**	**(519.56)**	**(1,792.31)**	**(412.91)**
Remeasurement of defined benefit liability	(1.31)	0.30	2.25	0.07
Total comprehensive Profit/(Loss) for the period	**(1,851.26)**	**(519.26)**	**(1,790.06)**	**(412.84)**

There have been no material changes and commitments that have occurred after close of the financial year till the date of this report, which affect the financial position of the Company. Based on the internal financial control framework and compliance systems established in the Company, the work performed by Statutory, Internal, Secretarial Auditors and reviews performed by the Management and/or Audit Committee of the Board, your Board is of the opinion that the Company's internal financial controls were adequate and working effectively during Financial Year 2016-17.

Your Company was reasonably effective in executing its strategy and added an industry leading 2.1 million subscriber relationships in Digital Cable in FY17 and now has more than 10 million digital customers to its credit.

BUSINESS OVERVIEW

Your Company began the year with a resolve to complete phase 3 & 4 areas and expand significantly in Broadband. The focus was on market expansion in certain areas and subscription revenue growth in Video and Broadband.

Your Company was reasonably effective in executing its strategy and added an industry leading 2.1 million subscriber relationships in Digital Cable in FY17 and now has more than 10 million digital customers to its credit. The Company now has a presence across 580 locations across the length and breadth of the country. In addition, the constant endeavor of streamlining our operations continued with prepaid migration done across 134 locations and ~1.2 million customers bought under its ambit as of August 2017. The Company also focused on up selling to our customers and we now have a base of 2.2 lakhs HD subscribers as of 30th June 2017. At the same time, we continued with our strategy of geographic expansion in contiguous territories and expanded our cable universe to 13.2 million .

Digitization was delayed again due to multiple petitions from various parties and extension of Phase 3 & 4 deadlines by the Central Government. This impacted the current year performance in terms of seeding and improvement of monetization levels; having said that, Phase 3 digitization is nearly over and we are looking to completely digitize our remaining analog subscriber base by the end of this fiscal year.

On the regulatory front, we have implemented GST across all our locations and we expect it to improve compliance and transparency in the industry, especially at the ground level. The subsuming of entertainment tax will ensure rationalization and make Cable more affordable as a medium of entertainment to the common man. The Tariff Order is expected to come into force later this fiscal and we expect it to offer the customer true choice, streamline the value chain and fuel growth for the Industry. SITI has aligned its systems and process to ensure seamless execution of the tariff order. This will also ensure that content cost growth is moderated for the industry and is a direct function of what is in demand with the end customer. You will be happy to know that SITI bolstered its content with multiple tie-ups and now has a portfolio of 130+ local channels on a Pan India basis. This will ensure a rich and bespoke viewing experience for all customers

We are working closely with our business associates to support them to adjust to the changing regulation & technologies, offer more bespoke choices to the customer and improve ARPUs. We have signed deals with leading content providers to ensure the best of content for our subscribers.

With respect to the end consumer, the company is undertaking various initiatives such as consumer panels and other methods to precisely gauge the response on marketing initiatives, product plans, new product launch, marketing communications and collaterals to develop deeper understanding of usage, perceptual and preferences on our businesses. This will enable us to serve the customer better and fine tune our service offerings.

In broadband, your Company increased the customer base to 2,40,000 subscribers, primarily in Delhi, Greater Noida, Kolkata, Hissar, Karnal and Rohtak as of 30th June 2017. The focus was on improving customer experience and providing more value to the customer as we moved from a pure play DOCSIS network to a Hybrid network. In the near future, we plan to selectively deploy FTTH networks as well. You will be happy to know that the Company has managed to scale up steadily along with improved customer satisfaction levels. The Company is looking to expand selectively this year with multiple roll-outs.

Your Company continues to ensure compliance to the changing regulatory landscape, whether it is the matter of LCO agreements, Quality of Service Norms and others, we have always stressed on doing business in a systematic manner and ensure healthy development of the Industry. In this context, the All India Digital Cable Federation (AIDCF), of which SITI Networks is a founding member, continued to interact with the Ministry of Information & Broadcasting, TRAI and other Government authorities for redressal of the issues concerning the Industry. AIDCF is also working with other Industry bodies such as IBF, CII, FICCI, and ASSOCHAM to ensure close co-ordination and well considered policy recommendations.

DIRECTORS' REPORT

Your Company continues to up skill the workforce in new processes as well as refresh the workforce by bringing in new talent from within the Group as well as other customer facing industries which is in line with our focus to make it a profitable entity. The Company sees this as significantly improving execution with the taking up of new approaches and redesigning the supply chain This would also make the organization more flexible. The Company refined its processes to allow effective decision making and execution, balancing this with adequate checks.

In financial terms, FY2016-17 was a year of tenacious execution under trying circumstances for your Company. Your Company's consolidated revenue grew by 18% to ₹ 1,204 Crores; Subscription revenue grew strongly by 39% YoY, Carriage revenue grew by 17% YoY and broadband revenue grew by 100% YoY as Management continued the transition to a digital services provider and expanded presence in high growth services.

Consolidated EBITDA, including activation was at ₹ 2,287 million with margins at 19%. Delay in implementation of Phase 3 digitization due to litigation resulted in lower than planned seeding of boxes and monetization, wherever boxes were seeded in phase 3, whereas the costs pertaining to Phase 3 of digitization were incurred throughout the year. As a result, the operating profit declined during the current fiscal, which is likely to improve strongly as the digitization of Phase 3 is now complete. SITI has started the new fiscal on a strong note and seeded 1.6 million Boxes in Q1 FY2018, strengthening footprint across existing markets and contiguous territories.

The Company received fresh capital infusion of ₹ 150 Crores from Promoter Entities which strengthened the balance sheet and also restated the belief the promoters have in the performance of the company going forward. In FY18, Capital expenditure shall continue to be moderate, as we focus on expansion of Broadband and closure of digitization process in Cable. We expect operating synergies to play out this year leading to an improvement in recurring cash flows and consequently margins as well.

By the end of this year, your Company will be approaching our destination with respect to digitization and will have better presence in the broadband space. Our aim is to provide the consumer the best content in a platform neutral manner and eventually evolve into a responsive customer facing organization.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013, in relation to Annual Financial Statements for the financial year 2016-17, your Directors hereby confirm that:

i. the Financial Statements of the Company comprising of the Balance Sheet as at March 31, 2017 and the Statement of Profit & Loss for the year ended on that date, have been prepared on a going concern basis;

ii. during the financial year ended on March 31, 2017, the Company has for the first time adopted Indian Accounting Standards (Ind-AS) as per Section 133 of the Companies Act, 2013 and accordingly the Annual Financial Statements for the financial year ended on March 31, 2017 and comparative thereof for the financial year ended on March 31, 2016, have been prepared as per Ind-AS as against Indian Generally Accepted Accounting Principles (I-GAAP) followed in the earlier years and proper explanation(s) along with reconciliation have been provided in relation to material departures;

iii. accounting policies selected were applied consistently and the judgments and estimates related to the financial statements have been made on a prudent and reasonable basis, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit/loss of the Company for the year ended on that date;

iv. proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act, to safeguard the assets of the Company and for preventing and detecting fraud and other irregularities;

v. requisite internal financial controls were laid down and that such financial controls are adequate and operating effectively; and

vi. proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Your Board currently comprises of six (6) Directors including four (4) Independent Directors, one (1) Non-Executive Director and one (1) Executive Director.

Mr. Sandeep Khurana, Non-Executive Director is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, has offered himself for re-appointment. Your Directors recommend his re-appointment.

During the period under review Mr. Sanjay Berry, who was appointed as Chief Financial Officer of the Company with effect from December 15, 2017, has resigned with effect from close of business on April 28, 2017. Mr. V. D. Wadhwa has resigned from the Office of Executive Director and Chief Executive Officer of the Company with effect from June 5, 2017. Mr. Rajesh Sethi, has been re-designated as Chief Business Transformation Officer with effect from July 14, 2017.

During the year under review, your Board had, based on recommendations of Nomination & Remuneration Committee, appointed Mr. Sidharth Balakrishna as an Additional Director, in the category of Whole-Time Director for a period of three (3) years with effect from July 14, 2017 and in terms of Section 161 of the Companies Act, 2013, Mr. Sidharth Balakrishna holds office upto the ensuing Annual General Meeting. The Company has received a notice from a Member along with requisite deposit proposing appointment of Mr. Sidharth Balakrishna as a Director and requisite proposals seeking your approval for his appointment as a Director and also his appointment and payment of remuneration as Whole-Time Director of the Company for a period of 3 years with effect from July 14, 2017, forms part of Notice of ensuing Annual General Meeting.

In compliance with the requirements of Section 203 of the Companies Act, 2013, Mr. Sidharth Balakrishna, Whole-Time Director and Mr.Suresh Kumar, Company Secretary of the Company are classified as Key Managerial Personnel of the Company.

A brief resume of the Directors proposed to be appointed/ reappointed, the nature of his expertise in specific functional areas, names of companies in which he has held directorships, committee memberships/ chairmanships, their shareholding etc., are furnished in the Corporate Governance Report.

Pursuant to the provisions under Section 134(3)(d) of the Companies Act, 2013, with respect to statement on declaration given by Independent Directors under Section 149(6) of the Act, the Board hereby confirms that all the Independent Directors of the Company have given a declaration and have confirmed that they meet the criteria of independence as provided in the said Section 149(6) read with Regulation 16 of Securities and Exchange Board of Indian (Listing Obligations and Disclosures Requirements) Regulations 2015 (SEBI Listing Regulations).

BOARD AND COMMITTEE MEETINGS

The Board met six times during the financial year, the details of which are given in the Corporate Governance Report that forms part of the Annual Report.

In compliance with the requirements of Companies Act, 2013 and Listing Agreements/ SEBI Listing Regulations, your Board had constituted various Board Committees including Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. Details of the constitution of these Committees, which are in accordance with regulatory requirements, have been uploaded on the website of the Company viz. www.sitinetworks.com.

Details of scope, constitution, terms of reference, number of meetings held during the year under review along with attendance of Committee Members therein form part of the Corporate Governance Report annexed to this report.

BOARD EVALUATION

In a separate meeting of Independent Directors, performance of non-independent Directors and performance of the Board as a whole was evaluated. Based on such report of the meeting of Independent Directors and taking into account the views of Executive Director and Non-Executive Director the Board had evaluated its performance on various parameters such as Board composition and structure, effectiveness of Board processes, effectiveness of flow of information, contributions from each Directors etc.

AUDITORS

Statutory Auditors

Pursuant to Section 139 of the Companies Act, 2013 and the Rules made thereunder, the current Statutory Auditors of the Company, Walker Chandiok & Co. LLP, Chartered Accountants, having Firm Registration No. 001076N/N500013, were appointed by the members at 9th Annual General Meeting of the Company to hold office until the conclusion of the 14th Annual General Meeting scheduled to be held in year 2020, subject to ratification at every Annual General Meeting.

The Members are requested to ratify the appointment of Walker Chandiok & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company and to fix their remuneration.

Secretarial Auditors

M/s Amit Agrawal & Associates, Company Secretaries in Whole Time Practice, having Firm Registration No. I2001DE191600, were appointed as Secretarial Auditors of the Company for the financial year 2016-17 pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by them in the prescribed form MR-3 is annexed to this report as Annexure – I and forms part thereof.

The reports of Statutory Auditor and Secretarial Auditor forming part of this Annual Report do not contain any qualification, reservation or adverse remark(s). During the year the Statutory Auditors had not reported any matter under Section 143(12) of the Act, and as such no detail is required to be furnished under Section 134(3) (ca) of the Act.

Cost Auditor

In Compliance with the requirements of Section 148 of the Companies Act, 2013, read with Companies (Cost Records and Audit) Rules, 2014, as amended, M/s Jitender, Navneet and Co., Cost Accountants, having Firm Registration No. 000119, were appointed to carry out Audit of the Cost Accounting Records of the Company during Financial Year 2016-17. Requisite proposal seeking confirmation of remuneration payable to the Cost Auditor for Financial Year 2016-17 by the Members as per Rule 14 of the Companies (Audit and Auditors) Rules, 2014, forms part of the Notice of ensuing Annual General Meeting.

SUBSIDIARIES

During the year under review, there is no change in subsidiary companies of the Company. Accordingly, your Company continues to have 25 subsidiary companies.

Your Company has prepared the Consolidated Financial Statements in accordance with the Section 129(3) of the Companies Act, 2013 read with AS21 (Consolidated Financial Statements), Accounting Standard AS23 (Accounting for Investments in Associates) and AS27 (Financial Reporting of Interests in Joint Ventures).

Further, in compliance with Section 129 of the Act, a statement containing requisite details including financial highlights of the operation of all the subsidiaries in Form AOC-I is annexed to this report as Annexure – II and forms part thereof.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements including the consolidated financial statements and related information of the Company and audited accounts of each of the subsidiaries are available on the website of the Company www.sitinetworks.com. These documents will also be available for inspection during business hours at the Registered Office of the Company.

DEPOSITS

During the year under review, your Company has not accepted or invited any deposits as defined under Section 2(31) read with Chapter V of the Companies Act, 2013.

DIVIDEND

In view of the losses during the year under review, your Directors have not recommended any dividend either on Equity Shares on Preference Shares for the year under review.

EMPLOYEE STOCK OPTION SCHEME

Your Company had granted 4,663,500 no. of options to eligible persons on September 3, 2015 in terms of Employees Stock Option Scheme (SITI ESOP 2015) adopted pursuant to the approval of the members at the 9th Annual General Meeting of the Company held on August 27, 2015. During the period under review, 2,331,750 no. of options were vested with eligible persons as per SITI ESOP 2015 on September 3, 2016, out of which three (3) eligible persons have exercised 135,000 vested options.

Your Directors confirm that SITI ESOP 2015 is in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014.

The applicable disclosures as stipulated under Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 with regard to Employee Stock Option plan of the Company are available on website www.sitinetworks.com.

PREFERENTIAL ISSUE OF SECURITIES – RECEIPTS AND UTILISATION

Your Company had issued 142,857,142 Warrants and 51,428,571 Optionally Fully Convertible Debentures (OFCDs) {'Warrant(s)' and 'OFCD(s)' collectively referred to as "security(ies)"} to Promoters / Promoter entities on preferential basis on February 19, 2017, at a price of ₹35/- per security (including premium of ₹ 34/- per security). During the financial year 2015-16, as per the terms of the issue, on receipt of subscription money aggregating to ₹ 5,300.00 million and consequent upon conversion and cancellation of 85,714,285 Warrants and 30,800,000 OFCDs, the Company had allotted 116,514,285 Equity Shares of ₹ 1/- each at a premium of ₹ 34 per Equity Shares. During the financial year 2015-16, your Company had utilised an amount aggregating to ₹ 4,209.51 million in accordance with the objectives of the said issue. Further, during the financial year 2016-17, your Company has utilised the balance receipt of ₹ 1,090.49 million in accordance with the objectives of the said issue

During the period under review, on receipt of ₹ 1,500 million, being balance 75% of consideration @ ₹ 26.25 per Warrant in respect of 57,142,857 no. of Warrants allotted to Promoter/Promoter Group entity on preferential basis, the Company has allotted equal no. of Equity Shares as per the terms of the issue. Further during the year under review, your Company has utilised an amount of ₹ 1,022.84 million in accordance with the objectives of the said preferential issue.

In connection with the Special Resolution passed by the Shareholders at the Extra-ordinary General Meeting of the Company held on February 4, 2016, approving Preferential Issue of 142,857,143 Warrants and 51,428,571 OFCDs of the Company to Promoters/Promoter Group entities, the subscription money aggregating to ₹ 1,800.00 million received by the Company towards the OFCDs include capitalisation of Loan of ₹ 802.30 million received by the Company prior to the issuance from the OFCDs Subscriber.

SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on March 31, 2016 has increased to ₹ 872.05 million comprising of 872,053,848 equity shares of ₹ 1/- each, due to allottment of:-

i. 135,000 no. of Equity Shares on February 14, 2017, to three eligible persons consequent upon exercise of options granted under SITI ESOP 2015;

ii. 77,771,428 no. of Equity Shares on February 27, 2017 to Promoter / Promoter Group entities, consequent upon conversion and cancellation of 57,142,857 no. of Warrants and 20,628,571 no. of OFCDs, allotted on preferential basis.

During the year under review, there is no change in Authorised Share Capital of the Company, which is ₹ 13,000.00 million comprising of 1,290,000,000 no. of Equity Shares of ₹ 1/- each and 10,000,000 no. of Preference Shares of ₹ 1/- each.

REGISTERED OFFICE

During the year under review, pursuant to approval granted by the Board of Directors, the Registered office of the Company has been shifted from '135, Continental Building, Dr.Annie Besant Road, Worli, Mumbai – 400018' to 'Madhu Industrial Estate, 4th Floor, P. B Marg, Worli, Mumbai – 400013' with effect from May 25, 2016.

CHANGE OF NAME OF THE COMPANY

During the year under review, the name of the Company has changed from "Siti Cable Network Limited" to "Siti Networks Limited" pursuant to special resolution passed by the members of the Company under Section 13 of the Companies Act, 2013, which was approved by the Registrar of Companies Maharashtra, Mumbai by issuance of Certificate of Incorporation in changed name on August 5, 2016.

REGISTRAR & SHARE TRANSFER AGENT

During the year under review, the members of the Company at the 10th Annual General Meeting held on September 27, 2016, has approved a proposal for maintaining the Register and Index of Members, Register and Index of Debenture holders and other Security holders, etc. and copies of all Annual Returns prepared under Section 92 of the Act at the office of the Registrar & Share Transfer Agent of the Company Link Intime India Pvt Ltd ('RTA') located at C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup West, Mumbai 400 078 (Bhandup office), rather than at the Registered Office of the Company.

Since, RTA has shifted its Bhandup office, requisite proposal seeking members' approval for maintaining Register & Index of members and other security holders and other Registers including Annual Return at the new office of the RTA situated at C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083, forms part of Notice of ensuing Annual General Meeting.

CORPORATE GOVERNANCE & POLICIES

Your Company is in compliance with the Corporate Governance requirements mentioned under SEBI Listing Regulations. In terms of Schedule V of the Listing Regulations, a detailed report on Corporate Governance together with the Compliance Certificate issued by Secretarial Auditor of the Company is attached to this Annual Report. Management's Discussion and Analysis Report and Business Responsibility Report as per Listing Regulations are presented as separate section forming part of the Annual Report. The said Business Responsibility Report will also be available on the Company's website www.sitinetworks.com as part of the Annual Report.

In compliance with the requirements of Companies Act, 2013 and SEBI Listing Regulations, your Board has approved various Policies including Code of Conduct for Directors & Senior Management, Material Subsidiary Policy, Insider Trading Code, Document Preservation Policy, Material Event Determination and Disclosure Policy, Fair Disclosure Policy, Corporate Social Responsibility Policy, Whistle Blower and Vigil Mechanism Policy, Related Party Transaction Policy and Remuneration Policy. All these policies and codes have been uploaded on Company's website www.sitinetworks.com. Additionally, Directors Familiarisation Programme and Terms and Conditions for appointment of Independent Directors can be viewed on Company's website www.sitinetworks.com

In compliance with the requirements of Section 178 of the Companies Act, 2013, the Nomination & Remuneration Committee of your Board had fixed various criteria for nominating a person on the Board which *inter alia* include desired size and composition of the Board, age limits, qualification / experience, areas of expertise and independence of individual. The Committee had also approved in-principle that the initial term of an Independent Director shall not exceed three (3) years.

CORPORATE SOCIAL RESPONSIBILITY

The Company aims to remain essential to the society with its social responsibility, strongly connected with the principle of sustainability. It is responsibility of your Company to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interest of Stakeholders.

The provisions of Section 135(5) of the Companies Act, 2013, which entails spending in every financial year at least two percent of the average net profits of the Company made during the three immediately preceding financial years, is not applicable to the Company as the Company had incurred losses during the three immediately preceding financial years.

DISCLOSURES

i. **Loans, Guarantee or Investments Made by the Company:** Particulars of loans, guarantees and investments made by the Company required under section 186(4) of the Companies Act, 2013 are contained in Note No. 6 to the Standalone Financial Statements and are not reproduced for the sake of brevity.

ii. **Related Parties Transactions:** None of the transactions with related parties fall under the scope of Section 188(1) of the Act. Information on material transactions with related parties pursuant to Section 134(3)(h) of the Act, read with rule 8(2) of the Companies (Accounts) Rules, 2014, in form AOC-2 is annexed to this report as Annexure – III and forms part thereof.

iii. **Extract of Annual Return:** The extract of annual return in MGT -9 as required under Section 92(3) of the Act read with Companies (Management & Administration) Rules, 2014 is annexed to this report as Annexure –IV and forms part thereof.

iv. **Internal Financial Control systems and their adequacy:** Your Company has approved internal financial controls and policies/procedures for orderly and efficient conduct of the business including safeguarding of assets, prevention and detection of frauds and errors, ensuring accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The Audit Committee evaluates the internal financial control system periodically.

v. **Vigil Mechanisms/ Whistle Blower Policy:** The Company has established a vigil mechanism/framed a whistle blower policy. The policy enables the employees and other stakeholders to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

vi. **Sexual Harassment:** The Company has zero tolerance for Sexual Harassment at workplace and has adopted a Policy on prevention of Sexual Harassment in line with the provisions of Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.

During the year under review, your Company has not received any complaint on sexual harassment.

vii. **Regulatory Orders:** No significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company is a Multi System Operator (MSO) and is carrying on business of, *inter alia*, reception of signals of channels of various Broadcasters and distribution of same through cable networks. Since this does not involve any manufacturing activity, most of the Information required to be provided under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, are nil / not applicable.

Conservation of Energy:		
i.	The steps taken or impact or conservation of energy	Your Company, being a service provider, has minimal energy consumption though every endeavour is made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible.
ii.	The steps taken by the Company for utilizing alternate sources of energy	
iii.	The capital investment on energy conservation equipments	

Technology Absorption:		
i.	The efforts made towards technology absorption	Your Company uses latest technology and equipment for distribution of Cable TV signals. However since the Company is not engaged in any manufacturing, the information in connection with technology absorption is Nil.
ii.	The benefits derived like product improvement, cost reduction, product development or import substitution	
iii.	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
	a. the details of technology imported	
	b. the year of import;	
	c. whether the technology been fully absorbed	
	d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
iv.	The expenditure incurred on Research and Development	

Foreign Exchange Earnings and Outgo:

During the year under review, your Company had foreign exchange earnings of ₹ 26.94 million and outgo of ₹ 2,973.89 million.

HUMAN RESOURCES

Human Resources at SITI Networks is a business partner playing an integral role in achieving the organizational goals and enabling seamless and resourceful execution of organization strategy. At SITI Networks people have always been our strongest assets. We focus on selecting the right talent - who fit into our culture and bring on board the right skill and attitude in sync with our organizational vision. Cross pollination is ensured through engaging professionals from different verticals and industries. Campus connect ensures inclusion of fresh talent from some of the best B Schools and Engineering colleges. Training & Development is of vital importance to the organization for growing people through internal & external learning platforms. A strong performance management system allows for continuous feedback dialogue and a robust review mechanism. Our rewards & recognition programs encourage innovation & ideation giving an impetus to high performance.

Human Resources continues to evolve & adapt best in people practices and processes to fully support business growth and ensure agility towards being a customer responsive business.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is attached as Annexure - V which forms part of this report.

ACKNOWLEDGEMENTS

Your Directors place on record their sincere appreciation of the contribution made by the employees at all levels. Your Directors also express their heartfelt gratitude for valuable support and cooperation extended by various Governmental Authorities including Ministry of Information and Broadcasting, Ministry of Communication and Information Technology, Telecom and Regulatory Authority of India, Stock Exchanges, Depositories and other stakeholders including local cable operators, bankers, financial institutions, viewers, broadcasters, vendors. The Directors look forward to their continued support.

For and on behalf of the Board

Sidharth Balakrishna
Whole-Time Director
DIN 07868948

B. K. Syngal
Independent Director
DIN 00002395

Place : Noida

Date : July 14, 2017

ANNEXURE – I

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Siti Networks Limited
(Formerly Known as SITI Cable Network Limited)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Siti Networks Limited.** (Hereinafter called the Company) having its registered office at 4th Floor, Madhu Industrial Estate, Pandurang Budhkar Marg, Worli, Mumbai, Maharashtra-400013. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **Siti Networks Limited** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2017** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Siti Networks Limited** for the financial year ended on 31st March, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

(g) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) Applicable Secretarial Standards issued by the Institute of Company Secretaries of India;

(vii) The Listing Agreements entered into by the Company with Stock Exchange(s)

(viii) Other laws:

ANNEXURE – I

1. Labour Laws:

Central Act:

a) ESI Act

b) EPF Act

Fiscal Laws:

a) Income Tax Act and Rules and regulation made there under to the extent filing of the Return under the Act;

b) Service Tax Act

c) Indian Stamp Act to the extent applicable to the issue of Securities under the Companies Act, 2013.

d) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of foreign direct investment.

2. Industry Specific Laws:

a) The Telecom Regulatory Authority of India Act, 1997 and Regulations made thereunder

b) The Cable Television Network (Regulation) Act, 1995 and rules framed thereunder.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(iii) The Listing Agreements entered into by the Company with the National Stock Exchange Limited and BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through unanimously while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as per annexure.

We further report that during the audit period the Company has provided details of specific events /actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Amit Aggarwal and Associates

Place: Delhi FCS No. : F5311

Date: 19.05.2017 C P No. : 3647

ANNEXURE – II

Statement containing salient features of the financial statement of subsidiaries/ associates companies/ joint ventures

(Pursuant to first proviso to sub- section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

PART "A": SUBSIDIARIES

Name of the Subsidiary	Indian Cable Net Company Ltd.	Master Channel Community Network Pvt. Ltd.[1]	Siti Vision Digital Media Pvt. Ltd.	Siti Bhatia Network Entertainment Pvt. Ltd.	Siti Maurya Cable Net Pvt. Ltd.[2]	Siti Jai Maa Durgee Communications Pvt.Ltd.	Siti Guntur Digital Network Pvt. Ltd.	Siti Krishna Digital Media Pvt. Ltd.	Siti Faction Digital Pvt. Ltd.
Reporting Period	April 1, 2016 March 31, 2017	April 1, 2016 March 31, 2017	April 1, 2016 March 31, 2017	April 1, 2016 March 31, 2017	April 1, 2016 March 31, 2017	April 1, 2016 March 31, 2017	April 1, 2016 March 31, 2017	April 1, 2016 March 31, 2017	April 1, 2016 March 31, 2017
Reporting Currency	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million
Share Capital	864.01	0.50	14.78	0.20	90.28	0.10	0.10	0.10	0.10
Reserve & Surplus	2,699.97	39.18	(178.09)	(45.29)	123.72	(72.23)	18.23	2.45	(13.03)
Total Asset	7,399.96	607.97	678.64	112.25	746.85	21.46	94.49	41.10	189.94
Total Liabilities	3,836.0	568.29	841.96	157.35	532.85	93.59	76.15	38.55	202.86
Investments	117.90	0.00	0.00	8.42	0.00	0.00	0.00	0.00	0.00
Turnover	2,666.02	357.46	295.39	29.53	464.65	1.56	28.02	28.65	44.77
Profit before taxation	211.16	5.20	(49.07)	(15.71)	27.39	(7.74)	(0.38)	1.74	(2.74)
Provision for taxation	121.27	3.63	0.00	0.00	3.12	0.00	0.02	0.00	(1.48)
Profit after taxation	89.88	1.57	(49.07)	(15.71)	24.27	(7.74)	(0.39)	1.74	(1.26)
Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
% of shareholding	60.02	66.00	51.00	51.00	50.10	51.00	74.00	51.00	51.00

[1]Subsidiary of Central Bombay Cable Network Limited

[2]Subsidiary of Indian Cable Net Company Limited

Name of the Subsidiary	Siti Global Pvt. Ltd.	Siti Siri Digital Network Pvt. Ltd.[3]	Siti Karnal Digital Media Network Pvt. Ltd.	Siti Broadband Services Pvt. Ltd.	Siti Jind Digital Media Communications Pvt. Ltd.	Siti Jony Digital Cable Network Pvt. Ltd.	Central Bombay Cable Network Ltd.	Wire and Wireless Tisai Satellite Ltd.	Siticable Broadband South Ltd.
Reporting Period	April 1, 2016 March 31, 2017	April 1, 2016 March 31, 2017	April 1, 2016 March 31, 2017	April 1, 2016 March 31, 2017	April 1, 2016 March 31, 2017	April 1, 2016 March 31, 2017	April 1, 2016 March 31, 2017	April 1, 2016 March 31, 2017	April 1, 2016 March 31, 2017
Reporting Currency	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million
Share Capital	0.10	0.10	0.10	0.10	2.00	0.10	0.50	0.50	2.33
Reserve & Surplus	(6.90)	(75.95)	(20.52)	(34.44)	(8.78)	(1.10)	(16.60)	(98.87)	(18.63)
Total Asset	60.37	1,376.72	190.89	347.70	115.32	15.63	372.93	10.13	85.68
Total Liabilities	67.17	1,452.57	211.31	382.05	122.10	16.63	389.02	108.50	101.99
Investments	0.00	0.00	0.00	0.00	0.00	0.00	0.39	0.00	3.50
Turnover	22.55	444.50	124.50	525.27	50.16	5.22	0.02	0.00	0.00
Profit before taxation	(0.03)	(15.07)	14.35	(36.87)	(1.15)	(0.05)	(0.06)	(2.22)	(4.71)
Provision for taxation	(0.25)	8.83	(4.67)	2.06	0.31	(0.08)	0.00	0.00	0.00
Profit after taxation	0.22	(23.90)	19.02	(38.93)	(1.47)	0.04	(0.06)	(2.22)	(4.71)
Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
% of shareholding	51.00	51.00	51.00	100.00	57.50[4]	51.00	100.00	51.00	100.00

[3]Formerly known as 'Siri Digital Network Private Limited'.

[4] Include 6.50% held by Siticable Broadband South Limited.

Name of the Subsidiary	Indinet Service Private Limited[5]	Siti Prime Uttaranchal Communication Private Limited	Siti Sagar Digital Cable Network Private Limited[6]	Siti Saistar Digital Media Private Limited[7]	Siti Godaari Digital Services Private Limited[8]	Variety Entertainment Private Limited	Axom Communications & Cable Private Limited[9]
Reporting Period	April 1, 2016	April 1, 2016	April 1, 2016	April 1, 2016	April 1, 2016	April 1, 2016	April 1, 2016
	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017
Reporting Currency	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million
Share Capital	0.10	0.20	0.10	0.10	0.10	0.10	2.50
Reserve & Surplus	0.64	18.69	(4.93)	8.39	1.04	(18.64)	131.19
Total Asset	115.61	149.24	77.23	610.50	150.42	328.83	719.59
Total Liabilities	114.87	130.35	82.06	602.01	149.29	347.37	585.90
Investments	0.00	0.00	0.00	0.00	0.00	45.04	0.00
Turnover	447.06	68.31	17.33	235.20	28.36	3.91	354.37
Profit before taxation	1.05	(4.40)	(0.00)	45.70	(0.91)	0.11	141.55
Provision for taxation	0.32	(4.55)	(1.08)	13.94	0.50	(2.04)	50.20
Profit after taxation	0.72	0.15	1.07	31.77	(1.41)	2.15	91.35
Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00
% of shareholding	100.00	51.00	51.00	51.00	51.00	100.00	50.00

[5]Wholly owned subsidiary of Indian Cable Net Company Limited

[6]Formerly known as 'Panchsheel Digital Communication Network Private Limited'

[7]Formerly known as 'Saistar Digital Media Private Limited'

[8]Formerly known as 'Bargachh Digital Communication Network Private Limited'

[9]Subsidiary of Indian Cable Net Company Limited

PART "B" ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/ Joint Ventures	Siti Chhattisgarh Multimedia Private Limited	Voice Snap Services Private Limited	C&S Medianet Private Limited
Latest Audited Balance Sheet date	*-	May 11, 2017	May 25, 2017
Share of Associate/ Joint Ventures held by the Company on the year end			
• No.	*123,000	**6,667	4,800
• Amount of Investment in Associates/ Joint Ventures	1,230,000	47,802.00	48,000
• Extend of Holding %	*41%	**32.34%	48%
Description of How there is significant influence	Control of more than 20% of the total Share Capital through its subsidiary Bhatia Network Entertainment Private Limited	Control of more than 20% of the Total Share Capital through its subsidiary company Variety Entertainment Private Limited	Control of more than 20% of the total Share Capital.
Reason why the associate/ joint venture is not consolidated	There is complete deadlock in Board and the matter is pending before National Company Law Tribunal, Western Bench u/s 397&398 of the Companies Act, 1956	-	-
Networth attributable to shareholding as per latest audited Balance Sheet	-		-
Profit/ Loss for the Year	-	-	-
i. Considered in Consolidation (₹ in million)	0.00	2.04	0.00
ii. Not Considered in Consolidation	0.00	0.00	0.00

* Held through Siti Bhatia Network Entertainment Private Limited
** Held through Variety Entertainment Private Limited

ANNEXURE –III

PARTICULARS OF RELATED PARTY TRANSACTIONS
FORM NO. AOC-2

{Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014}

Form for disclosures of particulars of contracts/ arrangement entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

1. DETAILS OF CONTRACTS OR ARRANGEMENT OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS:

Your Company has not entered into any contract/ arrangement /transaction with its related parties which is not in ordinary course of business or not at arm's length basis during the financial year 2016-17.

2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS:

(a) Name(s) of the related party and nature of relationship :

Sl.No.	Name(s) of the related party	Nature of relationship
1.	Arrow Media & Broadband Private Limited	Promoters / Promoter Group entities
2.	Digital Satellite Media & Broadband Private Limited	

(b) Nature of contracts/arrangement/ transactions:

(i) On receipt of ₹ 1500 million, being balance 75% of consideration @ ₹ 26.25 per Warrant in respect of 57,142,857 no. of Warrants allotted to Arrow Media & Broadband Private Limited on preferential basis, the Company has allotted equal no. of Equity Share of ₹ 1/- each at a premium of ₹ 34/- per Equity Shares, as per the terms of the issue.

(ii) The Company has allotted 20,628,571 no. of Equity Shares of ₹ 1/- each at a premium of ₹ 34/- per Equity Share to Digital Satellite Media & Broadband Private Limited, consequent upon conversion and cancellation of equal no. of OFCDs allotted on preferential basis as per the terms of issue and allotment.

(c) Duration of the contracts/arrangements/ transactions: Not Applicable

(d) Salient terms of the contracts/arrangement/ transactions:

The aforesaid Equity Shares allotted to Promoters / Promoter Group entities at an issue price of ₹ 35/- (including premium of ₹ 34/-) per Equity Share in accordance with terms of the issue and Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 read with Sections 42, 62 and other applicable provision of the Companies Act, 2013 and rules made hereunder.

(e) Date(s) of approval by the Board, if any:

The Board has given its approval on January 5, 2016 and the Board Constituted Allotment Committee has allotted 77,771,428 no. of Equity Shares on February 27, 2017 consequent upon conversion and cancellation of 57,142,857 no. of Warrants and 20,628,571 no. of OFCDs, allotted on preferential basis.

(f) Amount paid as advances, if any:

Not Applicable

ANNEXURE - IV

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2017

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT-9

I. REGISTRATION AND OTHER DETAILS

CIN	L64200MH2006PLC160733
Registration Date	March 24, 2006
Name of the Company	Siti Networks Limited (Formerly Known as Siti Cable Network Limited)
Category / Sub-Category of the Company	Company limited by Shares Indian Non –Government Company
Address of the Registered Office and contact details	4th Floor, Madhu Industrial Estate, Pandurang Budhkar Marg, Worli, Mumbai 400013, Ph No. .: +91-(022) 43605555
Whether listed company	Yes
Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400 083

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Name and Description of main Products / Services	NIC Code of the Product/ Service	% to total turnover of the Company
Cable TV Services	61103	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Siti Vision Digital Media Private Limited B-10, Lawrence Road, Industrial Area, New Delhi - 110035	U64201DL2006PTC149333	Subsidiary	51.00	2(87)
2	Siti Jind Digital Media Communications Private Limited B-10, Lawrence Road, Industrial Area, New Delhi - 110035	U72200DL2010PTC210107	Subsidiary	57.50[10]	2(87)
3	Siti Jai Maa Durgee Communications Private Limited B-10, Lawrence Road, Industrial Area, New Delhi – 110035	U64200DL2011PTC224429	Subsidiary	51.00	2(87)
4	Siti Bhatia Network Entertainment Private Limited Near Bank Of India, Dayalband, Bilaspur, Chhattisgarh - 495001.	U92100CT2010PTC021657	Subsidiary	51.00	2(87)
5	Siti Krishna Digital Media Private Limited G-366, Preet Vihar, Delhi - 110092.	U74140DL2011PTC220702	Subsidiary	51.00	2(87)
6	Siti Guntur Digital Network Private Limited B-10, Lawrence Road, Industrial Area, New Delhi - 110 035	U64204DL2012PTC240121	Subsidiary	74.00	2(87)

[10]Include 6.50% held by Siticable Broadband South Limited

S. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
7	Siti Jony Digital Cable Network Private Limited B-10, Lawrence Road, Industrial Area, New Delhi - 110 035	U64204DL2012PTC242214	Subsidiary	51.00	2(87)
8	Siti Faction Digital Private Limited B-10, Lawrence Road, Industrial Area, New Delhi - 110 035	U64200DL2012PTC244184	Subsidiary	51.00	2(87)
9	Siti Maurya Cable Net Private Limited J-1/15, Block EP, 4th Floor, Sector-V, Electronics Complex , Kolkata -700091	U93000WB2012PTC184542	Subsidiary	50.10[11]	2(87)
10	Master Channel Community Network Private Limited Flat No: T4 & T5, 3rd Floor Vijaya Apartments, Mogulrajpuram, Vijayawada, Andhra Pradesh 520010	U72200AP1994PTC017527	Subsidiary	66.00[12]	2(87)
11	Siti Global Private Limited B-10, Lawrence Road, Industrial Area, New Delhi - 110 035	U64200DL2014PTC264632	Subsidiary	51.00	2(87)
12	Wire And Wireless Tisai Satellite Limited Madhu Industrial Estate, 4th Floor, Pandurang, Budhkar Marg, Worli, Mumbai-400013	U72400MH2007PLC171233	Subsidiary	51.00	2(87)
13	Central Bombay Cable Network Limited B-10, Lawrence Road, Industrial Area, New Delhi - 110 035	U72100DL1999PLC102012	Subsidiary	100.00	2(87)
14	Siticable Broadband South Limited United Mansions, 3rd Floor, No.39, M.G. Road, Bangalore, Karnataka – 560001	U64202KA2001PLC028970	Subsidiary	100.00	2(87)
15	Siti Broadband Services Private Limited B-10, Lawrence Road, Industrial Area, New Delhi - 110 035	U64100DL2014PTC267911	Subsidiary	100.00	2(87)
16	Indian Cable Net Company Limited J-1/15, Block EP, 4th Floor, Sector-V, Electronics Complex , Kolkata -700091	U92132WB1995PLC075754	Subsidiary	60.02	2(87)
17	Siti Karnal Digital Media Network Private Limited B-10, Lawrence Road, Industrial Area, New Delhi - 110 035	U64200DL2014PTC269230	Subsidiary	51.00	2(87)
18	Siti Siri Digital Network Private Limited[13] 32.2/1-1A,Ratnamamba Street, Mogalrajpuram Vijayawada, Andhra Pradesh-520010	U93000AP2013PTC088687	Subsidiary	51.00	2(87)

[11]Subsidiary of Indian Cable Net Company Limited.
[12]Subsidiary of Central Bombay Cable Network Limited.
[13]Formerly known as 'Siri Digital Network Private Limited'.

ANNEXURE - IV

S. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
19	Indinet Service Private Limited J-1/15, Block-EP, Salt Lake Electronic Complex Sector-V, Salt Lake City Kolkata -700091	U74900WB2015PTC207490	Subsidiary	100.00[14]	2(87)
20	Siti Prime Uttaranchal Communication Private Limited B-10, Lawrence Road, Industrial Area, New Delhi - 110 035	U64200DL2014PTC269035	Subsidiary	51.00	2(87)
21	Siti Sagar Digital Cable Network Private Limited[15] B-10, Lawrence Road, Industrial Area, New Delhi - 110 035	U64203DL2014PTC269185	Subsidiary	51.00	2(87)
22	Siti Godaari Digital Services Private Limited[16] B-10, Lawrence Road, Industrial Area, New Delhi - 110 035	U64200DL2015PTC280428	Subsidiary	51.00	2(87)
23	Variety Entertainment Private Limited Door no. 5-10-95, Margadarsihouse Opp. Police Control Room, Nampally, Hyderabad 500 004	U92132TG1998PTC029754	Subsidiary	100.00	2(87)
24	Siti Saistar Digital Media Private Limited[17] 1,2,3/J Classic Apartment Opp. Akota Garden, Radha Krishna Circle, Akota, Vadodara, Gujarat- 390015.	U64204GJ2013PTC073773	Subsidiary	51.00	2(87)
25	Axom Communications & Cable Private Limited Surya Tower, 5th Floor, B. Baruah Road, Guwahati - 781007	U64204AS2011PTC010716	Subsidiary	50.00	2(87)
26	Siti Chhattisgarh Multimedia Private Limited 74-A, Near Gayatri Mandir C.S.E.B. Chowk, T.P. Nagar Korba, Chhattisgarh - 495677	U72900CT2008PTC020772	Associate	41.00[18]	2(6)
27	Voice Snap Services Private Limited No. 2/7 Rajambal Street T Nagar, Chennai, Tamil Nadu 600017	U72900TN2012PTC087975	Associate	32.34[19]	2(6)
28	C & S Medianet Private Limited B-10 Lawrence Road, Industrial Area, New Delhi - 110035	U74999DL2016PTC299125	Associate	48.00%	2(6)

[14]Subsidiary of Indian Cable Net Company Limited
[15]Formerly known as 'Panchsheel Digital Communication Network Private Limited'
[16]Formerly known as 'Bargachh Digital Communication Network Private Limited'
[17]Formerly known as 'Saistar Digital Media Private Limited'
[18]Held through Siti Bhatia Network Entertainment Private Limited
[19]Held through Variety Entertainment Private Limited

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equ

(i) Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year			
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
A. Promoters								
(1) **Indian**								
(a) Individual/HUF	1021000	0	1021000	0.13	1021000	0	1021000	0.12
(b) Central Govt	0	0	0	0.00	0	0	0	0.00
(c) State Govt (s)	0	0	0	0.00	0	0	0	0.00
(d) Bodies Corp.	378554712	0	378554712	47.67	517664557	0	517664557	59.36
(e) Banks / FI	0	0	0	0.00	0	0	0	0.00
(f) Any Other....	0	0	0	0.00	0	0	0	0.00
Sub-total (A) (1):	**379575712**	**0**	**379575712**	**47.80**	**518685557**	**0**	**518685557**	**59.48**
(2) **Foreign**								
(a) NRIs -Individuals	0	0	0	0.00	0	0	0	0.00
(b) Other–Individuals	0	0	0	0.00	0	0	0	0.00
(c) Bodies Corporates	184181000	0	184181000	23.19	122842583		122842583	14.09
(d) Banks / FI	0	0	0	0.00	0	0	0	0.00
(e) Any Other....	0	0	0	0.00	0	0	0	0.00
SUB-TOTAL (A) (2):	**184181000**	**0**	**184181000**	**23.19**	**122842583**		**122842583**	**14.09**
Total Shareholding Of Promoter (A) = (A)(1)+(A)(2)	**563756712**	**0**	**563756712**	**70.99**	**641528140**	**0**	**641528140**	**73.57**
B. Public Shareholding								
1. **Institutions**								
(a) Mutual Funds	49310936	500	49311436	6.21	47952645	500	47953145	5.50
(b) Banks / FI	130969	0	130969	0.02	149190	0	149190	0.02
(c) Central Govt	0	0	0	0.00	0	0	0	0.00
(d) State Govt(s)	0	0	0	0.00	0	0	0	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00
(f) Insurance Companies	4001	0	4001	0.00	0	0	0	0.00
(g) FIIs	104030992	5500	104036492	13.10	109245719	5500	109251219	12.53
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00
(i) Others (specify)	0	0	0	0.00	0	0	0	0.00
Sub-total (B)(1):	**153476898**	**6000**	**153482898**	**19.33**	**157347554**	**6000**	**157353554**	**18.05**
2. **Non-Institutions**								
(a) Bodies Corporate	16681787	4972	16686759	2.10	18548176	0	18548176	2.13
(b) Individuals								
(i) Individual shareholders holding nominal share capital up to ₹ 2 lakhs.	42598843	189210	42788053	5.39	38402626	185344	38587970	4.42

ANNEXURE - IV

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year			
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
(ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs.	11205633	0	11205633	1.41	8277661	0	8277661	0.95
(c) Others (specify) Foreign Bodies	1	0	1	0.00	1	0	1	0.00
NRI	5954814	194702	6149516	0.77	5683881	192202	5876083	0.67
Overseas Corporate Bodies	75	0	75	0.00	75	0	75	0.00
Trust	77773	0	77773	0.01	4002	0	4002	0.00
Foreign National	0	0	0	0.00	300	0	300	0.00
Clearing Members	0	0	0	0.00	1877886	0.00	1877886	0.22
sub-total (b)(2):	**76518926**	**388884**	**76907810**	**9.68**	**72794608**	**377546**	**73172154**	**7.99**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**229995824**	**394884**	**230390708**	**29.01**	**230142162**	**383546**	**230525708**	**26.04**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**
Grand Total (A+B+C)	**793752536**	**394884**	**794147420**	**100.00**	**871670302**	**383546**	**872053848**	**100.00**

(ii) Shareholding of Promoters

Sl. No.	Shareholder Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares held	No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares held	% change in shareholding during the year
1	Direct Media Solutions Private Ltd (Now known as Direct Media Solutions LLP)	140000000	17.63	53.95	121000000	13.87	22.77	-3.76
2	Essel Media Ventures Limited	116431000	14.66	0.00	75828755	8.70	0.00	-5.96
3	Essel International Limited	67750000	8.53	0.00	47013828	5.39	0.00	-3.14
4	Digital Satellite Holdings Private Limited	71369898	8.99	91.93	71369898	8.18	100.00	-0.81
5	Bioscope Cinemas Private Limited	50670529	6.38	59.03	112008946	12.84	80.13	6.46
6	Ashok Mathai Kurien	1021000	0.13	0.00	1021000	0.12	0.00	-0.01
7	Direct Media and Cable Private Limited	85714285	10.79	100.00	85714285	9.83	100.00	-0.96
8	Digital Satellite Media & Broadband Private Limited	30800000	3.88	0.00	51428571	5.90	59.89	2.02
9	Arrow Media and Broadband Private Ltd	0	0.00	0.00	57142857	6.55	0.00	6.55
10	Manaaska Fashions LLP	0	0.00	0.00	19000000	2.18	0.00	2.18
	Total	**563756712**	**79.99**	**32.33**	**641528140**	**73.57**	**34.94**	

(iii) Change in Promoter Shareholding:

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the Year	
		Number of Shares	% of total shares of the Company	Number of Shares	% of total shares of the Company
1.	**Arrow Media & Broadband Private Limited**				
	At the beginning of the Year	0	0.00	0	0.00
	27/02/2017 - Allotment *(issued consequent on cancellation and conversion of warrants into equal no. of Equity Shares of ₹ 1/- each)*	57142857	6.55	57142857	6.55
	At the end of the Year	**-**	**-**	**57142857**	**6.55**
2.	**Manaaska Fashions LLP**				
	At the beginning of the Year	0	0.00	0	0
	27/03/2017 -Purchase *(Through inter –se transfer amongst the Promoters)*	19000000	2.18	19000000	2.18
	At the end of the Year	**-**	**-**	**19000000**	**2.18**
3.	**Bioscope Cinemas Private Limited**				
	At the beginning of the Year	50670529	6.38	50670529	6.38
	02/06/2016 - Purchase *(Through inter –se transfer amongst the Promoters)*	5750000	0.72	56420529	7.10
	13/06/2016 - Purchase *(Through inter –se transfer amongst the Promoters)*	16431000	2.07	72851529	9.17
	30/11/2016 - Purchase *(Through inter –se transfer amongst the Promoters)*	10000000	1.26	82851529	10.43
	06/12/2016 - Purchase *(Through inter –se transfer amongst the Promoters)*	4986172	0.63	87837701	11.06
	09/12/2016 - Purchase *(Through inter –se transfer amongst the Promoters)*	10000000	1.26	97837701	12.32
	20/12/2016 - Purchase *(Through inter –se transfer amongst the Promoters)*	14171245	1.78	112008946	14.10
	At the end of the Year	**-**	**-**	**112008946**	**13.63**
4.	**Digital Satellite Media & Broadband Pvt Ltd**				
	At the beginning of the Year	30800000	3.88	30800000	3.88
	27/02/2017 - Allotment *(issued consequent on cancellation and conversion of OFCDs into equal no. of Equity Shares of ₹ 1/- each)*	20628571	5.90	51428571	5.90
	At the end of the Year	**-**	**-**	**51428571**	**5.90**
5.	**Direct Media Solutions LLP (formerly known as Direct Media Solutions Private Limited)**				
	At the beginning of the Year	140000000	16.05	140000000	16.05
	27/03/2017 - Sell *(Through inter –se transfer amongst the Promoters)*	19000000	2.18	121000000	13.88
	At the end of the Year	**-**	**-**	**121000000**	**13.88**
6.	**Essel Media Ventures Limited**				
	At the beginning of the Year	116431000	14.66	116431000	14.66
	13/06/2016 - Sell *(Through inter –se transfer amongst the Promoters)*	16431000	2.07	100000000	12.59

ANNEXURE - IV

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the Year	
		Number of Shares	% of total shares of the Company	Number of Shares	% of total shares of the Company
	09/12/2016 - Sell *(Through inter –se transfer amongst the Promoters)*	10000000	1.26	90000000	11.33
	20/12/2016 - Sell *(Through inter –se transfer amongst the Promoters)*	14171245	1.78	75828755	9.55
	At the end of the Year	-	-	**75828755**	**8.70**
7.	**Essel International Limited**				
	At the beginning of the Year	67750000	8.53	67750000	8.53
	02/06/2016 - Sell *(Through inter –se transfer amongst the Promoters)*	5750000	0.72	62000000	7.81
	30/11/2016 - Sell *(Through inter –se transfer amongst the Promoters)*	10000000	1.26	52000000	6.55
	06/12/2016 - Sell *(Through inter –se transfer amongst the Promoters)*	4986172	0.63	47013828	5.92
	At the end of the Year	-	-	**47013828**	**5.39**

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Particulars	Shareholding at the beginning of the year (April 1, 2016)		Shareholding at the beginning of the year (March 31, 2017)	
	No. of shares	% of Equity Capital	No. of shares	% of Equity Capital
Morgan Stanley Asia (Singapore) PTE.$	35491633	4.47	33469111	3.84
HDFC Trustee Company Limited- HDFC Equity Fund$	32907100	4.14	31907100	3.66
Swiss Finance Corporation (Mauritius) Limited$	12708282	1.60	12708282	1.46
Polus Global Fund$	14949030	1.88	12238456	1.40
DSP Blackrock Micro Cap Fund$	11754575	1.48	11754575	1.35
Citigroup Global Markets Mauritius Private Limited$	7225119	0.91	8620705	0.99
Copthall Mauritius Investment Limited$	6446624	0.81	6446624	0.74
Morgan Stanley Mauritius Company Limited@	-	-	5388198	0.62
Amal N Parikh$	4848162	0.61	4848162	0.55
HDFC Trustee Company Limited - HDFC Tax Saver fund$	4645970	0.59	4290970	0.49
Goldman Sachs (Singapore) PTE#	3586526	0.45	3586526	0.41

Note :

1. The shares of the Company are substantially held in dematerialised form and are traded on a daily basis and hence date wise increase/ decrease in shareholding is not indicated.
2. $ denotes common top 10 shareholders as on April 1, 2016 and March 31, 2017
3. @ denotes top 10 shareholders only as on March 31, 2017
4. # denotes top 10 shareholders only as on April 1, 2016

(v) Shareholding of Directors and Key Managerial Personnel :

Shareholding of Director-

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the Year	
		Number of Shares	% of total shares of the Company	Number of Shares	% of total shares of the Company
1.	**Ms. Kavita Kapahi *(Director)**				
	At the beginning of the Year	50	0.00	50	0.00
	Date wise increase / ~~decrease~~ in Director Shareholding during the year (reason)	0	0.00	50	0.00
	At the end of the Year	**50**	**0.00**	**50**	**0.00**

*Except Ms. Kavita Kapahi, none of the Director holds any share in the Company.

Shareholding of Key Managerial Personnel:- NIL

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the Year	
		Number of Shares	% of total shares of the Company	Number of Shares	% of total shares of the Company
	At the beginning of the Year	0	0.00	0	0.00
	Date wise increase / ~~decrease~~ in Director Shareholding during the year (reason)	0	0.00	0	0.00
	At the end of the Year	**0**	**0.00**	**0**	**0.00**

(vi) Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	10,458.73	-	-	10,458.73
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	22.78	-	-	22.78
Total (i+ii+iii)	**10,481.51**	**-**	**-**	**10,481.51**
Change in Indebtedness during the financial year				
Addition	5,346.27		-	5,346.27
Reduction	(3,608.50)	-	-	(3,608.50)
Net Change	**1,737.77**	**-**	**-**	**1,737.77**
Indebtedness at the end of the financial year				
i) Principal Amount	12,196.50	-	-	12,196.50
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due	18.61	-	-	18.61
Total (i+ii+iii)	**12,215.11**	**-**	**-**	**12,215.11**

ANNEXURE - IV

(vii) Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Executive Director and Manager:

(₹ in million)

Sl. No	Particulars of Remuneration	Mr. V.D. Wadhwa* (Executive Director & CEO)	Total Amount
1	**Gross salary**		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	21.94	21.94
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00
2	**Stock Option	0.00	0.00
3	Sweat Equity	0.00	0.00
4	Commission as % of profit	0.00	0.00
5	Others, please specify	0.00	0.00
	Total (A)	21.94	**21.94**
Overall Ceiling as per the Act	₹13.31 million per annum from April 1, 2016 to September 11, 2016 as per Section 197 read with Schedule V of the Companies Act, 2013. Further, as per Item B of Section II of Part II of Schedule V of the Companies Act, as amended vide notification no.S.O.2922(E) dated September 12, 2017, there is no ceiling on the remuneration of managerial person functioning in a professional capacity.		

*Mr. V.D.Wadhwa resigned from the office of Executive Director and CEO of the Company with effect from June 5, 2017.

**During the financial year 2015-16, the Company has granted 1,500,000 Stock Options under SITI ESOP 2015 to Mr. V.D. Wadhwa. During the financial year 2016-17, 750,000 Stock Options were vested with Mr. V.D.Wadhwa. However, during the financial year 2016-17, he has not exercised any such vested options.

B. Remuneration to other Directors:

(₹ in million)

Sl. No	Particulars of Remuneration	Mr. B. K. Syngal	Mr. Suresh Kumar Agarwal	Mr. Vinod Kumar Bakshi	Ms. Kavita Kapahi	Mr. Sandeep Khurana	Total Amount
1	**Independent Directors**						
	Fee for attending board / committee meetings	0.38	0.08	0.54	0.06	0.00	1.06
	Commission	0.00	0.00	0.00	0.00	0.00	0
	Others, please specify	0.00	0.00	0.00	0.00	0.00	0
	Total (1)	**0.38**	**0.08**	**0.54**	**0.06**	**0.00**	**1.06**
2	**Other Non-Executive Directors**						
	Fee for attending board / committee meetings	0.00	0.00	0.00	0.00	0.00	0.00
	Commission	0.00	0.00	0.00	0.00	0.00	0.00
	Others, please specify	0.00	0.00	0.00	0.00	0.00	0.00
	Total (2)	0.00	0.00	0.00	0.00	0.00	0.00
	Total (B)=(1+2)	0.00	0.00	0.00	0.00	0.00	0.00
	Total Managerial Remuneration	**0.38**	**0.08**	**0.54**	**0.06**	**0.00**	**1.06**
	Overall Ceiling as per the Act	₹ 5.30 million (As per Section 197(5) of the Companies Act, read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company may pay sitting fee up to ₹ 1 Lakh per meeting of the Board or Committee thereof)					

C. Remuneration to the Key Managerial Personnel other than Managing Director/Manager/ Whole Time Director

(₹ in million)

Sl.No	Particulars of Remuneration	Mr. Sanjay Berry* (Chief Finance Officer)	Mr. Suresh Kumar (Company Secretary)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.97	1.46	4.43
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00
4	Commission as % of profits	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00
	Total	**2.97**	**1.46**	**4.43**

*Mr. Sanjay Berry, who was appointed as CFO of the Company w.e.f. December 15, 2016, resigned from the Company w.e.f. April 28, 2017.

Vii. Penalties/Punishment/Compounding of offences: None

ANNEXURE – V

PARTICULARS OF REMUNERATION OF EMPLOYEES

{Pursuant to Section 197 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

A. THE INFORMATION REQUIRED UNDER SECTION 197 OF THE ACT READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 ARE GIVEN BELOW:

1	The ratio of the remuneration of Mr. V.D. Wadhwa, erstwhile Executive Director & CEO to the median remuneration of the employees of the company for the financial year;		20%
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Director, Company Secretary or manager, if any, in the financial year	Mr. V.D. Wadhwa	13%
		Mr. Suresh Kumar	20%
3	The percentage increase in the median remuneration of employees in the financial year;		12%
4	The number of permanent employees on the rolls of the Company;		657
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;		The average increase in managerial personnel salary is 16.5% whereas average increase in non- managerial personnel salary is 12%. This is based on Remuneration Policy of the Company that rewards personnel differently based on their contribution to the success of the Company and also ensures that external market competitiveness and internal relatives are taken care of.
6	The key parameters for any variable component of remuneration availed by Director;		Revenue & EBITDA
7	Affirmation that the remuneration is as per the remuneration policy of the company.		Remuneration is as per the remuneration policy of the Company

B. THE INFORMATION REQUIRED UNDER SECTION 197 OF THE ACT READ WITH RULES 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 ARE GIVEN BELOW:

Name of the Employee	Designation	^Remuneration Received (₹ in millions)	Nature of Employment, whether contractual or otherwise	Qualifications	Experience (years)	Date of Commencement of employment	Age (years)	The Last Employment held	The percentage of equity shares held by the employee in the company
*#Mr. V.D. Wadhwa Resigned w.e.f. 05/06/2017	Executive Director & CEO	21.94	Permanent	CS, LLB & AMP from Harvard Business School	32	29-Apr-13	53	Timex Group India Limited	Nil
*$Mr.Sanjeev Garg	Chief Operating Officer	2.75	Permanen	BE & MBA	28	25-Jan-17	50	Aircel Limited	Nil
*Mr.Munish Kanotra	Chief Business Officer	2.30	Permanent	BE & MBA	21	09-Jan-17	46	Reliance Communications Ltd.	Nil
*Mr.Sanjay Berry	Chief Financial Officer	2.97	Permanent	CA	26	15-Dec-16	48	Bharti Enterprises Ltd.	Nil
*Mr.Bibhash Jha	Head - Content & Programming	9.69	Permanent	PGDBA	25	01-Dec-14	47	ESPN Software India Pvt. Ltd.	Nil
*Mr.Anil Kumar Malhotra	COO- Sales & Operations	9.57	Permanent	M.Sc (Physics - Solid State)	32	07-Sep-11	54	Broadband Pacenet India (P) Ltd.	Nil
*Mr.Vinay Chandhok	COO - Operations	8.85	Permanent	PGDBA	29	01-Oct-14	51	Self Employed	Nil
*Mr.Nishchal Chaudhary	Senior Vice President - Sales & Operations	0.91	Permanent	PGDBM	19	01-Feb-17	41	Bharti Airtel Ltd.	Nil
*Mr.G.R. Sridhar	Senior Vice President – Technology	1.33	Permanent	B.Tech	26	01-Jan-17	48	You Broadband & Cable India Ltd.	Nil
*Mr.Anil Jain	Senior Vice President - Finance & Accounts	5.82	Permanent	CA	21	01-Jun-15	43	Taj Television (India) Pvt. Ltd.	Nil

Note:

* - Top ten employees
# - Employed throughout the year and in receipt of remuneration aggregating Rs.1.02 Crores or more per annum
$ - Employed for part of the year and in receipt of remuneration aggregating Rs.8.5 lacs or more per month
^ - Remuneration is as per sub-Section (1), (2) and (3) of Section 17 of the Income Tax Act, 1961.

MANAGEMENT DISCUSSION & ANALYSIS

1. ECONOMIC REVIEW

India continues to be an emerging economic powerhouse that has captured the attention of the whole world. Amid macro headwinds, the economy has stayed resilient with an estimated 7.1% growth rate in FY 2016-17 (Source: CSO). Albeit conservatively, the International Monetary Fund (IMF) pegs India's FY 2016-17 growth rate at 6.8%; yet again acknowledging it as the world's fastest growing major economy.

India's close contender, China's growth rate, was fixed at 6.7%. However, due to a slump in manufacturing, mining and construction sectors, the country's growth rate was subdued, compared to FY 2015-16, where the rate stood at 7.6% (Source: CSO). The demonetisation exercise too had a part to play in this temporary nose-dive. But India's growth is expected to bounce back in FY 2017-18; and is forecasted to reach 7.2%.

FY 2016-17 saw radical reforms being implemented by the Government of India. This is due to a major thrust to initiate corrective measures for various sectors, bringing transparency, stringent governance and digital interventions. The country continues to grow against the backdrop of robust macro-economic stability. The economy is powered by highest ever FDI inflows of $60.1 billion in FY 2016-17 and strong foreign exchange reserves to the tune of $370 billion and above. Even in the energy space, the nation saw a record installation of renewable sources such as solar power (5525 MW in the year) and wind power (5400 MW in the year), at par with the thermal power addition.

A milestone legislation, the GST is expected to create a common Indian market and improve indirect tax compliance, while boosting investment and growth. The new tax regime is also a step forward in the governance of India through cooperative federalism. Apart from the widening of tax net, the GST will also contribute significantly to the GDP (conservative estimates of 1-2% according to the NCAER).

Although some initial challenges are expected, in the long-term the GST is expected to significantly improve the ease of doing business in India. It will reduce multiplicity of taxes and levies, reduce the period taken for approvals and bring more businesses into the formal sector.

The other highlights during the period include the liberalisation of the foreign direct investment (FDI) policy that brought almost 90% of the proposals under the automatic route and the abolition of the Foreign Investment Promotion Board (FIPB). Inflation, measured by the Consumer Price Index (CPI), stands at 2.36% in July 2017, and the Wholesale Price Inflation (WPI) has reached 1.88% in the same period.

India continues to be an emerging economic powerhouse that has captured the attention of the whole world. Amid macro headwinds, the economy has stayed resilient with an estimated 7.1% growth rate in FY 2016-17.

The Reserve Bank of India has now reduced the repo rates to 6% to ramp up in-system liquidity and spur spending on consumption and infrastructure. Through strategic restructuring of debts and other steps, the non-performing assets issue is also being resolved. To streamline the economy and lubricate the system, the National Company Law Tribunal (NCLT) has been expressly ordered to kickstart stalled projects. The RBI too, has given necessary stimulus to banks to resolve pending cases and de-clog credit. These reforms are bound to power India's near-term and long-term growth.

The government's drive for business-friendly reforms to improve India's perception in international circles has resulted in better global rankings (for example, the World Economic Forum's 2016-17 competitiveness index rank of 39, compared to previous year's 55), higher investment, and improving overall attractiveness to foreign and domestic investors. The GST bill, tax rationalisation measures introduced in the recent Union Budget, Foreign Direct Investment (FDI) policy changes, and the introduction of the Insolvency and Bankruptcy Code are progressive reforms. These reforms have bolstered the country's business-friendly stature.

The Union Budget 2017 primarily focused on bolstering the infrastructure and lifting rural incomes. Nearly ₹ 4 trillion has been earmarked for the sector, of which the Indian Railways is set to receive ₹ 1.31 trillion. ₹ 67,000 crore has been allotted for building the national highways in FY 2017-18. In addition, an allocation of ₹ 19,000 crore has been made towards the Pradhan Mantri Gram Sadak Yojana (PMGSY) to connect far-flung habitats, which, along with the spending by the state governments, may result in a total capital expenditure of ₹ 27,000 crore.

In total, the government has made an allocation of ₹ 2,41,387 crore for roads, railways and ports in 2017-18. Another highlight of the Budget is the highest-ever allocation for MNREGA at ₹ 48,000 crores. Further, it also focused on digitisation with the allocation of ₹ 10,000 crore to boost the rural fibre optics network, auguring well for the media and entertainment industry.

Thanks to the Digital India programme, the Government of India is aiming to provide broadband connectivity to both urban and rural regions. The Department of Telecom (DoT) is working in mission mode installing the National Optical Fibre Network (NOFN), covering 2,50,000 villages.

Similarly, Virtual Network Operators would be leveraged for service delivery and communication infrastructure in new urban developments. The Smart Cities Mission is also gaining ground as the implementation of projects continues. Surat, Pune, Ahmedabad, and Bhubaneswar are among the established smart cities.

A total outlay of ₹ 189,256 crore has been allocated for the project and now over 95 crore urban population has been positively impacted. The digital opportunity in all the established and upcoming smart cities are big and broadband providers and Multiple-Service Operators (MSOs) have a considerable opportunity to scale up in these areas.

1.1 Outlook

Given the recent turbulence in the domestic economic environment and fast-changing global economy, the macroeconomic fundamentals of the economy remain robust and promise a better future. Latest data points suggest that demand is recovering in the economy and the Reserve Bank of India has also started to ease the liquidity stance.

The IMF has pegged the growth rate of the economy at 7.2% in FY 2017-18 and at 7.7% in FY 2018-19. The Economic Survey of India has also predicted that the growth rate of the economy will hover in the 6.75% to 7.5% range.

2. INDUSTRY REVIEW

2.1 Media & Entertainment Industry

During the year under review, the Media & Entertainment industry grew at a rate of 9.1%. Even though demonetisation caused an erosion of growth by nearly 150 to 250 basis points, strong fundamentals and enhanced consumption supported the industry. With an omnipresence of the digital wave, people now have more avenues to consume from, driving the revenues of the

MANAGEMENT DISCUSSION & ANALYSIS

providers in parallel. This has caused the M&E industry players to consolidate during the year, as the companies in the sector sought expansion of footprint across markets and channels.

The sustained growth of India's GDP and increased buying power of its people has led the Media and Entertainment industry to be dictated by the consumer's choices of content, accessibility, and experience. Several studies forecast a double-digit industry growth in the coming years, thanks to an increasing demand.

One of the growing trends in the M&E industry is that of analytics. Increasingly used by providers, this technology helps them evolve their business models and address various challenges emerging in competitive markets. Solutions tailored for customers use information provided by analytics.

Further it helps in measuring the business impact and to improve upon feedback. The BARC viewership data is providing new insights to MSOs, broadcasters and advertisers, resulting in changes in content, distribution and advertising strategies.

Indian media and entertainment industry: Size

(₹ billion)

Overall industry size (For calendar years)	2011	2012	2013	2014	2015	2016	Growth in 2016 over 2015
TV	329.0	370.1	417.2	474.9	542.2	588.3	8.5%
Print	208.8	224.1	243.2	263.4	283.4	303.3	7.0%
Films	92.9	112.4	125.3	126.4	138.2	142.3	3.0%
Digital Advertising	15.4	21.7	30.1	43.5	60.1	76.9	28.0%
Animation and VFX	31.0	35.3	39.7	44.9	51.1	59.5	16.4%
Gaming	13.0	15.3	19.2	23.5	26.5	30.8	16.2%
OOH	17.8	18.2	19.3	22.0	24.4	26.1	7.0%
Radio	11.5	12.7	14.6	17.2	19.8	22.7	14.6%
Music	9.0	10.6	9.6	9.8	10.8	12.2	13.00%
Total	**728.4**	**821**	**918.1**	**1,025.5**	**1,156.5**	1262.1	**9.1%**

Source: KPMG-FICCI Indian Media and Entertainment Industry Report 2017

2.1.1 TV Industry

India's television industry stands at an estimated size of ₹ 588 billion in 2016. This shows 8.5% growth over 2015. At a Compounded Annual Growth Rate (CAGR) of 14.7%, the TV industry is expected to reach ₹ 1,166 billion by 2021. In terms of revenue, the industry has generated US$ 9.62 billion in 2016. Driven by forecasted digitisation effects, subscription revenues are expected to record 14.8% CAGR following 2017. Two-thirds of the incremental television revenue in 2016 came from subscription.

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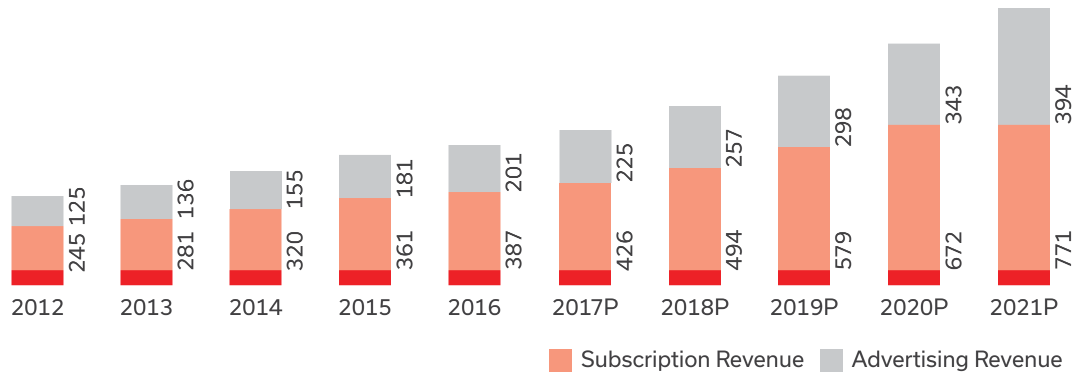
TV Industry size

(₹ Bn)



Source: KPMG India—FICCI Indian Media and Entertainment Industry Report, 2017
Note: Figures are rounded off to nearest integers and may not add up exactly to column totals.

Like the previous year, 2016 ran steady, registering double-digit growth. This happened despite the impacts of demonetisation. The revenue from subscriptions also grew, albeit slowly at 7%. The reduction in growth rate was primarily due to slower than expected digitisation. The digitisation efforts by the Government of India was delayed with extended deadlines, owing to petitions filed by multiple players in the space.

However, with Phase 3 mostly seeded and Phase 4 expected to be completed by the end of this fiscal, a substantial subscription upswing is expected to take place in FY 2017-18, with all elements of the digitisation process including seeding, collections, enforcement, compliances, falling into place. It will be accompanied by greater adoption of value-added services such as HD, video-on-demand, OTT Services and others.

In addition, the rising trend of smart Set-Top boxes with pre-loaded popular applications is gaining ground and devices such as Android OS powered STBs are entering the scenario. A plug-and-play device that can turn any LCD/ LED TV into a smart machine with internet connectivity, the Android box has the propensity to change the way content is consumed on television.

2.1.2 Cable and Satellite

India's TV households touched 193 million as on 31st March 2017, including 10 million households with multiple TV installations. The industry observed a net addition of 9 million Cable and Satellite (C&S) subscribers in 2016, ending at a total C&S base of 169 million (KPMG India-FICCI Report March 2017). Single TV households are estimated to reach 203 million by 2021, implying a total TV penetration of 67%.

Around 81% of the overall TV households fall under the pay C&S category, as of 2016. Although a possible decline in the near-term is expected, by 2021, the statistic is expected to touch 84%. The already seeded connections of Phase-3 and Phase-4 have given significant upswing in realisations per subscriber. Moreover, the customers also stand to benefit with digital-clarity content and the availability of nearly 400+ channel options. With such benefits, the customers are ready to pay more for digital cable services.

2.1.3 Digitisation

End of last year saw the digitisation level of C&S households stand at 70% of subscribers. This was 10 percentage points higher than the 2016 levels. There are

MANAGEMENT DISCUSSION & ANALYSIS

parts of Phase 3, and a substantial portion of Phase 4 in the non-digitised category. The Ministry of Information and Broadcasting (MIB) accordingly extended the deadline for Phase 3 and 4 of DAS to 31 January 2017 and 31 March 2017, respectively.

Due to issues like litigation around the digitisation process, the completion of the same has been rather sluggish. The industry assumption is at a seeding level of 90% and it is estimated that it will take roughly a year more for complete digitisation to take place.

The Telecom Regulatory Authority's (TRAIs) on Tariff and Interconnect Order 2017, is expected to alter the operating dynamics between different stakeholders. The implementation of the order, would be key to the Average Revenue per User (ARPU) numbers moving up and the overall industry profitability. The order is expected to rationalise content costs and allow the end customer complete freedom of choice with respect to the content to be viewed. It would realign the value chain in a more holistic and sustainable manner.

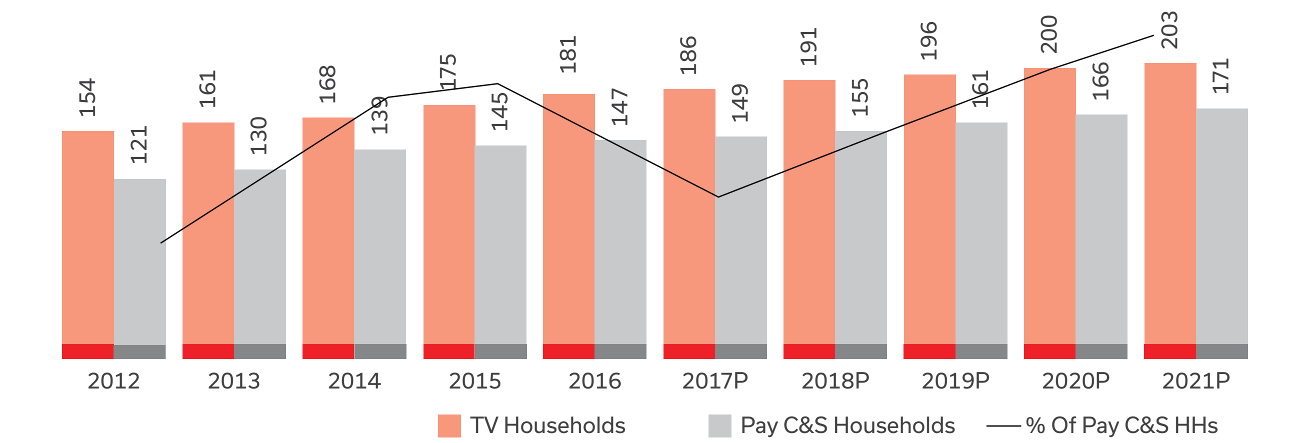
Status of Digitisation as on 31st March 2017

Subscriber Universe, 193 Mn TV Universe					
		Phase 1 (18 mn)	Phase 2 (22mn)	Phase 3 & Contiguous areas (48mn)	Phase 4 (105mn)
Implementation Date		31st Oct 2012 (Delhi and Mumbai) 15th Feb 2013 (Kolkata)	31st Mar 2013	31st Jan 2017	31st March 2017
DD Terrestrial,Free Dish & IPTV		1	1	7	18
Cable (Mn)	Digital	26		31	12
	Analog	-		-	46
DTH (Mn)		12		10	29

Source: TRAI, FICCI, In House Research, BARC; C&S refers to C&S subscribers, excluding DD Free Dish subscribers; Multiple TV Households assumed at 10 Mn

TV Households and Pay C&S penetration

(₹ Mn)



Source: KPMG India—FICCI Indian Media and Entertainment Industry Report, 2017

2.1.4 ARPU (Average Revenue per User)

Despite persistent challenges around the implementation of digitisation and litigation around the same, the ARPU growth in the last year improved moderately. Since petitions stalled the digitisation efforts temporarily, the incentive for the MSOs to further push digital cable was also reduced as the demand on-ground dampened. However, post 2017, an increase in the ARPU is projected, with a 2016-2021 CAGR of 11% for MSOs. This will be facilitated by ARPU realisations from new packages offered to the users, with Value Added Services (VAS) adding on to the benefits.

Digital cable ARPUs

ARPU (₹)	2015	2016P	2017P	2018P	2019P	2020P	2021P	5-Year CAGR
Digital Cable	214	217	224	251	286	326	368	
% Growth y-o-y		1	4	12	14	14	13	11

Source: KPMG India's analysis, based on data collected from industry discussions

2.2 Broadband

India had a wired broadband subscriber base of 18.2 million as on March 2017. Wired broadband is delivered through five major technologies: DSL (61.9% of the total wireline connections), Dial-Up (14.9%), Ethernet/LAN (14.0%), Cable Modem (7.0%), and Fibre & Leaseline (2.2%). At present, internet subscribers per 100 population is 14 in rural, 62 in urban, and 29 in total.

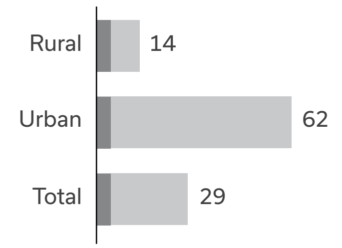
The wired broadband space presents a huge opportunity, with customers demanding larger amounts of data at the lowest possible costs. To this end, the pan-India reach of MSOs can ensure that the industry taps into the growing needs of a nation in need of broadband internet.

As wired broadband does not have to cope with high spectrum costs, this could be done by MSOs providing cost-effective, high-speed connectivity to users. In 2016, the MSOs made rapid strides in terms of their subscriber acquisitions with the large MSOs registering a y-o-y 64% growth in broadband subscriptions over 2016 (KPMG India-FICCI Report 2017).

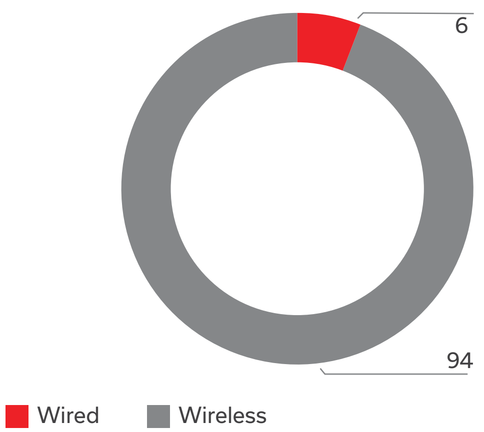
₹ **18.2** Mn

Wireline subscribers as on March 2017

Internet Subscribers per 100 Population

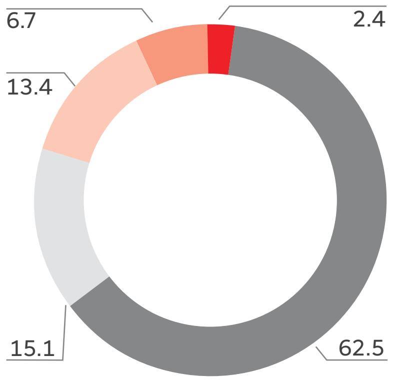


India Internet Connections (%)

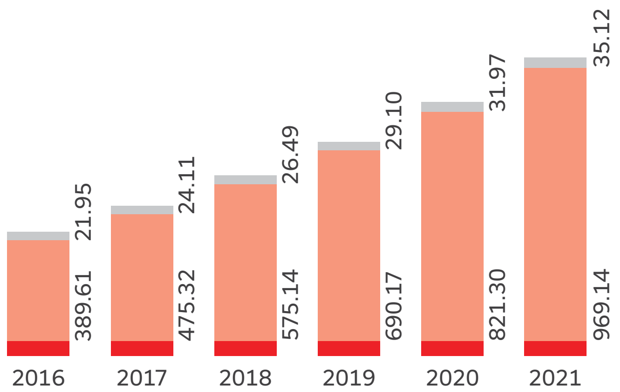


Fixed Wireless Includes Wi-Fi, Wi-Max, Radio & VSAT Moble Wireless Includes Phone + Dongle

Wireline Subscribers by Technology (%)



Internet Users (Mn)



Source: KPMG India's analysis and estimates 2017

In the preceding one year, the over-the-top (OTT) and video-on-demand (VoD) services have seen many developments. Global OTT video leaders such as Netflix entered the Indian market and even major broadcast network-backed platforms were introduced. Telecom operators also joined the OTT game with syndicated content offerings.

The introduction of this new data consumption platform will drive broadband demand. There is also an added possibility of reduction of content payouts to broadcasters as OTT leads to establishing multiple revenue streams for them. Towards this end, players such as DISH have already started renegotiating their deals with respective broadcasters.

In the preceding one year, the over-the-top (OTT) and video-on-demand (VoD) services have seen many developments. Global OTT video leaders such as Netflix entered the Indian market and even major broadcast network-backed platforms were introduced.

2.3 Policy Initiatives

Government policies and initiatives are creating a significant and lasting positive impact on M&E industry, both directly and indirectly.

2.3.1 Goods and Services Tax

The GST Council has fixed the tax rate for cable services at 18%. According to the Ministry of Finance, the entertainment tax rate on cable TV and DTH levied by states is in the range of 10–30%. The service tax levied by the Central government is at 15%. Combined, the outgo to the exchequer was roughly 23% on an average. With the rate being fixed at 18%, and the benefits passed on to the customer, cable television will become more affordable to the end consumer as a mass medium of wholesome entertainment.

The rates for coaxial cables, optical fibres and Set Top Boxes (STBs) which form a part of the infrastructure that facilitates digitisation also stand at 18%. GST will also enhance more transparency and compliance in revenue collections and is expected to improve collection efficiencies for the MSOs. Hence, this seminal tax reform acts in the favour of the industry, and of customers.

2.3.2 Tariff and Interconnect Order 2017

The Tariff and Interconnect Order released by TRAI in March 2017 will be a game changer for the industry and unit economics of distributors. Although the regulation intends to usher in significant changes in business models and internal systems, the implementation is foreseen to be time consuming . Once these are implemented, they are expected to contribute to better realisations. Once legal hurdles are cleared, the implementation of the Tariff Order is expected to synchronise the value chain to the requirements of the end consumer and provide tangible freedom of choices. This will also lead to rationalisation of content cost and spur growth in the sector.

Salient Features of the Tariff and Interconnect Order:

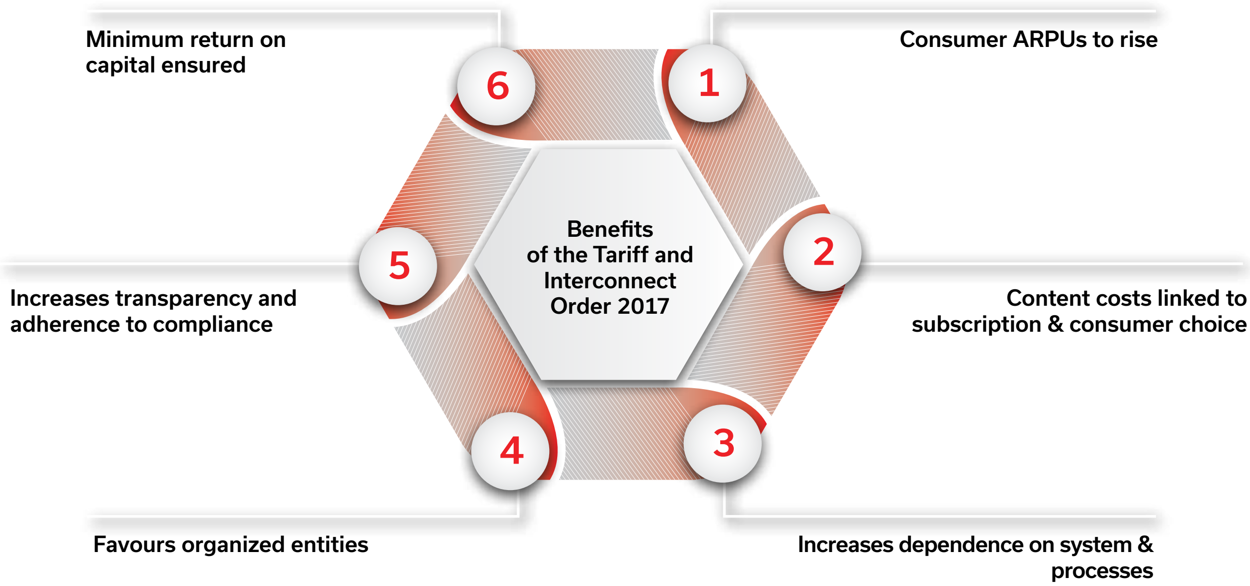
- **Content Costs Linked To Subscription & Consumer Choice:** With the new order, the consumer will be the ultimate decision-maker of those channels that would be successful. This is because the Order instructs offering of a-la-carte channel subscription. A consolidation of television channels is imminent, with the viewers asking for and paying for content that they watch, and not for any channel that may not be of interest to them.

- Minimum Return on Capital Ensured: According to the new order, every subscriber is eligible for 100 Free-to-Air (FTA) channels, for which the service cost is ₹ 130. This has to be shared with the MSOs in a certain ratio. This ensures a minimum return on invested capital. For additional channel bouquets, the MSOs will be eligible for 20% of the revenue.

- Increases dependence on Systems & Processes: With more processes and norms being instated, there will be a standardisation set in place, formalising the sector at large.

- Favours organised entities: With more systems in place and stringent monitoring, organised players would stand to benefit. There will be a better level-playing field for MSOs, who have been playing by the rule book since inception.

- Increases transparency and adherence to compliance: As every distributor of television channels should now declare network capacity fee, per month, payable by a subscriber for availing a distribution network capacity to receive the signals of television channels, the in-system transparency has increased. This would mean better services for the customer and a better state for the industry as a whole. TRAI also reserves authority to intervene, wherever necessary in case compliance is not met.



2.3.3 Monetary Policy Effects

The Reserve Bank of India has initiated the easing of interest rates and is pushing the liquidity front, while being cautious about inflation. The current RBI Base Rate range (as of August 23, 2017) is 9.10-9.55% from 9.30-9.70% (as on June 24, 2016). The one-year term deposit rates have also reduced (6.25%-6.90% as of June 23, 2017 from 7.00%-7.60% on June 24, 2016), improving in-system liquidity.

2.3.4 Electricity

With the Government's push for India's total electrification, a majority of the 13,877 identified villages now have power supply. Constant electricity availability directly translates to more households demanding additional services, essentially with the world becoming more digital. With rising disposable incomes and the demand for better entertainment, the opportunity for cable and broadband service providers also increases.

2.3.5 Demonetisation

The Government of India's de-legalisation of high denomination currency notes led to a decline in consumption across sectors, such as Fast-moving Consumer Goods (FMCG), Automotive, Banking, Financial Services and Insurance (BFSI) and Real Estate. This rippled into a reduction in discretionary spends on Set-Top-Box seeding, marketing and advertising, in turn affecting the M&E industry. However, the impact was short-lived, as there has been an upswing in consumption and demand since January 2017.

The direct impacts on MSOs were a minor blip in subscriber acquisition of about 5-10% of their envisaged targets, and the deferring of payments by customers by one or two months. Owing to demonetisation, slightly lower collections were seen for the month of November and December, particularly because 30% of the bill payments are made through the cash medium.

On the positive side, post demonetisation, the cable industry is expected to be more transparent, encouraging organised players.

2.4 Industry Outlook

Over the five-year window between 2016 and 2021, the M&E industry is expected to grow at 14% CAGR. Growing rural demand, increasing digital access and consumption, and the expected culmination of the digitisation process of television distribution will drive future growth.

The television industry too is expected to grow at 14.7% CAGR over the next five years. Both advertisement and subscription revenues will drive the sector, and each of them is projected to exhibit strong growth at 14.4% and 14.8%, respectively. Strong economic fundamentals and rising domestic consumption, coupled with digitisation will result in long-term industry growth. With improved broadband network, better access to the Internet, and smart mobile devices, digital platforms are expected to drive more media consumption. This would invariably result in better industry performance.

India's media and entertainment industry: Projections

(₹ billion)

Overall industry size (For calendar years)	2016	2017P	2018P	2019P	2020P	2021P	CAGR (2016 –2021P)
TV	588.3	651.0	750.9	876.8	1,014.5	1,165.6	14.7%
Print	303.3	325.0	350.4	378.5	405.6	431.1	7.3%
Films	142.3	155.0	166.0	178.2	191.6	206.6	7.7%
Digital Advertising	76.9	101.5	134.0	174.3	226.5	294.5	30..8%
Animation and VFX	59.5	69.5	81.2	95.5	111.9	131.7	17.2%
Gaming	30.8	37.2	44.2	52.2	60.7	71.0	18.2%
OOH	26.1	29.0	32.5	36.4	40.8	45.7	11.8%
Radio	22.7	26.4	30.7	35.9	41.5	47.8	16.1%
Music	12.2	14.0	16.3	19.0	22.1	25.4	15.8%
Total	**1262.1**	**1408.7**	**1606.2**	**1,846.7**	**2,115.2**	**2419.4**	**13.9%**

Source: KPMG-FICCI Indian Media and Entertainment Industry Report 2016

3. Company Overview

SITI Networks Limited (Formerly known as "SITI Cable Network Limited") is a part of the Essel Group, which is one of India's leading business houses with a diverse portfolio of assets in media, packaging, entertainment, technology-enabled services, infrastructure development and education.

SITI Networks Limited is one of India's largest Multi System Operator (MSO). With 15 digital head ends and a network of more than 32,500 km of optical fibre and coaxial cable, it provides its cable services in India's ~580 Locations and adjoining areas, reaching out to over 13.2 million viewers.

SITI Networks deploys State-of-the-art technology for delivering multiple TV signals to enhance consumer viewing experience. Its product range includes Digital & Analogue Cable Television, Broadband and Local Television Channels. SITI Networks has been providing services in analogue and digital mode, armed with technical capability to provide features like Video on Demand, Pay per View, Over-The-Top content (OTT), Electronic Programming Guide (EPG) and Gaming through a Set Top Box (STB). All products are marketed under SITI brand name.

3.1 Operational Review

FY 2016-17 saw SITI Networks grow financially, geographically, and technologically. Irrespective of the belated digitisation owing to multiple litigations, we grew our portfolio of subscribers, by offering bespoke viewing experience for all of its customers and by collaborating with leading players in the entertainment industry such as Eros, Ultra, Cineprime, ADB Mobile, and so on.

Choosing our markets carefully based on profitability and timeframe of returns, our digital subscriber base now exceeds 10 million (vs 8.3 million in 2015-16). With a presence in nearly 580 locations, we are one of the country's largest Multi-System Operators (MSOs).

With India growing exponentially in the digital space, the demand for Internet is omnipresent. Tapping this opportunity, our wired Internet base is also growing. As of 30th June 2017, our broadband subscriber base stood at 2.40 lakh. Our home passes were at 1.62 million as of first quarter ended FY 2017-18. We also expect to roll out high speed DOCSIS 2&3 Broadband Services in 2-3 locations in FY 2017-18. Through this, the users can get broadband speeds up to 100 Mbps and delivers better value for money per GB. Our home passes rendition level stands at 14%, as we are in the growth phase.

3.1.1 Extending Reach

During the year, we concentrated on seeding homes in the Tier-3 and Tier-4 areas, in line with the 3rd and 4th Phases of digitisation. In the cable business, we added 2.1 million new video customers during the year. If the digitisation had happened as per timelines, then the targeted achievement would have been nearly 7-8 million. Expanding footprint across existing markets and contiguous territories, 1.6 million digital cable customers have been added in Q1 of FY 2017-18 West Bengal, Haryana, Andhra Pradesh and Telengana, primarily in Phase 4 areas.

In terms of broadband, our current subscriber base stands at 2.40 lakh. We have grown steadily on this front. Similarly, our SITI-DITTO OTT services grew strongly during the year, taking the total customer base to 60,000.

Our vision of expansion includes the bolstering of content as well. We have tied up with Eros, Ultra, Cineprime, ADB Mobile and Entertainment and now have a portfolio of 130+ local channels on a Pan India basis. This will ensure a rich and customised viewing experience for all customers. We are planning to add eight new local channels for our North India viewers across certain genres and languages.

3.1.2 Strong Competitive Advantages

SITI Networks' following five deeply entrenched competitive advantages help it maintain customer-centricity, prudent fiscal management and market leadership.

a. **Country-wide Access:** SITI Networks is India's largest MSO, with a geographical reach in 580 locations.

b. **Superior Technology:** We bring to the customer the latest technology available, ensuring the best network transmission through MPEG4 Set-Top Boxes (STBs) for cable and Hybrid Network for broadband. We are also in the process of migrating to FTTH network deployment and to Unified Devices, reducing the hassle for customers.

c. **Systems & Processes:** We have integrated system-based processes within the organisation to ensure all our activities maintain requisite standards and timelines. Some of these include- OYC Subscriber Management System, Conax CAS, SAP-based systems, and uniform commercial policies governing the processes.

d. **Strategic Alliances:** To deliver the best customer experience, we have partnered with a multitude of players in different fields. For example, we have an alliance with DITTO, to deliver content via IPTV platform. Similarly, we are in the process of having a VNO tie-up with BSNL to provide Broadband.

e. **Efficient Execution:** We materialise our strategies through robust corporate governance and compliance, professional management, low dependence on subsidiaries, and value unlocking by consolidation.

3.1.3 Customer Focus

SITI Networks has always stood for the best value for the customer. To this end, we have undertaken a slew of initiatives, some of which are listed below.

1. We have an optimised network layout that ensures the best broadband connectivity for our customers. Broadband is offered at a highly attractive price.

2. With the 'Unified Device' strategy, we integrate the Modem, the Wi-Fi router, our Over the Top (OTT) platform and our Internet of Things (IoT) platform into one single device, for the ease of the user.

3. We facilitate 'single sign-on' by un-fixing the broadband, enabling the user to carry his/her broadband anywhere within a city.

4. Since a majority of our services are offered through Local Cable Operators (LCOs), the turnaround time for servicing is very short and the cost per visit is also negligible.

5. In our operations, we ensure transparency as a basic tenet, thereby helping compliance. Our system-driven processes ensure error-free and bias-free customer treatment.

6. By collaborating with multiple content-partners SITI now delivers an array of 130+ local channels, across India, catering to the particular geography.

7. We use the latest MPEG-4 Set Top Boxes (STBs) to deliver high-quality videos.

3.1.4 Capturing the Growing Data Consumption

When we started offering our broadband services, we started with an average of 30-40 GB per month. Over time, this has increased to 77 GB per month as of now. We are offering unlimited plans at price points as low as ₹ 449 for 5 Mbps. This would translate to even higher data consumption as time passes.

3.1.5 ARPU & Monetisation

In the financial year ended, we ventured into new markets by adding over 150 locations, and therefore, more customers with regard to the cable business. Irrespective of the delay in digitisation, we improved our monetisation. Owing to this, we have increased our y-o-y subscription revenue by 38.71%. Our broadband speed has also improved, and at present, we offer speeds up to 100 Mbps.

Phase 3 ARPU has increased slowly but steadily for us, from quarter to quarter of FY 2016-17. Phase 4 ARPU is also slowly picking up, but is still in the transition phase from analogue. At the year end, Phase 1 ARPU stood at ₹ 105, Phase 2 at ₹ 82, Phase 3 at ₹ 50 and Phase 4 at ₹ 25 (all ARPUs net of LCO share and taxes). At the end of June 2017, Phase 4 ARPU has risen to ₹ 28. However, if the digitisation drive had happened as per timeline, the performance would have been better than the current levels. With the latest Tariff and Interconnect Order 2017 by TRAI, large MSOs like SITI stand to benefit with increasing consumer ARPUs in the future.

In the case of broadband, we now have 2,40,000 broadband subscribers and the DOCSIS ARPU stands at ₹ 630 as of 30th June 2017.

3.1.6 Content Cost

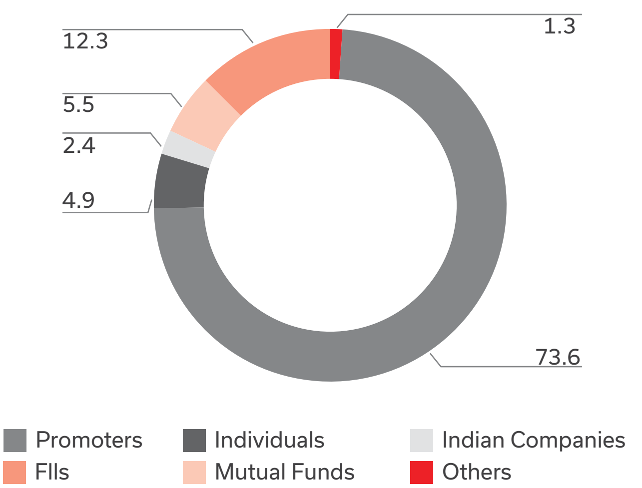
SITI follows a fixed fee deal model with the broadcaster, and the delayed digitisation reduced our intended customer acquisition levels. This pushed up the content cost as the realisation from deployment was lower than expected.

However, with the new Tariff Order in place, subscription revenue will be linked to the content cost. This means that the content cost to the broadcaster will be on a per customer basis and there will be considerable moderation in the content expenses from the coming year onwards.

3.1.7 Established Promoter Group

SITI Networks is promoted by Essel Group. The Group is a highly established industrial house in India and abroad, and is one of the most recognised names. It has a portfolio of diversified businesses and is also a leading player in the media and entertainment industry. SITI Networks is thus, part of a larger Group that has a market cap of nearly $10.6 billion. With such strong backing, the Company can certainly take up the opportunities in the market and capitalise on them.

Shareholding Pattern 872 Mn Shares (%)



3.1.8 Dynamic Management Team

SITI Networks has an able leadership that focusses on performance. We believe in a performance oriented work culture focussed on strategy execution. We have also hired key management personnel from telecom and related industries who can enhance the Company's operational efficiency and overall profitability.

3.1.9 Compliance, Integrity, and Work Ethics

SITI has been a formal player historically. We strive to maintain the best industry standards in terms of professionalism, industry and compliance. Being ethical is one of the basic tenets that we follow in our day-to-day activities. With the Government pushing for more reforms, we see ourselves as beneficiaries due to an industry-level reorganisation taking place. We have always maintained requisite compliances and more, being as transparent as possible for the benefit of our stakeholders.

3.1.10 Fund Infusion & Other Developments

At a gross level, the total CAPEX on the cable business is ₹ 4,330 million for the year and for broadband, is ₹ 730 million. Net of activation, the CAPEX stands at ₹ 2,290 million. This is because as per IGAAP, we have recovered ₹ 232 Crores activation for the year. The net CAPEX between cable and broadband is ₹ 1,560 million and ₹ 730 million respectively, close to ₹ 2290 million in total. Going forward, the Company's pending plan will comprise internal accruals and may even include fresh share issue or debt raising.

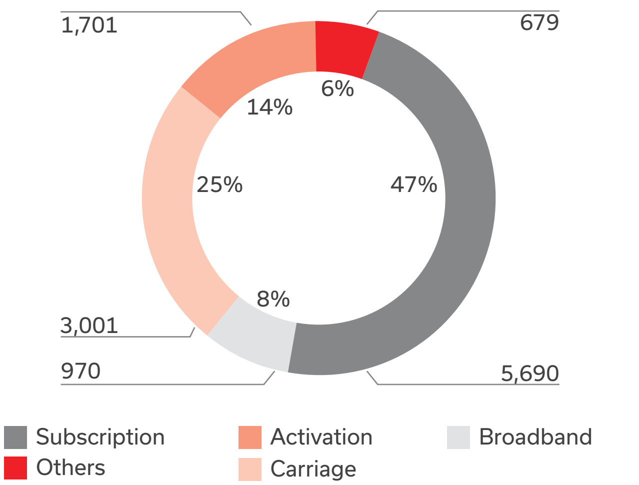
3.2 Financial Review

As per the Ministry of Corporate Affairs' guidelines, we have incorporated the Ind AS form of book keeping for recording our accounts from FY 2016-17 onwards.

> We increased our revenues from multiple streams and remained profitable operationally. The revenue from operations stood at 11,949.16 million at a consolidated level.

MANAGEMENT DISCUSSION & ANALYSIS

FY17 Revenue Split (%)



With regard to performance, SITI Networks delivered a satisfactory FY 2016-17, albeit externally caused disruptions. We increased our revenues from multiple streams and remained profitable operationally. The revenue from operations stood at 11,949.16 million at a consolidated level. However, there was a considerable erosion of expected profitability due to belated digitisation, which was entirely an external headwind. Accounted depreciation of assets has increased on a year-on-year basis, placing the Profit Before Tax (PBT) in red.

During the year, our broadband revenue increased by 100% to stand at ₹ 970 million. The video subscription income stood at ₹ 5690 million, an increase of 39%, y-o-y and carriage income saw a y-o-y growth of 17% to reach ₹ 3000 million.

₹ **2,287** Mn

EBITDA for FY 2016-17

The comparison of different revenue streams between FY 2016-17 and FY 2015-16 is given below.

(₹ Million)

Revenue Streams	FY 2017	FY 2016	Y-o-Y Growth
Subscription	5,690	4,102	39%
Carriage	3,001	2,568	17%
Activation	1,701	1,706	0%
Broadband	970	486	100%

3.2.1 Profit & Loss Metrics

a. Total Expenditure

SITI's total expenditure for the year stood at ₹ 13,607.36 million, including depreciation. As we are an established MSO, the maximum expenditure was incurred on carriage sharing, pay channel and related costs, at ₹ 5971.33 million. We experienced increased levels of content costs, owing to external issues such as belated Phase 3 and Phase 4 digitisation, which strapped our returns. Other miscellaneous expenses also increased to 2,954.67 million as our fixed costs moved up while expanding to newer markets. The employee benefits too, were hiked during the year, resulting in a 32% increase in personnel expenses. On the other hand, our stock purchase costs and finance costs reduced by 62% and 9% respectively.

b. EBITDA

Total EBITDA of the Company stood at ₹ 2,287 million. The reduction in the EBITDA is a result of high content costs, and reduced revenue figures owing to litigations staggering digitisation.

c. Finance Cost

During the year, there was a marked increase in the Company's long-term borrowings by a factor of 30%. This has increased the debt profile of the firm and thus, the finance cost at ₹ 1274.47 million, at the consolidated level, lower than the 1,400 million of last year.

With regard to owned capital, the total equity (including share capital, other equity, and non-controlling interests) is recorded at ₹ 6,293.72 million at the fiscal ended 2016-17. The promoter has increased the stake to 73.6%, which affirms the confidence vested in the Company.

3.2.2 Balance Sheet Metrics

a. Fixed Assets

SITI's non-current assets increased to ₹ 22,851 million in FY 2016-17 compared to the previous year's ₹ 20,151 million. This can be accounted to our continued and rapid expansion to newer cities and geographies. We also have an existing inventory due to be deployed in the areas that are now being digitised.

b. Current Assets

In the year, the current assets decreased by 6.8% to ₹ 8545 million. This was owing to a reduction in cash and cash equivalents and other current assets.

c. Current Liabilities

The current liabilities reduced by ₹ 553 million to ₹ 11326 million in FY 2016-17. Essentially, this is the result of a decline in the other financial liabilities which are payable for fixed assets, interest accrued, book overdraft etc.

3.3 Risk Management and Mitigation

At SITI Networks, we have a comprehensive risk management structure with established systems and reporting framework. Our objective is to identify, evaluate and counter potential risks through an institutionalised approach.

Nature of Risk	Risk Description	Risk Mitigation
Preference risk	Consumer preferences are evolving rapidly. This trend is more accentuated in the M&E industry. The result is what is contemporary today, may no longer be relevant tomorrow.	We have consistently enriched our offerings in line with changing preferences. We are focusing on innovation to provide our consumers variety in infotainment. We currently have three cable subscription packs with a variety of add on packs offering regional, sports, English movies and others, to ensure a bespoke experience for the discerning consumer. The renewed focus on HD & OTT will enable us to provide Customers with a better experience. Besides, our broadband capabilities are bringing top-notch speed and attractive data plans for our consumers.
Migration risk	Inability to convert existing analogue subscribers to digital cable services, as well as attract new consumers as per the timeline set by the Ministry of Information & Broadcasting (MIB) can adversely impact our business growth and sustainability.	We are focusing on particular states and cities across India that fall in Phase 1, Phase 2 and Phase 3 of the MIB plan. Besides, we are collaborating with LCOs to conduct brand building and consumer awareness initiatives. We undertake an active interaction with the MIB and TRAI to ensure we can properly represent the interests of the Industry and work in a concomitant manner with the Regulator to ensure quick and effective digitisation.
Awareness risk	LCOs function as primary facilitators of our business expansion. Therefore, lack of training and motivation of LCOs may impact business growth.	We have provided subscriber management software to our LCOs to help them manage their customers better. We also impart real-time training to our LCOs. They also get a share in our carriage fees. Besides, we regularly collaborate with LCOs for our branding initiatives. We have been undertaking a dedicated outreach for our broadband services separately to ensure brand recall and educate the customers about the kind of services we are capable of offering.
Content risk.	We depend on third-party broadcasters for content. If we fail to provide content from popular broadcasters, our credibility and brand recall may be significantly impacted	We are part of the Essel Group, which is one of India's leading business houses with a diverse portfolio of assets in media, packaging, entertainment, technology-enabled services, infrastructure development and education. Our Group's reputation and recall in the M&E landscape has helped us to negotiate effectively with various broadcasters and other partners. We have negotiated fixed fee Pan India deals with the major Broadcasters which gives us content cost visibility and ensures we can provide a diverse range of options to the End Consumer.

Nature of Risk	Risk Description	Risk Mitigation
Talent & technology risk	Inability to attract the right talent and adopt the relevant technologies can jeopardise business growth.	We have strengthened our leadership team to drive our cable and broadband businesses. We have strengthened our sales team and brought on board experienced managers from multiple consumer-facing industries. We ensure a Performance Linked Culture prevails which empowers the individual to take decisions and take responsibility. The shift to MPEG-4 STBs in cable and provision of providing broadband through DOCSIS 2&3/GPON hybrid network is testament to the fact that we are sensitive to the rapidly changing technology trends and are cognisant to take counter measures.
Product risk	The traditional cable customer preferences are changing and they are moving towards getting content in a non-linear manner. Inability to meet the customer's demand might lead to loss in business.	We are well placed to serve the arising needs of the customers. We are leveraging on our customer relationship and are offering OTT & broadband services to existing customers. We have committed substantial investments towards rollout of broadband services.

3.4 Human Resource Development

At SITI people have always been our strongest assets. We believe that creatively nurturing people and processes leads to an exponential growth of individuals as well as our business. Thus, it has been imperative for us that the talent coming onboard is in sync with our vision. For this reason, we accord paramount importance to recruiting and selecting the right people, who fit into our culture and bring on board the right skill and attitude to be successful.

3.4.1 Talent Acquisition

HR Talent Acquisition function is a strategic business partner within the organisation catering to business requirements. The sourcing function ensures cost effective resource fulfillment to ensure smooth business operations. We believe in growing our employees by offering existing employees the chance to apply for higher/cross functional positions by advertising vacancies through the Internal Job Posting and encouraging similar culture fit through referral policy. Cross pollination is ensured through engaging professionals from different verticals and industries. Campus connect ensures inclusion of fresh and young talent from some of the best B-Schools and Engineering colleges.

3.4.2 Performance Review and Employee Development

Our quarterly performance management and feedback system ensures a robust review mechanism for individuals and for people managers. Being a part of surveys such as Great Places to Work allows us to evaluate and scale up our people practices through learning, unlearning and imbibing best practices and world class standards. Learning & Development is a focal point for the development of our employees. On the job learning is encouraged through mentoring. Internal and external learning forums are utilised for engaging and enabling learning opportunities. A business workshop on Blue Ocean Strategy and Design Thinking was conducted for cross functional teams. A session on Happiness was held to enable employees to manage a better work life balance. In the wake of the GST legislation, a workshop was conducted to ensure readiness prior to implementation. Similarly, an Indian Accounting Standards session was held for the Finance & Accounts team.

3.4.3 SAMWAD Philosophy

SAMWAD philosophy is integral to the Organisation from the time we source a talent to the entire life cycle of that talent. Samwad means effective conversation and its philosophy aims at creating foundation for a great workplace. The foundation of a great work place can be described as an act of climbing a mountain, one cannot run to the mountain but, it can be carefully conquered in stages. SAMWAD is the path to excellence. It enables managers to have a people connect, measure and gauge the feedback & productivity from team members. SAMWAD is imbibed in our day to day work life and processes.

3.4.4 Rewards & Recognition

Rewards and recognition always encourage and help boost the employee and organisation morale & inspire the employees towards excellence & professional growth. Our R&R processes motivate employees to perform to their fullest potential. Our Innovation cell provides a platform to all employees to share their ideas, thoughts and be rewarded for being innovative.

3.4.5 Volunteering

SITI employees had collectively put in efforts (beginning of last fiscal year) to help drought affected farmers & their families in Latur and other villages of Maharashtra severely affected by the drought conditions by contributing funds for helping them.

3.5 Outlook

India is undergoing a major transformation by growing the digital way. As a techno-commercial provider, SITI Networks expects to capitalise on the opportunities that this mega trend showcases. By straddling the Cable and the Broadband lines of business, we foresee a tremendous scope for scale up in the country and believes that we are well placed to capture the demand.

By providing state-of-the-art network for varied services, we envisage market leadership through organic and inorganic growth. By adding millions of households with both digital cable and broadband, we would bolster our sustainability and ensure a steady revenue stream. The recent Tariff Order by the regulator complements our vision as it creates a better level-playing field for formalised players in the market, while furthering transparency and system-oriented processes.

We also foresee a considerable growth of ARPUs in both our Cable and Broadband businesses, as we expand geographically and deepen our presence in existing markets. This will be achieved through our efficient execution, strategic alliances, and superior technology, underlined with a customer-centric approach.

3.6 Cautionary Statement

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward looking statement, whether as a result of new information, future events or otherwise.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The essence of Corporate Governance is about maintaining the right balance between economic, social, individual and community goals. At SITI Networks, good Corporate Governance is a way of life and the way we do our business, encompassing every day's activities and is enshrined as a part of our way of working. Your Company is focused on enhancement of long-term value creation for all stakeholders without compromising on integrity, societal obligations, environment and regulatory compliances. Our actions are governed by our values and principles, which are reinforced at all levels of the organisation. These principles have been and will continue to be our guiding force in the future.

For your Company, good Corporate Governance is a synonym for sound management, transparency and disclosure, encompassing good corporate practices, procedures, standards and implicit rules which propel a company to take sound decisions, thus maximising long-term shareholder value without compromising on integrity, social obligations and regulatory compliances. As a company with a strong sense of values and commitment, SITI Networks believes that profitability must go hand in hand with a sense of responsibility towards all stakeholders. This is an integral part of your Company's business philosophy. The cardinal principles such as independence, accountability, responsibility, transparency, trusteeship and disclosure serve as means for implementing the philosophy of Corporate Governance.

POLICIES

In compliance with the requirements of Listing Agreements with Stock Exchanges, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), SEBI Regulations and Companies Act, 2013, Board of Directors of the Company has approved various policies, as detailed herein:

WHISTLE BLOWER & VIGIL MECHANISM POLICY

As per Section 177 of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, Whistle Blower/ Vigil Mechanism Policy has been approved and implemented within the organization. The policy enables the Employees and Directors to raise and report concerns about unethical behaviour, actual or suspected fraud of any Director and/or Employee of the Company or any violation of the Code of Conduct. This Policy is available on the Company's website www.sitinetworks.com. Further during the year under review, no case was reported under the Whistle Blower/ Vigil Mechanism. No person was denied access to the Audit Committee.

CODE OF CONDUCT

The Company has also adopted a Code of Conduct for the Members of the Board of Directors and Senior Management. All the Directors and senior functionaries, as defined in the said code, provide their annual confirmation of compliance with the Code. The copy of the Code is available on the website of the Company www.sitinetworks.com. Besides the Code, the Company has also put in place a Policy on Ethics at Work Place which is applicable to all employees. The role and responsibilities of Independent Directors as prescribed in Schedule IV of the Companies Act, 2013 and/or prescribed in Listing Regulations forms part of the appointment letters issued to Independent Directors.

A declaration affirming compliance with the Code of Conduct by the Members of the Board and Senior Management Personnel is given below:

DECLARATION

I confirm that the Company has obtained from all Directors and Senior Management Personnel of the Company their affirmation of compliance with the Code of Conduct for Members of the Board and Senior Management of the Company for the financial year ended March 31, 2017.

V.D WADHWA
*Executive Director & CEO
Noida, May 10, 2017

**Resigned w.e.f. June 5, 2017*

RELATED PARTY TRANSACTION POLICY

In compliance with the requirements of Regulation 23 of Listing Regulations and Companies Act, 2013, the Board of Directors of the Company has approved a Related Party Transaction Policy, to facilitate management to report and seek approval for any Related Party Transaction proposed to be entered into by the Company. The said Related Party Transaction Policy is also available on the Company's website www.sitinetworks.com.

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

In compliance with the requirements of Regulation 16 of the Listing Regulations, the Board of Directors of the Company has approved a Policy for determining Material Subsidiaries. The said policy determine material subsidiaries of the Company and provide a governance framework for them. The said Policy is also available on the Company's website www.sitinetworks.com.

POLICIES & CODE AS PER SEBI INSIDER TRADING REGULATIONS

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated and approved (i) an Insider Trading Code to regulate dealing in the securities of the Company by designated persons in compliance with the regulations; and (ii) a Policy for Fair Disclosure of Unpublished Price Sensitive Information. The said code regulates and monitors trading by Insiders and reporting thereof. The said Code lays down guidelines which provide for the procedure to be followed and disclosures whilst dealing with shares of the Company.

Mr. Suresh Kumar, Company Secretary of the Company is Compliance Officer for the purposes of Insider Trading Code, while the Chief Financial Officer / Head - Finance & Accounts of the Company shall serve as the 'Chief Investor Relations Officer' for the purposes of this Policy to deal with dissemination of information and disclosure of Unpublished Price Sensitive Information. The said code and policy is also available on the Company's website www.sitinetworks.com.

FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

Independent Directors are familiarised with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through induction programs at the time of their appointment as Directors and at regular intervals through deep-dive on various business segments of the Company. While review and approval of quarterly and annual financial statements of the Company are taken up detailed presentation covering *inter alia* economy and industry overview, key regulatory developments, strategy and performance of the Company is made to the Board. The said familiarisation program is also available on the Company's website www.sitinetworks.com.

Apart from the above policies, the Board has in accordance with the requirements of Companies Act, 2013 and Listing Regulations approved and adopted Remuneration Policy, Material Events Determination and Disclosure Policy and Document Preservation Policy. These policies can be viewed on Company's website www.sitinetworks.com.

BOARD OF DIRECTORS COMPOSITION AND CATEGORY OF DIRECTORS

Siti Networks Limited ('SITINET') has a balanced Board with combination of Executive and Non-Executive Directors to ensure independent functioning and the current composition of the Board is in conformity with Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Independent Directors of the Company provide appropriate annual certifications to the Board confirming satisfaction of the conditions of their being independent as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations.

Composition of the Board as at the close of March 31, 2017:-

Category of Director	No. of Director	% to total no of Directors
Executive Director	1	17
Non- Executive Independent Director (Including Women Director)	4	66
Other Non-Executive Non Independent Director	1	17
Total	**6**	**100**

REPORT ON CORPORATE GOVERNANCE

Number of Board Meetings

During the financial year under review, 6 (six) meetings of the Board were held on May 25, 2016, August 26, 2016, September 6, 2016, November 22, 2016, February 14, 2017, and March 30, 2017. Your Board meets at least once a quarter to review the quarterly performance and financial results of the Company and the intervening period between any two Board Meetings were well within the maximum time gap of one hundred and twenty days under Regulation 17 of the SEBI Listing Regulation and Secretarial Standards. The annual calendar of meetings is broadly determined at the beginning of each financial year.

Attendance Record and their other Directorships/ Committee memberships

None of the Directors on the Board hold directorships in more than ten public companies. Further, as mandated by Regulation 26 of the SEBI Listing Regulations, none of the Directors is a member of more than ten Committees or Chairman of more than five Committees across companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2017 have been made by the Directors.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of Independent Directors is three years from the date of their appointment, which is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI (LODR) Regulations read with Section 149(6) of the Act.

Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings detailed above held during the Financial Year 2016-17 and also their other Directorships/ Chairmanship held in Indian Public Companies and Membership/Chairmanship of various Board Committees of other Indian Public Companies as at March 31, 2017 are as under:

Name of the Director	Attendance at		No. of Directorship of other Public Companies *	No. of Membership/ Chairmanship of Board Committees**	
	Board Meeting (Total Board Meeting held 6)	10th AGM held on 27.09.2016		Membership	Chairmanship
Non – Executive Independent Director					
Mr. B.K.Syngal	6	Yes	2	2	2
Mr. Vinod Kumar Bakshi	6	No	1	3	Nil
Mr. Sureshkumar Agarwal	2	Yes	1	2	Nil
Ms. Kavita Anand Kapahi	3	Yes	5	3	Nil
Non – Executive Director					
Mr. Sandeep Khurana	6	Yes	Nil	Nil	Nil
Executive Director					
***Mr. V.D. Wadhwa	6	Yes	1	3	Nil

*Directorship in Other Companies does not include Alternate Directorships.
**In accordance with Regulation 26 of the SEBI (LODR) Regulations, Chairmanships/Memberships of only Audit Committees and Stakeholders Relationship Committee in all Public Limited Companies (Listed and Unlisted) except Foreign Companies have been considered.
***Mr. V. D. Wadhwa resigned from the office of Executive Director and CEO of the Company with effect from June 5, 2017.

None of the Directors of your Company are inter-se related to each other.

None of the Non-Executive Directors of the Company holds any shares and convertible instruments of the Company, except Ms. Kavita Kapahi, Independent Director who holds 50 Equity Shares (in joint holding) of ₹ 1/- each in the Company.

Separate Meeting of the Independent Directors

The Independent Directors of the Company met separately on May 13, 2017 without the presence of Non-Independent Directors and the members of management. The meeting was attended by all the Independent Directors. The meeting was conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company. In accordance with the Listing Regulation, following matters were, *inter-alia*, discussed in the meeting:

- Performance of Non-Independent Directors and Board as a whole.
- Performance of the Chairman of the Company after taking into consideration the views of Executive and Non-Executive Directors.
- Assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

BOARD PROCEDURE

The Board Meetings of the Company are governed by a structured agenda. The Company Secretary in consultation with Executive Director and/ or Chief Executive Officer finalises the agenda of the Board Meetings. All major agenda items, backed up by relevant and comprehensive background information, are sent well in advance of the date of the Board Meeting(s) to enable the Board Members to take informed decision. Any Board Member may, in consultation with the Chairman of the Meeting and with the consent of all Independent Directors present at the meeting, bring up any matter at the meeting for consideration by the Board. Senior management personnel are invited from time to time to the Board Meetings to make requisite presentations on relevant issues or provide necessary insights into the operations / working of the Company and corporate strategies. The Board periodically reviews Compliance Reports in respect of various laws and regulations applicable to the Company.

BRIEF PROFILE OF THE DIRECTORS PROPOSED TO BE REAPPOINTED AT THE ANNUAL GENERAL MEETING

Sandeep Khurana is a Non-Executive Director of the Company. Sandeep Khurana is qualified in Law and is a fellow member of the Institute of Company Secretaries of India apart from being an associate member of the Institute of Cost Accountants of India. Mr. Khurana has a post qualification Experience of over 31 years having worked with renowned Corporates in India initially as an employee and in the latter part as owner professional in the fields of raising long term and short term resources from Banks and Financial Institutions apart from as private equity and from the public investors as a Merchant Banker. During his long career Mr. Khurana has not only had exposure to several organisational functions but also to several sectors such as automotive components, electronics, engineering, floriculture, transportation and logistics, finance and financial services, realty development, milk processing, hotels and hospitality, food processing, EPC, renewable energy, perfumery and toiletries, coal, coal washery and related transportation logistics, weaning foods, adhesives, garments manufacturing etc.

Apart from the Company, Mr. Khurana holds directorship in Insight Financial Services Private Limited, Modulex Modular Buildings Private Limited, Six by Six Mediavision Private Limited and Eco Hotels India Private Limited.

Mr. Khurana does not hold any securities in the Company.

Sidharth Balakrishna is an Executive Director of the Company. Mr. Sidharth Balakrishna holds an MBA from IIM Calcutta and an Economics degree from the Shri Ram College of Commerce (SRCC), Delhi University. Mr. Balakrishna has over 13 years of experience in the energy, infrastructure and education sectors.

In the past, Mr. Balakrishna has led strategy and headed projects including in the fields of oil & gas, renewable energy, education, water and vocational training. Mr. Balakrishna has also been a Strategy Consultant with Accenture and KPMG. Some of the projects that he has led have been awarded nationally and internationally.

Mr. Balakrishna also has considerable academic experience and has written five books published by Pearson, the world's largest publishing house, and Tata McGraw Hill. He is a Visiting Faculty at a number of management institutes in India. He has presented at a number of international fora in the past including at London, Muscat, Dubai, Myanmar, Mozambique, Kuwait, New Delhi, Goa, Mumbai etc. He is a columnist with the Economic Times and other reputed publications.

Apart from the Company, Mr. Balakrishna does not hold directorship in any other Company.

Mr. Balakrishna does not hold any securities in the Company.

BOARD COMMITTEES

Your Board has constituted Committees for smooth and efficient operation of day-to-day business of the Company. These Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concern the Company and need a closer review. Each Committee of the Board is guided by and operates under the terms of reference, which has been framed in compliance with applicable laws defining the scope, powers and composition of the Committee. The minutes of the meetings of all the Committees are placed before the Board.

AUDIT COMMITTEES

The Board has constituted a well-qualified Audit Committee. The Company has framed the mandate and working procedures of the Audit committee as required Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulation defining therein the term of reference, membership, powers, meeting procedures etc. of Audit Committee.

The Audit Committee also reviews adequacy of disclosures and compliance with all relevant laws. In addition to the foregoing, in compliance with requirements of Regulation 24 of the SEBI Listing Regulation, the Audit Committee reviews operations of subsidiary companies viz., its financial statement, significant related party transactions, statement of investments, etc.

Terms of reference

The Terms of reference and role of the Audit Committee are as per Regulation 18 and Schedule II part C of the SEBI Listing Regulations and Section 177 of Companies Act, 2013. The Committee meets periodically and *inter alia*:

- Reviews Accounting and financial reporting process of the Company;
- Reviews Audited and Un-audited financial results;
- Reviews Internal Audit reports, risk management policies and reports on internal control system;
- Discusses the larger issues that are of vital concern to the Company including adequacy of internal controls, reliability of financial statements/ other management information, adequacy of provisions for liabilities and whether the audit tests are appropriate and scientifically carried out in accordance with Company's current business and size of operations;
- Reviews and approves the transactions proposed to be entered into by the Company with related parties including any subsequent modifications thereto;
- Reviews functioning of Whistle Blower & Vigil Mechanism Policy; and
- Recommends proposals for appointment and remuneration payable to the Statutory Auditor, Internal Auditor and Chief Financial Officer.

Composition and Meetings of the Audit Committee

During the financial year ended on March 31, 2017, the Audit Committee of the Company comprised of Mr. B.K. Syngal, Independent Director as the Chairman and Mr. Vinod Kumar Bakshi Independent Director, Mr. Sureshkumar Agarwal, Independent Director and Mr. V. D. Wadhwa, Executive Director and CEO as the members of the Audit Committee. More than two-third of the members of the Committee are Independent Directors including Chairman. All the members have accounting and financial management knowledge. Mr. B. K. Syngal, the Chairman of the Audit Committee has accounting and financial management expertise.

The Company Secretary of the Company acts as the secretary to the Committee.

During the year under review, the Audit Committee met six (6) on May 5, 2016, May 25, 2016, September 6, 2016, November 22, 2016, December 19, 2016 and February 14, 2017 and the necessary quorum was present at the meetings. Mr. B.K. Syngal, Chairman of Audit Committee had attended the Annual General Meeting held on September 27, 2016 and answered the queries raised by the shareholders.

The Chief Financial Officer/ Head Finance & Accounts, the Partner/ Representative of the Statutory Auditors and the Internal Auditors are some of the invitees to the Audit Committee. Internal Auditors have attended Audit Committee Meetings wherein the Internal Audit Reports were considered by the Committee.

The details of attendance of Audit Committee meetings during the financial year ended March 31, 2017 are as under:

Name of the Director	Category	No. of meeting attended
Mr. B.K. Syngal (Independent Director)	Chairman	6
Mr. Vinod Kumar Bakshi (Independent Director)	Member	6
Mr. Sureshkumar Agarwal (Independent Director)	Member	2
Mr. V.D. Wadhwa* (Executive Director)	Member	6

*Mr. V.D. Wadhwa resigned from the office of Executive Directors and CEO of the Company with effect from June 5, 2017.

NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations read with Section 178 of the Companies Act, 2013.

Terms of reference

1. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

2. Formulate the criteria for determining qualification, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

3. Ensure the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.

4. Ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

5. Formulate policy with regard to remuneration to Directors, Key Managerial Personnel and Senior Management involving a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Composition and Meetings of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company comprised of Mr. B.K. Syngal, Mr. Vinod Kumar Bakshi and Mr. Sureshkumar Agarwal, Independent Directors as the members of the Committee.

During the year under review, the Nomination and Remuneration Committee met four (4) times on August 26, 2016, September 6, 2016, December 19, 2016 and March 30, 2017 and the necessary quorum was present at the meetings.

The details of attendance of Nomination and Remuneration Committee meetings during the financial year ended March 31, 2017 are as under:-

Name of the Director	Category	No. of meeting attended
Mr. B.K. Syngal (Independent Director)	Member	4
Mr. Vinod Kumar Bakshi (Independent Director)	Member	4
Mr. Sureshkumar Agarwal (Independent Director)	Member	Nil

Performance Evaluation Criteria for Independent Directors

Performance of each of the Independent Directors are evaluated every year by all the Directors with respect to various factors like personal traits which include business understanding, communicate skills, ability to exercise objective judgment in the best interests of the Company and on specific criteria which include commitment, guidance to Management, deployment of knowledge and expertise, management of relationship with various stakeholders, independence of behaviour and judgment, maintenance of confidentiality and contribute to corporate governance practice within the Company.

Remuneration Policy

The guiding principle of the remuneration policy of the Company is that the remuneration and other terms of engagement / employment shall be competitive enough to ensure that the Company is in a position to attract, retain and motivate right kind of human resource(s) for achieving the desired growth set by the Company's Management year on year thereby creating long-term value for all stakeholders of the Company.

Remuneration of Executive Directors

During the financial year ended on March 31, 2017, your Board comprised of one Executive Director viz. Mr. V.D. Wadhwa. He was appointed by the shareholders of the Company by passing the resolution through postal ballot on October 14, 2014 for a period of three (3) years commencing from August 12, 2014. Mr. V.D.Wadhwa had resigned from the office of Executive Director and CEO of the Company with effect from June 5, 2017.

The detail of remuneration paid to the Mr. V. D. Wadhwa, Executive Director & CEO of the Company during the year ended March 31, 2017 is as under:

Particulars	₹ (in million)
Salary*	21.94
Benefits Perquisites and Allowances*	0.00
Provident Fund Contribution	1.30
Total Amount	**23.24**
Employee Stock Options Granted	1,500,000

*As per provisions contained in section 17(1), 17(2) and 17(3) of the Income-tax Act, 1961.

The above figures do not include the provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation/premium paid are not available and the one-time bonus paid, as the same is of non-reoccurring nature.

Remuneration of Non-Executive Directors

Non-Executive Independent Directors shall be entitled to sitting fees of ₹ 20,000/- per meeting for attending the meetings of the Board and Committees thereof. The Company also reimburses the out of pocket expenses incurred by the Directors for attending meetings.

The details of the sitting fees paid to the Non-Executive Independent Directors for the period April 1, 2016 to March 31, 2017 are as under:

(₹ in million)

Name of the Director	Amount paid as Sitting Fees
Mr. B.K. Syngal	0.38
Mr. Vinod Kumar Bakshi	0.54
Mr. Sureshkumar Agarwal	0.08
Ms. Kavita Kapahi	0.06

The Non-Executive Independent Directors, apart from receiving the sitting fees, do not have any material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management, its subsidiaries and associates, which may affect independence of the Director. The Non-Executive Independent Directors of the Company shall not be entitled to participate in Stock Option Scheme of the Company.

STAKEHOLDER RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with Section 178 of the Companies Act, 2013.

The Broad terms of reference of the Stakeholder Relationship to supervise and ensure the satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services. The Committee has delegated the power of approving requests for transfer, transmission, re-materialisation, de-materialisation, etc. of shares of the Company to the Company Secretary of the Company.

During the financial year ended on March 31, 2017, the Stakeholders' Relationship Committee of the Company comprised of Mr. B. K. Syngal Independent Director, Mr. Vinod Kumar Bakshi, Independent Director and Mr. V. D. Wadhwa, Executive Director and CEO as the members of the Committee. Mr. Suresh Kumar, Company Secretary of the Company is Compliance Officer of the Company, who oversees the redressal of the investors' grievances.

During the year under review, the Stakeholders' Relationship Committee met once i.e. May 25, 2016 and the necessary quorum was present at the meeting.

The details of attendance of Stakeholders' Relationship Committee meetings during the financial year ended March 31, 2017 are as under:-

Name of the Director	Category	No. of meeting attended
Mr. B.K. Syngal (Independent Director)	Member	1
Mr. Vinod Kumar Bakshi (Independent Director)	Member	1
Mr. V.D.Wadhwa* (Executive Director and CEO)	Member	1

*Mr. V.D. Wadhwa resigned from the office of Executive Directors and CEO of the Company with effect from June 5, 2017.

Mr. B.K.Syngal, who chaired the Annual General Meeting held on September 27, 2016 and answered the queries raised by the shareholders.

REPORT ON CORPORATE GOVERNANCE

Details of number of requests/complaints received and resolved during the year ended March 31, 2017 are as under:

Nature of Correspondence	Received	Resolved/Replied	Pending
Non Receipt of Shares	2	2	Nil
Non Receipt of Annual Report	1	1	Nil
Complaint Received from SEBI	Nil	Nil	Nil
Complaint Received from NSE	Nil	Nil	Nil
Complaint Received from BSE	Nil	Nil	Nil
Complaint Received from ROC/ Others	1	1	Nil
Total	**4**	**4**	**Nil**

OTHER BOARD COMMITTEES

The Board has provided for detailed guidelines on constitution, quorum, scope and procedures to be followed by these Committees in discharging their respective functions. Minutes of the proceedings of Committee meetings are circulated to the Board members and are placed for record by the Board at its subsequent Meeting.

In addition to the above, the Board has constituted following Committees to exercise powers delegated by the Board as per the scope mentioned herein:

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In compliance with the requirements of Section 135 read with Schedule VII of the Companies Act 2013, the Board has constituted Corporate Social Responsibility Committee.

During the financial year ended on March 31, 2017, the Corporate Social Responsibility Committee comprised of Mr. Vinod Kumar Bakshi, Mr. Sureshkumar Agarwal and Mr. V.D. Wadhwa as the Members.

The broad terms of reference includes:-

i. To formulate and recommend to the board, a CSR policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

ii. To recommend the amount to be spent on the CSR activities;

iii. To periodically monitor the Company's CSR policy;

iv. To institute a transparent monitoring mechanisms for the implementation of CSR Projects.

During the year, no meeting was held of Corporate Social Responsibility Committee.

CORPORATE MANAGEMENT COMMITTEE

The Board has also constituted a Corporate Management Committee comprising of Key Managerial Personnel of the Company to review, approve and/or grant authorities for managing day-to-day affairs of the Company within the powers delegated by the Board. The Corporate Management Committee meet as and when required to deliberate and decide on various matters within their respective scope or powers delegated by the Board.

GENERAL MEETINGS

The 11th Annual General Meeting of the Company for the Financial Year 2016-17 will be held on Tuesday, September 26, 2017 at 3:00 p.m. at The Orchid, 70-C, Nehru Road. Near Mumbai Domestic Airport, Vile Parle (E), Mumbai - 400099

Details of Annual General Meeting of the Company held during last 3 years are as under:

Meeting	Day, Date and Time of the Meeting	Venue	Special Resolution passed
2015-16	Tuesday, September 27, 2016 3:30 p.m	'Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400018	a. Re-appointment of Mr. B. K. Syngal as an Independent Director for second term. b. Re-appointment of Mr. Vinod Kumar Bakshi as an Independent Director for second term. c. Re-appointment of Mr. Sureshkumar Agarwal as an Independent Director for second term. d. Alter and adopt new set of Articles of Association to align it with the Companies Act, 2013. e. Maintenance of register of members, other Security(ies) holders, etc. at C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup West, Mumbai 400078 (Bhandup office) instead of at Registered office of the Company. f. Raising of funds by issue of Equity Shares or securities convertible into Equity Shares, in one or more tranches, so that the total amount raised through such issue(s) of Securities shall not exceed Rupee equivalent of USD 100 Million.
2014-15	Thursday, August 27, 2015 3:30 p.m	'Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400018	a. Increasing the FII/FPI holding limit to 49% of the paid-up equity share capital of the Company. b. Raising of capital by issue of Equity Shares or convertible securities up to an amount not exceed Rupee equivalent of USD 100 Million. c. Implementation of 'SITI ESOP 2015'. d. Extending the benefits of SITI ESOP 2015 to the employees and Directors of the subsidiaries / holding company of the Company.
2013-14	Tuesday, August 12, 2014 4:00 p.m	"Ravindra Natya Mandir", Near Siddhivinayak Temple, Sayani Marg, Prabhadevi, Mumbai – 400 025.	a. Appointment of Mr. Anil Malhotra as the Manger of the Company. b. Pursuant to the provision of Section 180(1)(c) of the Companies Act, 2013 for borrow money upto ₹ 1500 crores.

All the above resolutions were passed with overwhelming majority.

POSTAL BALLOT

During the year under review, your Company sought the approval of the Shareholders through the Postal Ballot Mechanism for the below mentioned resolution proposed by the Company vide Postal Ballot process. The Resolutions passed through Postal Ballot process and the voting pattern (Postal Ballot & e-voting) of such resolution is mentioned hereunder:

Date of Notice : May 25, 2016	Date of Result : July 29, 2016		
Particulars of Resolution	**Voter count (No. of Shares) For**	**Voter Count (No. of Shares) Against**	**Approved/ Disapproved**
Change of name of the Company from "Siti Cable Network Limited" to "Siti Networks Limited" and consequential alteration in the Memorandum of Association and Articles of Association of the Company	631,086,586 (99.9996%)	2,602 (0.0004%)	Approved

REPORT ON CORPORATE GOVERNANCE

- Amit Agarwal & Associates, Practicing Company Secretary was appointed as the Scrutiniser for conducting the Postal Ballot process in a fair and transparent manner.

- The Company has engaged NSDL for using the electronic platform for evoting for the resolution under the Postal Ballot and the voting received using the electronic platform were entered in a register separately maintained for the purpose.

- The voting period under the postal ballot was commence Tuesday, the 28th day of June, 2016 at 9.00 a.m. and concluded on Wednesday, the 27th day of July, 2016 at 5.00 p.m.

DISCLOSURES

The Whistle Blower & Vigil Mechanism Policy approved by the Board has been implemented and no personnel has been denied access for making disclosure or report under the Policy to the Vigilance Officer and/or Audit Committee.

There are no materially significant related party transactions between the Company and its promoters, directors or key management personnel or their relatives having any potential conflict with interests of the Company at large. Transactions with related parties are disclosed elsewhere in the Annual Report.

There has not been any non-compliance by the Company and no penalties or strictures imposed by SEBI or Stock Exchanges or any other statutory authority on any matter relating to capital markets, during the last three years.

Compliance with Mandatory requirements and adoption of Non - Mandatory requirements

The Company has complied with all mandatory requirements of Listing Regulations.

The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the Listing Regulations:

i. **Shareholder Rights:** The quarterly and half yearly financial performance of the Company are communicated to the shareholders by way of an advertisement in the newspapers, as per requirements of the Listing Regulations, and are also posted on the Company's website, the same are not being sent to the shareholders individually.

ii. **Audit Qualifications:** The Company's financial statement for the financial year 2016-17 does not contain any audit qualification.

iii. **Reporting of Internal Auditor:** The Internal Auditor reports directly to the Audit Committee on quarterly basis.

MEANS OF COMMUNICATION

The Company has promptly reported all material information including declaration of quarterly financial results, press releases, etc. to all Stock Exchanges, where the securities of the Company are listed by uploading on the online portal of the stock exchanges i.e. NEAPS (NSE) & Corporate Filing (BSE). Such information is also simultaneously displayed immediately on the Company's website www.sitinetworks.com. The financial results quarterly, half yearly and annual results and other statutory information were generally communicated to the shareholders by way of an advertisement in a English newspaper viz. 'Business Standard' and in a vernacular language newspaper viz. 'Nav Shakti (Marathi)' as per requirements of the Listing Regulations.

Other official press releases and presentation made to Institutional Investors or to the analysts are also available on the Company's website.

Annual Report: Annual Report is circulated to members and other concerned including Auditors, Equity Analyst etc. Further, the Management Discussion and Analysis (MDA) Report, highlighting operations, business performance, financial and other important aspects of the Company's functioning, forms an integral part of the Annual Report.

Website: Pursuant to Regulation 46 of the Listing Regulation, the Company's website www.sitinetworks.com contains a dedicated functional segment called 'Investor Relations' where all the information needed by shareholders is available including Press Releases, Shareholding Pattern and Annual Reports.

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of,
Siti Networks Limited
(Formerly known as Siti Cable Network Limited)

We have examined the compliance of conditions of Corporate Governance by Siti Networks Limited (formerly known as Siti Cable Network Limited) (hereinafter referred to as 'the Company'), for the year ended March 31, 2017, as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Amit Aggarwal and Associates
Company Secretaries CS

Place: Delhi M No. : 5311
Date: May 26, 2017 C P No. : 3647

GENERAL SHAREHOLDERS INFORMATION

1.	**Annual General Meeting** **Day & Date** **Time** **Venue**	 : : :	 Tuesday, September 26, 2017 3:00 p.m. The Orchid, 70-C, Nehru Road, Near Mumbai Domestic Airport, Vile Parle (E), Mumbai, Maharashtra 400099
2.	**Financial year**	:	April 1, 2016 to March 31, 2017
3.	**Book Closure Date**	:	Friday, September 22, 2017 to Monday, September 25, 2017 (both days inclusive)
4.	**Dividend Payment Date**	:	The Board has not recommended any dividend for the Financial Year 2016-17.
5.	**Registered Office**		4th Floor, Madhu Industrial Estate, Pandurang Budhkar Marg, Worli, Mumbai 400013. Phone No.:+91- (022) 43605555 Email :- csandlegal@siti.esselgroup.com
6.	**Corporate Office**		4th Floor, FC- 19 & 20, Sector-16A, Film City, Noida - 201301. Ph No.: +91-(0120) 4526707 Email :- csandlegal@siti.esselgroup.com
7.	**Listing on Stock Exchange**	:	BSE Limited (BSE) The National Stock Exchange of India Limited (NSE) The Company has paid Annual Listing Fees to the Stock Exchanges for Financial Year 2017-18.
8.	**Stock Code**	:	BSE - 532795 NSE - SITINET-EQ
9.	**Corporate Identification Number (CIN)**	:	L64200MH2006PLC160733
10.	**ISIN No.**	:	INE965H01011 (Equity Shares of ₹ 1 each, fully paid up)
11.	**Registrar & Share Transfer Agent**	:	Link Intime India Pvt Ltd (w.e.f. June 16, 2016) C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083., India Tel: +91 22 49186000 Fax: +91 22 49186060 Email:- rnt.helpdesk@linkintime.co.in

12. Change of Address

Members holding equity share in physical form are requested to notify the change of address, if any, to the Company's Registrar & Share Transfer Agent, at the address mentioned above.

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding equity shares in physical form are requested to submit their PAN, notify the change of address, including e-mail address, if any, to the Company's Registrar & Share Transfer Agent, at the address mentioned above. Members holding equity shares in dematerialized form can submit their PAN, notify the change of address including e-mail address, if any to their respective Depository Participant (DP).

13. Share Transfer System

99.95% of the Equity Shares of the Company are in electronic form. Transfer of these shares are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form the transfer documents can be lodged with Company or through Registrar & Share Transfer Agent.

Transfer of shares in physical form is normally processed within 15 days from the date of receipt, if the documents are complete in all respects. The Board has delegated the authority for approving transfer, transmission, etc. of the Company's Equity Shares to the Company Secretary.

A half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (LODR) Regulations, 2015 is obtained from the Company Secretary in Practice and a copy of the certificate is filed with the Stock Exchanges simultaneously.

14. Dematerialisation of Shares & Liquidity

To facilitate trading in demat form, there are two Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company has entered into agreements with both these Depositories. The Shareholders can open account with any of the Depository Participant registered with any of these two Depositories.

As on March 31, 2017, 99.95% of the Equity Shares of the Company are in the dematerialized form. Entire Shareholding of the Promoter's in the Company is held in dematerialized form. The Equity Shares of the Company are frequently traded at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

15. Outstanding Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity

During the year under review, the Company, in accordance with Chapter VII of the SEBI (ICDR) Regulations, 2009, has converted 57,142,857 number of Warrants and 20,628,571 number of Optionally Fully Convertible Debentures (OFCDs) into equal number of Equity Shares of ₹ 1 each, issued on the Preferential basis to the Promoters/ Promoter Entities in the Financial Year 2015-16. After conversion of all these Warrants and OFCDs, the Promoter's shareholding has increased from "70.99%" to "73.57%". As on March 31, 2017, there are no Outstanding Securities issued by the Company and convertible into Equity Shares of the Company.

The Company has not issued any GDRs/ADRs in the past and hence as March 31, 2017, the Company does not have any outstanding GDRs/ADRs.

16. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The details pertaining to the Commodity Price risk or Foreign Exchange risk and Hedging Activities forms the part of Management Discussion and Analysis Report.

17. Shareholders' Correspondence

The Company has attended to all the investors' grievances/ queries/ Information requests except for cases where the Company is restrained due to some pending legal proceedings or court/statutory orders. It is the endeavor of the Company to reply all letters / communications received from the shareholders within a period of 5 working days.

All correspondence may be addressed to the Registrar & Share Transfer Agent at the address given in this Shareholders' Information section. In case any shareholder is not satisfied with the response or do not get any response within reasonable period, they may approach the Company Secretary of the Company.

18. Market Price Data

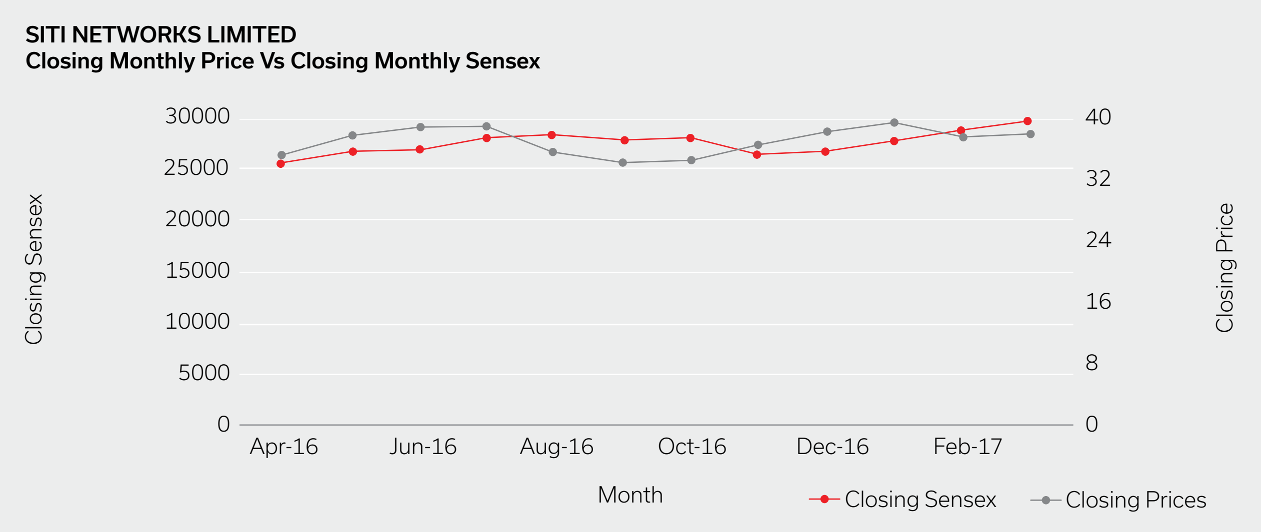
Monthly high and Low quotation and volume of Equity Shares traded on BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) for the Financial year 2016-17 are given as under:

REPORT ON CORPORATE GOVERNANCE

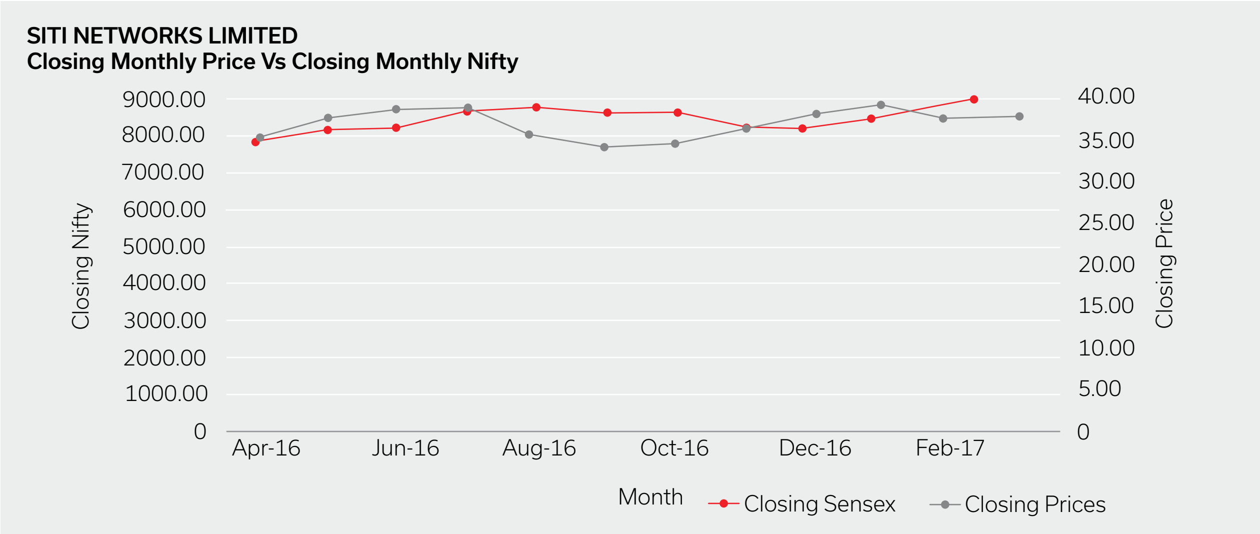
Month	BSE			NSE		
	High (in ₹)	Low (in ₹)	Traded Quantity	High (in ₹)	Low (in ₹)	Traded Quantity
April 2016	36.15	34.35	332,681	36.40	34.45	1,812,700
May 2016	39.60	35.30	1,832,657	39.60	35.30	8,636,387
June 2016	40.15	36.05	1,155,123	40.20	36.00	27,725,737
July 2016	40.15	36.85	665,251	40.00	36.95	2,585,226
August 2016	39.00	34.85	639,383	39.40	34.70	2,383,295
September 2016	36.70	32.50	1,092,662	36.80	33.10	2,513,083
October 2016	37.45	33.25	651,919	37.30	33.00	4,927,256
November 2016	37.25	31.00	685,857	37.85	28.15	15,711,858
December 2016	41.35	34.00	31,215,880	41.35	33.90	6,320,337
January 2017	40.80	34.00	575,993	40.95	36.25	2,884,114
February 2017	41.00	37.00	462,768	41.00	36.55	1,867,937
March 2017	41.20	37.00	20,218,956	41.45	36.85	6,407,719

19. Relative Performance of Shares of Siti Networks Limited vs. BSE Sensex & Nifty Index

Monthly Closing Price (Month End) Vs Monthly Closing Sensex (Month End)



Monthly Closing Price (Month End) Vs Monthly Closing Sensex (Month End)



20. Distribution of Shareholding as on March 31, 2017

Description	Shareholders		No. of Shares	
	Number	% of shareholders	Number	% of Shares
Less than 5000	98,582	99.03	25,220,315	2.89
5001-10000	474	0.48	3,499,867	0.40
10001-20000	202	0.20	2,932,146	0.34
20001-30000	67	0.07	1,710,438	0.20
30001-40000	35	0.04	1,243, 804	0.14
40000-50001	30	0.03	1,377,198	0.16
50001-100000	54	0.05	3,882,782	0.45
100000 and above	106	0.11	832,187,298	95.43
Total	**99,550**	**100.00**	**872,053,848**	**100.00**

21. Categories of Equity Shareholder as on March 31, 2017

Particulars	Received	Resolved/Replied
Promoters	641,528,140	73.57
Individuals	43,364,260	4.97
Financial Institutions, Mutual Funds & Banks	48,102,335	5.52
Indian Companies	20,426,062	2.34
FII (s),NRI(s),Foreign Bodies & OCBs	115,127,678	13.20
Others	3,505,373	0.40
Total	**872,053,848**	**100.00**

REPORT ON CORPORATE GOVERNANCE

22. Promoter's Shareholding as on March 31, 2017

S. No.	Name of the shareholder	No. of Share held	% of total shareholding
1.	Direct Media Solutions Private Limited (Now Known As Direct Media Solutions LLP)	118,895,000	13.63
2.	Bioscope Cinemas Private Limited	112,008,946	12.84
3.	Direct Media And Cable Private Limited	85,714,285	9.83
4.	Digital Satellite Holdings Private Limited	71,369,898	8.18
5.	Arrow Media & Broadband Private Limited	57,142,857	6.55
6.	Digital Satellite Media & Broadband Private Limited	51,428,571	5.90
7.	Manaaska Fashions LLP	19,000,000	2.18
8	Direct Media Solutions Llp (Formerly Known As Direct Media Solutions Private Limited)	2,105,000	0.24
9.	Essel Media Ventures Limited	75,828,755	8.70
10.	Essel International Limited	47,013,828	5.39
11.	Ashok Mathai Kurien	1,021,000	0.12
	Total	**641,528,140**	**73.57**

23. Top 10 Public Shareholders as on March 31, 2017

S. No.	Name of the shareholder	No. of Share held	% of total shareholding
1.	Morgan Stanley Asia (Singapore) Pte.	33,469,111	3.83
2.	HDFC Trustee Company Limited- HDFC Equity Fund	31,907,100	3.66
3.	Swiss Finance Corporation (Mauritius) Limited	12,708,282	1.46
4.	Polus Global Fund	12,238,456	1.40
5.	DSP Blackrock Micro Cap Fund	11,754,575	1.35
6.	Citigroup Global Markets Mauritius Private Limited	8,620,705	0.99
7.	Copthall Mauritius Investment Limited	6,446,624	0.74
8	Morgan Stanley Mauritius Company Limited	5,388,198	0.62
9.	Amal N Parikh	4,848,162	0.56
10.	HDFC Trustee Company Limited - HDFC Tax Saver Fund	4,290,970	0.49

24. Equity Shares in the Suspense Account

In accordance with requirement of Regulation 34(3) and Schedule V Part F of SEBI Listing Regulations, the Company reports the following details in respect of the Equity Shares, which were issued by the Company from time to time and lying in the suspense account is as under:

Description	No. of Shareholders	No. of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2016	83	46,417
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	01	500
Number of shareholders to whom shares were transferred from the suspense account during the year	01	500
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2017	82	45,917

The voting rights on the shares outstanding in suspense account as on March 31, 2017 shall remain frozen till the rightful owner of such shares claims the shares.

25. Share Capital Build-Up

(a) Equity Shares

Particulars	No. of Equity Shares Allotted	Date of Issue
Subscribers to the Memorandum of Association of the Company	50,000	March 25,2006
Subdivision of equity shares of ₹10/- each into equity shares of ₹1/- each	500,000	July 25, 2006
Allotted to the shareholders of Zee Entertainment Enterprises Limited pursuant to Scheme of Arrangement	216,717,753	December 29, 2006
Right Issue	236,222,285	October 29, 2009
Allotted upon conversion of warrants as per terms of issue	68,500,000	March 25, 2014
Allotted upon conversion of warrants as per terms of issue	93,500,000	April 2, 2014
ESOP Allotment	77,840	February 4, 2015
QIP Allotment	63,174,540	March 9, 2015
ESOP Allotment	167,840	March 26, 2015
Allotted upon conversion of warrants as per terms of issue	85,714,285	February 19, 2016
Allotted upon conversion of OFCD as per terms of issue	30,800,000	March 28, 2016
ESOP Allotment	135,000	February 14, 2017
Allotted upon conversion of warrants as per terms of issue	57,142,857	February 27, 2017
Allotted upon conversion of OFCD as per terms of issue	20,628,571	February 27, 2017
Less: Forfeiture of shares	1,227,123	October 19, 2011
Paid up equity share capital of the Company as on March 31, 2017	**872,053,848**	

(b) Preference Shares

Particulars	No. of Equity Shares Allotted	Date of Issue
Issued pursuant to Scheme of Arrangement	23,436	December 29, 2006
Paid up preference share capital of the Company as on March 31, 2017	**23,436**	

BUSINESS RESPONSIBILITY REPORT

SECTION A – GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) :**

   L64200MH2006PLC160733

2. **Name of the Company :**

   Siti Networks Limited

3. **Registered Address :**

   4th Floor, Madhu Industrial Estate,
   Pandurang Budhkar Marg, Worli, Mumbai 400013

4. **Website :**

   www.sitinetworks.com

5. **Email id :**

   csandlegal@siti.esselgroup.com

6. **Financial Year Reported :**

   April 1, 2016 – March 31, 2017

7. **Sector(s) that the Company is engaged in (industry activity code-wise)**

   The Company is a Multi System Operator and is mainly engaged in the business of distribution of signals of Television Channels of various broadcasters, falling into 'Telecommunications' services – NIC Code (2008) -61103.

8. **List three key products/services that the Company manufactures/provides (as in balance sheet)**

   The Company is a Multi System Operator and is mainly engaged in the business of distribution of signals of television channels of various broadcasters.

9. **Total number of locations where business activity is undertaken by the Company**

   i. Number of International Locations (Provide details of major 5) - Nil

   ii. Number of National Locations

   The Company provides its cable services in India's ~580 locations.

10. **Markets served by the Company**

    The Company is providing its services to more than 13 million subscribers across ~580 locations.

SECTION B – FINANCIAL DETAILS OF THE COMPANY

1. **Paid Up Capital (₹) :**

   ₹ 872.07 Million

2. **Total Revenue (₹) :**

   ₹ 7,736.79 million on standalone basis and ₹ 11,949.16 million on consolidated basis.

3. **Total Profit /(loss) after Taxes (₹) :**

   ₹ (1,849.95) million on standalone basis and ₹ (1,792.31) million on consolidated basis.

4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**

   Not Applicable, as the Company had incurred losses for three consecutive preceding financial years. Therefore, the spending on CSR activities as prescribed under Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable.

5. **List of activities in which expenditure in 4 above has been incurred**

   Not Applicable, as the Company has incurred losses during the last three preceding financial years.

SECTION C – OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**

   As at March 31, 2017, the Company has 25 Subsidiary Companies.

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such Subsidiary Company(s)**

   No

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No

SECTION D- BR INFORMATION

1. Details of Director/Directors responsible for BR

a) Details of the Director/Director responsible for implementation of the BR policy/policies

All Corporate Policies including the Business Responsibility Policies of the Company are engrained in day-to-day business operations of the Company and are implemented by Management at all levels. The responsibility for implementation of BR Policies of the Company during the financial year ended March 31, 2017 was ultimately shouldered by Mr.V.D.Wadhwa (DIN - 00439684), erstwhile Executive Director & CEO of the Company.

b) Details of the BR Head

During the financial year ended March 31, 2017:

- DIN Number : 00439684
- Name : Mr. V.D.Wadhwa
- Designation : Executive Director & CEO (resigned w.e.f. June 5, 2017)
- Telephone Number : 0120 -4526707
- Email id : csandlegal@siti.esselgroup.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

Sr. No.	Questions	Business Ethics	Product Responsibility	Employee Well Being	Shareholder Engagement	Human Rights	Environment Protection	Public & Regulatory Policy	CSR	Customer relation
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for....	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
3	Does the policy conform to any national /international standards? If yes, specify?	NA	Yes	NA	Yes	Yes	NA	NA	No	NA
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Yes	No	No	No	No	No	No	No	No
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Yes	No	No	No	No	No	No	No	No
6	Indicate the link for the policy to be viewed online?	Most of the relevant policies are disseminated and uploaded for information of relevant stakeholders and employees.								

BUSINESS RESPONSIBILITY REPORT

Sr. No.	Questions	Business Ethics	Product Responsibility	Employee Well Being	Shareholder Engagement	Human Rights	Environment Protection	Public & Regulatory Policy	CSR	Customer relation
		P1	P2	P3	P4	P5	P6	P7	P8	P9
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8	Does the Company have in-house structure to implement the policy/policies.	All Corporate Policies including Business Responsibility Policy are engrained in all day-to-day business operations of the Company and are implemented at all Management levels and monitored by the Executive Director from time to time								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Yes								
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Policies are evaluated regularly by the Executive Director and/or respective Senior Executives								

2a. If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	Within the overall guidance of the Board, the Corporate Policies are framed and/or modified from time to time. Policies have been implemented and followed over a period of time as per industry norms and/or best practices and were not approved by the Board specifically. However, these Policies as and when approved are released for implementation by the CEO(s) and/or Executive Directors of the Company at the relevant point in time.								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Goverance Related to BR

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

  The assessment of BR performance is done on an ongoing basis by the Executive Director / CEO and Senior Management of the Company.

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

  This is second year the Company had started publishing BR report from financial year 2015-16 on yearly basis. The BR report is/shall be available at www.sitinetworks.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1

BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. **Does the policy relating to ethics, bribery and corruption apply only the Company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/ Others?**

   The Company considers Corporate Governance as an integral part of management. The Company has a Code of Conduct that is approved by the Board of Directors and this code is applicable to all Board Members and Senior Management. The code is available on the Company's website: www.sitinetworks.com. Additionally, as part of HR policy the Company has framed/circulated policies which deal with (i) Ethics at work place; and (ii) restraining giving and receiving of gifts and other benefits in the course of business relationship etc. These policies are applicable to the employees at all levels, including subsidiaries.

   Though the Company's policies currently do not apply to external stakeholders including suppliers, contractors, NGOs etc., the Company follows zero tolerance on any acts of bribery, corruption etc. by such agencies during their dealings with the Company.

2. **How many stakeholders' complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   As mentioned in the Corporate Governance Report, 4 complaint was received from investors during the FY 2016-17, the same have been resolved. Additionally, on an ongoing basis the complaints / grievances / views from viewers and other stakeholders are dealt with by respective functions within the Company.

PRINCIPLE 2

BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.**

   The Company is a Multi System Operator and is mainly engaged in the business of distribution of signals of television channels of various broadcasters, are in compliance with applicable regulations/advisories, issued by Ministry of Information and Broadcasting and the self-regulatory guidelines / advisories issued by Telecom Regulatory Authority of India, from time to time.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw materials etc.) per unit of product (optional) including a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain and b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

   The Company's business operations as a service provider, requires minimal energy consumption. Though every endeavour is made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible

3. **Does the Company have procedures in place for sustainable sourcing (including transportation). If yes, what percentage of your inputs was sourced sustainably?**

   The Company maintains a healthy relationship with its content providers, vendors and other suppliers and the business policies of the Company include them in its growth. The process of vendor registration lays emphasis on conformity of safe working conditions, prevention of child labour, business ethics and general housekeeping by the vendor.

BUSINESS RESPONSIBILITY REPORT

4. **Has Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors.**

   Most of the business operations of the Company are carried out from commercial hubs of the country and the content provider and other goods and service providers required for the day-to-day operations are sourced from local vendors and small producers, which has contributed to their growth. However, the Company imports set top boxes from foreign vendors due to lack of indigenous vendors. The Company distributes the signals of television channels of various Broadcasters to its subscribers mainly through local cable operators.

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (Separately as<5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

   As the Company is a service provider, it does not discharge any effluent or waste.

PRINCIPLE 3

BUSINESS SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES

1. **Please indicate the total number of employees:** 657
2. **Please indicate the total number of employees hired on temporary/ contractual/ casual basis:** 1353
3. **Please indicate the number of permanent women employees:** 39
4. **Please indicate number of permanent employee with disabilities:** 2
5. **Do you have employee association that is recognized by management?** No employee association exists
6. **What percentage of your permanent employees are members of this recognized employee association?:** NA
7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year:** Nil
8. **What percentage of your above mentioned employees were given safety and skill up-gradation training in the last year?**

   The Company organizes various training sessions in-house on a regular basis and also sponsors its employees to attend training sessions organized by external professional bodies to facilitate upgradation of skill of employees handling relevant functions, basic fire and safety training. These trainings are generally attended by majority of employees.

PRINCIPLE 4

BUSINESSES SHOULD RESPECT INTEREST OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED

1. **Has the Company mapped its internal and external shareholders?**

   The Company has mapped its internal and external stakeholders, the major/key categories include (i) Central and State Governments / regulatory authorities viz.the Ministry of Information & Broadcasting, Ministry of Corporate Affairs, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and Depositories (ii) Broadcaster; (iii) Cable Operators, (iv) Vendors; (v) Financial Institutions; (vi) Banks; (vii) domestic & international investors and (viii) professional service providers.

   However, the process of mapping of stakeholders is an ongoing effort of updation on regular basis.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**

   Yes

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof**

   As part of its business operations, the Company supports various initiatives to create a greener and safer world.

PRINCIPLE 5

BUSINESS SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint ventures/ suppliers/ contractors/ NGOs/ Others?**

   The Company believes that an organization rests on a foundation of business ethics and valuing of human rights. The Company adheres to all statutes which embodies the principles of human rights such as prevention of child labour, woman empowerment etc. The Company promotes awareness of the importance of human rights within its value chain and discourages instances of any abuse.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?**

   There were no complaints reported on violation of any Human rights during the financial year 2016-17.

PRINCIPLE 6

BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1. **Does the policy related to principle 6 cover only the Company or extend to the Group/ Joint ventures/ suppliers/ contractors/ NGOS/ Others?**

   Nurturing and safeguarding the environment for long term sustainability is of prime importance. The Company, on standalone basis, has undertaken several green initiatives at all its office locations during the year.

2. **Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.? Y/N. If yes, please give hyperlink for webpage etc.**

   No

3. **Does the Company identify and assess potential environmental risks?**

   No, the Company being in the business of Multi System Operator ('MSO') does not involve in any manufacturing activity.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   No, the Company being in the business of Multi System Operator ('MSO') does not involve in any manufacturing activity.

5. **Has Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc.? Y/N. If yes, please give hyperlink to webpage etc.**

   No, the Company being in the business of Multi System Operator ('MSO') does not involve in any manufacturing activity.

6. **Are the Emissions/Waste generated by the Company within permissible limits given by CPCB/SPCB for the financial year being reported?**

   No, the Company being in the business of Multi System Operator ('MSO') does not involve in any manufacturing activity.

7. **Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.**

   Nil

PRINCIPLE 7

BUSINESS, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. **Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.**

   The Company is a Member of All India Digital Cable Federation.

2. **Have you advocated/lobbied through above associations for advancement or improvement of public good? Yes/No; If yes, specify the broad areas**

   The Company has been active in various business associations and supports / advocates on various issues for better viewer experience through implementation of Digital Addressable System ('DAS').

PRINCIPLE 8

BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8?**

   Due to losses incurred during the last three preceding financial years, spending on CSR activities are not applicable to the Company. However, as part of its business operations, the Company supports various initiatives to create a greener and safer world.

2. **Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organisation?**

   Not Applicable.

3. **Have you done any impact assessment of your initiative?**

   No.

4. **What is Company's direct contribution to community development projects Amount in INR and the details of the projects undertaken?**

   Not Applicable

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

   Not Applicable.

PRINCIPLE 9

BUSINESS SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1. **What percentage of customer complaints/ consumer cases as on the end of financial year?**

   There are no material consumer cases / customer complaints outstanding as at the end of financial year.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws?**

   Yes

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and or anti-competitive behavior during the last five years and pending as of end of financial year?**

   None

4. **Did your Company carry out any consumer survey/consumer satisfaction trends?**

   Yes, the Marketing Department on a regular basis carries out surveys (either web-based or otherwise) for identifying consumers viewing behavior and emerging trends on consumer preferences. The Company also carries out studies from time to time on process requirement areas through consulting firms.

CERTIFICATION ON FINANCIAL STATEMENTS OF THE COMPANY

We, V.D.Wadhwa, Executive Director & CEO and Anil Jain, Sr. V.P. (Head - Finance & Accounts) of Siti Networks Limited (formerly known as Siti Cable Network Limited) (hereinafter referred to as 'the Company') certify that:

a) We have reviewed the financial statements and cash flow statement for the year ended March 31, 2017 and that to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year ended March 31, 2017 which are fraudulent, illegal or violative of the Company's Code of Conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) During the year:

   i. there has not been any significant change in internal control over financial reporting;

   ii. there have not been any significant changes in accounting policies; and

   iii. there have been no instances of significant fraud of which we are aware that involve management or other employees having significant role in the Company's internal control system over financial reporting.

V.D.Wadhwa
Executive Director & CEO

Anil Jain
Sr. V.P. (Head- Finance & Accounts)

Place: Delhi
Date: 26.05.2017

INDEPENDENT AUDITOR'S REPORT

To the Members of SITI Networks Limited (formerly SITI Cable Network Limited)

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

1. We have audited the accompanying standalone financial statements of SITI Networks Limited (formerly SITI Cable Network Limited)('the Company'), which comprise the Balance Sheet as at 31March 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs(financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S 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, 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.

5. 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 these standalone 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 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.

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

OPINION

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31March 2017, its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

OTHER MATTER

9. The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2016 and 31 March 2015 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014 (as amended) on which we issued auditor's reports to the shareholders of the Company dated 25 May 2016 and 28 May 2015 respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS,which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure 1a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. Further to our comments in Annexure 1, 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 purpose of our audit;

    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) the standalone financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section164(2) of the Act;

    f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 26 May 2017 as per Annexure 2 expressed unqualified opinion; and

    g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule

INDEPENDENT AUDITOR'S REPORT

11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. the Company, as detailed in Note 41 to the standalone financial statements, 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;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

iv. The Company has provided disclosures in Note 50 to the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, the total receipts, total payments and total amount deposited in banks are in accordance with the books of account maintained by the Company. However, in the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness of disclosures made under specified bank notes and other denomination notes for permitted/ non-permitted receipts, 'permitted/ non-permitted payments' and 'amount deposited in banks.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sumit Mahajan**
Partner
Membership No.:504822

Place: New Delhi
Date: 26 May 2017

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

of even date to the members of SITI Networks Limited (formerly SITI Cable Network Limited), on the standalone financial statements for the year ended 31 March 2017

ANNEXURE 1

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, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets, except for some of the network equipment acquired in a scheme of arrangement in an earlier year where the records are maintained for a group of similar assets and not for each individual asset.

(b) The Company has a regular program of physical verification of its fixed assets (other than set top boxes and broadband consumer premises equipment (CPE), 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), under which fixed assets, except for some of the network equipment acquired in a scheme of arrangement in an earlier year, are verified in a phased manner over a period of three years, which, in our opinion,is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, the existence of set top boxes and CPE installed at customer premises is considered on the basis of the 'active user' status of the set top box and CPE. No material discrepancies were noticed on the verification of these assets except in case of some of the network equipment acquired in a scheme of arrangement in an earlier year which have not been physically verified by the management during the year and we are therefore unable to comment on the discrepancies, if any, which could have arisen on verification thereof.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) Based on the information and explanations given to us by the management, in our opinion, the Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) Based on the information and explanations given to us by the management, 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) In our opinion, 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) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) Based on the information and explanations given to us by the management, in our opinion, 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, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. 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 became payable.

(b) The dues outstanding in respect of income-tax, sales-tax,service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in million)	Amount paid under protest (₹ in million)	Period to which the amount relates	Forumwhere dispute is pending
Income-tax Act, 1961	Income tax	0.41	-	Assessment year 2013-2014	Commissioner Of Income Tax (Appeals)
Finance Act, 1994	Service tax	119.20	15.68	July 2003 to June 2008, Financial year 2005-2006 to Financial year 2008-2009 and Financial year 2011-2012	CESTAT
Karnataka Value Added Tax Act, 2003	Value added tax	2.83	0.85	Financial year 2007-2008	Joint Commissioner of Commercial Taxes
Andhra Pradesh Value Added Tax Act, 2005	Value added tax	5.58	0.71	Financial year 2010-2011 to Financial year 2012-2013	Appellate Deputy Commissioner, Commercial Taxes (Appeals)
Delhi Value Added Tax Act, 2004	Value added tax	126.53	5.30	April 2014 to December 2014	Additional Commissioner (Appeals)
The Maharashtra Value Added Tax Act, 2002	Value added tax	12.04	1.69	Financial Year 2007-2008 and Financial Year 2011-2012	Joint Commissioner of Commercial Taxes (Appeals)
The Uttar Pradesh Value Added Tax Act, 2008	Value added tax	7.38	-	Financial Year 2012-2013 and Financial Year 2013-2014	Appellate Deputy Commissioner, Commercial Taxes (Appeals)

(viii) The Company has no loans or borrowings payable to the government. The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or any dues to debenture-holders during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained.

(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) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are 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 Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. In our opinion, the unutilised amount out of proceeds as at 31 March 2016, were applied for the purposes for which these securities were issued, though idle/ surplus funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand. Further, in our opinion, the balance amount received during the year, on the aforementioned preferential allotment, were applied for the purposes for which these securities were issued, though funds which were not required for immediate utilisation have not yet been utilised by the Company.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sumit Mahajan**
Partner
Membership No.:504822

Place: New Delhi
Date: 26 May 2017

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 standalone financial statements of SITI Networks Limited (formerly SITI Cable Network Limited) ("the Company") as of and for the year ended 31 March 2017 we have audited the internal financial controls over financial reporting (IFCoFR) of the Company of 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 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 ("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.

Auditor's 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.

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 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sumit Mahajan**
Partner
Membership No.:504822

Place: New Delhi
Date: 26 May 2017

STANDALONE BALANCE SHEET

as at March 31, 2017

₹ in million

	Note	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
ASSETS				
Non-current assets				
a) Property, plant and equipment	4	7,709.23	6,097.27	3,970.84
b) Capital work-in-progress	4	2,033.91	3,417.55	1,193.00
c) Other intangible assets	5	1,087.10	811.64	626.67
d) Intangible assets under development	4	180.91	271.87	141.18
e) Financial assets				
i) Trade receivables	10	-	118.19	-
ii) Investments	6	3,893.42	3,899.92	2,493.80
iii) Others	7	914.45	779.54	634.35
f) Other non-current assets	8	64.80	42.65	132.14
		15,883.82	**15,438.63**	**9,191.98**
Current assets				
a) Inventories	9	79.39	69.53	77.02
b) Financial assets				
i) Trade receivables	10	5,200.34	3,139.09	2,794.10
ii) Cash and cash equivalents	11	1,002.47	2,823.00	3,940.01
iii) Investments	12	4.40	12.56	11.61
iv) Others	13	1,192.50	915.18	979.60
c) Other current assets	14	1,676.87	1,550.28	1,785.81
		9,155.97	**8,509.64**	**9,588.15**
TOTAL ASSETS		**25,039.79**	**23,948.27**	**18,780.13**
EQUITY AND LIABILITIES				
Equity				
a) Equity share capital	15 (a)	872.67	794.76	678.25
b) Other equity		4,384.80	4,712.04	23.86
		5,257.47	**5,506.80**	**702.11**
LIABILITIES				
Non-current liabilities				
a) Financial liabilities				
i) Borrowings	16	9,201.94	7,141.89	8,911.29
ii) Other financial liabilities	17	1,982.73	2,027.71	761.30
b) Provisions	18	50.70	38.89	32.47
c) Other non-current liabilities	19	426.90	295.84	281.85
		11,662.27	**9,504.33**	**9,986.91**
Current liabilities				
a) Financial liabilities				
i) Borrowings	20	43.86	-	344.10
ii) Trade payables	21	2,698.59	2,164.60	2,219.73
iii) Other financial liabilities	22	4,476.95	6,051.42	4,863.59
b) Provisions	23	1.34	1.46	1.17
c) Other current liabilities	24	899.31	719.66	662.52
		8,120.05	**8,937.14**	**8,091.11**
TOTAL EQUITY AND LIABILITIES		**25,039.79**	**23,948.27**	**18,780.13**

The accompanying notes are an integral part of these standalone financial statements.
This is the standalone balance sheet referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Sumit Mahajan**
Partner

Place : New Delhi
Date : May 26, 2017

For and on behalf of the Board of Directors of
SITI Networks Limited (formerly SITI Cable Network Limited)

V D Wadhwa
Executive Director and CEO
DIN 00439684

B.K. Syngal
Director
DIN 00002395

Anil Jain
Head-Finance and Accounts

Suresh Kumar
Company Secretary
M No. ACS 14390

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2017

₹ in million

	Note	March 31, 2017	March 31, 2016
INCOME			
Revenue from operations	25	7,736.79	8,558.06
Other income	26	162.79	207.81
TOTAL INCOME		**7,899.58**	**8,765.87**
EXPENSES			
Cost of materials consumed		0.64	-
Purchase of traded goods		809.44	1,379.38
Carriage sharing, pay channel and related costs		3,808.62	3,663.96
Employee benefits expense	27	618.03	468.65
Finance costs	28	1,210.12	1,375.79
Depreciation and amortisation of non-financial assets	29	1,345.24	943.53
Other expenses	30	1,752.50	1,454.12
TOTAL EXPENSES		**9,544.59**	**9,285.43**
Loss before exceptional item and tax		**(1,645.01)**	**(519.56)**
Exceptional item	53	202.36	-
Loss before tax		**(1,847.37)**	**(519.56)**
Tax expense			
Current tax	44	2.58	-
Loss for the year		**(1,849.95)**	**(519.56)**
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurement of defined benefit liability		(1.31)	0.30
TOTAL COMPREHENSIVE INCOME		**(1,851.26)**	**(519.26)**
Earnings (loss) per share			
Basic (loss) per share	31	(2.12)	(0.74)
Diluted (loss) per share	31	(2.12)	(0.74)

The accompanying notes are an integral part of these standalone financial statements.
This is the standalone statement of profit and loss referred to in our report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

per **Sumit Mahajan**
Partner

Place : New Delhi
Date : May 26, 2017

For and on behalf of the Board of Directors of
SITI Networks Limited (formerly SITI Cable Network Limited)

V D Wadhwa
Executive Director and CEO
DIN 00439684

B.K. Syngal
Director
DIN 00002395

Anil Jain
Head-Finance and Accounts

Suresh Kumar
Company Secretary
M No ACS 14390

CASH FLOW STATEMENT
for the year ended March 31, 2017

₹ in million

	March 31, 2017	March 31, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	**(1,847.37)**	**(519.56)**
Adjustment for:		
Depreciation and amortisation of non-financial assets	1,345.24	943.53
Interest income on bank deposits	(71.52)	(126.90)
Excess provisions written back	(36.92)	(36.48)
Profit on sale of property, plant and equipment	-	(1.81)
Interest expense for borrowings at amortised cost	907.43	1,105.03
Amortisation of ancillary borrowing costs	7.97	23.81
Unrealised foreign exchange loss	67.49	(6.40)
Provision for doubtful debts	258.60	296.40
Provision for doubtful advances	-	25.79
Employee stock compensation expense	30.29	30.35
Measurement of investment (current, financial assets) at fair value through profit and loss	1.10	(0.95)
Effect of recognising other expense on security deposit as per effective interest method	2.57	2.60
Interest cost on discounting of financial instruments	26.90	20.82
Measurement of financial assets and financial liabilities at amortised cost	(15.17)	(20.36)
Measurement of optionally convertible debenture at fair value through profit and loss	6.55	-
Exceptional item	202.36	-
Operating profit before working capital changes	**885.52**	**1,735.87**
Adjustments for changes in:		
Increase in trade receivables	(2,390.64)	(740.55)
(Increase)/decrease in other financial assets	(246.89)	65.43
(Increase)/decrease in other current and non-current assets	(154.95)	464.89
(Increase)/decrease in inventories	(9.86)	7.50
(Decrease)/increase in other financial liabilities	(65.80)	448.49
Increase in employee benefit obligations	10.38	7.02
Increase in other current and non-current liabilities	310.71	71.12
Increase/(decrease) in trade payables	570.92	(18.66)
Cash (used in)/generated from operations	**(1,090.61)**	**2,041.11**
Income taxes paid	(4.03)	(207.89)
Net cash flow (used in)/generated from operating activities	**(1,094.64)**	**1,833.22**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangibles assets	(2,933.76)	(2,708.46)
Proceeds from sale of property, plant and equipment	-	3.00
Purchase of investment (non- current, financial assets)	(0.06)	(1,406.12)
Sale of investment (current, financial assets)	7.06	-
Interest received	40.35	115.74
Investments in bank deposits	(134.95)	(136.31)
Net cash used in investing activities	**(3,021.36)**	**(4,132.15)**

₹ in million

	March 31, 2017	March 31, 2016
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of equity share capital	4.15	-
Proceeds received against warrants issued	1,500.00	3,500.00
Proceeds received against optionally fully convertible debentures issued	-	1,800.00
Proceeds/(repayments) from borrowings (current, financial liabilities) (net)	43.86	(344.10)
Proceeds from borrowings (non-current, financial liabilities)	5,302.41	4,360.93
Repayment of borrowings (non-current, financial liabilities)	(3,604.16)	(6,972.49)
Interest and ancillary borrowing costs paid	(950.80)	(1,162.41)
Net cash flow generated from financing activities	**2,295.47**	**1,181.92**
Net decrease in cash and cash equivalents	(1,820.53)	(1,117.01)
Cash and cash equivalents at beginning of the period	2,823.00	3,940.01
Cash and cash equivalents at close of the year	**1,002.47**	**2,823.00**

Notes :

₹ in million

	March 31, 2017	March 31, 2016
a. Cash and cash equivalents include :		
Cash on hand	90.43	31.34
Balances with banks - current accounts	889.07	134.09
Cheques and drafts in hand	22.97	1,148.57
Deposits with maturity of upto three months	-	1,509.00
	1,002.47	**2,823.00**

This is the cash flow statement refered to in our report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

per **Sumit Mahajan**
Partner

Place : New Delhi
Date : May 26, 2017

For and on behalf of the Board of Directors of
SITI Networks Limited (formerly SITI Cable Network Limited)

V D Wadhwa
Executive Director and CEO
DIN 00439684

B.K. Syngal
Director
DIN 00002395

Anil Jain
Head-Finance and Accounts

Suresh Kumar
Company Secretary
M No ACS 14390

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2017

A Equity share capital

₹ in million

	Notes	Amount
Balance as at April 01, 2015		678.25
Issued on conversion of warrants	15	85.71
Issued on conversion of Optionally Fully Convertible Debentures (OFCD)	15	30.80
Balance as at March 31, 2016		**794.76**
Issued on conversion of warrants	15	57.14
Issued on conversion of OFCD	15	20.63
Issued on exercise of employee stock options	15	0.14
Balance as at March 31, 2017		**872.67**

B Other equity

₹ in million

	Reserves and surplus					Other Components of Equity			
	Securities premium reserve (refer note 15(c))	Retained earnings (refer note 15(c))	General reserve (refer note 15(c))	Optionally fully convertible debentures (refer note 15(b))	Money received against warrants	Other comprehensive Income (refer note 15(c))	Foreign currency monetary item translation difference account (FCMITDA) (refer note 15(c))	Employee shares based reserve (refer note 15(c))	Total other equity
Balance as at April 01, 2015	9,405.65	(9,330.40)	3.23	-	-	-	(54.62)	-	23.86
Loss for the year	-	(519.56)	-	-	-	-	-	-	(519.56)
Remeasurement of defined benefit liability	-	-	-	-	-	0.30	-	-	0.30
Total comprehensive income for the year	**-**	**(519.56)**	**-**	**-**	**-**	**0.30**	**-**	**-**	**(519.26)**
Security premium on conversion of warrants and OFCDs into equity shares	3,961.49	-	-	-	-	-	-	-	3,961.49
Issue of optionally fully convertible debenture	-	-	-	1,800.00	-	-	-	-	1,800.00
Conversion of OFCDs into equity shares	-	-	-	(1,078.00)	-	-	-	-	(1,078.00)
Money received against warrants issued	-	-	-	-	3,500.00	-	-	-	3,500.00
Conversion of warrants into equity shares	-	-	-	-	(3,000.00)	-	-	-	(3,000.00)
FCMITDA created during the year	-	-	-	-	-	-	(67.73)	-	(67.73)
FCMITDA amortised during the year	-	-	-	-	-	-	61.33	-	61.33
Employee shares based reserve created	-	-	-	-	-	-	-	30.35	30.35
Transaction with owners		-	-	-	-	-	-	30.35	30.35
Balance as at March 31, 2016	**13,367.14**	**(9,849.96)**	**3.23**	**722.00**	**500.00**	**0.30**	**(61.02)**	**30.35**	**4,712.04**
Balance as at April 01, 2016	**13,367.14**	**(9,849.96)**	**3.23**	**722.00**	**500.00**	**0.30**	**(61.02)**	**30.35**	**4,712.04**

₹ in million

	Reserves and surplus					Other Components of Equity			
	Securities premium reserve (refer note 15(c))	Retained earnings (refer note 15(c))	General reserve (refer note 15(c))	Optionally fully convertible debentures (refer note 15(b))	Money received against warrants	Other comprehensive Income (refer note 15(c))	Foreign currency monetary item translation difference account (FCMITDA) (refer note 15(c))	Employee shares based reserve (refer note 15(c))	Total other equity
Loss for the year	-	(1,849.95)	-	-	-	-	-	-	(1,849.95)
Remeasurement of defined benefit liability	-	-	-	-	-	(1.31)	-	-	(1.31)
Total comprehensive income for the year	**-**	**(1,849.95)**	**-**	**-**	**-**	**(1.31)**	**-**	**-**	**(1,851.26)**
Security premium on conversion of warrants and OFCDs into equity shares	2,644.23	-	-	-	-	-	-	-	2,644.23
Security premium on issue of shares against employee stock options	6.00	-	-	-	-	-	-	-	6.00
Conversion of OFCDs into equity shares	-	-	-	(722.00)	-	-	-	-	(722.00)
Money received against warrants issued	-	-	-	-	1,500.00	-	-	-	1,500.00
Conversion of warrants into equity shares	-	-	-	-	(2,000.00)	-	-	-	(2,000.00)
FCMITDA created during the year	-	-	-	-	-	-	24.32	-	24.32
FCMITDA amortised during the year	-	-	-	-	-	-	43.17	-	43.17
Employee shares based reserve created	-	-	-	-	-	-	-	30.29	30.29
Reversed on share options excercised during the year	-	-	-	-	-	-	-	(1.99)	(1.99)
Balance as at March 31, 2017	**16,017.37**	**(11,699.91)**	**3.23**	**-**	**-**	**(1.01)**	**6.47**	**58.65**	**4,384.80**

The accompanying notes are an integral part of these standalone financial statements.
This is statement of changes in equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**

Chartered Accountants

per **Sumit Mahajan**
Partner

Place : New Delhi
Date : May 26, 2017

For and on behalf of the Board of Directors of
SITI Networks Limited (formerly SITI Cable Network Limited)

V D Wadhwa
Executive Director and CEO
DIN 00439684

B.K. Syngal
Director
DIN 00002395

Anil Jain
Head-Finance and Accounts

Suresh Kumar
Company Secretary
M No ACS 14390

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2017

1. NATURE OF OPERATIONS

SITI Networks Limited (formerly SITI Cable Network Limited) (hereinafter referred to as the 'Company' or 'SNL') was incorporated in the state of Maharashtra, India. The Company is engaged in distribution of television channels through analogue and digital cable distribution network and allied services.

2. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH INDIAN ACCOUNTING STANDARDS (IND AS)

SNL, is a public company incorporated and domiciled in India. Its registered office is at Madhu Industrial Estate, 4th Floor, P. B Marg, Worli, Mumbai 400013, India. The Company's shares are listed on the National Stock Exchange of India Limited and BSE Limited. The standalone financial statements of the Company have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act').

For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first financial statements which the Company has prepared in accordance with Ind AS. For the purpose of comparatives, financial statements for the year ended 31 March 2016 and opening balance sheet as at 1 April 2015 are also prepared as per Ind AS. Refer note 48 for the explanation of transition from Indian GAAP to Ind AS. The standalone financial results along with comparative figures have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on May 26, 2017.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

a) Overall considerations and first time adoption of Ind ASs

These standalone financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

These accounting policies have been used throughout all periods presented in these standalone financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

In accordance with Ind AS 101, the Company presents three balance sheets, two statements of profit and loss, two statements of cash flows and two statements of changes in equity and related notes, including comparative information for all statements presented, in its first Ind AS financial statements. In future periods, Ind AS 1 requires two comparative periods to be presented for the balance sheet only in certain circumstances.

b) Basis of preparation

These standalone financial statements of the Company have been prepared in accordance with Ind AS notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Accordingly, these standalone financial statements for the year ended 31 March 2017 are the Company's first Ind AS standalone financial statements. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). Refer note 48 for the explanation of transition from Indian GAAP to Ind AS.

The Company continued to incur losses, during year ended March 31, 2017 but in view of the present positive net worth, expected substantial subscription revenue growth and continued financial support from certain stakeholders of the Company, the financial statements continue to be prepared on a going concern basis.

c) Foreign currency translation

Functional and presentation currency

These standalone financial statements are presented in currency Indian Rupee (₹), which is also the functional currency of the Company.

Foreign currency transactions and balances

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

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

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

d) Revenue

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

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

Revenue from rendering of services

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

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

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

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

Income from rendering technical services and broadband services are recognised on accrual basis.

Revenue from sale set top box (STB's) & viewing cards (VC's)

Revenue from sale of goods is recognised when the significant risks and rewards in respect of ownership of the goods are transferred to the buyer, usually on delivery of the goods and when no uncertainty exists regarding the amount of consideration that will be derived. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Interest

Interest income is reported on an accrual basis using the effective interest method.

e) Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the related service or as incurred.

f) Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalisation of borrowing cost is suspended in the period during which the active development is delayed due to, other than temporary, interruption. All other borrowing costs are charged to profit or loss as incurred.

g) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price (net of CENVAT credit availed), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted. Ind AS 101 permits a first-time adopter to measure an item of property, plant and equipment at the date of transition to Ind AS at its fair value and use that fair value as its deemed cost at that date. Accordingly, the Company has elected to apply Ind AS retrospectively, from the date of acquisition of its property, plant and equipment. Further Ind AS 101 allows a first-time adopter to continue the policy adopted for the accounting for exchange differences arising on translation of the long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per previous GAAP. The Company has opted for this exemption and continued its previous GAAP policy for accounting of exchange differences on long-term foreign currency monetary items recognised in the previous GAAP financial statements for the year ended March 31, 2016. Accordingly, foreign currency differences on such items attributable to the acquisition of property, plant and equipment are adjusted against their cost and depreciated prospectively over the remaining useful lives.

All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

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

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives.

	life in years
Buildings	60
Plant and equipment	8
Computers	3
Office equipment	5
Furniture and fixtures	10
Air conditioners	5
Studio equipment	13
Vehicles	8
Set top boxes	8
Integrated receiver and decoder (IRD) boxes	10

Leasehold improvements over the lease term or estimataed useful life, whichever is less.

Leasehold land is amortised over the effective period of lease.

Plant and equipment taken over under scheme of arrangement in the earlier years are depreciated over the management's estimate of remaining useful life, a period of 5 years.

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

De-recognition

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

h) Intangible assets

Recognition and initial measurement

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

Subsequent measurement

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Software are amortised over a period of six years on straight-line-basis.

Cost of news, current affairs, chat shows and events including sports events etc. are fully expensed on first telecast.

Program, film and cable rights are amortised on a straight-line basis over the license period or 60 months from the date of purchase, whichever is shorter.

Amortisation has been included within depreciation and amortisation of non-financial assets.

Subsequent expenditures on the maintenance of intangible assets are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the respective intangible asset, and is recognised in profit or loss within other income or other expenses.

i) Impairment of non-financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss.

If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the Statement of Comprehensive Income.

Goodwill is tested for impairment annually when circumstances indicate that the carrying value may be impaired.

j) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments and are measured initially at.

a) fair value, in case of financial instruments subsequently carried at fair value through profit or loss (FVTPL);

b) fair value adjusted for transaction costs, in case of all other financial instruments.

Subsequent measurement

Financial instruments at amortised cost – the financial instrument is measured at the amortised cost if both the following conditions are met:

i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

All other debt instruments are measured at fair value through other comprehensive income or FVTPL, based on Company's business model.

Equity investments – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification is made on initial recognition and is irrevocable.

Mutual funds – All mutual funds in scope of Ind-AS 109 are measured at FVTPL.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

Subsequent measurement

Subsequent to initial recognition, these liabilities are measured at amortised cost using the EIR method.

De-recognition of financial liabilities

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

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

Offsetting of financial instruments

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

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss ('ECL') model for measurement and recognition of impairment loss for financial assets. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company consider the following –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

As a practical expedient the Company has adopted 'simplified approach' for recognition of lifetime expected loss on trade receivables. The estimate is based on three years average default rates observed over the expected life of the trade receivables and is adjusted for forward-looking estimates. These average default rates are applied on total credit risk exposure on trade receivables at the reporting date to determine lifetime expected credit losses.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

k) Post-employment, long term and short term employee benefits

Defined contribution plans

Provident fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has further payment obligation once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

Defined benefit plans

Gratuity

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at the reporting date by an independent actuary using the projected unit credit method.

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

Other employee benefits

Compensated absences

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

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

Short term employee benefits

Short-term employee benefits, are current liabilities, measured at the undiscounted amount that the Company expects to pay as a result of the unused entitlement.

l) Share based employee remuneration

The Company operates equity-settled share-based remuneration plans for its employees, where the fair value of employee's services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions). All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to ESOP reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period. The number of vested options ultimately exercised by holders does not impact the expense recorded in any period.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as securities premium.

m) Provisions, contingent assets and contingent liabilities

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

Contingent liability is disclosed for:

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

Contingent assets are disclosed when probable and recognised when realisation of income is virtually certain.

n) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for the effects of mandatorily convertible instrument in compliance with Ind AS 33.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Leases

Where the Company is a lessee

Finance leases

Management applies judgement in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include i) the length of the lease term in relation to the economic life of the asset ii) the present value of the minimum lease payments in relation to the asset's fair value, and iii) whether the Company obtains ownership of the asset at the end of the lease term.

For leases of land and buildings, the minimum lease payments are first allocated to each component based on the relative fair values of the respective lease interest. If the minimum lease payments cannot be allocated reliably between the two components, entire lease is classified as a finance lease, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease. Each component is then evaluated separately for possible treatment as a finance lease, taking into consideration the fact that land normally has an indefinite economic life.

Refer Note 3(g) for the depreciation methods and useful lives for assets held under finance leases. The interest element of lease payments is charged to profit or loss, as finance costs over the period of the lease.

Operating leases

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

Where the Company is a lessor

Operating leases

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Balance Sheet based on their nature.

p) Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

q) Inventories

Stores and spares are valued at cost on weighted average basis or at net realisable value whichever is lower.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

r) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is a multi-system operator providing cable television network services and allied services which is considered as the only reportable segment. The Company's operations are based in India.

s) Significant management judgement in applying accounting policies and estimation uncertainty

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

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

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect.

Recognition of deferred tax assets - The extent to which deferred tax assets can be recognised is based on the assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised.

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

Property, plant and equipment - Management assess the remaining useful lives and residual value of property, plant and equipment and believes that the assigned useful lives and residual value are reasonable.

Estimation uncertainty

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

Recoverability of advances/ receivables- The management from time to time reviews the recoverability of advances and receivables. The review is done at least once in a financial year and such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors.

Defined benefit obligation- Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may impact the defined benefit obligation amount and the annual defined benefit expenses.

Contingencies- Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies, claim, litigations etc against the Company as it is not possible to predict the outcome of pending matters with accuracy.

Fair value measurement

The Company measures certain financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Company uses following measurement techniques:

- The fair value measurement for financial instruments where active market quotes are available is based on the quotes available in the principal market for selling the asset or transferring the liability

- Company uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

- The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. Refer Note 37 B for Fair Value Hierarchy.

t) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition. Cash and cash equivalent are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

u) Equity and reserves

Share capital represents the nominal (par) value of shares that have been issued.

Securities premium includes any premium received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from securities premium, net of any related income tax benefits.

Other components of equity include the following:

Re-measurement of net defined benefit liability- comprises the actuarial losses from changes in demographic and financial assumptions and the return on plan assets (refer note 35)

Retained earnings includes all current and prior period retained profits and share-based employee remuneration (refer note 15) All transactions with owners of the parent are recorded separately within equity.

Recent accounting pronouncements

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, Statement of cash flows, and IFRS 2, Share-based payment, respectively. The amendments are applicable to the Company from 1 April 2017.

Amendment to Ind AS 7:

The amendments to Ind AS 7 inter-alia require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102:

The amendments to Ind AS 102 inter-alia provide specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that includes a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. The Company is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

It is not applicable to the Company as it does not have any cash settled awards.

4 PROPERTY, PLANT AND EQUIPMENT

₹ in million

	Buildings	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Air conditioners	Studio equipment	Vehicles	Leasehold improvements	Set top boxes	IRD boxes	Total
Gross carrying amount												
Balance as at April 01, 2015	26.96	2,536.63	90.01	28.67	20.24	14.76	33.47	14.95	53.62	4,561.19	1.26	7,381.76
Additions	-	696.85	6.62	3.98	0.30	0.38	-	-	-	2,222.11	-	2,930.24
Disposals	1.65	-	-	-	-	-	-	-	-	-	-	1.65
Balance as at March 31, 2016	**25.31**	**3,233.48**	**96.63**	**32.65**	**20.54**	**15.14**	**33.47**	**14.95**	**53.62**	**6,783.30**	**1.26**	**10,310.35**
Gross carrying amount												
Balance as at March 31, 2016	25.31	3,233.48	96.63	32.65	20.54	15.14	33.47	14.95	53.62	6,783.30	1.26	10,310.35
Additions	-	1,049.54	6.18	1.25	1.05	-	-	5.12	-	1,685.71	-	2,748.85
Balance as at March 31, 2017	**25.31**	**4,283.02**	**102.81**	**33.90**	**21.59**	**15.14**	**33.47**	**20.07**	**53.62**	**8,469.01**	**1.26**	**13,059.20**
Accumulated depreciation												
Balance as at April 01, 2015	8.08	1,827.07	78.91	24.13	14.38	11.40	25.03	9.79	42.60	1,368.87	0.66	3,410.92
Charge for the year	0.41	170.32	4.90	1.72	0.42	0.58	0.60	1.03	3.06	619.58	-	802.62
Disposals	0.46	-	-	-	-	-	-	-	-	-	-	0.46
Balance as at March 31, 2016	**8.03**	**1,997.39**	**83.81**	**25.85**	**14.80**	**11.98**	**25.63**	**10.82**	**45.66**	**1,988.45**	**0.66**	**4,213.08**
Accumulated depreciation												
Balance as at March 31, 2016	8.03	1,997.39	83.81	25.85	14.80	11.98	25.63	10.82	45.66	1,988.45	0.66	4,213.08
Charge for the year	0.39	271.42	5.33	2.32	1.12	-	0.60	1.32	1.97	852.42	-	1,136.89
Balance as at March 31, 2017	**8.42**	**2,268.81**	**89.14**	**28.17**	**15.92**	**11.98**	**26.23**	**12.14**	**47.63**	**2,840.87**	**0.66**	**5,349.97**
Net carrying amount as at April 01, 2015	**18.88**	**709.56**	**11.10**	**4.54**	**5.86**	**3.36**	**8.44**	**5.16**	**11.02**	**3,192.32**	**0.60**	**3,970.84**
Net carrying amount as at March 31, 2016	**17.28**	**1,236.09**	**12.82**	**6.80**	**5.74**	**3.16**	**7.84**	**4.13**	**7.96**	**4,794.85**	**0.60**	**6,097.27**
Net carrying amount as at March 31, 2017	**16.89**	**2,014.21**	**13.67**	**5.73**	**5.67**	**3.16**	**7.24**	**7.93**	**5.99**	**5,628.14**	**0.60**	**7,709.23**

Note a) Capital work-in-progress and intangible assets under development include set top boxes, viewing cards (softwares) and plant and equipment amounting to ₹ 1,849.21 million, ₹ 180.91 million and ₹ 184.70 million respectively (March 31, 2016: ₹ 3081.29 million, ₹ 271.87 million and ₹ 336.26 million and April 01, 2015 ₹ 1,025.05 million, ₹ 141.18 million and ₹ 167.95 million respectively) which are yet to be installed.

Note b) Restriction on title of property, plant and equipment, refer note 16 and 20.

Note c) Refer note 36 for vehicle finance lease.

Note d) The Company has been capitalising the foreign exchange differences on gross block of set top boxes amounting to ₹ (64.36) million (March 31, 2016: ₹168.65 million and April 01, 2015 ₹ 127.84 million) and capital work in progress amounting to ₹ (11.47) million (March 31, 2016: ₹ 3.55 million and April 01, 2015 ₹ Nil million).

5 OTHER INTANGIBLE ASSETS

₹ in million

	Goodwill	Program, film and cable rights	Software	Total
Gross carrying amount				
Balance as at April 01, 2015	11.31	50.35	830.14	891.80
Additions	-	-	325.88	325.88
Balance as at March 31, 2016	**11.31**	**50.35**	**1,156.02**	**1,217.68**
Gross carrying amount				
Balance as at March 31, 2016	11.31	50.35	1,156.02	1,217.68
Additions	-	-	483.81	483.81
Balance as at March 31, 2017	**11.31**	**50.35**	**1,639.83**	**1,701.49**
Accumulated amortisation				
Balance as at April 01, 2015	10.74	49.49	204.90	265.13
Charge for the year	-	-	140.91	140.91
Balance as at March 31, 2016	**10.74**	**49.49**	**345.81**	**406.04**
Accumulated amortisation				
Balance as at March 31, 2016	10.74	49.49	345.81	406.04
Charge for the year	-	-	208.35	208.35
Balance as at March 31, 2017	**10.74**	**49.49**	**554.16**	**614.39**
Net carrying amount as at April 01, 2015	**0.57**	**0.86**	**625.24**	**626.67**
Net carrying amount as at March 31, 2016	**0.57**	**0.86**	**810.21**	**811.64**
Net carrying amount as at March 31, 2017	**0.57**	**0.86**	**1,085.67**	**1,087.10**

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
6 INVESTMENTS			
Investment in equity shares (Trade, unquoted)			
Subsidiary companies			
51,831,000 (March 31, 2016 and April 01, 2015: 51,831,000 and 51,831,000 respectively) equity shares of ₹ 10 each fully paid up of Indian Cable Net Company Limited	2,361.14	2,361.14	2,361.14
50,000 (March 31, 2016 and April 01, 2015: 50,000 and 50,000 respectively) equity shares of ₹ 10 each fully paid up of Central Bombay Cable Network Limited	13.53	13.53	13.53
753,587 (March 31, 2016 and April 01, 2015: 753,587 and 753,587 respectively) equity shares of ₹ 10 each fully paid up of Siti Vision Digital Media Private Limited	82.39	82.39	82.39
10,000 (March 31, 2016 and April 01, 2015: 10,000 and 10,000 respectively) equity shares of ₹ 10 each fully paid up of Siticable Broadband South Limited	0.10	0.10	0.10
10,409 (March 31, 2016 and April 01, 2015: 10,409 and 10,409 respectively) equity shares of ₹ 10 each fully paid up of Siti Bhatia Network Entertainment Private Limited	0.10	0.10	0.10

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
5,100 (March 31, 2016 and April 01, 2015: 5,100 and 5,100 respectively) equity shares of ₹ 10 each fully paid up of Siti Jai Maa Durgee Communications Private Limited	16.83	16.83	16.83
102,000 (March 31, 2016 and April 01, 2015: 102,000 and 102,000 respectively) equity shares of ₹ 10 each fully paid up of Siti Jind Digital Media Communications Private Limited	18.98	18.98	18.98
5,100 (March 31, 2016 and April 01, 2015: 5,100 and 5,100 respectively) equity shares of ₹ 10 each fully paid up of Siti Jony Digital Cable Network Private Limited	0.05	0.05	0.05
5,100 (March 31, 2016 and April 01, 2015: 5,100 and 5,100 respectively) equity shares of ₹ 10 each fully paid up of Siti Krishna Digital Media Private Limited	0.05	0.05	0.05
7,400 (March 31, 2016 and April 01, 2015: 7,400 and 7,400 respectively) equity shares of ₹ 10 each fully paid up of Siti Guntur Digital Network Private Limited	0.07	0.07	0.07
5,100 (March 31, 2016 and April 01, 2015: 5,100 and 5,100 respectively) equity shares of ₹ 10 each fully paid up of Siti Faction Digital Private Limited	0.05	0.05	0.05
5,100 (March 31, 2016 and April 01, 2015: 5,100 and 5,100 respectively) equity shares of ₹ 10 each fully paid up of Siti Global Private Limited	0.05	0.05	0.05
10,000 (March 31, 2016 and April 01, 2015: 10,000 and 10,000 respectively) equity shares of ₹ 10 each fully paid up of Siti Broadband Services Private Limited	0.10	0.10	0.10
5,100 (March 31, 2016 and April 01, 2015: 5,100 and 5,100 respectively) equity shares of ₹ 10 each fully paid up of Siti Karnal Digital Media Network Private Limited	0.05	0.05	0.05
5,100 (March 31, 2016 and April 01, 2015: 5,100 and 5,100 respectively) equity shares of ₹ 10 each fully paid up of Siti Siri Digital Network Private Limited (formerly Siri Digital Network Private Limited)	0.05	0.05	0.05
10,200 (March 31, 2016 and April 01, 2015: 10,200 and Nil respectively) equity shares of ₹ 10 each fully paid up of Siti Prime Uttaranchal Communication Private Limited (Formerly Capital Digital Multimedia Network Private Limited)	24.99	24.99	-
5,100 (March 31, 2016 and April 01, 2015: 5,100 and Nil respectively) equity shares of ₹ 10 each fully paid up of Siti Saistar Digital Media Private Limited (formerly known as Saistar DigitalMedia Private Limited)	14.61	14.61	-
5,100 (March 31, 2016 and April 01, 2015: 5,100 and Nil respectively) equity shares of ₹ 10 each fully paid up of Siti Sagar Digital Cable Network Private Limited (formerly Panchsheel Digital Communication Network Private Limited)	2.48	2.48	-
5,100 (March 31, 2016 and April 01, 2015: 5,100 and Nil respectively) equity shares of ₹ 10 each fully paid up of Siti Godaari Digital Services Private Limited (formerly Bargachh Digital Communication Network Private Limited)	9.94	9.94	-

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
1,000 (March 31, 2016 and April 01, 2015: 1,000 and Nil respectively) equity shares of ₹ 100 each fully paid up of Variety Entertainment Private Limited	7.50	7.50	-
Jointly ventures			
25,500 (March 31, 2016 and April 01, 2015: 25,500 and 25,500 respectively) equity shares of ₹ 10 each fully paid up of Wire and Wireless Tisai Satellite Limited	0.26	0.26	0.26
4,800 (March 31, 2016 and April 01, 2015: Nil and Nil respectively) equity shares of ₹ 10 each fully paid up of C&S Medianet Private Limited	0.05	-	-
Investment in optionally convertible debenture at fair value through profit and loss (Trade, unquoted)			
744,900,000 (March 31, 2016 and April 01, 2015: 744,900,000 and Nil respectively) 0.01%, cumulative optionally convertible debentures of ₹ 1 each fully paid up of Siti Siri Digital Network Private Limited (formerly Siri Digital Network Private Limited)	736.91	744.90	-
231,300,000 (March 31, 2016 and April 01, 2015: 231,300,000 and Nil respectively) 0.01%, cumulative optionally convertible debentures of ₹ 1 each fully paid up of Siti Saistar Digital Media Private Limited (formerly Saistar Digitalmedia Private Limited)	231.89	231.30	-
234,000,000 (March 31, 2016 and April 01, 2015: 234,000,000 and Nil respectively) 0.01%, cumulative optionally convertible debentures of ₹ 1 each fully paid up of Variety Entertainment Private Limited	234.48	234.00	-
136,400,000 (March 31, 2016 and April 01, 2015: 136,400,000 and Nil respectively) 0.01%, cumulative optionally convertible debentures of ₹ 1 each fully paid up of Siti Broadband Services Private Limited	136.77	136.40	-
	3,893.42	**3,899.92**	**2,493.80**
Investment other than investment in subsidiaries and joint ventures			
Investment in equity shares (Trade, unquoted)			
480 (March 31, 2016 and April 01, 2015: 480 and 480 respectively) equity shares of ₹ 100 each fully paid up of Master Ads Private Limited	0.05	0.05	0.05
9,500 (March 31, 2016 and April 01, 2015: 9,500 and 9,500 respectively) equity shares of ₹10 each fully paid up of Dakshin Communications Private Limited	1.77	1.77	1.77
3,000 (March 31, 2016 and April 01, 2015: 3,000 and 3,000 respectively) equity shares of ₹10 each fully paid up of Centre Channel Private Limited	0.23	0.23	0.23
Less : Aggregate amount of impairment in value of investments	(2.05)	(2.05)	(2.05)
	-	**-**	**-**
	3,893.42	**3,899.92**	**2,493.80**
Aggregate amount of unquoted investments	3,895.47	3,901.97	2,495.85
Aggregate amount of impairment in value of investments	2.05	2.05	2.05

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
7 OTHERS (NON-CURRENT, FINANCIAL ASSETS)			
Unsecured, considered good unless otherwise stated			
Margin money deposit (pledged) and deposit with statutory authorities with maturity of more than twelve months	843.35	708.40	572.09
Security deposits (considered good)	71.10	71.14	62.26
Security deposits (considered doubtful)	-	2.81	2.81
Less : Provision on security deposits	-	(2.81)	(2.81)
	914.45	**779.54**	**634.35**

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
8 OTHERS (NON-CURRENT, NON- FINANCIAL ASSETS)			
Unsecured, considered good			
Prepaid expenses	32.74	0.01	45.27
Capital advances	32.06	39.71	81.94
Other advances	-	2.93	4.93
	64.80	**42.65**	**132.14**

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
9 INVENTORIES			
Stores and spares	79.39	69.53	77.02
	79.39	**69.53**	**77.02**

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
10 TRADE RECEIVABLES			
Unsecured, considered good	5,200.34	3,257.28	2,794.10
Unsecured, considered doubtful	1,985.43	1,622.23	1,443.53
Less: Allowance for expected credit losses	(1,985.43)	(1,622.23)	(1,443.53)
	5,200.34	**3,257.28**	**2,794.10**
Classified as:			
Non-current trade receivables	-	118.19	-
Current trade receivables	5,200.34	3,139.09	2,794.10
	5,200.34	**3,257.28**	**2,794.10**

For amounts due and terms and conditions relating to related party receivables see note 38.

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. No trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
11 CASH AND CASH EQUIVALENTS			
Cash on hand	90.43	31.34	31.95
Balances with banks			
on current accounts	889.07	134.09	1,371.70
Cheques and drafts on hand	22.97	1,148.57	342.34
	1,002.47	**1,314.00**	**1,745.99**
Other balances with banks			
Deposits with maturity of upto three months	-	1,509.00	2,194.02
	1,002.47	**2,823.00**	**3,940.01**

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
12 INVESTMENTS (CURRENT, FINANCIAL ASSETS)			
Investment in mutual fund at fair value through profit and loss (non trade, trade quoted)			
250,404 (March 31, 2016 and April 01, 2015: 250,404 and 250,404 respectively) units of face value of ₹ 10 each of ICICI Prudential Flexible Income Premium Growth	4.40	5.50	4.82
Nil (March 31, 2016 and April 01, 2015: 3,176 and 3,176 respectively) units of face value of ₹100 each of Taurus Short Term Income Fund - Growth Plan	-	7.06	6.79
	4.40	**12.56**	**11.61**
Aggregate amount of			
Quoted investments	4.40	12.56	11.61
Market value of quoted investment	4.40	12.56	11.61

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
13 OTHERS (CURRENT, FINANCIAL ASSETS)			
Unsecured, considered good			
Amounts recoverable	794.18	799.19	924.87
Interest accrued and not due on fixed deposits	83.75	52.58	41.41
Unbilled revenues	312.52	61.46	13.32
Security deposits	2.05	1.95	-
	1,192.50	**915.18**	**979.60**

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
14 OTHER CURRENT ASSETS			
Unsecured, considered good unless otherwise stated			
Balances with Government authorities	434.95	416.69	357.63
Taxes paid	520.46	519.00	311.12
Prepaid expenses	20.44	41.96	21.47
Amounts recoverable (considered good)	701.02	572.63	1,095.59
Amounts recoverable (considered doubtful)	637.87	635.06	609.27
Less : Impairment allowance	(637.87)	(635.06)	(609.27)
	1,676.87	**1,550.28**	**1,785.81**

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
15(a) EQUITY SHARE CAPITAL			
Authorised share capital			
1,290,000,000 (March 31, 2016 and April 01, 2015: 1,290,000,000 and 990,000,000 respectively) equity shares of ₹ 1 each	1,290.00	1,290.00	990.00
10,000,000 (March 31, 2016 and April 01, 2015: 10,000,000 and 10,000,000 respectively) preference shares of ₹ 1 each	10.00	10.00	10.00
TOTAL AUTHORISED CAPITAL	**1,300.00**	**1,300.00**	**1,000.00**
Issued share capital			
873,280,971 (March 31, 2016 and April 01, 2015: 795,374,543 and 678,860,258 respectively) equity shares of ₹ 1 each	873.28	795.37	678.86
Less:- Forfeited shares 1,227,123 (March 31, 2016 and April 01, 2015: 1,227,123 and 1,227,123 respectively) equity shares of ₹ 1 each	(1.23)	(1.23)	(1.23)
TOTAL ISSUED CAPITAL	**872.05**	**794.14**	**677.63**

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Subscribed and fully paid up capital			
872,053,848 (March 31, 2016 and April 01, 2015: 794,147,420 and 677,633,135 respectively) equity shares of ₹ 1 each fully paid up	872.05	794.14	677.63
TOTAL PAID UP CAPITAL	**872.05**	**794.14**	**677.63**
Forfeited equity shares 1,227,123 (March 31, 2016 and April 01, 2015: 1,227,123 and 1,227,123 respectively) equity shares of ₹ 1 each	0.62	0.62	0.62
	872.67	**794.76**	**678.25**

(A) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period Equity shares

	March 31, 2017		March 31, 2016		April 01, 2015	
	No. of shares	₹ in million	No. of shares	₹ in million	No. of shares	₹ in million
Balance at the beginning of the year	794,147,420	794.14	677,633,135	677.63	677,633,135	677.63
Add:						
Issued on conversion of warrants (refer note 15(E))	57,142,857	57.14	85,714,285	85.71	-	-
Issued on conversion of Optionally Fully Convertible Debentures (refer note 15(E))	20,628,571	20.63	30,800,000	30.80	-	-
Issued during the year	-	-	-	-	-	-
Issued on exercise of employee stock options	135,000	0.14	-	-	-	-
Balance at the end of the year	**872,053,848**	**872.05**	**794,147,420**	**794.14**	**677,633,135***	**677.63**

* Represents balance as at April 01, 2015

Preference shares

There is no movement in preference share capital.

(B) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 1 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 shares 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 shares held by the shareholders.

(C) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Preference shares						
Churu Enterprises LLP	23,436	100%	23,436	100%	23,436	100%

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Equity shares						
Bioscope Cinemas Private Limited	112,008,946	12.84%	50,670,529	6.38%	50,670,529	7.48%
Direct Media Solutions LLP (formerly known as Direct Media Solutions Private Limited)	121,000,000	13.88%	140,000,000	17.63%	140,000,000	20.66%
Essel International Limited	47,013,828	5.39%	67,750,000	8.53%	67,750,000	10.00%
Essel Media Ventures Limited	75,828,755	8.70%	116,431,000	14.66%	116,431,000	17.18%
Digital Satellite Holdings Private Limited	71,369,898	8.18%	71,369,898	8.99%	71,369,898	10.53%
Direct Media and Cable Private Limited	85,714,285	9.83%	85,714,285	10.79%	-	-
Arrow Media and Broadband Private Limited	57,142,857	6.55%	-	-	-	-
Digital Satellite Media & Broadband Private Limited	51,428,571	5.90%	30,800,000	3.88%	-	-

(D) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 34

(E) Terms of securities convertible into equity shares issued along with earliest date of conversion.

During the year ended March 31, 2016, the Company had issued 142,857,142 warrants on preferential basis upon payment of a consideration of ₹ 35 per warrant. Each warrant was convertible into one equity share of ₹ 1 each at a premium of ₹ 34 per share. Holders of such warrants had an option to convert these warrants into equity shares upon payment of aforesaid consideration on or before eighteen months from the date of allotment of warrants viz February 19, 2016. During the year ended March 31, 2017 and March 31, 2016, at request of holders of such warrants, the Company has converted 57,142,857 and 85,714,285 warrants respectively into equity shares resulting in increase in equity share capital by ₹ 57.14 million and ₹ 85.71 million respectively.

(F) No shares were issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issue or brought back during the current and last five years.

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
15 (b) INSTRUMENTS ENTIRELY IN THE NATURE OF EQUITY			
Optionally Fully Convertible Debenture ('OFCDs')			
Opening balance	722.00	-	-
Issue of optionally fully convertible debenture	-	1,800.00	-
Conversion of OFCDs into equity shares	722.00	1,078.00	
Closing balance	**-**	**722.00**	**-**

During the year ended March 31, 2016, the Company had issued 51,428,571 Optionally Fully Convertible Debenture ('OFCDs') on preferential basis upon payment of a consideration of ₹ 35 per OFCD. Each convertible OFCD was convertible into one equity share of ₹ 1 each at a premium of ₹ 34 per share. Holders of such OFCDs had an option to convert these OFCDs into equity shares upon payment of aforesaid consideration on or before eighteen months from the date of allotment of OFCDs, viz. February 19, 2016. During the year ended March 31, 2017 and March 31, 2016, the Company has converted 20,628,571 and 30,800,000 of OFCDs respectively into equity shares pursuant to the exercise of option resulting in increase in equity share capital by ₹ 20.63 and ₹ 30.80 million respectively. This instrument meets the definition of equity, in accordance with Ind AS 32, as there is no obligation to transfer cash or any other financial asset or issue a variable number of shares.

Details of OFCDs holders

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of OFCDs	% of holding	No. of OFCDs	% of holding	No. of OFCDs	% of holding
Digital Satellite Media & Broadband Private Limited	-	-	20,628,571	100.00%	-	-

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
15 (c) OTHER RESERVE			
Securities premium reserve	16,017.37	13,367.14	9,405.65
Retained earnings	(11,699.91)	(9,849.96)	(9,330.40)
General reserve	3.23	3.23	3.23
Other comprehensive Income	(1.01)	0.30	-
Foreign currency monetary item translation difference account (FCMITDA)	6.47	(61.02)	(54.62)
Employee shares based reserve	**58.65**	**30.35**	**-**

A Notes:

Particulars		March 31, 2017	March 31, 2016
1	**Securities premium reserve**		
	Opening balance	13,367.14	9,405.65
	Addition during the year	2,650.23	3,961.49
	Closing balance	**16,017.37**	**13,367.14**
2	**Retained earnings**		
	Opening balance	(9,849.96)	(9,330.40)
	Addition during the year	(1,849.95)	(519.56)
	Closing balance	**(11,699.91)**	**(9,849.96)**
3	**General reserve**		
	Opening balance	3.23	3.23
	Addition during the year	-	-

Particulars		March 31, 2017	March 31, 2016
	Closing balance	**3.23**	**3.23**
4	Other comprehensive Income		
	Opening balance	0.30	-
	Addition during the year	(1.31)	0.30
	Closing balance	**(1.01)**	**0.30**
5	Foreign currency monetary item translation difference account (FCMITDA)		
	Opening balance	(61.02)	(54.62)
	Addition during the year	67.49	(6.40)
	Closing balance	**6.47**	**(61.02)**
6	Employee shares based reserve		
	Opening balance	30.35	-
	Addition during the year	28.30	30.35
	Closing balance	**58.65**	**30.35**

B: Nature and purpose of reserves

1 Securities premium reserve

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Act.

2 Retained earnings

Retained earnings represent the accumulated earnings net of losses if any made by the Group over the years.

3 General reserve

General Reserve is a free reserve which is created by transferring funds from retained earnings to meet future obligations or purposes.

4 Other comprehensive Income

Other comprehensive Income includes acturial gain/(loss) recognise in respective financial year.

5 Foreign currency monetary item translation difference account (FCMITDA)

Foreign currency translation reserve comprises of all exchange differences arising from translation of financial statements of foreign operations.

6 Employee shares based reserve

The reserve is used to recognised the grant date fair value of the options issued to employees under Company's employee stock option plan.

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
16 BORROWINGS (NON-CURRENT, FINANCIAL LIABILITIES)			
Secured loans from banks	6,269.94	5,175.69	6,827.44
Buyer's credit	2,928.56	1,965.40	2,082.84
Long-term maturities of finance lease obligations	3.42	0.78	0.99
Reedemable preference shares	0.02	0.02	0.02
	9,201.94	**7,141.89**	**8,911.29**

Terms/ rights attached to preference shares

The Company has only one class of 7.25% Non-cumulative redeemable preference shares of ₹ 1 each. The said preference shares were allotted to Zee Telefilms Limited (now Zee Entertainment Enterprises Limited) on December 29, 2006, pursuant to the scheme of arrangement for demerger of cable business undertaking of Zee Telefilms Limited approved by the Hon'ble Bombay High Court vide its order dated November 17, 2006. Initially, as per the terms of the issue and allotment, the said preference shares were due for redemption on December 29, 2008. However, with the written consent/approval of Zee Entertainment Enterprises Limited, the terms of the issue of said preference shares was varied by extending the period of redemption by another three years i.e. till December 29, 2011. Later on June 6, 2011 these shares were transferred to Churu Enterprises LLP by Zee Entertainment Enterprises Limited.

Period for redemption of preference shares was extended by a period of five years till December 29, 2016 which has been further extended for period of five years till December 29, 2021 by Churu Enterprises LLP. The preference shares are redeemable at par.

In the event of liquidation of the Company before redemption of preference shares, the holders of preference shares will have priority over equity shares in the payment of dividend and repayment of capital. These instruments are accounted for as liability in accordance with the Ind AS.

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
17 OTHER (NON-CURRENT, FINANCIAL LIABILITIES)			
Security deposits received from customers	41.63	41.88	44.14
Payables for purchase of property, plant and equipment	1,941.10	1,985.83	717.16
	1,982.73	**2,027.71**	**761.30**

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
18 PROVISIONS (NON-CURRENT) (REFER NOTE 34)			
Provision for gratuity	29.03	21.84	20.51
Provision for compensated absences	21.67	17.05	11.96
	50.70	**38.89**	**32.47**

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
19 OTHER (NON-CURRENT, NON-FINANCIAL LIABILITIES)			
Deferred revenue (refer note 3(d))	426.90	295.84	281.85
	426.90	**295.84**	**281.85**

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
20 BORROWINGS (CURRENT, FINANCIAL LIABILITIES)			
Loans repayable on demand from banks	43.86	-	344.10
	43.86	**-**	**344.10**

i) As at April 01, 2015 the loans were secured by first pari passu charge on the fixed assets and current assets of the Company. The Company was required to maintain debt service reserve account (DSRA) for 2 quarters' interest. All the loans were further secured by corporate guarantee of an associate Company to maintain DSRA and carried an interest rate of Base rate +3%.

ii) As at March 31, 2017 the loan was secured by first pari passu charge on the future and current assets of the Company with minimum assets cover ratio 1:1. The Company is required to maintain DSRA for 1 quarter's interest. The loan is further secured by corporate guarantee of an associate Company to maintain DSRA and carries an interest rate of Base rate +1.95%.

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
21 TRADE PAYABLES			
- Total outstanding dues of micro enterprises and small enterprises; and	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	2,698.59	2,164.60	2,219.73
	2,698.59	**2,164.60**	**2,219.73**

₹ in million

	March 31, 2017	March 31, 2016	April 01, 2015
Dues to micro and small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006			
Principal amount remaining unpaid	-	-	-
Interest due thereon	-	-	-
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the period	-	-	-

₹ in million

	March 31, 2017	March 31, 2016	April 01, 2015
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-	-
Interest accrued and remaining unpaid	-	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-	-
	-	**-**	**-**

The details of amounts outstanding to micro enterprises and small enterprises under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006 are as per available information with the Company.

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
22 OTHER FINANCIAL LIABILITIES (CURRENT)			
Current maturities of long-term borrowings	2,949.69	3,316.17	4,160.79
Current maturities of finance lease obligations	1.03	0.69	1.16
Interest accrued and not due on borrowings	18.61	22.78	32.60
Payables for purchase of property, plant and equipments	952.19	2,090.80	498.80
Book overdraft	555.43	620.98	170.24
	4,476.95	**6,051.42**	**4,863.59**

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
23 PROVISIONS (CURRENT) (REFER NOTE 34)			
Provision for gratuity	0.63	0.79	0.69
Provision for compensated absences	0.71	0.67	0.48
	1.34	**1.46**	**1.17**

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
24 OTHER (CURRENT, NON-FINANCIAL LIABILITIES)			
Deferred revenue	237.91	199.74	-
Statutory dues payable	574.33	451.84	550.28
Advance from customers	87.07	68.08	112.24
	899.31	**719.66**	**662.52**

(Refer note 16 and 22)

₹ in million

Nature of loan	March 31, 2017		March 31, 2016		April 01, 2015		Nature of securities	Interest rate	Tenure of repayment
	Non-current	Current	Non-current	Current	Non-current	Current			
Term loan									
1	-	-	-	-	-	150.00	Term loans from banks are secured by first pari passu charge on entire movable fixed assets, both present and future, of the Company and on the receivables, cash flow and bank account of the Company. Also secured by corporate guarantee of an associated company for maintaining revolving debt service reserve account (DSRA) for 1 quarter of the interest and principal repayment to be funded ten days before each due date, for the entire tenure of the loan.	Base rate+1.20%	Nil (March 31, 2016 and April 01, 2015: nil and two respectively) quarterly installments payable as per the terms of underlying agreement.
2	-	-	-	-	337.50	187.50		Base rate+1.20%	Nil (March 31, 2016 and April 01, 2015: nil and ten respectively) quarterly installments payable as per the terms of underlying agreement.
3	-	-	-	-	350.00	150.00		Base rate+1.20%	Nil (March 31, 2016 and April 01, 2015: nil and three respectively) quarterly installments payable as per the terms of underlying agreement.
4	747.66	246.16	990.08	-	986.73	-		Base rate+1.20%	Eight (March 31, 2016 and April 01, 2015: eight and eight respectively) half yearly installments payable as per the terms of underlying agreement.
5	435.68	258.89	690.81	-	687.47	-		Base rate+1.20%	
6	-	159.91	164.91	189.59	354.49	134.36	Term loans from banks are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/ or pledge of the Company's current assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA) for 2 quarter's interest.	Base rate+2.50%	Three (March 31, 2016 and April 01, 2015: seven and eleven respectively) quarterly installments payable as per the terms of underlying agreement.
7	723.24	414.80	1,138.04	102.31	1,109.50	-		Base rate+2.50%	Eleven (March 31, 2016 and April 01, 2015: twelve and twelve respectively) quarterly installments payable as per the terms of underlying agreement.
8	-	966.61	1,138.69	2,040.65	1,640.25	788.14	Term loans from bank are secured by first charge by way of hypothecation of the Company's entire current assets which would include stocks and consumable stores and spares and such other movable properties including book debts, receivables both present and future, in a form and manner satisfactory to the bank, ranking pari passu with other banks/ lenders. First charge on all moveable fixed assets of the Company, cash flow and bank account of the Company ranking pari passu with other banks/lenders. Also secured by corporate guarantee of an associated company for maintaining revolving debt service reserve account (DSRA) for 1 quarter of the interest and principal repayment to be funded 10 days before each due date, for the entire tenure of the loan.	Base rate+2.10%	Repayment plan for each term loan: I. Nil (March 31, 2016 and April 01, 2015: four and eight respectively) quarterly installments payable as per the terms of underlying agreement II. Three (March 31, 2016 and April 01, 2015: seven and eleven respectively) quarterly installments payable as per the terms of underlying agreement III Four (March 31, 2016 and April 01, 2015: eight and twelve respectively) quarterly installments payable as per the terms of underlying agreement IV Nil (March 31, 2016 and April 01, 2015: two and four respectively) quarterly installments payable as per the terms of underlying agreementl V One (March 31, 2016 and April 01, 2015: three and four respectively) quarterly installments as per the terms of underlying agreement VI Two (March 31, 2016 and April 01, 2015: four and four respectively) quarterly installments payable as per the terms of underlying agreement

₹ in million

Nature of loan	March 31, 2017		March 31, 2016		April 01, 2015		Nature of securities	Interest rate	Tenure of repayment
	Non-current	Current	Non-current	Current	Non-current	Current			
9	373.96	248.40	622.34	247.96	870.30	122.48	Term loans from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/ or pledge of the Company's current assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA) for 1 quarter's interest.	Base rate+0.45%	Ten (March 31, 2016 and April 01, 2015: fourteen and sixteen respectively) quarterly installments payable as per the terms of underlying agreement.
10	310.41	123.23	430.82	62.50	491.20	-	Term loans from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/ or pledge of the Company's current assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA) for 1 quarter's interest.	Base rate+0.45%	Fourteen (March 31, 2016 and April 01, 2015: sixteen and sixteen respectively) quarterly installments payable as per the terms of underlying agreement.
11	987.33	-	-	-	-	-	Term loans from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's movable fixed assets, both present and future, and as well as current assets. Also secured by the Company for maintenance of interest service reserve account (ISRA) for 1 quarter's interest.	Base rate+spread rate	Twenty four quarterly installments payable as per the terms of underlying agreement.
12	1,982.42	-	-	-	-	-	Term loans from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as current assets.	Bank corporate prime lending rate	Five half yearly installments payable as per the terms of underlying agreement.

₹ in million

Nature of loan	March 31, 2017		March 31, 2016		April 01, 2015		Nature of securities	Interest rate	Tenure of repayment
	Non-current	Current	Non-current	Current	Non-current	Current			
13	709.24	34.81	-	-	-	-	Term loans from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's movable fixed assets and as well as current assets . Also secured by corporate guarantee of an associated company.	Base rate+0.5%	Seven quarterly installments payable as per the terms of underlying agreement.
SUB TOTAL	**6,269.94**	**2,452.81**	**5,175.69**	**2,643.01**	**6,827.44**	**1,532.48**			
Buyer's credits									
1	-	-	-	-	932.91	-	Buyer's credit from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/ or pledge of the company's current assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA) for 2 quarter' s interest.	Six months LIBOR+90 bps	Repayment at the end of tenure.
2	-	-	-	258.60	587.35	1,843.56	Buyer's credit from bank are secured by first charge by way of hypothecation of the Company's entire current assets which would include stocks and consumable stores and spares and such other movable properties including book debts, receivables both present and future, in a form and manner satisfactory to the bank, ranking pari passu with other banks/ lenders. First charge on all moveable fixed assets of the Company, cash flow and bank account of the Company ranking pari passu with other banks/lenders. Also secured by corporate guarantee of an associated company for maintaining revolving debt service reserve account (DSRA) for 1 quarter of the interest and principal repayment to be funded 10 days before each due date, for the entire tenure of the loan.	Six months LIBOR+350 bps	Repayable at the end of tenure.

₹ in million

Nature of loan	March 31, 2017		March 31, 2016		April 01, 2015		Nature of securities	Interest rate	Tenure of repayment
	Non-current	Current	Non-current	Current	Non-current	Current			
3	1,413.51	301.83	596.95	251.43	263.25	784.75	Buyer's credit from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/ or pledge of the Company's current assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA) for 1 quarter's interest.	Six months LIBOR+335 bps	Repayable at the end of tenure.
4	1,515.04	195.05	1,368.45	163.13	299.33	-	Buyer's credit from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/ or pledge of the Company's current assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA) for 2 quarter's interest.	Six months LIBOR+100 bps	Repayable at the end of tenure.
SUB TOTAL	**2928.55**	**496.88**	**1965.40**	**673.16**	**2082.84**	**2628.31**			
Finance lease obligations	3.42	1.03	0.78	0.69	0.99	1.16	Finance lease obligations - Secured by hypothecation of vehicles purchased thereunder.		

₹ in million

	March 31, 2017	March 31, 2016
25 REVENUE FROM OPERATIONS		
Sale of services		
Subscription income	3,514.71	3,861.89
Advertisement income	32.32	123.75
Carriage income	1,802.56	1,462.83
Activation and Set top boxes pairing charges	794.10	732.61
Other operating revenue		
Sale of traded goods*	870.69	1,409.57
Management charges and other networking income	722.08	966.02
Scrap sales	0.33	1.39
	7,736.79	**8,558.06**
*** Details of sale of traded goods**		
Set top box (STB) and viewing cards (VC)	865.08	1,395.69
Stores and spares	5.61	13.88
	870.69	**1,409.57**

₹ in million

	March 31, 2017	March 31, 2016
26 OTHER INCOME		
Interest income on		
Bank deposits	71.52	126.90
Others	20.81	12.45
Excess provisions written back	36.92	36.48
Net gain arising on financial assets designated as at fair value through profit or loss	15.46	21.32
Profit on sale of property, plant and equipment	-	1.81
Other non-operating income	18.08	8.85
	162.79	**207.81**

₹ in million

	March 31, 2017	March 31, 2016
27 EMPLOYEE BENEFITS EXPENSE		
Salaries, allowances and bonus	568.43	426.18
Contributions to provident and other funds	30.93	25.83
Staff welfare expenses	18.67	16.64
	618.03	**468.65**

₹ in million

28 FINANCE COSTS	March 31, 2017	March 31, 2016
Interest expense for borrowings at amortised cost	907.43	1,105.03
Interest cost on discounting of financial instruments	26.90	20.82
Bank charges	267.82	226.13
Amortisation of ancillary borrowing costs	7.97	23.81
	1,210.12	**1,375.79**

₹ in million

29 DEPRECIATION AND AMORTISATION OF NON-FINANCIAL ASSETS	March 31, 2017	March 31, 2016
Depreciation of property, plant and equipment	1,136.89	802.62
Amortisation of intangible assets	208.35	140.91
	1,345.24	**943.53**

₹ in million

30 OTHER EXPENSES	March 31, 2017	March 31, 2016
Rent	139.41	97.44
Rates and taxes	7.22	23.83
Communication expenses	21.21	16.98
Repairs and maintenance		
- Network	9.69	1.49
- Buildings	1.20	0.70
- Others	4.66	13.22
Electricity and water charges	61.30	52.14
Legal, professional and consultancy charges	99.66	78.88
Printing and stationery	6.08	6.84
Service charges	370.49	217.70
Travelling and conveyance expenses	40.27	39.29
Auditors' remuneration*	5.85	5.87
Vehicle expenses	30.82	10.06
Insurance expenses	7.02	3.63
Provision for doubtful debts	258.60	296.40
Provision for doubtful advances	-	25.79
Advertisement and publicity expenses	10.60	6.44
Commission charges and incentives	128.58	124.44
Bad debts written off	0.91	6.36
Program production expenses	23.97	29.38
Other operational cost	450.00	330.42
Business and sales promotion	24.85	18.28
Exchange fluctuation loss (net)	1.90	5.80
Net loss arising on financial assets designated as at fair value through profit or loss	7.98	-
Miscellaneous expenses	40.23	42.74
	1,752.50	**1,454.12**

*Auditors' remuneration

₹ in million

	March 31, 2017	March 31, 2016
as an auditor	5.25	5.70
for other services (certifications)	0.32	0.03
for reimbursement of expenses	0.28	0.14
	5.85	**5.87**

₹ in million

	March 31, 2017	March 31, 2016
31 EARNINGS (LOSS) PER SHARE		
Loss attributable to equity shareholders	(1,851.26)	(519.26)
Weighted average number of equity shares outstanding during the year (nos.)	801,199,892	690,721,041
Weighted average number of equity shares to be issued on conversion of mandatorily convertible instruments (i.e. share and OFCD) (nos.)	70,953,111	8,735,969
Weighted average number of equity shares outstanding during the year for calculating basic and diluted earnings per share (nos.)	872,153,003	699,457,010
Effect of dilutive potential equity shares ~		
Employee stock options (nos.)	434,549	15,412
Nominal value of per equity share (₹)	1	1
Loss per share (₹)		
Basic	(2.12)	(0.74)
Diluted	(2.12)	(0.74)

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

32 The digitisation of cable networks has been implemented in Phase 1 and 2 cities starting from November 1, 2012 onwards and Phase 3 and 4 cities were to be digitised by January 31, 2017 and March 31, 2017 respectively, as per the extended timelines. Owing to the initial delays in implementation of DAS, all the Multi-System Operators (MSOs) are in transition from analogue regime to DAS and are in the process of implementation of revenue sharing contracts with the local cable operators (LCOs). Accordingly, the Company has invoiced certain LCO's and recognised subscription revenue based on certain estimates (net basis) derived from market trends and ongoing discussion with the LCOs. Management is of the view that the execution/implementation of such contracts will not have a significant impact on the subscription revenue recognised.

33 GROUP COMPOSITION STRUCTURE

Name of the subsidiaries	Country of incorporation	Percentage of ownership
Indian Cable Net Company Limited (hereinafter referred as "ICNCL")*	India	60.02%
Central Bombay Cable Network Limited (hereinafter referred as "CBCNL")	India	100.00%
Siticable Broadband South Limited (hereinafter referred as "SBSL")	India	100.00%
Master Channel Community Network Private Limited (hereinafter referred as "MCCNPL")**	India	66.00%
Siti Vision Digital Media Private Limited (hereinafter referred as "SVDMPL")	India	51.00%
Siti Jind Digital Media Communications Private Limited (hereinafter referred as "SJDMCPL")****	India	57.50%
Siti Jai Maa Durgee Communications Private Limited (hereinafter referred as "SJMDCPL")	India	51.00%
Siti Bhatia Network Entertainment Private Limited (hereinafter referred as "SBNEPL")	India	51.00%
Siti Jony Digital Cable Network Private Limited (hereinafter referred as "SJDCNPL")	India	51.00%
Siti Krishna Digital Media Private Limited (hereinafter referred as "SKDMPL")	India	51.00%
Siti Faction Digital Private Limited (hereinafter referred as "SFDPL")	India	51.00%
Siti Guntur Digital Network Private Limited (hereinafter referred as "SGDNPL")	India	74.00%
Siti Maurya Cable Net Private Limited (hereinafter referred as "SMCNPL") ***	India	50.10%
Siti Karnal Digital Media Network Private Limited (hereinafter referred as "SKDMNPL") w.e.f. February 02, 2015	India	51.00%
Siti Global Private Limited (hereinafter referred as "SGPL") w.e.f. June 20, 2014	India	51.00%
Siti Siri Digital Network Private Limited (hereinafter referred as "SDNPL") w.e.f. February 02, 2015	India	51.00%
Siti Broadband Services Private Limited (hereinafter referred as "SBSPL") w.e.f. July 19, 2014	India	100.00%
Siti Prime Uttaranchal Communication Private Limited (formerly known as Capital Digital Multimedia Network Private Limited) w.e.f. September 30, 2015 (hereinafter referred as "SPUCPL")	India	51.00%
Siti Sagar Digital Cable Network Private Limited (formerly known as Panchsheel Digital Communication Network Private Limited) w.e.f. August 22, 2015 (hereinafter referred as "PDCNPL")	India	51.00%
Siti Saistar Digital Media Private Limited (formerly known as Saistar Digitalmedia Private Limited) w.e.f. February 12, 2016 (hereinafter referred as "SDPL")	India	51.00%
Siti Godaari Digital Services Private Limited (formerly known as Bargachh Digital Communication Network Private Limited) w.e.f. January 11, 2016 (hereinafter referred as "BDCNPL")	India	51.00%
Variety Entertainment Private Limited w.e.f. January 29, 2016 (hereinafter referred as "VEPL")	India	100.00%
Indinet Service Private Limited w.e.f. August 19, 2015 (hereinafter referred as "ISPL")***	India	100.00%
Axom Communications & Cable Private Limited w.e.f. March 31, 2016 (hereinafter referred as "ACCPL")***	India	50.00%

*Include 0.30% held through CBCNL
** Subsidiary of CBCNL
*** Subsidiary of ICNCL
**** Include 6.50% held through SBSL

Name of the associate and joint ventures	Country of incorporation	Percentage of ownership
Siti Chhattisgarh Multimedia Private Limited (hereinafter referred as "SCMPL")*****	India	41.00%
C&S Medianet Private Limited	India	48.00%
Voice Snap Services Private Limited******	India	32.34%
Wire and Wireless Tisai Satellite Limited (hereinafter referred as "WWTSL")	India	51.00%

***** Associate of SBNEPL
******Associate of VEPL

34 EMPLOYEE BENEFIT OBLIGATIONS

Post-employment obligations - gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The expected contribution to the plan for next annual reporting period amounts to ₹ 8.5 million.

The weighted average duration of the defined benefit obligation as at March 31, 2017 is 16 years (previous year 16 years).

The plan exposes the Company to actuarial risks such as interest rate risk and inflation risk.

Interest rate risk

The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of risk free securities.

Inflation risk

A significant proportion of the defined benefit liability is linked to inflation. An increase in the inflation rate will increase the Company's liability.

The following tables summarises the components of net benefit expense recognised in the standalone statement of profit and loss and the amount recognised in the standalone balance sheet for the respective plans.

Changes in the present value of the defined benefit obligation are as follows:

₹ in million

	March 31, 2017	March 31, 2016	April 01, 2015
Present value of defined benefit obligation at the beginning of the year	22.63	21.20	16.91
Interest cost	1.70	1.70	1.35
Current service cost	6.33	4.97	4.22
Benefits paid	(2.31)	(4.94)	(3.40)
Actuarial loss/(gain) on remeasurement of obligation	1.31	(0.30)	2.12
Present value of defined benefit obligation at the end of the year *	**29.66**	**22.63**	**21.20**

* Includes current portion ₹ 0. 63 million (March 31, 2016 and April 01, 2015: 0.79 million and 0.69 million respectively) The gratuity plan of the Company is unfunded.

Amount recognised in the standalone statement of profit and loss:

₹ in million

	March 31, 2017	March 31, 2016
Current service cost	6.33	4.97
Interest cost	1.70	1.70
	8.03	**6.67**

₹ in million

	March 31, 2017	March 31, 2016
Amount recognised in the statement of other comprehensive income		
Actuarial loss arising from change in financial assumptions	1.36	-
Actuarial loss arising from experience adjustments	0.05	0.30
	1.31	**(0.30)**

₹ in million

	March 31, 2017	March 31, 2016
Actuarial assumptions used		
Discount rate (per annum)	7.5%	8.0%
Rate of escalation in salary (per annum)	5.0%	5.0%
Withdrawal rate (per annum)	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Mortality	2.0%	2.0%
Normal retirement age	60 years	60 years

These assumptions were developed by management with the assistance of independent actuaries. Discount factors are determined close to each year-end by reference to market yields of risk free securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

The present value of the defined benefit obligation was measured using the projected unit credit method.

Sensitivity analysis of the defined benefit obligation for significant actuarial assumptions

₹ in million

	March 31, 2017	March 31, 2016
Impact of the change in discount rate		
Present value of obligation at the end of the year	**29.66**	**22.63**
Decrease in liability due to increase of 11 %	(3.15)	(2.24)
Increase in liability due to decrease of 13 %	3.72	2.60
Impact of the change in salary increase		
Present value of obligation at the end of the year	**29.66**	**22.63**
Increase in liability due to increase of 12 %	3.67	2.42
Decrease in liability due to decrease of 11 %	(3.14)	(2.24)

Defined contribution plans

Contribution to defined contribution plan, recognised as expense for the year are as under :- Employer's contribution to provident fund and other funds ₹ 30.93 million (previous year ₹ 25.83 million)

35 SHARE-BASED EMPLOYEE REMUNERATION

Employee Stock Option Plan –ESOP-2015

The Company instituted the Employee Stock Option Scheme -2015 ("SITI ESOP 2015" or "New Plan") to grant equity based incentives to eligible employees. The SITI ESOP-2015 has been approved by the Board of Directors of the Company at their meeting held on May 28, 2015 and by the shareholders of the Company by way of special resolution passed at their Annual General Meeting held on August 27, 2015 to grant upto 33,881,656 options, representing one share for each option upon exercise by the eligible employee at an exercise price determined by the Board / remuneration committee.

The options granted under the Scheme shall vest not less than one year and not more than five years from the date of grant of options. Under the terms of the Scheme, 50%, 35% and 15% of the options will vest in the employee(s) after expiry of one year, two years and three years, respectively, from the date of grant of options. The option grantee must exercise all vested options within a period of four years from the date of vesting and the shares arising on exercise of such options shall not be subject to any lock-in period.

	Employee Stock Option Plan –ESOP-2015
Date of grant	September 3, 2015
Date of Board approval	May 28, 2015
Date of shareholders' approval	August 27, 2015
Number of options granted	4,663,500
Method of settlement (cash/equity)	Equity
Vesting period	Five years
Exercise period	Four years

The details of activity under New Plan have been summarised below:

	March 31, 2017		March 31, 2016		April 1, 2015	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	4,663,500	30.85	-	-	-	-
Granted during the year	-	-	4,663,500	30.85	-	-
Expired/lapsed during the year	450,000	30.85	-	-	-	-
Exercised during the year	135,000	30.85	-	-	-	-
Outstanding at the end of the year	4,078,500	30.85	4,663,500	30.85	-	-
Exercisable at the end of the year	2,039,250	30.85	-	-	-	-

The weighted average share price per share at the date of exercise was ₹ 39.05 per share (no options were exercised during the financial year 2015-2016 and April 01, 2015).

The fair values of options granted under new plan were determined using a variation of the binomial option pricing model that takes into account factors specific to the share incentive plans, such as the vesting period. The following principal assumptions were used in the valuation:

	March 31, 2017			March 31, 2016		
	Options Vested (50%)	Options to be vested (35%)	Options to be vested (15%)	Options to be vested (50%)	Options to be vested (35%)	Options to be vested (15%)
Number of options	2,331,750	1,632,225	699,525	2,331,750	1,632,225	699,525
Fair value on grant date	14.63	17.49	19.14	14.63	17.49	19.14
Share price at grant date	30.85	30.85	30.85	30.85	30.85	30.85
Fair value at exercise date	39.05	-	-	-	-	-
Exercise price	30.85	30.85	30.85	30.85	30.85	30.85
Expected volatility	39.82%	44.49%	43.47%	39.82%	44.49%	43.47%
Expected life	Three years	Four years	Five years	Three years	Four years	Five years
Expected dividends	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Risk-free interest rate (based on government bonds)	7.80%	7.79%	7.88%	7.80%	7.79%	7.88%

The underlying expected volatility was determined by reference to historical data of the Company's shares over a period of time since its flotation on the Stock Exchange. No special features inherent to the options granted were incorporated into measurement of fair value.

In total ₹ 30.29 million (previous year ₹ 30.35 million) of employee remuneration expense (all of which related to equity-settled share-based payment transactions) has been included in profit or loss.

36 LEASES

Finance lease: Company as lessee

Vehicles obtained on finance lease are for 4 years after which the legal title is passed to the lessee. There is escalation clause in the lease agreement. There are restrictions imposed by the lease arrangements. There are subleases.

Finance lease liabilities (refer note 16) are secured by related assets held under finance leases.

Future Minimum Lease Payments and their Present Values are given below:

₹ million

	Minimum lease payments due			Total
	Within 1 year	1 to 5 years	after 5 years	
March 31, 2017				
Lease payments	1.42	3.97	-	5.39
Finance charges	0.38	0.55	-	0.93
Net present value	**1.04**	**3.42**	**-**	**4.46**
March 31, 2016				
Lease payments	0.80	0.86	-	1.66
Finance charges	0.11	0.08	-	0.19
Net present value	**0.69**	**0.78**	**-**	**1.47**
April 01, 2015				
Lease payments	1.18	1.27	-	2.45
Finance charges	0.16	0.14	-	0.30
Net present value	**1.02**	**1.13**	**-**	**2.15**

Operating lease : Company as a lessee

The Company has taken various commercial premises under operating leases. These leases have varying terms, escalation clauses and renewal rights. On renewal the terms of the leases are renegotiated. Rent amounting to ₹ 139.41 million (March 31, 2016 ₹ 97.44 million) has been debited to standalone statement of profit and loss during the year.

37 FAIR VALUE MEASUREMENTS

A. Financial instruments by category

₹ million

	NOTES	March 31, 2017	
		FVTPL	Amortised cost
Financial assets			
Bank deposits	7	-	843.35
Amount recoverable	13	-	794.18
Interest accrued and not due on fixed deposits	13	-	83.75
Security deposits	7 and 13	-	73.15
Investment (Non- current, financial assets)	6	1,340.05	2,553.37
Unbilled revenues	13	-	312.52
Trade receivables	10	-	5,200.34
Investment (Current, financial assets)	12	4.40	-
Cash and cash equivalents	11	-	1,002.47
TOTAL FINANCIAL ASSETS		**1,344.45**	**10,863.13**
Financial liabilities			
Borrowings (non-current, financial liabilities)	16	-	9,201.94
Borrowings (current, financial liabilities)	20	-	43.86
Payables for purchase of property, plant and equipment	17	-	1,941.10
Security deposits	17	-	41.63
Trade payables	21	-	2,698.59
Other financial liabilities (current)	22	-	4,476.95
TOTAL FINANCIAL LIABILITIES		**-**	**18,404.07**

₹ million

	NOTES	March 31, 2016	
		FVTPL	Amortised cost
Financial assets			
Bank deposits	7	-	708.40
Amount recoverable	13	-	799.19
Interest accrued and not due on fixed deposits	13	-	52.58
Security deposits	7 and 13	-	73.09
Investment (Non- current, financial assets)	6	1,346.60	2,553.32
Unbilled revenues	13	-	61.46
Trade receivables	10	-	3,257.28
Investment (Current, financial assets)	12	12.56	-
Cash and cash equivalents	11	-	2,823.00
TOTAL FINANCIAL ASSETS		**1,359.16**	**10,328.32**
Financial liabilities			
Borrowings (non-current, financial liabilities)	16	-	7,141.89
Payables for purchase of property, plant and equipment	17	-	1,985.83
Security deposits	17	-	41.88
Trade payables	21	-	2,164.60
Other financial liabilities (current)	22	-	6,051.42
TOTAL FINANCIAL LIABILITIES		**-**	**17,385.62**

₹ million

	NOTES	April 01, 2015	
		FVTPL	Amortised cost
Financial assets			
Bank deposits	7	-	572.09
Amount recoverable	13	-	924.87
Interest accrued and not due on fixed deposits	13	-	41.41
Security deposits	7 and 13	-	62.26
Investment (Non- current, financial assets)	6		2,493.80
Unbilled revenues	13	-	13.32
Trade receivables	10	-	2,794.10
Investment (Current, financial assets)	12	11.61	-
Cash and cash equivalents	11	-	3,940.01
TOTAL FINANCIAL ASSETS		**11.61**	**10,841.86**
Financial liabilities			
Borrowings (non-current, financial liabilities)	16	-	8,911.29
Borrowings (current, financial liabilities)	20	-	344.10
Payables for purchase of property, plant and equipment	17	-	717.16
Security deposits	17	-	44.14
Trade payables	21	-	2,219.73
Other financial liabilities (current)	22	-	4,863.59
TOTAL FINANCIAL LIABILITIES		**-**	**17,100.01**

B. Financial instruments measured at fair value

The following tables present financial assets and liabilities measured at fair value in the Balance sheet in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The financial assets measured at fair value in the statement of financial position are grouped into the fair value hierarchy as on March 31, 2017, March 31, 2016 and April 01, 2015 as follows:

March 31, 2017	Date of Valuation	Level 1	Level 2	Level 3
Financial assets				
Mutual funds	At March 31, 2017	4.40	-	-
Investment in optionally convertible debentures	At March 31, 2017	-	-	1,340.05

March 31, 2016	Date of Valuation	Level 1	Level 2	Level 3
Financial assets				
Mutual funds	At March 31, 2016	12.56	-	-
Investment in optionally convertible debentures	At March 31, 2016	-	-	1,346.60

April 01, 2015	Date of Valuation	Level 1	Level 2	Level 3
Financial assets				
Mutual funds	At April 01, 2015	11.61	-	-

Valuation technique to determine fair value

Optionally fully convertible debentures (Level 3)

The valuation of optionally fully convertible debentures has been done using the discounted cash flow method by discounting the investee Companies free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows are discounted by weighted average cost of capital comprising of debt and equity. The risk free rate of 7.14% is considered on the 10 year zero coupon government bond.

There have been no transfer between level 1 and level 2 during the year ended March 31, 2017, March 31, 2016 and April 01, 2015.

The following table presents the changes in level 3 items for the periods ended 31 March 2017 and 31 March 2016:

Particulars	Amount in million
As at April 01, 2015	-
Acquired during the year	1,346.60
As at March 31, 2016	**1,346.60**
Additions during the year	-
Gains recognised in statement of profit and loss	(6.55)
As at March 31, 2017	**1,340.05**

Significant unobservable input	Estimate of the input	Sensitivity of the fair value measurement to input
Probability of meeting of cash flow	10%	An increase to 10% would increase fair value by ₹ 124.98 and decrease by 10% would decrease fair value by ₹ 138.06 million

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

₹ in million

	March 31, 2017		March 31, 2016	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Bank deposits	843.35	843.35	708.40	708.40
Amount recoverable	794.18	794.18	799.19	799.19
Interest accrued and not due on fixed deposits	83.75	83.75	52.58	52.58
Security deposits	73.15	73.15	73.09	73.09
Investment (Non- current, financial assets)	2,553.37	2,553.37	2,553.32	2,553.32
Unbilled revenue	312.52	312.52	61.46	61.46
Trade receivables	5,200.34	5,200.34	3,257.28	3,257.28
Cash and cash equivalents	1,002.47	1,002.47	2,823.00	2,823.00
TOTAL FINANCIAL ASSETS	**10,863.13**	**10,863.13**	**10,328.32**	**10,328.32**
Financial liabilities		-		
Borrowings (non-current, financial liabilities)	9,201.94	9,201.94	7,141.89	7,141.89
Borrowings (current, financial liabilities)	43.86	43.86	-	-
Payables for purchase of property, plant and equipment	1,941.10	1,941.10	1,985.83	1,985.83
Security deposits	41.63	41.63	41.88	41.88
Trade payables	2,698.59	2,698.59	2,164.60	2,164.60
Other financial liabilities (current)	4,476.95	4,476.95	6,051.42	6,051.42
TOTAL FINANCIAL LIABILITIES	**18,404.07**	**18,404.07**	**17,385.62**	**17,385.62**

₹ in million

	April 01, 2015	
	Carrying amount	Fair value
Financial assets		
Bank deposits	572.09	572.09
Amount recoverable	924.87	924.87
Interest accrued and not due on fixed deposits	41.41	41.41
Security deposits	62.26	62.26
Investment (Non- current, financial assets)	2,493.80	2,493.80
Unbilled revenue	13.32	13.32
Trade receivables	2,794.10	2,794.10
Cash and cash equivalents	3,940.01	3,940.01
TOTAL FINANCIAL ASSETS	**10,841.86**	**10,841.86**
Financial liabilities		
Borrowings (non-current, financial liabilities)	8,911.29	8,911.29
Borrowings (current, financial liabilities)	344.10	344.10
Payables for purchase of property, plant and equipment	717.16	717.16
Security deposits	44.14	44.14
Trade payables	2,219.73	2,219.73
Other financial liabilities (current)	4,863.59	4,863.59
TOTAL FINANCIAL LIABILITIES	**17,100.01**	**17,100.01**

D. Financial risk management objectives and policies

Financial risk management

The Company is exposed to various risks in relation to financial instruments.The main types of risks are credit risk, liquidity risk and market risk.

The Company's risk management is coordinated in close co-operation with the board of directors, and focuses on securing Company's short to medium term cash flows.

This note explains the sources of risk which the Company is exposed to and how the Company manages the risk and the related impact in these standalone financial statements.

A. Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due to the Company causing financial loss. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit risk management

Credit risk rating

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

A: Low credit risk on financial reporting date
B: High credit risk

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

Asset group	Basis of categorisation	Provision for expected credit loss
Low credit risk	Investment, Cash and cash equivalents, trade receivable and other financial assets	12 month expected credit loss
High credit risk	Trade receivables, security deposits and amount recoverable	Life time expected credit loss or fully provided for

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

₹ in million

Credit rating	Particulars	March 31, 2017	March 31, 2016	April 01, 2015
A: Low credit risk	Investment, Cash and cash equivalents and other financial assets except security deposits and amount recoverable	5,434.49	6,972.73	5,965.05
B: High credit risk	Trade receivables, security deposits and amount recoverable	6,768.68	4,702.20	4,876.82

Concentration of trade receivables

The Company has widespread customers and there is no concentration of trade receivables.

Credit risk exposure

Provision for expected credit losses

The Company provides for 12 month expected credit losses for following financial assets.

For the purpose of computation of expected credit loss, the Company has analysed the trend of provisions for doubtful debts created in earlier years. The average rate of provision has been computed based on the adjusted sales (excluding those where the Company does not have any historical provision) and provision for doubtful debtors created against those sales. Further, the Company has analysed expected credit loss separately for carriage revenue customer and other than carriage revenue customer primarily because the characteristics and historical losses trend was different in these two streams. As per this methodology, the Company has determined the expected credit loss as 15.5% for customers other than carriage and 5.5% for carriage customers.

Expected credit loss for trade receivables under simplified approach
as at March 31, 2017

₹ in million

Particular	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	7,185.77	(1,985.43)	5,200.34
Security deposits	73.15	-	73.15
Advances recoverable	2,133.07	(637.87)	1,495.20

as at March 31, 2016

₹ in million

Particular	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	4,879.51	(1,622.23)	3,257.28
Security deposits	75.90	(2.81)	73.09
Advances recoverable	2,006.89	(635.06)	1,371.83

as at April 01, 2015

₹ in million

Particular	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	4,237.63	(1,443.53)	2,794.10
Security deposits	65.07	(2.81)	62.26
Advances recoverable	2,629.73	(609.27)	2,020.46

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

₹ in million

Particular	Carrying amount net of impairment provision
Loss allowance on April 01, 2015	**(2,055.61)**
Changes in loss allowance	(204.49)
Loss allowance on March 31, 2016	**(2,260.10)**
Changes in loss allowance	(363.20)
Loss allowance on March 31, 2017	**(2,623.30)**

B. Liquidity risk

Liquidity risk is the risk that suitable sources of funding for the Company's business activities may not be available . Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. Short term liquidity requirements comprises mainly of trade payables and employee dues arising during normal course of business as on each balance sheet date. Long- term liquidity requirement is assessed by the management on periodical basis and is managed through internal accruals and through funding commitments from shareholders. As at each statement of financial position date, the Company's liabilities having contractual maturities (including interest payments where applicable) are summarised as follows:

(ii) Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows.

₹ in million

Contractual maturities of financial liabilities	Less than one year	One to two years	More than two years
March 31, 2017			
Non-derivatives			
Borrowings (non-current, financial liabilities) and interest on borrowings	4,012.21	3,911.08	7,034.24
Borrowings (current, financial liabilities) and interest on borrowings	62.47	-	-
Payables for purchase of property, plant and equipments	952.19	-	1,941.10
Security deposits received from customers (non-current, financial liabilities)	-	-	41.63
Book overdraft	555.43	-	-
Trade payables	2,698.59	-	-
TOTAL NON-DERIVATIVE LIABILITIES	**8,280.89**	**3,911.08**	**9,016.97**
March 31, 2016			
Non-derivatives			
Borrowings (non-current, financial liabilities) and interest on borrowings	4,065.36	3,484.20	2,864.09
Interest accrued and not due on borrowings	17.30	-	-
Payables for purchase of property, plant and equipments	2,090.80	-	1,985.83
Security deposits received from customers (non-current, financial liabilities)	-	-	41.88
Book overdraft	620.98	-	-
Trade payables	2,164.60	-	-
TOTAL NON-DERIVATIVE LIABILITIES	**8,959.04**	**3,484.20**	**4,891.80**
April 01, 2015			
Non-derivatives			
Borrowings (non-current, financial liabilities) and interest on borrowings	5,145.16	4,983.66	5,323.31
Borrowings (current, financial liabilities) and interest on borrowings	347.20	-	-
Payables for purchase of property, plant and equipments	498.80	717.16	-
Security deposits received from customers (non-current, financial liabilities)	-	-	44.14
Book overdraft	170.24	-	-
Trade payables	2,219.73	-	-
TOTAL NON-DERIVATIVE LIABILITIES	**8,381.13**	**5,700.82**	**5,367.45**

C. Market Risk

The Company has foreign currency borrowings in the form of buyers credit and is exposed to change in the exchange rates. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (₹). The risk is measured through a forecast of highly probable foreign currency cash flows.

(i) Foreign currency risk

Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows

₹ in million

	March 31, 2017	March 31, 2016	April 01, 2015
Financial assets (A)	46.09	6.03	23.59
Trade receivables	46.09	6.03	23.59
Financial liabilities (B)	**6,318.72**	**6,749.37**	**5,918.08**
Buyer's credit	3,425.44	2,660.16	4,711.16
Payable to vendors for property, plant and equipment	2,893.28	4,076.72	1,164.27
Trade payables	-	12.49	42.65
Net exposure (B-A)	**6,272.63**	**6,743.34**	**5,894.49**

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

₹ in million

	Impact on loss after tax	
	March 31, 2017	March 31, 2016
(₹) / USD increased by 5% (previous year 5%)	(313.63)	(337.17)
(₹) / USD decreased by 5% (previous year 5%)	313.63	337.17

(ii) Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. The Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates.

₹ in million

	March 31, 2017	March 31, 2016	April 01, 2015
Variable rate borrowings	12,196.53	10,458.75	13,417.34
Fixed rate borrowings	-	-	-
Total borrowings	**12,196.53**	**10,458.75**	**13,417.34**

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

₹ in million

	Impact on loss after tax	
	March 31, 2017	March 31, 2016
Interest rates – increase by 100 basis points (31 March 2016 150 bps)	121.97	156.88
Interest rates – decrease by 100 basis points (31 March 2016 150bps)	(121.97)	(156.88)

38 RELATED PARTY TRANSACTIONS

(i) Names of related parties where control exists

Subsidiary companies

Indian Cable Net Company Limited
Central Bombay Cable Network Limited
Siticable Broadband South Limited
Master Channel Community Network Private Limited (Subsidiary of Central Bombay Cable Network Limited)
Siti Vision Digital Media Private Limited
Siti Jind Digital Media Communications Private Limited
Siti Jai Maa Durgee Communications Private Limited
Siti Bhatia Network Entertainment Private Limited
Siti Jony Digital Cable Network Private Limited
Siti Krishna Digital Media Private Limited
Siti Faction Digital Private Limited
Siti Guntur Digital Network Private Limited
Siti Maurya Cable Net Private Limited (Subsidiary of Indian Cable Net Company Limited)
Siti Karnal Digital Media Network Private Limited
Siti Global Private Limited
Siti Siri Digital Network Private Limited (formerly Siri Digital Network Private Limited)
Siti Broadband Services Private Limited
Siti Prime Uttaranchal Communication Private Limited (Formerly Capital Digital Multimedia Network Private Limited) w.e.f. September 30, 2015
Siti Sagar Digital Cable Network Private Limited (formerly Panchsheel Digital Communication Network Private Limited) w.e.f. August 22, 2015
Siti Saistar Digital Media Private Limited (formerly Saistar Digital Media Private Limited) w.e.f. February 12, 2016
Siti Godaari Digital Services Private Limited (formerly Bargachh Digital Communication Network Private Limited) w.e.f. January 11, 2016
Variety Entertainment Private Limited w.e.f. January 29, 2016

	Indinet Service Private Limited (Subsidiary of Indian Cable Net Company Limited) w.e.f. August 19, 2015
	Axom Communication & Cable Private Limited (Subsidiary of Indian Cable Net Company Limited) w.e.f. March 31, 2016
(ii)	**Associate companies**
	Siti Chhattisgarh Multimedia Private Limited (Associate of Siti Bhatia Network Entertainment Private Limited)
	Voice Snap Services Private Limited w.e.f. September 19, 2016 (Associate of Variety Entertainment Private Limited)
(iii)	**Joint ventures**
	C&S Medianet Private Limited w.e.f. May 05, 2016
	Wire and Wireless Tissai Satellite Limited
(iv)	**Key Management Personnel (KMP)**
	Dr. Subhash Chandra, Director (till April 04, 2015) and Mr .V.D. Wadhwa, Executive Director and CEO
(v)	**Relatives of KMP****
	Mrs. Shiela Wadhwa
	Mrs.Renu Wadhwa
(vi)	**Enterprises owned or significantly influenced by key management personnel or their relatives****
	Zee Entertainment Enterprises Limited
	Zee Media Corporation Limited (formerly known as Zee News Limited)
	Zee Turner Limited
	Essel International Limited
	Essel Media Ventures Limited
	Direct Media & Cable Private Limited
	Digital Satellite Media & Broadband Private Limited
	Arrow Media & Broadband Private Limited
	All India Digital Cable Federation

** With whom the Company has transactions during the current year and previous year.

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

a) Sale of goods and services during the year

₹ in million

Subsidiary companies	March 31, 2017	March 31, 2016
Indian Cable Net Company Limited	230.36	192.21
Master Channel Community Network Private Limited	139.65	131.24
Siti Vision Digital Media Private Limited	98.86	8.32
Siti Jind Digital Media Communications Private Limited	30.50	52.73
Siti Krishna Digital Media Private Limited	6.66	15.97
Siti Jony Digital Cable Network Private Limited	3.04	3.50
Siti Guntur Digital Network Private Limited	7.50	33.00
Siti Maurya Cable Net Private Limited	3.50	2.83
Siti Faction Digital Private Limited	19.63	18.93
Siti Karnal Digital Media Network Private Limited	9.47	26.71
Siti Siri Digital Network Private Limited (formerly Siri Digital Network Private Limited)	336.92	920.61
Siti Global Private Limited	0.30	3.54
Siti Godaari Digital Services Private Limited (formerly Bargachh Digital Communication Network Private Limited)	26.53	34.11

₹ in million

Subsidiary companies	March 31, 2017	March 31, 2016
Siti Prime Uttaranchal Communication Private Limited (Formerly Capital Digital Multimedia Network Private Limited)	86.47	58.59
Siti Broadband Services Private Limited	168.49	124.83
Siti Bhatia Network Entertainment Private Limited	7.53	36.12
Siti Sagar Digital Cable Network Private Limited (formerly Panchsheel Digital Communication Network Private Limited)	8.67	52.75
Siti Saistar Digital Media Private Limited (formerly Saistar Digitalmedia Private Limited)	332.33	0.04
Variety Entertainment Private Limited	-	45.00
Axom Communication & Cable Private Limited	1.82	-
Enterprises owned or significantly influenced by key management personnel or their relatives		
Zee Entertainment Enterprises Limited	272.00	342.52
Zee Media Corporation Limited	95.18	33.58

b) Purchase of goods and services during the year

₹ in million

	March 31, 2017	March 31, 2016
Subsidiary company		
Indian Cable Net Company Limited	99.75	70.64
Siti Saistar Digital Media Private Limited (formerly Saistar Digitalmedia Private Limited)	0.59	-
Variety Entertainment Private Limited	0.48	-
Siti Broadband Services Private Limited	0.37	-
Enterprises owned or significantly influenced by key management personnel or their relatives		
Zee Entertainment Enterprises Limited	5.39	5.61
Zee Media Corporation Limited	2.55	1.92

c) Balance at the end of the year subsidiaries

₹ in million

	March 31, 2017	March 31, 2016
Subsidiary companies		
Indian Cable Net Company Limited	1,048.77	697.27
Master Channel Community Network Private Limited	311.10	175.88
Siti Vision Digital Media Private Limited	338.06	304.54
Siti Jind Digital Media Communications Private Limited	89.37	52.67
Siticable Broadband South Limited	9.80	(11.76)
Siti Jai Maa Durgee Communications Private Limited	9.34	8.24
Siti Krishna Digital Media Private Limited	19.81	20.72
Siti Jony Digital Cable Network Private Limited	9.38	6.80
Siti Guntur Digital Network Private Limited	47.70	45.97

₹ in million

	March 31, 2017	March 31, 2016
Siti Maurya Cable Net Private Limited	11.62	8.57
Siti Faction Digital Private Limited	129.38	105.45
Siti Karnal Digital Media Network Private Limited	130.39	117.83
Siti Siri Digital Network Private Limited (formerly Siri Digital Network Private Limited)	234.92	0.03
Siti Global Private Limited	58.26	50.75
Siti Godaari Digital Services Private Limited (formerly Bargachh Digital Communication Network Private Limited)	84.72	52.88
Siti Bhatia Network Entertainment Private Limited	62.99	32.81
Siti Prime Uttaranchal Communication Private Limited (Formerly Capital Digital Multimedia Network Private Limited)	87.30	27.54
Siti Broadband Services Private Limited	125.19	0.05
Siti Sagar Digital Cable Network Private Limited (formerly Panchsheel Digital Communication Network Private Limited)	59.21	41.07
Siti Saistar Digital Media Private Limited (formerly Saistar Digitalmedia Private Limited)	266.83	0.08
Axom Communications & Cable Private Limited	43.46	41.39
Jointly ventures		
Wire and Wireless Tisai Satellite Limited	37.83	37.78
Enterprises owned or significantly influenced by key management personnel or their relatives		
Trade receivables		
Zee Entertainment Enterprises Limited	113.78	7.51
Zee Media Corporation Limited	99.38	44.90
Trade payables		
Zee Entertainment Enterprises Limited	3.08	26.18
Zee Turner Limited	280.94	281.15
Zee Media Corporation Limited	15.96	13.42
Security deposit received		
Zee Turner Limited	13.15	13.15

d) Expenditure paid by the Company on behalf of others and expenditure paid by others on behalf of the Company:

₹ in million

	Expenditure paid by the Company on behalf of the others		Expenditure paid by others on behalf of the Company	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Subsidiary companies				
Siti Vision Digital Media Private Limited	0.12	11.28	-	-
Siti Cable Broadband South Limited	0.02	0.05	-	0.16
Central Bombay Cable Network Limited	-	0.53	-	-
Master Channel Community Network Private Limited	8.74	0.02	-	-
Siti Jai Maa Durgee Communications Private Limited	0.02	0.87	0.09	0.02
Siti Faction Digital Private Limited	0.21	0.74	0.13	0.91

₹ in million

	Expenditure paid by the Company on behalf of the others		Expenditure paid by others on behalf of the Company	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Indian Cable Net Company Limited	116.88	59.68	32.66	6.93
Siti Jind Digital Media Communications Private Limited	34.82	6.18	-	-
Siti Krishna Digital Media Private Limited	0.01	-	-	-
Siti Karnal Digital Media Network Private Limited	69.87	13.07	-	0.18
Siti Guntur Digital Network Private Limited	0.11	10.97	-	-
Siti Global Private Limited	7.16	1.45	-	-
Siti Godaari Digital Services Private Limited (formerly Bargachh Digital Communication Network Private Limited)	0.02	2.00	-	-
Siti Prime Uttaranchal Communication Private Limited (Formerly Capital Digital Multimedia Network Private Limited)	1.13	0.89	-	-
Siti Maurya Cable Net Private Limted	0.01	0.01	-	-
Siti Siri Digital Network Private Limited (formerly Siri Digital Network Private Limited)	0.03	0.03	4.00	3.59
Siti Bhatia Network Entertainment Private Limited	0.00	13.93	-	4.12
Siti Broadband Services Private Limited	0.02	0.00	-	5.75
Siti Sagar Digital Cable Network Private Limited (formerly Panchsheel Digital Communication Network Private Limited)	9.02	0.46	-	-
Siti Jony Digital Cable Network Private Limited	0.00	0.45	-	-
Jointly ventures				
Wire and Wireless Tisai Satellite Limited	0.04	-	-	-
Enterprises owned or significantly influenced by key management personnel or their relatives				
Zee Entertainment Enterprises Limited	-	2.60	10.06	8.12
Zee Media Corporation Limited	-	-	-	-
All India Digital Cable Federation	-	3.04	-	-

e) Advances given and repayment thereof

₹ in million

		Advances given	Repayment/ Adjustments	Balance owed by related parties
Subsidiary companies				
Indian Cable Net Company Limited	March 31, 2017	33.00	173.19	178.85
	March 31, 2016	56.98	395.63	319.04
Central Bombay Cable Network Limited	March 31, 2017	870.04	505.20	385.68
	March 31, 2016	3,900.53	4,478.43	20.85
Siti Cable Broadband South Limited	March 31, 2017	40.96	2.00	90.35
	March 31, 2016	35.05	5.00	51.39
Siti Vision Digital Media Private Limited	March 31, 2017	20.27	18.16	42.43
	March 31, 2016	0.01		40.32
Master Channel Community Network Private Limited	March 31, 2017	-	-	2.88
	March 31, 2016	0.03	0.19	2.88
Siti Jai Maa Durgee Communications Private Limited	March 31, 2017	4.26	0.01	5.48
	March 31, 2016	0.71	0.50	1.24
All India Digital Cable Federation	March 31, 2017	4.11	6.51	0.63
	March 31, 2016	3.04	-	3.04
Variety Entertainment Private Limited	March 31, 2017	238.62	557.32	34.12
	March 31, 2016	352.83	-	352.83
Siti Guntur Digital Network Private Limited	March 31, 2017	-	-	10.65
	March 31, 2016	10.93	0.27	10.65

f) Money received against preferential allotment

₹ in million

	March 31, 2017	March 31, 2016
Direct Media & Cable Private Limited (allotment of warrants)	-	3,000.00
Digital Satellite Media & Broadband Private Limited (subscription of optionally fully convertible debentures)	-	1,800.00
Arrow Media & Broadband Private Limited (allotment of warrants)	1,500.00	500.00

g) Investment in Optionally Convertible Debenture

₹ in million

	March 31, 2017	March 31, 2016
Siti Siri Digital Network Private Limited (formerly Siri Digital Network Private Limited)	736.91	744.90
Siti Saistar Digital Media Private Limited (formerly Saistar Digitalmedia Private Limited)	231.89	231.30
Variety Entertainment Private Limited	234.48	234.00
Siti Broadband Services Private Limited	136.77	136.40

h) Equity share capital issued on conversion of warrants and optionlly fully convertible debentures

₹ in million

	March 31, 2017	March 31, 2016
Digital Satellite Media & Broadband Private Limited	722.00	30.80
Direct Media & Cable Private Limited	-	85.71
Arrow Media & Broadband Private Limited	2,000.00	-

i) Remuneration to key managerial personnel

₹ in million

	March 31, 2017	March 31, 2016
Mr. V.D. Wadhwa	20.17	18.09

j) Purchase of services

₹ in million

	March 31, 2017	March 31, 2016
Relatives of KMP	6.24	5.58

k) Corporate guarantee given by

₹ in million

	March 31, 2017	March 31, 2016
Zee Entertainment Enterprises Limited	870.00	629.90

l) Trade receivables assigned:

₹ in million

	March 31, 2017	March 31, 2016
Variety Entertainment Private Limited		
Assigned trade receivable received back	202.36	-
Trade receivable assigned	-	441.03
Balance as at the end of the year	-	352.83

39 CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed and not provided for (net of advances) amounting to ₹ 189.75 million (Previous year ₹ 124.40 million).

40 POST REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between 31 March 2017 and the date of authorisation of these standalone financial statements.

41 CONTINGENT LIABILITIES AND LITIGATIONS

i) Claims against the Company not acknowledged as debts ₹ 33.52 million* (Previous year ₹ 46.52 million).

ii) Demands raised by the statutory authorities being contested by the Company ₹ 273.97 million* (Previous year ₹ 580.43 million).

* excludes pending cases/litigations including ones with business associates/statutory authorities where the management believes that no material liability will devolve on the Company in respect of these litigations or where amount of liability is not ascertainable.

42 UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars of unhedged foreign currency exposure as at reporting date:

	March 31, 2017		March 31, 2016		March 31, 2015	
	US$ million	₹ in million	US$ million	₹ in million	US$ million	₹ in million
Trade receivables for carriage income	0.71	46.09	0.09	6.03	0.38	23.59
Trade payables	-	-	0.19	12.49	0.68	42.65
Payable for fixed assets	44.62	2,893.28	61.46	4,076.72	18.60	1,164.27
Buyers' credit (Secured loan)	52.83	3,425.44	40.10	2,660.16	75.27	4,711.16

* Closing rate as at March 31, 2017 :1 USD = ₹ 64.84 (March 31, 2016 :1 USD = ₹ 66.33 and March 31, 2015: 1 USD = ₹ 62.59)

43 AUTHORISATION OF FINANCIAL STATEMENTS

These standalone financial statements for the year ended 31 March 2017 (including comparatives) were approved by the board of directors on 26 May 2017.

44 The breakup of year end deferred tax assets and liabilities into major components of the respective balance is as under

₹ in million

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Deferred tax liabilities			
Timing difference in depreciation and amortisation of property, plant and equipment and other intangible assets.	201.10	160.77	31.31
Gross deferred tax liabilities	**201.10**	**160.77**	**31.31**
Deferred tax assets			
Provision for doubtful debts	201.10	160.77	31.31
Gross deferred tax assets	**201.10**	**160.77**	**31.31**
Net deferred tax liability/(assets)	**-**	**-**	**-**

In the absence of probability of sufficient future taxable income, the Company has recognised deferred tax assets only to the extent of deferred tax liability.

During the current financial year 2016-2017, the current tax amount of ₹ 2.58 million pertains to TDS recoverable written-off. Considering the Company is into continuous losses, no income tax provision has been created for the current year.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom:

	March 31, 2017		March 31, 2016	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Deductible temporary differences	5,023.15	1,552.16	4,703.25	1,453.31
Brought forward losses	1,962.37	606.37	1,962.37	606.37

The tax losses expire in assessment year 2018-2024. The deductible temporary differences which includes unabsorbed depreciation and provision for doubtful debts do not expire under current tax legislation.

45 RIGHTS ISSUE UTILISATION

The Company had, during the year 2009-10, issued 236,222,285 equity shares of ₹ 1 each at a premium of ₹ 18 per share for cash to the existing equity shareholders of the Company. Given below are the details of utilisation of proceeds raised through rights issue.

₹ in million

	March 31, 2017	March 31, 2016	April 01, 2015
Unutilised amount at the beginning of the year	-	75.87	75.87
Less:-Working capital requirements	-	10.07	-
Acquisition of Multiple system operators and local cable operators.	-	44.90	-
General corporate purposes	-	20.90	-
Unutilised amount at the end of the year	**-**	**-**	**75.87**

Unutilised amount was lying in deposit account with banks and since the money was fungible, utilisation had been linked with the payment made from a common bank account post transfer of fund from the bank account separately maintained for the receipt of right issue proceeds.

46 UTILISATION OF PROCEEDS FROM PREFERENTIAL ALLOTMENT

The Company had issued 142,857,142 warrants at ₹ 35 per warrant during the year 2015-16. The Company had also issued Optionally Fully Convertible Debenture (OFCD) 51,428,571 each at ₹ 35 per OFCD during the year 2015-16. Given below are the details of utilisation of proceeds raised through preferential issue.

₹ in million

	March 31, 2017	March 31, 2016	April 01, 2015
Unutilised amount at the beginning of the year	1,090.49	-	-
Add:- Amount received during the year	1,500.00	5,300.00	-
Less: Amount utilised during the year			
Repayments of debts of the Company	1,588.49	3,799.03	-
Capital expenditure	24.84	410.48	-
Working capital requirement	500.00	-	-
Unutilised amount at the end of the year	**477.16**	**1,090.49**	**-**

Unutilised amount is lying bank accounts and since the money is fungible, utilisation had been linked with the payment made from a common bank account post transfer of fund from the bank account separately maintained for the receipt of preferential allotment proceeds.

47 UTILISATION OF PROCEEDS FROM QUALIFIED INSTITUTIONAL PLACEMENT (QIP)

The Company had during the previous year 2014-15 issued 63,174,540 equity shares of ₹ 1 each at a premium of ₹ 34 per share. Given below are the details of utilisation of proceeds raised through rights issue.

₹ in million

	March 31, 2017	March 31, 2016	April 01, 2015
Unutilised amount at the beginning of the year	-	2,194.01	2,194.01
Add:- Amount received during the year	-	-	-
Less: Amount utilised during the year			
Working capital	-	239.43	-
General corporate purposes	-	1,954.58	-
Unutilised amount at the end of the year	**-**	**-**	**2,194.01**

48 FIRST TIME ADOPTION OF IND AS

Transition to Ind AS

These are the Company's first standalone financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS standalone balance sheet at April 01, 2015 (the date of transition). In preparing its opening Ind AS standalone balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Use of deemed cost for investments in subsidiaries, jointly ventures and associates

The balance of the investment in subsidiaries and joint controlled entities at the date of transition to Ind AS, determined in accordance with the previous GAAP as the deemed cost of the investment at initial recognition.

Exchange differences on long-term foreign currency monetary items

Under previous GAAP, the company applied paragraph 46A of AS 11 whereby exchange differences arising from translation of long-term foreign currency monetary items were capitalized/ deferred. On transition to Ind AS first time adopter is permitted to continue policy adopted for accounting for such exchange differences recognised in the previous GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. The Company has opted for this exemption and continued its previous GAAP policy for accounting of exchange differences on long-term foreign currency monetary items recognized in the previous GAAP financial statements for the year ended March 31, 2016.

Under previous GAAP foreign exchange gain/ loss on long term foreign currency monetary items recognized upto March 31, 2016 has been deferred/

capitalized. Such exchange differences arising on translation/settlement of long-term foreign currency monetary items and pertaining to the acquisition of a depreciable asset are amortised over the remaining useful lives of the assets. From accounting periods commencing on or after April 01, 2016, exchange differences arising on translation/ settlement of long-term foreign currency monetary items, acquired post April 01, 2016, pertaining to the acquisition of a depreciable asset are charged to the statement of profit and loss.

B: Ind AS mandatory exceptions

Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 01, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

Investment in equity instruments carried at FVTPL or FVTOCI.

Impairment of financial assets based on expected credit loss model.

Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when an entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

a) The effects of the retrospective application or retrospective restatement are not determinable;

b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period;

The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

C: Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of previous GAAP and Ind AS impact for Balance Sheet (April 01, 2015)

₹ in million

	Note reference	Previous GAAP	IND AS Adjustments	Ind AS
ASSETS				
Non-current assets				
a) Property, Plant and Equipment	Note 11	3,993.54	(22.70)	3,970.84
b) Capital work-in-progress	Note 11	1,166.74	26.26	1,193.00
c) Intangibles assets		626.67	-	626.67
d) Intangibles assets under Development		141.18	-	141.18
e) Financial Assets				
i) Trade receivable		-	-	-
ii) Investments	Note 1	2,480.77	13.03	2,493.80
iii) Others	Note 1	703.66	(69.31)	634.35
f) Other non-current assets	Note 1	142.27	(10.13)	132.14
		9,254.83	**(62.85)**	**9,191.98**
Current assets				
a) Inventories	Note 11	103.28	(26.26)	77.02
b) Financial Assets		-	-	-
i) Trade receivable	Note 2(a)	3,511.85	(717.75)	2,794.10
ii) Cash and cash equivalents		3,940.01	-	3,940.01
iii) Investments	Note 3	8.04	3.57	11.61
iv) Others		979.60	-	979.60
c) Other current assets	Note 1	1,799.80	(13.99)	1,785.81
		10,342.58	**(754.43)**	**9,588.15**
		19,597.41	**(817.28)**	**18,780.13**
EQUITY AND LIABILITIES				
Equity				
a) Equity Share Capital	Note 6	678.27	(0.02)	678.25
b) Other Equity	Note 9	1,087.04	(1,063.18)	23.86
		1,765.31	**(1,063.20)**	**702.11**
LIABILITIES				
Non-current liabilities				
a) Financial liabilities				
i) Borrowings	Note 4	9,022.46	(111.17)	8,911.29
ii) Other financial liabilities		761.30	-	761.30
b) Provisions		32.47	-	32.47
c) Other non-current liabilities	Note 5	-	281.85	281.85
		9,816.23	**170.68**	**9,986.91**
Current liabilities				
a) Financial liabilities				
i) Borrowings		344.10	-	344.10
ii) Trade payables	Note 12	2,197.97	21.76	2,219.73
iii) Other financial liabilities	Note 4	4,810.11	53.48	4,863.59
b) Provisions		1.17	-	1.17
c) Other current liabilities		662.52	-	662.52
TOTAL CURRENT LIABILITIES		**8,015.87**	**75.24**	**8,091.11**
		17,832.10	**245.92**	**18,078.02**
TOTAL EQUITY AND LIABILITIES		**19,597.41**	**(817.28)**	**18,780.13**

Reconciliation of previous GAAP and IndAS impact for Balance Sheet (March 31, 2016)

₹ in million

	Note reference	Previous GAAP	Ind AS Adjustments	Ind AS
ASSETS				
Non-current assets				
a) Property, Plant and Equipment	Note 11	6,123.62	(26.35)	6,097.27
b) Capital work-in-progress	Note 11	3,344.00	73.55	3,417.55
c) Intangibles assets		811.64	-	811.64
d) Intangibles assets under Development		271.87	-	271.87
d) Financial Assets		-	-	
i) Trade receivable	Note 2(b)	-	118.19	118.19
ii) Investments	Note 1	3,860.01	39.91	3,899.92
iii) Others	Note 1	836.05	(56.51)	779.54
e) Other non current assets	Note 1	95.81	(53.16)	42.65
		15,343.00	**95.63**	**15,438.63**
Current assets				
a) Inventories	Note 11	143.08	(73.55)	69.53
b) Financial Assets		-	-	-
i) Trade receivable	Note 2(a)	4,085.76	(946.67)	3,139.09
ii) Cash and cash equivalents		2,823.00	-	2,823.00
iii) Investments	Note 3	8.04	4.52	12.56
iv) Others	Note 1	913.24	1.94	915.18
c) Other current assets	Note 1	1,547.59	2.69	1,550.28
		9,520.71	**(1,011.07)**	**8,509.64**
		24,863.71	**(915.44)**	**23,948.27**
EQUITY AND LIABILITIES				
Equity				
a) Equity Share Capital	Note 6	794.78	(0.02)	794.76
b) Other Equity	Note 9	**5,340.41**	**(628.37)**	**4,712.04**
		6,135.19	**(628.39)**	**5,506.80**
LIABILITIES				
Non-current liabilities				
a) Financial Liabilities				
i) Borrowings	Note 4	7,033.37	108.52	7,141.89
ii) Other Financial Liabilities		2,027.71	-	2,027.71
b) Provisions		38.89	-	38.89
c) Other non current liabilities	Note 5	-	295.84	295.84
		9,099.97	**404.36**	**9,504.33**
Current liabilities				
a) Financial Liabilities				
i) Borrowings	Note 6	722.00	(722.00)	-
ii) Trade payables		2,164.60	-	2,164.60
iii) Other Financial Liabilities	Note 4	6,220.56	(169.14)	6,051.42
b) Provisions		1.46	-	1.46
c) Other current liabilities	Note 5	519.93	199.73	719.66
TOTAL CURRENT LIABILITIES		**9,628.55**	**(691.41)**	**8,937.14**
		18,728.52	**(287.05)**	**18,441.47**
TOTAL EQUITY AND LIABILITIES		**24,863.71**	**(915.44)**	**23,948.27**

Reconciliation of previous GAAP and IndAS impact of comprehensive income for the year ended March 31, 2016.

₹ in million

	Note reference	Previous GAAP	Ind AS Adjustments	Ind AS
INCOME				
Revenues from operations	Note 5	8,771.78	(213.72)	8,558.06
Other income	Note 1 and 3	186.49	21.32	207.81
TOTAL INCOME		**8,958.27**	**(192.40)**	**8,765.87**
EXPENSES				
Purchase of traded goods		1,379.38	-	1,379.38
Carriage sharing, pay channel and related costs		3,663.96	-	3,663.96
Employee benefits expense	Note 8	468.35	0.30	468.65
Finance costs	Note 4	1,354.96	20.83	1,375.79
Depreciation and amortisation of non-financial assets	Note 11	927.81	15.72	943.53
Other expenses	Note 2(a) and 1	1,374.12	80.00	1,454.12
Total Expenses		**9,168.58**	**116.85**	**9,285.43**
Profit before exceptional item and tax		**(210.31)**	**(309.25)**	**(519.56)**
Prior period items	Note 12	21.76	(21.76)	-
Profit/(Loss) before tax		**(232.07)**	**(287.49)**	**(519.56)**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss in subsequent periods				
Remeasurement of defined benefit liability	Note 8	-	0.30	0.30
TOTAL COMPREHENSIVE INCOME		**(232.07)**	**(287.18)**	**(519.26)**

Reconciliation of total equity as at March 31, 2016 and April 01, 2015

₹ in million

	Notes to first time adoption	March 31, 2016	April 01, 2015
Total equity (shareholder's funds) as per previous GAAP		**6,135.20**	**1,765.32**
Adjustments:			
Optionally fully convertible debentures classified to equity	Note 6	722.00	-
Redeemable preference shares transferred to liability	Note 6	-	(0.02)
Effect of recognising interest expense on long-term borrowings and advances as per effective interest method	Note 4,1	(46.11)	(22.70)
Effect of provision for expected credit loss	Note 2(a)	(807.27)	(717.77)
Measurement of financial assets at fair value through profit and loss	Note 3	24.89	3.59
Effect of recognition of activation and set top boxes pairing charges	Note 5	(495.57)	(281.85)
Effects of prior period items	Note 12	-	(21.76)
Other	Note 11	(26.34)	(22.70)
TOTAL ADJUSTMENTS		**(628.40)**	**(1,063.21)**
TOTAL EQUITY AS PER IND AS		**5,506.80**	**702.11**

Reconciliation of total comprehensive income for the year ended 31 March 2016

₹ in million

	Notes to first time adoption	31 March 2016
Net loss after tax as reported under previous GAAP for March 31, 2016		(232.07)
Effect of recognising interest expense on long term borrowings and advances as per effective interest method	Note 4	(23.41)
Measurement of financial assets and financial liabilities at amortise cost	Note 1	20.36
Effect of provision for expected credit loss	Note 2(a)	(89.48)
Measurement of financial asset at fair value through profit and loss	Note 3	0.95
Effect of recognition of activation and set top boxes pairing charges	Note 5	(213.72)
Remeasurement of employee benefit obligation to other comprehensive income	Note 8	(0.30)
Effects of prior period items	Note 12	21.76
Other	Note 11	(3.64)
Net loss after tax as reported under Ind AS for March 31, 2016		**(519.56)**
Other comprehensive income after tax	Note 8	0.30
TOTAL COMPREHENSIVE INCOME		**(519.26)**

Note 1: Interest free advances and security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits and advances under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised according to the nature of the respective deposit or advance.

Note 2(a): Trade receivables

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. IND-AS 109 requires entities to recognise loss allowances on at an amount equal to the lifetime expected credit loss or the 12 month expected credit loss based on the increase in the credit risk of the borrower. Lifetime expected credit losses are required to be estimated based on the present value of all expected cash shortfalls over the remaining life of the financial instrument. Lifetime expected credit losses are an expected present value measure of losses that arise if a borrower defaults on their obligation throughout the life of the financial instrument. They are the weighted average credit losses with the probability of default as the weight.

Note 2(b): Trade Receivables

In the financial year 2015-16, the Company has sold certain number of set-top boxes on deferred credit terms. The revenue is recognised on the basis of the fair value of the transaction entered.

Note 3: Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value through profit and loss where fair value gains or losses are recognised in profit and loss.

Note 4: Borrowings and advances

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Further, long term advances are initially recognised at fair value by applying the effective interest method. Under previous GAAP, these transaction cost on long term borrowings were amortised over the term of the borrowings.

Note 5: Deferred revenue

Under the previous GAAP, upfront amount charged as activation was being taken to revenue. Under Ind AS, Company has deferred the activation income over the average customer relationship period and carried the deferred portion on the transition date under deferred revenue.

Note 6: Convertible instruments

Under IND AS 109, a financial instrument should be classified by the issuer upon initial recognition as a financial liability or an equity instrument according to the substance of the contractual arrangement rather than its actual form and the definitions of financial liability and an equity instrument. Accordingly the company has classified optionally convertible debentures and redeemable preference shares from liability to equity.

Note 7: Deferred tax

Retained earnings has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.

Note 8: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the loss for the year ended March 31, 2016 increased by ₹ 0.30 million. There is no impact on the total equity as at March 31, 2016.

Note 9: Retained earnings

Retained earnings as at April 01, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

Note 10: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. Comprehensive income related recognition, measurement and disclosures did not exist under previous GAAP.

Note 11: Capitalisation of major repairs and capital spares

Under previous GAAP, spares were recognised as inventory and charged to profit or loss upon issuance and all expenditure on repairs were charged to profit or loss unless it increased the future benefits from the existing asset beyond its previously assessed standard of performance. Under Ind AS, spares have been capitalised if they were held by the Company for use in business and that is expected to be used for more than one year. Similarly cost of major spares and overhauls to continue to operate an item of property, plant and equipment has been capitalised as a cost of such property, plant and equipment.

Note 12: Prior period item

During the year ended 31 March 2016, there was a prior period expense of ₹ 21.76 million which relate to license fee pertaining to financial year 2014-2015. Under Ind AS 8, financial statements are restated retrospectively for correcting the recognition, measurement and disclosure of amounts of elements of financial statements as if a prior period error had never occurred.

49 CAPITAL MANAGEMENT

Risk Management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Company's policy is to use current and non-current borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of the gearing ratio which is net debt divided by total capital (equity plus net debt) . The Company is not subject to any externally imposed capital requirements. Net debt are non-current and current borrowings as reduced by cash and cash equivalents, other bank balances and current investments. Equity comprises all components including other comprehensive income.

₹ in million

Particular	March 31, 2017	March 31, 2016	April 01, 2015
Cash and cash equivalents (refer note 11)	1,002.47	2,823.00	3,940.01
Current investments (refer note 12)	4.40	12.56	11.61
Margin money (refer note 7)	843.35	708.40	572.09
TOTAL CASH (A)	**1,850.22**	**3,543.96**	**4,523.71**
Borrowings (non-current, financial liabilities) (refer note 16)	9,201.94	7,141.89	8,911.29
Borrowings (current, financial liabilities) (refer note 20)	43.86	-	344.10
Current maturities of long-term borrowings (refer note 22)	2,949.69	3,316.17	4,160.79
Current maturities of finance lease obligations (refer note 22)	1.03	0.69	1.16
TOTAL BORROWING (B)	**12,196.52**	**10,458.75**	**13,417.34**
NET DEBT (C=B-A)	**10,346.30**	**6,914.79**	**8,893.63**
Total equity	5,257.47	5,506.80	702.11
TOTAL CAPITAL (EQUITY + NET DEBTS) (D)	**15,603.78**	**12,421.59**	**9,595.74**
GEARING RATIO (C/D)	**0.66**	**0.56**	**0.93**

50 DISCLOSURE ON SPECIFIED BANK NOTES (SBN'S)

As required by Ministry of Corporate Affairs notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise details of SBN and other notes is given below:

₹ in million

	SBN	Other denomination notes	Total
Closing cash on hand as on November 08, 2016	82.74	4.60	87.34
(+)Amount withdrawn from banks	-	2.29	2.29
(+) Permitted receipts	-	208.28	208.28
(-) Permitted payments	-	(1.96)	(1.96)
(-) Amount deposited in banks	(82.74)	(208.54)	(291.28)
Closing cash on hand as on December 30, 2016	**-**	**4.67**	**4.67**

51 INFORMATION UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013

There are no investments or loan given or guarantee provided or security given by the Company other than the investments and loans stated under note 6 in these standalone financial statements, which have been made predominantly for the purpose of business.

52 The Company predominantly operates in a single business segment of cable distribution in India only. Hence there are no separately reportable business or geographical segments as per Indian Accounting Standard ('Ind AS') 108 on Operating Segments. The aforesaid is in line with the way operating results are reviewed and viewed by the chief operating decision maker(s).

53 The Company had recognised certain receivables in prior years pertaining to billings done on estimation (net) basis. During the year, the Company has reached further negotiations with the customers and has accordingly written off such old receivables based on management's best estimates, which have been disclosed as exceptional items during the year ended March 31, 2017.

54 Previous year's amounts have been regrouped and rearranged, wherever necessary and in compliance with Ind AS.

This is the Summary of significant accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Sumit Mahajan**
Partner

Place : New Delhi
Date : May 26, 2017

For and on behalf of the Board of Directors of
SITI Networks Limited (formerly SITI Cable Network Limited)

V D Wadhwa
Executive Director and CEO
DIN 00439684

B.K. Syngal
Director
DIN 00002395

Anil Jain
Head-Finance and Accounts

Suresh Kumar
Company Secretary
M No ACS 14390

INDEPENDENT AUDITOR'S REPORT

To the Members of SITI Networks Limited (formerly SITI Cable Network Limited)

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the accompanying consolidated financial statements of SITI Networks Limited (formerly SITI Cable Network Limited) ('the Holding Company') and its subsidiary companies (the Holding Company and its subsidiary companies together referred to as 'the Group'), its associates and joint ventures, which comprise the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. The respective Board of Directors/management of the companies included in the Group and its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and joint ventures 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

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

4. While conducting the audit, 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.

5. 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 these consolidated 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 consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

OPINION

8. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiary companies, associates and joint ventures the aforesaid consolidated 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 consolidated state of affairs (consolidated financial position) of the Group, its associates and joint ventures as at 31 March 2017, and their consolidated loss (consolidated financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

OTHER MATTERS

9. We did not audit the financial statements of 19 subsidiary companies, whose financial statements reflect total assets of ₹ 12,591.75 million and net assets of ₹ 3,615.20 million as at 31 March 2017, total revenues of ₹ 5,280.54 million and net outflows amounting to ₹ 145.71 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 2.04 million for the year ended 31 March 2017, as considered in the consolidated financial statements, in respect of an associate and 2 joint ventures, whose financial statements have not been audited by us. These financial statements of the subsidiary companies, associate and joint ventures have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary companies, associate and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary companies, associate and joint ventures, is based solely on the reports of the other auditors.

10. We did not audit the financial statements of 5 subsidiary companies, whose financial statements reflect total assets of ₹ 1,093.70 million and net assets of ₹ (206.18) million as at 31 March 2017, total revenues of ₹ 611.03 million and net cash outflows amounting to ₹ 5.43 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ Nil for the year ended 31 March 2017, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements of the subsidiary companies and the associate are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary companies and associate, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary companies and associate, are based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors and the financial statements certified by the management.

11. The Holding Company had prepared separate sets of consolidated financial statements for the year ended 31 March 2016 and 31 March 2015 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports dated 25 May 2016 and 28 May 2015 respectively. These separate sets of consolidated financial statements have been adjusted for the differences in the accounting principles adopted by the Holding Company on transition to Ind AS, which have been audited by us in case of the standalone financial statements of the Holding Company and by other auditors in case of 19 subsidiary companies and a joint venture for the year ended 31 March 2016 and in case of 14 subsidiary companies and a joint venture for the year ended 31 March 2015. Further, in case of 5 subsidiary companies and an associate, the financial statements for the year ended 31 March 2016 and in case of 3 subsidiary companies and an associate, the financial statements for the year ended 31 March 2015 have been adjusted for the differences in the accounting principles adopted by the Holding Company on transition to Ind AS by the management of the respective entities and have not been audited. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

12. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiary companies, associate and joint ventures, we report, to the extent applicable, that:

    a) We and other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;

    e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of subsidiary companies, associate company and joint venture companies covered under the Act, none of the directors of the Group companies, its associate company and joint venture companies covered under the Act, are disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies, associate company and joint venture companies covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure 1';

    g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary companies, associates and joint ventures:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures as detailed in Note 42 and 44 to the consolidated financial statements;

(ii) the Group, its associate and joint ventures did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses based on our audit and on consideration of the reports of the other auditors;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate company and joint venture companies covered under the Act during the year ended 31 March 2017 based on our audit and on consideration of the reports of the other auditors;

(iv) These consolidated financial statements have made disclosures in Note 52 as to holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 by the Holding Company and its subsidiary companies covered under the Act.

Based on the audit procedures performed and taking into consideration the information and explanations given to us and on consideration of the reports of the other auditors on separate financial statements and other financial information for 19 subsidiary companies, and management certified financials for 5 subsidiary companies, in our opinion, the total receipts, total payments and total amount deposited in banks are in accordance with the aggregate of books of account maintained by the respective companies. However, in the absence of sufficient appropriate audit evidence obtained by us and the reports of the other auditors referred above, we are unable to comment upon the appropriateness of disclosure made under specified bank notes and other denomination notes of permitted/non-permitted receipts, 'permitted/non-permitted payments' and 'amount deposited in banks.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sumit Mahajan**
Partner
Membership No.: 504822

Place: New Delhi
Date: 26 May 2017

ANNEXURE 1

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 consolidated financial statements of SITI Networks Limited (formerly SITI Cable Network Limited) ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate and joint ventures as at and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, its subsidiary companies, its associate company and joint venture companies, which are companies covered under the Act, as at that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate company and joint venture companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective company considering the essential components of internal control 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 respective company's business, including adherence to the respective 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.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary companies, its associate company and joint venture companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing ('Standards'), issued by 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 includes 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, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company, its subsidiary companies, its associate company and joint venture companies, as aforesaid.

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 the 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 and based on the consideration of the reports of the other auditors on IFCoFR of the subsidiary companies, associate company and joint venture companies, the Holding Company, its subsidiary companies, its associate company and joint venture companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the respective company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

OTHER MATTERS

9. We did not audit the IFCoFR in so far as it relates to 19 subsidiary companies which are companies covered under the Act, whose financial statements reflect total assets of ₹ 12,591.75 million and net assets of ₹ 3,615.20 million as at 31 March 2017, total revenues of ₹ 5,280.54 million and net outflows amounting to ₹ 145.71 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 2.04 million for the year ended 31 March 2017, in respect of an associate company and 2 joint venture companies, which are companies covered under the Act, whose IFCoFR have not been audited by us. The IFCoFR in so far as it relates to such subsidiary companies, associate company and joint venture companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company, its subsidiary companies, its associate company and joint venture companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies, associate company and joint venture companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Sumit Mahajan**
Partner
Membership No.: 504822

Place: New Delhi
Date: 26 May 2017

CONSOLIDATED BALANCE SHEET

as at March 31, 2017

₹ in million

	Note	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
ASSETS				
Non-current assets				
a) Property, plant and equipment	4	14,043.30	11,012.89	6,763.69
b) Capital work-in-progress	4(a)	4,110.94	5,113.13	1,875.17
c) Goodwill	5	582.58	624.68	480.27
d) Other intangible assets	5	2,488.01	2,248.80	2,140.79
e) Intangible assets under development	4(a)	180.91	271.87	141.18
f) Investments in joint ventures and associates	6	46.97	8.42	10.48
g) Financial assets				
i) Other financial assets	7	945.37	807.83	585.95
h) Deferred tax asset (net)	19	5.88	21.13	0.25
i) Other non-current assets	8	447.48	42.92	170.80
		22,851.44	**20,151.67**	**12,168.58**
Current assets				
a) Inventories	9	92.93	117.89	113.76
b) Financial assets				
i) Trade receivables	10	3,631.40	2,593.58	2,307.59
ii) Cash and cash equivalents	11	1,706.56	3,678.22	4,297.75
iii) Bank balances other than (ii) above	11	-	71.07	40.67
iv) Investments	12	4.40	12.56	11.61
v) Others	13	1,466.42	257.30	690.55
c) Current tax assets		46.00	79.72	52.72
d) Other current assets	14	1,598.20	2,365.36	2,011.01
		8,545.91	**9,175.70**	**9,525.66**
TOTAL ASSETS		**31,397.35**	**29,327.37**	**21,694.24**
EQUITY AND LIABILITIES				
Equity				
a) Equity share capital	15 (a)	872.67	794.76	678.25
b) Other equity		4,500.61	4,917.69	184.08
Equity attributable to owners of the parent (a+b)		**5,373.28**	**5,712.45**	**862.33**
c) Non controlling-interest		920.44	783.40	652.40
		6,293.72	**6,495.85**	**1,514.73**
LIABILITIES				
Non-current liabilities				
a) Financial liabilities				
i) Borrowings	16	10,381.61	7,976.85	9,009.69
ii) Other financial liabilities	17	1,978.57	2,315.52	823.07
b) Provisions	18	78.45	60.79	50.35
c) Deferred tax liabilities (net)	19	119.61	34.34	58.31
d) Other non-current liabilities	20	1,218.86	564.24	492.44
		13,777.10	**10,951.74**	**10,433.86**
Current liabilities				
a) Financial liabilities				
i) Borrowings	21	196.06	32.97	357.12
ii) Trade payables	22	4,087.26	3,293.92	2,526.52
iii) Other financial liabilities	23	5,118.50	7,555.27	5,697.87
b) Provisions	24	161.79	67.52	77.56
c) Other current liabilities	25	1,762.92	930.10	1,086.58
		11,326.53	**11,879.78**	**9,745.65**
TOTAL EQUITY AND LIABILITIES		**31,397.35**	**29,327.37**	**21,694.24**

The accompanying notes are an integral part of these consolidated financial statements.
This is the consolidated balance sheet referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Sumit Mahajan**
Partner

Place : New Delhi
Date : May 26, 2017

For and on behalf of the Board of Directors of
SITI Networks Limited (formerly SITI Cable Network Limited)

V D Wadhwa
Executive Director and CEO
DIN 00439684

B.K. Syngal
Director
DIN 00002395

Anil Jain
Head-Finance and Accounts

Suresh Kumar
Company Secretary
M No ACS 14390

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2017

₹ in million

	Note	March 31, 2017	March 31, 2016
INCOME			
Revenue from operations	26	11,949.16	11,460.40
Other income	27	258.85	231.16
TOTAL INCOME		**12,208.01**	**11,691.56**
EXPENSES			
Cost of materials consumed		17.17	-
Purchase of traded goods		145.00	381.70
Carriage sharing, pay channel and related costs		5,971.33	5,686.36
Employee benefits expense	28	832.90	630.90
Finance costs	29	1,274.47	1,399.29
Depreciation and amortisation of non-financial assets	30	2,411.82	1,654.54
Other expenses	31	2,954.67	2,302.03
TOTAL EXPENSES		**13,607.36**	**12,054.82**
Loss before share of (loss)/profit of associates and joint ventures, exceptional item and tax		**(1,399.35)**	**(363.26)**
Share of profit/(loss) of associates and jointly ventures		2.04	(2.06)
Loss before exceptional item and tax		**(1,397.31)**	**(365.32)**
Exceptional item	60	202.36	(1.58)
Loss before tax		**(1,599.67)**	**(363.74)**
Tax expense			
Current tax		103.55	82.54
Deferred tax		89.09	(33.36)
Other comprehensive loss for the year		**(1,792.31)**	**(412.91)**
Items that will not be reclassified to profit or loss		2.25	0.07
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD (INCLUDING NON-CONTROLLING INTEREST)		**(1,790.06)**	**(412.84)**
Net loss attributable to:			
A Owners of the parent		(1,885.29)	(473.90)
B Non-controlling interest		92.98	60.98
Other comprehensive income attributable to:			
A Owners of the parent		1.35	0.04
B Non-controlling interest		0.90	0.03
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
A Owners of the parent		(1,883.94)	(473.86)
B Non-controlling interest		93.88	61.01
Earnings (loss) per share			
Basic (loss) per share	32	(2.20)	(0.70)
Diluted (loss) per share	32	(2.20)	(0.70)

The accompanying notes are an integral part of these consolidated financial statements.
This is the consolidated statement of profit and loss referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Sumit Mahajan**
Partner

Place : New Delhi
Date : May 26, 2017

For and on behalf of the Board of Directors of
SITI Networks Limited (formerly SITI Cable Network Limited)

V D Wadhwa
Executive Director and CEO
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Director
DIN 00002395

Anil Jain
Head-Finance and Accounts

Suresh Kumar
Company Secretary
M No ACS 14390

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2017

₹ in million

	March 31, 2017	March 31, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	**(1,599.67)**	**(363.74)**
Adjustment for:		
Depreciation and amortisation of non-financial assets	2,411.82	1,654.54
Interest income on bank deposits	(79.71)	(133.58)
Excess provisions written back	(52.23)	(61.06)
Share of profit/(loss) of associates and jointly ventures	(2.04)	2.06
Profit on sale of property, plant and equipment	-	(1.81)
Interest expense for borrowings at amortised cost	949.16	1,113.02
Amortisation of ancillary borrowing costs	24.08	35.79
Unrealised foreign exchange loss / (gain)	66.70	(6.37)
Provision for doubtful debts	331.28	368.42
Provision for doubtful advances	-	26.33
Employee stock compensation expense	30.29	30.35
Measurement of investment (current, financial assets) at fair value through profit and loss	1.10	(0.95)
Interest cost on discounting of financial instruments	26.90	20.82
Effect of recognising other expense on security deposit as per effective interest method	2.57	2.60
Measurement of financial assets and financial liabilities at amortised cost	(1.79)	-
Exceptional item	202.36	(1.58)
Operating profit before working capital changes	**2,310.82**	**2,684.84**
Adjustments for changes in:		
Increase in trade receivables	(1,571.47)	(654.41)
(Increase)/decrease in other finance current and non-current assets	(1,174.50)	376.81
Decrease/(increase) in other current and non-current assets	364.52	(83.65)
Decrease/(increase) in inventories	24.96	(4.12)
(Decrease)/increase in other financial liabilities	(964.91)	1,169.96
Increase in employee benefit obligations	21.14	10.85
Increase/(decrease) in other current and non-current liabilities	1,487.44	(84.69)
Increase in trade payables	845.57	830.02
Cash (used in)/generated from operations	**1,343.57**	**4,245.61**
Income taxes	25.09	(342.79)
Net cash flow from operating activities	**1,368.66**	**3,902.82**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangibles assets	(6,192.35)	(6,296.02)
Proceeds from sale of property, plant and equipment	-	3.14
Purchase of investment (non- current, financial assets)	(36.51)	-
Sale of investment (current, financial assets)	7.06	-
Interest received	48.74	122.30

₹ in million

	March 31, 2017	March 31, 2016
Investments in bank deposits	(70.89)	(187.15)
Net cash used in investing activities	**(6,243.95)**	**(6,357.73)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Non controlling interest	44.06	70.01
Proceeds from issuance of equity share capital	4.15	-
Proceeds received against warrants issued	1,500.00	3,500.00
Proceeds received against optionally convertible debentures issued	-	1,800.00
Proceeds/(repayments) from borrowings (current, financial liabilities) (net)	163.09	(324.15)
Proceeds from borrowings (non-current, financial liabilities)	6,525.12	4,940.59
Repayment of borrowings (non-current, financial liabilities)	(4,328.59)	(6,972.44)
Interest paid	(1,004.20)	(1,178.63)
Net cash flow from financing activities	**2,903.63**	**1,835.38**
Net increase /(decrease) in cash and cash equivalents	(1,971.66)	(619.53)
Cash and cash equivalents at beginning of the period	3,678.22	4,297.75
Cash and cash equivalents at close of the period	**1,706.56**	**3,678.22**

Notes :

₹ in million

	March 31, 2017	March 31, 2016
a. Cash and cash equivalents include :		
Cash on hand	183.02	78.95
Balances with banks - current accounts	1,081.14	283.31
Cheques and drafts in hand	442.40	1,800.64
Deposits with maturity of upto three months	-	1,515.32
	1,706.56	**3,678.22**

For **Walker Chandiok & Co LLP**

Chartered Accountants

per **Sumit Mahajan**
Partner

Place : New Delhi
Date : May 26, 2017

For and on behalf of the Board of Directors of
SITI Networks Limited (formerly SITI Cable Network Limited)

V D Wadhwa
Executive Director and CEO
DIN 00439684

B.K. Syngal
Director
DIN 00002395

Anil Jain
Head-Finance and Accounts

Suresh Kumar
Company Secretary
M No ACS 14390

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2017

A Equity share capital

₹ in million

	Notes	Amount
Balance as at April 01, 2015		678.25
Issued on conversion of warrants	15	85.71
Issued on conversion of Optionally Fully Convertible Debentures (OFCD)	15	30.80
Balance as at March 31, 2016		**794.76**
Issued on conversion of warrants	15	57.14
Issued on conversion of OFCDs	15	20.63
Issued on exercise of employee stock options	15	0.14
Balance as at March 31, 2017		**872.67**

B Other equity

Balance as at April 01, 2015	**9,405.65**	**(9,170.18)**	**3.23**	**-**	**-**	**-**	**(54.62)**	**-**	**184.08**	**862.33**	**652.40**	**1,514.73**
Loss for the year	-	(473.90)	-	-	-	-	-	-	(473.90)	(473.90)	60.98	(412.92)
Remeasurement of defined benefit liability	-	-	-	-	-	0.04	-	-	0.04	0.04	0.03	0.07
Total comprehensive income for the year	**-**	**(473.90)**	**-**	**-**	**-**	**0.04**	**-**	**-**	**(473.86)**	**(473.87)**	**61.01**	**(412.85)**
Issue of equity shares on conversion of warrants and OFCDs into equity shares	3,961.49	-	-	-	-	-	-	-	3,961.49	4,078.00	-	4,078.00
Issue of optionally fully convertible debenture	-	-	-	1,800.00	-	-	-	-	1,800.00	1,800.00	-	1,800.00
Conversion of OFCDs into equity shares	-	-	-	(1,078.00)	-	-	-	-	(1,078.00)	(1,078.00)	-	(1,078.00)
Money received against warrants issued	-	-	-	-	3,500.00	-	-	-	3,500.00	3,500.00	-	3,500.00
Conversion of warrants into equity shares	-	-	-	-	(3,000.00)	-	-	-	(3,000.00)	(3,000.00)	-	(3,000.00)
FCMITDA created during the year	-	-	-	-	-	-	(67.70)	-	(67.70)	(67.70)	-	(67.70)
FCMITDA amortised during the year	-	-	-	-	-	-	61.33	-	61.33	61.33	-	61.33
Employee shares based reserve created	-	-	-	-	-	-	-	30.35	30.35	30.35	-	30.35
Transaction during the year	-	-	-	-	-	-	-	-	-	-	69.98	69.98
Balance as at March 31, 2016	**13,367.14**	**(9,644.08)**	**3.23**	**722.00**	**500.00**	**0.04**	**(60.99)**	**30.35**	**4,917.69**	**5,712.45**	**783.40**	**6,495.85**
Balance as at April 01, 2016	**13,367.14**	**(9,644.08)**	**3.23**	**722.00**	**500.00**	**0.04**	**(60.99)**	**30.35**	**4,917.69**	**5,712.45**	**783.40**	**6,495.85**
Loss for the year	-	(1,885.29)	-	-	-	-	-	-	(1,885.29)	(1,885.29)	92.98	(1,792.31)
Impact of depreciation on assets due to change in useful life	-	(56.38)	-	-	-	-	-	-	(56.38)	(56.38)	-	(56.38)
Remeasurement of defined benefit liability	-	-	-	-	-	1.35	-	-	1.35	1.35	0.90	2.25
Total comprehensive income for the year	**-**	**(1,941.66)**	**-**	**-**	**-**	**1.35**	**-**	**-**	**(1,940.31)**	**(1,940.31)**	**93.88**	**(1,846.43)**

₹ in million

	Reserves and surplus					Other Components of Equity						
	Securities premium reserve (refer note 15(c))	Retained earnings (refer note 15(c))	General reserve (refer note 15(c))	Optionally fully convertible debentures (refer note 15(b))	Money received against warrants	Other comprehensive Income (refer note 15(c))	Foreign currency monetary item translation difference account (FCMITDA) (refer note 15(c))	Employee shares based reserve (refer note 15(c))	Total other equity	Equity attributable to owners of the parent	Non controlling-interest	Total equity
Issue of equity shares on conversion of warrants and OFCDs into equity shares	2,644.23	-	-	-	-	-	-	-	2,644.23	2,722.00	-	2,722.00
Issue of shares against employee stock options	6.00	-	-	-	-	-	-	-	6.00	6.14	-	6.14
Conversion of OFCDs into equity shares	-	-	-	(722.00)	-	-	-	-	(722.00)	(722.00)	-	(722.00)
Money received against warrants issued	-	-	-	-	1,500.00	-	-	-	1,500.00	1,500.00	-	1,500.00
Conversion of warrants into equity shares	-	-	-	-	(2,000.00)	-	-	-	(2,000.00)	(2,000.00)	-	(2,000.00)
FCMITDA created during the year	-	-	-	-	-	-	23.37	-	23.37	23.37	-	23.37
FCMITDA amortised during the year	-	-	-	-	-	-	43.33	-	43.33	43.33	-	43.33
Employee shares based reserve created	-	-	-	-	-	-	-	30.29	30.29	30.29	-	30.29
Reversed on share options excercised during the year	-	-	-	-	-	-	-	(1.99)	(1.99)	(1.99)	-	(1.99)
Transaction during the year	-	-	-	-	-	-	-	-	(0.00)	-	43.16	43.16
Balance as at March 31, 2017	**16,017.37**	**(11,585.74)**	**3.23**	**-**	**-**	**1.39**	**5.71**	**58.65**	**4,500.61**	**5,373.28**	**920.44**	**6,293.72**

The accompanying notes are an integral part of these consolidated financial statements.
This is the statement of change in equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants

per **Sumit Mahajan**
Partner

Place : New Delhi
Date : May 26, 2017

For and on behalf of the Board of Directors of
SITI Networks Limited (formerly SITI Cable Network Limited)

V D Wadhwa
Executive Director and CEO
DIN 00439684

B.K. Syngal
Director
DIN 00002395

Anil Jain
Head-Finance and Accounts

Suresh Kumar
Company Secretary
M No ACS 14390

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2017

1. NATURE OF OPERATIONS

SITI Networks Limited (formerly SITI Cable Network Limited) (hereinafter referred to as the 'Company' or 'SNL' or 'Holding Company') was incorporated in the state of Maharashtra, India. The Company, its subsidiaries, joint venture and associate (collectively known as the 'Group' or 'Holding Company') are engaged in distribution of television channels through analogue and digital cable distribution network, primary internet and allied services.

2. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH INDIAN ACCOUNTING STANDARDS (IND AS)

SNL, is a public company incorporated and domiciled in India. Its registered office is at Madhu Industrial Estate, 4th Floor, P. B Marg, Worli, Mumbai 400013, India. The Company's shares are listed on the National Stock Exchange of India Limited and BSE Limited. The consolidated financial statements of the Group have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act').

For periods up to and including the year ended March 31, 2016, the Group prepared its consolidated financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). Refer note 48 for the explanation of transition from Indian GAAP to Ind AS. The consolidated financial results along with comparative figures have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on May 26, 2017.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

a) Overall considerations and first time adoption of Ind AS

These consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These accounting policies have been used throughout all periods presented in these consolidated financial statements, except where the Group has applied certain accounting policies and exemptions upon transition to Ind AS. In accordance with Ind AS 101, the Group presents three balance sheets, two statements of profit and loss, two statements of cash flows and two statements of changes in equity and related notes, including comparative information for all statements presented, in its first Ind AS financial statements. In future periods, Ind AS 1 requires two comparative periods to be presented for the balance sheet only in certain circumstances.

b) Principles of consolidation

The consolidated financial statements consolidates the financial statements of the Holding Company and its subsidiaries. All the group companies have reporting date of March 31. Subsidiaries are all entities over which the Company exercises control. The Company exercises control if an only if it has the following:

a) power over the entity

b) exposure, or rights, to variable returns from its involvement with the entity; and

c) the ability to use its power over the entity to affect the amount of its returns.

The Company reassesses, whether it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of the financial statements of subsidiaries begins on the date control is established.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

c) Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act'). For all periods up to and including the year ended 31 March 2016, the Group prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These consolidated financial statements are the first consolidated financial statements of the Group under Ind AS. Refer Note 48 for an explanation of how the transition from previous GAAP.

The Group continued to incur losses, during year ended March 31, 2017 but in view of the present positive net worth, expected substantial subscription revenue growth and continued financial support from certain stakeholders of the Group, the consolidated financial statements continue to be prepared on a going concern basis.

d) Investments in Associates and Joint Ventures

An associate is an entity over which the investor has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Group accounts for its interest in joint venture using the equity method, after initially being recognised at cost in the consolidated balance sheet. Goodwill arising on the acquisition of joint venture is included in the carrying value of investments in joint venture. Investments in associates are accounted for using the equity method. Goodwill arising on the acquisition of associates is included in the carrying value of investments in associate.

Under the equity method of accounting applicable for investments in associates and joint ventures, investments are initially recorded at the cost to the Group and then, in subsequent periods, the carrying value is adjusted to reflect the Group's share of the post acquisition profits or losses of the investee in profit or loss, and the Group's share of other comprehensive income of the investee.

The consolidated statement of profit and loss include the Group's share of associate's results.

If the Group's share of losses in an associate or a joint venture equals or exceeds its interests in the associate or joint venture, the Group discontinues recognition of further losses. Additional losses are provided for,

only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate/joint venture. Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

e) Business Combinations and Goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from April 01, 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustments. The same first time adoption exemption is also used for associates and joint ventures.

Business combinations are accounted for using the acquisition method.

The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values. Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised.

Goodwill is carried at cost less accumulated impairment losses.

f) Foreign currency translation

Functional and presentation currency

These consolidated financial statements are presented in currency Indian Rupee (₹), which is also the functional currency of the Group.

Foreign currency transactions and balances

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

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

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

g) Revenue

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

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

Revenue from rendering of services

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

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

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

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

Income from rendering technical services and broadband services are recognised on accrual basis.

Revenue from sale Set top boxes & Viewing card

Revenue from sale of goods is recognised when the significant risks and rewards in respect of ownership of the goods are transferred to the buyer, usually on delivery of the goods and when no uncertainty exists regarding the amount of consideration that will be derived. The Group collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

Revenue from high sea sales are being recognized on transfer of title of goods to the customer.

Interest

Interest income is reported on an accrual basis using the effective interest method.

h) Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the related service or as incurred.

i) Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalisation of borrowing cost is suspended in the period during which the active development is delayed due to, other than temporary, interruption. All other borrowing costs are charged to profit or loss as incurred.

j) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price (net of CENVAT credit availed), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted. Ind AS 101 permits a first-time adopter to measure an item of property, plant and equipment at the date of transition to Ind AS at its fair value and use that fair value as its deemed cost at that date. Accordingly, the Group has elected to measure leasehold land which is an item of property, plant and equipment at the date of transition to Ind AS at its fair value. For all the other items of property, plant and equipment the Group has elected apply Ind AS retrospectively. Further Ind AS 101 allows a first-time adopter to continue the policy adopted for the accounting for exchange differences arising on translation of the long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per previous GAAP. The Company has opted for this exemption and continued its previous GAAP policy for accounting of exchange differences on long-term foreign currency monetary items recognized in the previous GAAP financial statements for the year ended March 31, 2016. Accordingly, foreign currency differences on such items attributable to the acquisition of property, plant and equipment are adjusted against their cost and depreciated prospectively over the remaining useful lives.

All other repair and maintenance costs are recognised in consolidated statement of profit or loss as incurred.

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

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives

	(life in years)
Buildings	60
Plant and equipment	8
Furniture and fixtures	10
Studio equipment	13
Computers	3
Vehicles	8
Office equipment	5
Air conditioners	5
Set top boxes	8
Integrated receiver and decoder (IRD) boxes	10

Leasehold improvements are amortised over the lease term or estimataed useful life, whichever is less.

Leasehold land is amortised over the effective period of lease.

Plant and equipment taken over under scheme of arrangement in the earlier years are depreciated over the management's estimate of remaining useful life, a period of 5 years.

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

De-recognition

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

k) Intangible assets

Recognition and initial measurement

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

Subsequent measurement

Goodwill arising from business combination is recognised as a separate asset in the acquirer's consolidated financial statements and is not amortised but is subject to an annual impairment test.

Non compete agreement and customer relationship arising from business combination is recognised as a separate asset in the acquirer's consolidated financial statements and is amortised over the period of four years.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Software are amortised over a period of six years on straight-line method.

Cost of news/ current affairs/ chat shows/ events including sports events etc. are fully expensed on first telecast.

Program/ film/ cable rights are amortised on a straight-line basis over the license period or 60 months from the date of purchase, whichever is shorter.

Amortisation has been included within depreciation and amortisation of non-financial assets.

Subsequent expenditures on the maintenance of intangible assets are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the respective intangible asset, and is recognised in profit or loss within other income or other expenses.

In case of Indian Cable Net Company Limited, a subsidiary company, distribution network rights are amortized using the straight-line method over a period of ten years.

l) Impairment of non-financial assets

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss.

If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the Statement of Comprehensive Income.

Goodwill is tested for impairment annually when circumstances indicate that the carrying value may be impaired.

m) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instruments and are measured initially at .

a) fair value, in case of financial instruments subsequently carried at fair value through profit or loss (FVTPL);

b) fair value adjusted for transaction costs, in case of all other financial instruments.

Subsequent measurement

Financial instruments at amortised cost – the financial instrument is measured at the amortised cost if both the following conditions are met:

i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

All other debt instruments are measured at fair value through other comprehensive income or FVTPL based on Group's business model.

Equity investments – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or FVTPL. The classification is made on initial recognition and is irrevocable.

Mutual funds – All mutual funds in scope of Ind-AS 109 are measured at FVTPL.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

Subsequent measurement

Subsequent to initial recognition, these liabilities are measured at amortised cost using the EIR method.

De-recognition of financial liabilities

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

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

Offsetting of financial instruments

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

Impairment of financial assets

In accordance with Ind-AS 109, the Group applies Expected Credit Loss ('ECL') model for measurement and recognition of impairment loss for financial assets. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. When estimating the cash flows, the Group consider the following –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

As a practical expedient the Group has adopted 'simplified approach' for recognition of lifetime expected loss on trade receivables. The estimate is based on three years average default rates observed over the expected life of the trade receivables and is adjusted for forward-looking estimates. These average default rates are applied on total credit risk exposure on trade receivables at the reporting date to determine lifetime expected credit losses.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

n) Post-employment, long term and short term employee benefits

Defined contribution plans

Provident fund

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligation once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

Defined benefit plans

Gratuity

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at the reporting date by an independent actuary using the projected unit credit method.

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

Other employee benefits

Compensated absences

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

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

Short term employee benefits

Short-term employee benefits, are current liabilities, measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

o) Share based employee remuneration

The Group operates equity-settled share-based remuneration plans for its employees, where the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted.

This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions). All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to ESOP reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period. The number of vested options ultimately exercised by holders does not impact the expense recorded in any period.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as securities premium.

p) Provisions, contingent assets and contingent liabilities

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

Contingent liability is disclosed for:

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

Contingent assets are disclosed when probable and recognised when realisation of income is virtually certain.

q) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for the effects of mandatorily convertible instrument in compliance with Ind AS 33.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

r) Leases

Where the Group is a lessee

Finance leases

Management applies judgement in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include i) the length of the lease term in relation to the economic life of the asset ii) the present value of the minimum lease payments in relation to the asset's fair value, and iii) whether the Group obtains ownership of the asset at the end of the lease term. For leases of land and buildings, the minimum lease payments are first allocated to each component based on the relative fair values of the respective lease interest. If the minimum lease payments cannot be allocated reliably between the two components, entire lease is classified as a finance lease, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease. Each component is then evaluated separately for possible treatment as a finance lease, taking into consideration the fact that land normally has an indefinite economic life. Refer Note 3(j) for the depreciation methods and useful lives for assets held under finance leases.

Operating leases

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

Where the Group is a lessor

Operating leases

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Balance Sheet based on their nature.

s) Income taxes

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

t) Inventories

Stores and spares are valued at cost on weighted average basis or at net realisable value whichever is lower.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

u) Segment Reporting

The Group predominantly operates in a single business segment of cable television network services, internet services and allied services in India only. Hence there are no separately reportable business or geographical segments as per Indian Accounting Standard ('Ind AS') 108 on Operating Segments. This is in line with the way operating results are reviewed and viewed by the chief operating decision maker(s).

v) Significant management judgement in applying accounting policies and estimation uncertainty

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles in India which require management to make estimates and assumptions that affect the reported balances of assets, liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and reported amounts of income and expenses during the periods. Although these estimates and assumptions used in accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of date of these consolidated financial statements which in management's opinion are prudent and reasonable, actual results may differ from estimates and assumptions used in preparing accompanying financial statements. Any revision to accounting estimates is recognised prospectively from the period in which results are known materialise in accordance with applicable accounting standards.

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

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect.

Recognition of deferred tax assets - The extent to which deferred tax assets can be recognised is based on the assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised.

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

Property, plant and equipment - Management assess the remaining useful lives and residual value of property, plant and equipment and believes that the assigned useful lives and residual value are reasonable.

Estimation uncertainty

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

Recoverability of advances/ receivables- The management from time to time reviews the recoverability of advances and receivables. The review is done at least once in a financial year and such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors.

Defined benefit obligation- Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may impact the defined benefit obligation amount and the annual defined benefit expenses.

Contingencies- Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies, claim, litigations etc against the Group as it is not possible to predict the outcome of pending matters with accuracy.

Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

The Group measures certain financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. refer note 38(b) for Fair Value Hierarchy.

w) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition. Cash and cash equivalent are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

x) Equity and reserves

Share capital represents the nominal (par) value of shares that have been issued.

Securities premium includes any premium received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from securities premium, net of any related income tax benefits.

Other components of equity include the following:

Re-measurement of net defined benefit liability- comprises the actuarial losses from changes in demographic and financial assumptions and the return on plan assets (refer note 36)

Retained earnings includes all current and prior period retained profits and share-based employee remuneration (refer note 36) All transactions with owners of the parent are recorded separately within equity.

Recent accounting pronouncements

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, Statement of cash flows, and IFRS 2, Share-based payment, respectively. The amendments are applicable to the Group from April 01, 2017.

Amendment to Ind AS 7:

The amendments to Ind AS 7 inter-alia require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the consolidated financial statements is being evaluated.

Amendment to Ind AS 102:

The amendments to Ind AS 102 inter-alia provide specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that includes a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. The Group is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

It is not applicable to the Group as it does not have any cash settled awards.

4 PROPERTY, PLANT AND EQUIPMENT

₹ in million

	Buildings	Leasehold land	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Air conditioners	Studio equipment	Vehicles	Ground distribution network	Leasehold improvements	Set top boxes	IRD boxes	Total
Gross carrying amount														
Balance as at April 01, 2015	27.58	469.02	2,968.12	123.75	44.12	50.06	15.79	68.55	25.06	358.37	55.61	6,968.48	1.26	11,175.77
Addition on acquisition of subsidiaries	-	-	388.86	0.56	16.68	6.27	-	-	0.34	-	-	-	-	412.71
Additions	38.13	-	905.13	160.79	8.19	10.63	0.45	0.07	7.35	-	0.65	4,036.71	-	5,168.10
Disposals	1.65	-	-	0.07	0.03	0.05	-	-	-	-	-	-	-	1.80
Balance as at March 31, 2016	**64.06**	**469.02**	**4,262.11**	**285.03**	**68.96**	**66.91**	**16.24**	**68.62**	**32.75**	**358.37**	**56.26**	**11,005.19**	**1.26**	**16,754.78**
Gross carrying amount														
Balance as at March 31, 2016	64.06	469.02	4,262.11	285.03	68.96	66.91	16.24	68.62	32.75	358.37	56.26	11,005.19	1.26	16,754.78
Additions	-	-	1,490.39	18.39	6.29	6.41	-	0.11	6.54	-	-	3,455.23	-	4,983.36
Balance as at March 31, 2017	**64.06**	**469.02**	**5,752.50**	**303.42**	**75.25**	**73.32**	**16.24**	**68.73**	**39.29**	**358.37**	**56.26**	**14,460.42**	**1.26**	**21,738.14**
Accumulated depreciation														
Balance as at April 01, 2015	8.48	1.00	2,048.76	101.18	34.21	25.48	12.36	33.94	12.23	136.58	43.41	1,953.79	0.66	4,412.08
Addition on acquisition of subsidiaries	-	-	41.21	0.23	11.72	1.12	-	-	0.19	-	-	-	-	54.47
Charge for the year	7.54	0.11	269.76	26.77	10.12	3.44	1.00	1.07	2.54	-	3.48	949.99	-	1,275.82
Disposals	0.46	-	-	0.02	0.00	0.00	-	-	-	-	-	-	-	0.48
Balance as at March 31, 2016	**15.56**	**1.11**	**2,359.73**	**128.16**	**56.05**	**30.04**	**13.36**	**35.01**	**14.96**	**136.58**	**46.89**	**2,903.78**	**0.66**	**5,741.89**
Accumulated depreciation														
Balance as at March 31, 2016	15.56	1.11	2,359.73	128.16	56.05	30.04	13.36	35.01	14.96	136.58	46.89	2,903.78	0.66	5,741.89
Charge for the year	0.42	6.89	393.67	14.51	9.65	5.33	0.17	1.07	3.39	-	2.50	1,515.35	-	1,952.95
Balance as at March 31, 2017	**15.98**	**8.00**	**2,753.40**	**142.67**	**65.70**	**35.37**	**13.53**	**36.08**	**18.35**	**136.58**	**49.39**	**4,419.13**	**0.66**	**7,694.84**
Net carrying amount as at April 01, 2015	**19.10**	**468.02**	**919.36**	**22.57**	**9.91**	**24.58**	**3.43**	**34.61**	**12.83**	**221.79**	**12.20**	**5,014.69**	**0.60**	**6,763.69**
Net carrying amount as at March 31, 2016	**48.50**	**467.91**	**1,902.38**	**156.87**	**12.91**	**36.87**	**2.88**	**33.61**	**17.79**	**221.79**	**9.37**	**8,101.41**	**0.60**	**11,012.89**
Net carrying amount as at March 31, 2017	**48.08**	**461.02**	**2,999.10**	**160.75**	**9.55**	**37.95**	**2.71**	**32.65**	**20.94**	**221.79**	**6.87**	**10,041.29**	**0.60**	**14,043.30**

Note a) Capital work-in-progress and intangible assets under development include set top boxes, viewing cards (softwares) and plant and equipment amounting to ₹ 2,624.01 million, ₹ 180.91 million and ₹ 1,486.93 million respectively (March 31, 2016: ₹ 3,743.07 million, ₹ 271.87 million and ₹ 1,370.06 million and April 01, 2015 ₹ 1,204.60 million,₹ 141.18 million and ₹ 670.57 million respectively) which are yet to be installed.

Note b) Refer note 37 for vehicle finance lease.

Note c) Restriction on title of property, plant and equipment, refer note 16 and 21

Note d) The Group has been capitalising the foreign exchange differences on gross block of set top boxes amounting to ₹ (64.36) million (March 31, 2016: ₹168.65 million and April 01, 2015 ₹ 127.84 million) and capital work in progress amounting to ₹ (11.47) million (March 31, 2016: ₹ 3.55 million and April 01, 2015 ₹ Nil million).

5 INTANGIBLE ASSETS

₹ in million

	Goodwill	Goodwill on consolidation	Program, film and cable rights	Distribution network rights	Software	Non compete agreement (refer note 51)	Customer relationships (refer note 51)	Total
Gross carrying amount								
Balance as at April 01, 2015	463.38	91.80	50.33	1,550.00	1,028.68	-	-	3,184.19
Additions	-	192.69	-	-	407.65	5.50	25.30	631.14
Balance as at March 31, 2016	**463.38**	**284.49**	**50.33**	**1,550.00**	**1,436.33**	**5.50**	**25.30**	**3,815.33**
Gross carrying amount								
Balance as at March 31, 2016	463.38	284.49	50.33	1,550.00	1,436.33	5.50	25.30	3,815.33
Additions	-	2.60	-	-	653.38			655.98
Balance as at March 31, 2017	**463.38**	**287.09**	**50.33**	**1,550.00**	**2,089.71**	**5.50**	**25.30**	**4,471.31**
Accumulated amortisation								
Balance as at April 01, 2015	74.91	-	47.18	166.63	274.41	-	-	563.13
Charge for the year	48.28	-	-	153.71	174.96	0.07	1.70	378.72
Balance as at March 31, 2016	**123.19**	**-**	**47.18**	**320.34**	**449.37**	**0.07**	**1.70**	**941.85**
Accumulated amortisation								
Balance as at March 31, 2016	123.19		47.18	320.34	449.37	0.07	1.70	941.85
Charge for the year	44.70		-	153.71	253.16	1.40	5.90	458.87
Balance as at March 31, 2017	**167.89**	**-**	**47.18**	**474.05**	**702.53**	**1.47**	**7.60**	**1,400.72**
Net carrying amount as at April 01, 2015	**388.47**	**91.80**	**3.15**	**1,383.37**	**754.27**	**-**	**-**	**2,621.06**
Net carrying amount as at March 31, 2016	**340.19**	**284.49**	**3.15**	**1,229.66**	**986.96**	**5.43**	**23.60**	**2,873.47**
Net carrying amount as at March 31, 2017	**295.49**	**287.09**	**3.15**	**1,075.95**	**1,387.18**	**4.03**	**17.70**	**3,070.59**

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Net book value			
Goodwill	582.58	624.68	480.27
Other intangible assets	2,488.01	2,248.80	2,140.79
TOTAL	**3,070.59**	**2,873.48**	**2,621.06**
6 INVESTMENTS			
Investment in equity shares (Trade, unquoted)			
Investment in associates			
14,080 (March 31, 2016 and April 01, 2015: 14,080 and 14,080 respectively) 6% Non-cumulative redeemable preference shares of ₹ 100 each fully paid up of Siti Chhattisgarh Multimedia Private Limited	8.42	8.42	8.42
6,667 (March 31, 2016 and April 01, 2015: nil and nil respectively) equity shares of ₹ 10 each fully paid up of Voice Snap Services Private Limited.	36.46	-	-
Add:- Share in profit	2.04		
Investment in Joint ventures			
4,800 (March 31, 2016 and April 01, 2015: Nil and Nil respectively) equity shares of ₹ 10 each fully paid up of C&S Medianet Private Limited	0.05	-	-
25,500 (March 31, 2016 and April 01, 2015: 25,500 and 25,500 respectively) equity shares of ₹ 10 each fully paid up of Wire and Wireless Tisai Satellite Limited	0.26	0.26	0.26
Add:- Share in loss	(0.26)	(0.26)	1.80
	46.97	**8.42**	**10.48**
Investment other than investment in joint ventures entities and associates			
Investment in equity shares			
480 (March 31, 2016 and April 01, 2015: 480 and 480 respectively) equity shares of ₹ 100 each fully paid up of Master Ads Private Limited	0.05	0.05	0.05
9,500 (March 31, 2016 and April 01, 2015: 9,500 and 9,500 respectively) equity shares of ₹10 each fully paid up of Dakshin Communications Private Limited	1.77	1.77	1.77
3,000 (March 31, 2016 and April 01, 2015: 3,000 and 3,000 respectively) equity shares of ₹10 each fully paid up of Centre Channel Private Limited	0.23	0.23	0.23
Less : Aggregate amount of impairment in value of investments	(2.05)	(2.05)	(2.05)
	-	**-**	**-**
	46.97	**8.42**	**10.48**
Aggregate amount of unquoted investments	49.02	10.47	12.53
Aggregate amount of impairment in value of investments	2.05	2.05	2.05

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
7 OTHERS (NON-CURRENT, FINANCIAL ASSETS)			
Unsecured, considered good unless otherwise stated			
Margin money deposit (pledged) and deposit with statutory authorities with maturity of more than twelve months	874.09	732.14	575.39
Security deposits (considered good)	71.28	75.69	10.56
Security deposits (considered doubtful)	-	2.81	2.81
Less : Provision on security deposits	-	(2.81)	(2.81)
	945.37	**807.83**	**585.95**

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
8 OTHERS (NON-CURRENT, NON- FINANCIAL ASSETS)			
Unsecured, considered good			
Prepaid expenses	37.94	0.28	45.27
Capital advances	32.06	39.71	81.94
Other advances	377.48	2.93	43.59
	447.48	**42.92**	**170.80**

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
9 INVENTORIES			
Stores and spares	92.93	117.89	113.76
	92.93	**117.89**	**113.76**

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
10 TRADE RECEIVABLES			
Unsecured, considered good	3,631.40	2,593.58	2,307.59
Unsecured, considered doubtful	2,425.99	2,144.54	1,891.94
Less: Allowance for expected credit losses	(2,425.99)	(2,144.54)	(1,891.94)
	3,631.40	**2,593.58**	**2,307.59**

For amounts due and terms and conditions relating to related party receivables see note 39

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. No trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
11 CASH AND CASH EQUIVALENTS			
Cash on hand	183.02	78.95	54.38
Balances with banks			
on current accounts	1,081.14	283.31	1,495.44
Cheques and drafts on hand	442.40	1,800.64	529.83
Deposits with maturity of upto three months	-	1,515.32	2,218.10
	1,706.56	**3,678.22**	**4,297.75**
Other balances in banks			
Margin money deposit (pledged) and deposit with statutory authorities with maturity of more than three months but less than twelve months.	-	71.07	40.67
	1,706.56	**3,749.29**	**4,338.42**

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
12 INVESTMENTS (CURRENT, FINANCIAL ASSETS)			
Investment in mutual fund at fair value through profit and loss (non trade, trade quoted)			
250,404 (March 31, 2016 and April 01, 2015: 250,404 and 250,404 respectively) units of face value of ₹ 10 each of ICICI Prudential Flexible Income Premium Growth	4.40	5.50	4.82
Nil (March 31, 2016 and April 01, 2015: 3,176 and 3,176 respectively) units of face value of ₹100 each of Taurus Short Term Income Fund - Growth Plan	-	7.06	6.79
	4.40	**12.56**	**11.61**
Aggregate amount of			
Quoted investments	4.40	12.56	11.61
Market value of quoted investment	4.40	12.56	11.61

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
13 OTHERS (CURRENT, FINANCIAL ASSETS)			
Unsecured, considered good			
Amounts recoverable	967.86	133.64	614.83
Interest accrued and not due on fixed deposits	83.92	52.94	41.66
Unbilled revenues	412.59	68.77	34.06
Security deposits	2.05	1.95	-
	1,466.42	**257.30**	**690.55**

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
14 OTHER CURRENT ASSETS			
Unsecured, considered good unless otherwise stated			
Balances with Government authorities	865.89	802.40	493.59
Taxes paid	544.49	534.92	323.55
Prepaid expenses	33.46	50.73	27.00
Amounts recoverable (considered good)	154.36	977.31	1,166.87
Amounts recoverable (considered doubtful)	637.87	635.06	609.27
Less : Impairment allowance	(637.87)	(635.06)	(609.27)
	1,598.20	**2,365.36**	**2,011.01**

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
15 (a) EQUITY SHARE CAPITAL			
Authorised share capital			
1,290,000,000 (March 31, 2016 and April 01, 2015: 1,290,000,000 and 990,000,000 respectively) equity shares of ₹ 1 each	1,290.00	1,290.00	990.00
10,000,000 (March 31, 2016 and April 01, 2015: 10,000,000 and 10,000,000 respectively) preference shares of ₹ 1 each	10.00	10.00	10.00
TOTAL AUTHORISED CAPITAL	**1,300.00**	**1,300.00**	**1,000.00**
Issued share capital			
873,280,971 (March 31, 2016 and April 01, 2015: 795,374,543 and 678,860,258 respectively) equity shares of ₹ 1 each	873.28	795.37	678.86
Less:- Forfeited shares 1,227,123 (March 31, 2016 and April 01, 2015: 1,227,123 and 1,227,123 respectively) equity shares of ₹ 1 each	(1.23)	(1.23)	(1.23)
23,436 (March 31, 2016 and April 01, 2015: 23,436 and 23,436 respectively) 7.25% Non-cumulative redeemable preference shares of ₹ 1 each	0.02	0.02	0.02
TOTAL ISSUED CAPITAL	**872.07**	**794.16**	**677.65**
Subscribed and fully paid up capital			
872,053,848 (March 31, 2016 and April 01, 2015: 794,147,420 and 677,633,135 respectively) equity shares of ₹ 1 each fully paid up	872.05	794.14	677.63
TOTAL PAID UP CAPITAL	**872.05**	**794.14**	**677.63**
Forfeited equity shares 1,227,123 (March 31, 2016 and April 01, 2015: 1,227,123 and 1,227,123 respectively) equity shares of ₹ 1 each (excluding securities premium of ₹ 8.5 per share)	0.62	0.62	0.62
	872.67	**794.76**	**678.25**

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

Equity Shares	March 31, 2017		March 31, 2016		April 01, 2015	
	No. of shares	₹ in million	No. of shares	₹ in million	No. of shares	₹ in million
Balance at the beginning of the year	794,147,420	794.14	677,633,135	677.63	677,633,135	677.63
Add:						
Issued on conversion of warrants (refer note 15(e))	57,142,857	57.14	85,714,285	85.71	-	-
Issued on conversion of Optionally Fully Convertible Debentures (refer note 15(e))	20,628,571	20.63	30,800,000	30.80	-	-
Issued during the year	-	-	-	-	-	-
Issued on exercise of employee stock options	135,000	0.14	-	-	-	-
Balance at the end of the year	**872,053,848**	**872.05**	**794,147,420**	**794.14**	**67,76,33,135***	**677.63**

* Represents balance as at April 01, 2015

Preference shares

There is no movement in preference share capital.

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 1 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 shares 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 shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Preference shares						
Churu Enterprises LLP	23,436	100%	23,436	100%	23,436	100%

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Equity shares						
Bioscope Cinemas Private Limited	112,008,946	12.84%	50,670,529	6.38%	50,670,529	7.48%
Direct Media Solutions LLP (formerly known as Direct Media Solutions Private Limited)	121,000,000	13.88%	140,000,000	17.63%	140,000,000	20.66%
Essel International Limited	47,013,828	5.39%	67,750,000	8.53%	67,750,000	10.00%
Essel Media Ventures Limited	75,828,755	8.70%	116,431,000	14.66%	116,431,000	17.18%
Digital Satellite Holdings Private Limited	71,369,898	8.18%	71,369,898	8.99%	71,369,898	10.53%
Direct Media and Cable Private Limited	85,714,285	9.83%	85,714,285	10.79%	-	-
Arrow Media and Broadband Private Limited	57,142,857	6.55%	-	-	-	-
Digital Satellite Media & Broadband Private Limited	51,428,571	5.90%	30,800,000	3.88%	-	-

(d) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 36

(e) Terms of securities convertible into equity shares issued along with earliest date of conversion.

During the year ended March 31, 2016, the Company had issued 142,857,142 warrants on preferential basis upon payment of a consideration of ₹ 35 per warrant. Each warrants was convertible into one equity share of ₹ 1 each at a premium of ₹ 34 per share. Holders of such warrants had an option to convert these warrants into equity shares upon payment of aforesaid consideration on or before eighteen months from the date of allotment of warrants viz February 19, 2016. During the year ended March 31, 2017 and March 31, 2016, the Company has converted 57,142,857 and 85,714,285 warrants respectively into equity shares resulting in increase in equity share capital by ₹ 57.14 million and ₹ 85.71 million respectively.

(f) No shares were issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issue or brought back during the current year and last five years.

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
15 (b) INSTRUMENTS ENTIRELY IN THE NATURE OF EQUITY			
Optionally Fully Convertible Debenture ('OFCDs')			
Opening balance	722.00	-	-
Issue of optionally fully convertible debenture	-	1,800.00	-
Conversion of OFCDs into equity shares	722.00	1,078.00	
Closing balance	**-**	**722.00**	**-**

During the year ended March 31, 2016, the Company had issued 51,428,571 Optionally Fully Convertible Debenture ('OFCDs') on preferential basis upon payment of a consideration of ₹ 35 per OFCD. Each convertible OFCD was convertible into one equity share of ₹ 1 each at a premium of ₹ 34 per share. Holders of such OFCDs had an option to convert these OFCDs into equity shares upon payment of aforesaid consideration on or before eighteen months from the date of allotment of OFCDs, viz. February 19, 2016. During the year ended March 31, 2017 and March 31, 2016, the Company has converted 20,628,571 and 30,800,000 of OFCDs respectively into equity shares pursuant to the exercise of option resulting in increase in equity share capital by ₹ 20.63 and ₹ 30.80 million respectively. This instrument meets the definition of equity, in accordance with Ind AS 32, as there is no obligation to transfer cash or anyother financial asset or issue a variable number of shares.

Details of OFCDs holders

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of OFCDs	% of holding	No. of OFCDs	% of holding	No. of OFCDs	% of holding
Digital Satellite Media & Broadband Private Limited	-	-	20,628,571	100.00%	-	-

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
15 (c) OTHER RESERVE			
Securities premium reserve	16,017.37	13,367.14	9,405.65
Retained earnings	(11,585.74)	(9,644.08)	(9,170.18)
General reserve	3.23	3.23	3.23
Other comprehensive Income	1.39	0.04	-
Foreign currency monetary item translation difference account (FCMITDA)	5.71	(60.99)	(54.62)
Employee shares based reserve	58.65	30.35	-

A Notes:

1	**Securities premium reserve**		
	Opening balance	13,367.14	9,405.65
	Addition during the year	2,650.22	3,961.49
	Closing balance	**16,017.36**	**13,367.14**
2	**Retained earnings**		
	Opening balance	(9,644.08)	(9,170.18)
	Addition during the year	(1,941.65)	(473.90)
	Closing balance	**(11,585.74)**	**(9,644.08)**
3	**General reserve**		
	Opening balance	3.23	3.23
	Addition during the year	-	-
	Closing balance	**3.23**	**3.23**
4	**Other comprehensive Income**		
	Opening balance	0.04	-
	Addition during the year	1.35	0.04
	Closing balance	**1.39**	**0.04**
5	**Foreign currency monetary item translation difference account (FCMITDA)**		

Particulars	March 31, 2017	March 31, 2016
Opening balance	(60.99)	(54.62)
Addition during the year	66.70	(6.37)
Closing balance	**5.71**	**(60.99)**
6 Employee shares based reserve		
Opening balance	30.35	-
Addition during the year	28.30	30.35
Closing balance	**58.65**	**30.35**

B: Nature and purpose of reserves

1 Securities premium reserve

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Act.

2 Retained earnings

Retained earnings represent the accumulated earnings net of losses if any made by the Group over the years.

3 General reserve

General Reserve is a free reserve which is created by transferring funds from retained earnings to meet future obligations or purposes.

4 Other comprehensive Income

Other comprehensive Income includes acturial gain/(loss) recognise in respective financial year.

5 Foreign currency monetary item translation difference account (FCMITDA)

Foreign currency translation reserve comprises of all exchange differences arising from translation of financial statements of foreign operations.

6 Employee shares based reserve

The reserve is used to recognised the grant date fair value of the options issued to employees under Group's employee stock option plan.

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
16 BORROWINGS (NON-CURRENT, FINANCIAL LIABILITIES)			
Secured loans from banks	6,337.12	5,191.30	6,827.44
Buyer's credit	3,878.19	2,587.74	2,121.41
Long-term maturities of finance lease obligations	27.39	2.96	0.99
Reedemable preference shares	0.02	0.02	0.02
Unsecured loan	138.89	194.83	59.83
	10,381.61	**7,976.85**	**9,009.69**

Terms/ rights attached to preference shares

The Company has only one class of 7.25% Non-cumulative redeemable preference shares of ₹ 1 each. The said preference shares were allotted to Zee Telefilms Limited (now Zee Entertainment Enterprises Limited) on December 29, 2006, pursuant to the scheme of arrangement for demerger of cable business undertaking of Zee Telefilms Limited approved by the Hon'ble Bombay High Court vide its order dated November 17, 2006. Initially, as per the terms of the issue and allotment, the said preference shares were due for redemption on December 29, 2008. However, with the written consent/approval of Zee Entertainment Enterprises Limited, the terms of the issue of said preference shares was varied by extending the period of redemption by another three years i.e. till December 29, 2011. Later on June 6, 2011 these shares were transferred to Churu Enterprises LLP by Zee Entertainment Enterprises Limited. Period for redemption of preference shares was extended by a period of five years till December 29, 2016 which has been further extended for period of five years till December 29, 2021 by Churu Enterprises LLP. The preference shares are redeemable at par.

In the event of liquidation of the Company before redemption of preference shares, the holders of preference shares will have priority over equity shares in the payment of dividend and repayment of capital. These instruments are accounted for as liability in accordance with the Ind AS.

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
17 OTHER (NON-CURRENT, FINANCIAL LIABILITIES)			
Security deposits received from customers	37.45	329.69	96.50
Payables for purchase of property, plant and equipment	1,941.12	1,985.83	726.57
	1,978.57	**2,315.52**	**823.07**

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
18 PROVISIONS (NON-CURRENT) (REFER NOTE 34)			
Provision for gratuity	41.03	27.53	24.46
Provision for compensated absences	28.88	24.83	17.92
Provison for taxation	8.54	8.43	7.97
	78.45	**60.79**	**50.35**

19 THE BREAKUP OF YEAR END DEFERRED TAX ASSETS AND LIABILITIES INTO MAJOR COMPONENTS OF THE RESPECTIVE BALANCE IS AS UNDER			
Deferred tax liabilities			
Timing difference in depreciation and amortisation of property, plant and equioment and other intangible assets.	512.61	411.34	171.74
Gross deferred tax liabilities	**512.61**	**411.34**	**171.74**
Deferred tax assets			
Provision for doubtful debts	335.57	318.33	4.96

₹ in million

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Expenditure debited to consolidated statement of Profit and Loss in the current year but allowed for tax purposes in following years	10.61	17.60	65.79
MAT credit	52.70	62.20	42.94
Gross deferred tax assets	**398.88**	**398.13**	**113.69**
Net deferred tax liability	**119.61**	**34.34**	**58.31**
Net deferred tax assets	**5.88**	**21.13**	**0.25**

During the current financial year 2016-2017, the current tax amount of ₹ 2.58 million pertains to TDS recoverable written-off. Considering the Holding Company is into continuous losses, no income tax provision has been created for the current year.

Movement in deferred tax liabilities and assets

Net deferred tax liability recognised in consolidated statement of profit and loss account during the year ended March 31, 2017 amounts to ₹ 89.09 million (March 31, 2016 ₹ nil).

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom:

	March 31, 2017		March 31, 2016	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Deductible temporary differences	5,023.15	1,552.16	4,703.25	1,453.31
Brought forward losses	1,962.37	606.37	1,962.37	606.37

The tax losses expire in assessment year 2018-2024. The deductible temporary differences which includes unabsorbed depreciation and provision for doubtful debts do not expire under current tax legislation.

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
20 OTHER (NON-CURRENT, NON-FINANCIAL LIABILITIES)			
Deferred revenue (refer note 3(g))	831.56	476.68	405.26
Interest free deposits from customers	378.16	87.13	85.11
Others	9.14	0.43	2.07
	1,218.86	**564.24**	**492.44**

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
21 BORROWINGS (CURRENT, FINANCIAL LIABILITIES)			
Loans repayable on demand			
From banks (secured)	115.26	-	344.10
From other (unsecured)	80.80	32.97	13.02
	196.06	**32.97**	**357.12**

i) As at April 01, 2015 the loans from banks were secured by first pari passu charge on the fixed assets and current assets of the Company. The Company was required to maintain debt service reserve account (DSRA) for 2 quarters' interest. All the loans from banks were further secured by corporate guarantee of an associate company to maintain DSRA and carried an interest rate of Base rate +3%.

ii) As at March 31, 2017 the loan from banks was secured by first pari passu charge on the future and current assets of the Company with minimum assets cover ratio 1:1. The Company is required to maintain DSRA for 1 quarter's interest. The loan is further secured by corporate guarantee of an associate company to maintain DSRA and carries an interest rate of Base rate +1.95%.

iii) As at March 31, 2017 the loan from others are repayable on demand.

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
22 TRADE PAYABLES			
- Total outstanding dues of micro enterprises and small enterprises; and	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	4,087.26	3,293.92	2,526.52
	4,087.26	**3,293.92**	**2,526.52**

Dues to micro and small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006			
Principal amount remaining unpaid	-	-	-
Interest due thereon	-	-	-
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the period	-	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-	-
Interest accrued and remaining unpaid	-	-	-

₹ in million

	March 31, 2017	March 31, 2016	April 01, 2015
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-	-
	-	**-**	**-**

The details of amounts outstanding to micro enterprises and small enterprises under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006 are as per available information with the Group.

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
23 OTHER FINANCIAL LIABILITIES (CURRENT)			
Current maturities of long-term borrowings	3,113.21	3,335.07	4,333.62
Current maturities of finance lease obligations	14.39	0.69	1.16
Interest accrued and not due on borrowings	20.18	24.24	33.23
Payables for purchase of property, plant and equipment	1,383.58	2,935.45	1,006.80
Book overdraft	587.14	1,259.82	323.06
	5,118.50	**7,555.27**	**5,697.87**

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
24 PROVISIONS (CURRENT) (REFER NOTE 35)			
Provision for gratuity	2.57	1.60	0.98
Provision for compensated absences	1.67	1.32	1.12
Provision for taxation	157.55	64.60	75.46
	161.79	**67.52**	**77.56**

₹ in million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
25 OTHER (CURRENT, NON-FINANCIAL LIABILITIES)			
Deferred revenue	443.60	312.21	90.56
Statutory dues payable	948.46	469.13	850.73
Advance from customers	370.86	148.76	145.29
	1,762.92	**930.10**	**1,086.58**

(Refer note 16 and 23)

Term loan									
1	-	-	-	-	-	150.00	Term loans from banks are secured by first pari passu charge on entire movable fixed assets, both present and future, of the Company and on the receivables, cash flow and bank account of the Company. Also secured by corporate guarantee of an associated company for maintaining revolving debt service reserve account (DSRA) for 1 quarter of the interest and principal repayment to be funded ten days before each due date, for the entire tenure of the loan.	Base rate+1.20%	Nil (March 31, 2016 and April 01, 2015: nil and two respectively) quarterly installments payable as per the terms of underlying agreement.
2	-	-	-	-	337.50	187.50		Base rate+1.20%	Nil (March 31, 2016 and April 01, 2015: nil and ten respectively) quarterly installments payable as per the terms of underlying agreement.
3	-	-	-	-	350.00	150.00		Base rate+1.20%	Nil (March 31, 2016 and April 01, 2015: nil and three respectively) quarterly installments payable as per the terms of underlying agreement.
4	747.66	246.16	990.08	-	986.73	-		Base rate+1.20%	Eight (March 31, 2016 and April 01, 2015: eight and eight respectively) half yearly installments payable as per the terms of underlying agreement.
5	435.68	258.89	690.81	-	687.47	-		Base rate+1.20%	
6	-	159.91	164.91	189.59	354.49	134.36	Term loans from banks are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/ or pledge of the Company's current assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA) for 2 quarters' interest.	Base rate+2.50%	Three (March 31, 2016 and April 01, 2015: seven and eleven respectively) quarterly installments payable as per the terms of underlying agreement.
7	723.24	414.80	1,138.04	102.31	1,109.50	-		Base rate+2.50%	Eleven (March 31, 2016 and April 01, 2015: twelve and twelve respectively) quarterly installments payable as per the terms of underlying agreement.
8	-	966.61	1,138.69	2,040.64	1,640.25	788.14	Term loans from bank are secured by first charge by way of hypothecation of the Company's entire current assets which would include stocks and consumable stores and spares and such other movable properties including book debts, receivables both present and future, in a form and manner satisfactory to the bank, ranking pari passu with other banks/ lenders. First charge on all moveable fixed assets of the Company, cash flow and bank account of the Company ranking pari passu with other banks/lenders. Also secured by corporate guarantee of an associated company for maintaining revolving debt service reserve account (DSRA) for 1 quarter of the interest and principal repayment to be funded 10 days before each due date, for the entire tenure of the loan.	Base rate+2.10%	Repayment plan for each term loan: I. Nil (March 31, 2016 and April 01, 2015: four and eight respectively) quarterly installments payable as per the terms of underlying agreement II. Three (March 31, 2016 and April 01, 2015: seven and eleven respectively) quarterly installments payable as per the terms of underlying agreement III Four (March 31, 2016 and April 01, 2015: eight and twelve respectively) quarterly installments payable as per the terms of underlying agreement IV Nil (March 31, 2016 and April 01, 2015: two and four respectively) quarterly installments payable as per the terms of underlying agreementl V One (March 31, 2016 and April 01, 2015: three and four respectively) quarterly installments as per the terms of underlying agreement VI Two (March 31, 2016 and April 01, 2015: four and four respectively) quarterly installments payable as per the terms of underlying agreement

₹ in million

Nature of loan	March 31, 2017		March 31, 2016		April 01, 2015		Nature of securities	Interest rate	Tenure of repayment
	Non-current	Current	Non-current	Current	Non-current	Current			
9	373.96	248.40	622.34	247.96	870.30	122.48	Term loans from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/ or pledge of the Company's current assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA) for 1 quarters' interest.	Base rate+0.45%	Ten (March 31, 2016 and April 01, 2015: fourteen and sixteen respectively) quarterly installments payable as per the terms of underlying agreement.
10	310.41	123.23	430.81	62.50	491.20	-	Term loans from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/ or pledge of the Company's current assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA) for 1 quarters' interest.	Base rate+0.45%	Fourteen (March 31, 2016 and April 01, 2015: sixteen and sixteen respectively) quarterly installments payable as per the terms of underlying agreement.
11	987.33	-	-	-	-	-	Term loans from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's movable fixed assets, both present and future, and as well as current assets. Also secured by the Company for maintenance of interest service reserve account (ISRA) for 1 quarters' interest.	Base rate+spread rate	Twenty four quarterly installments payable as per the terms of underlying agreement.
12	1,982.42	-	-	-	-	-	Term loans from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as current assets.	Bank corporate prime lending rate	Five half yearly installments payable as per the terms of underlying agreement.
13	709.24	34.81	-	-	-	-	Term loans from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's movable fixed assets and as well as current assets . Also secured by corporate guarantee of an associated company.	Base rate+0.5%	Seven quarterly installments payable as per the terms of underlying agreement.

₹ in million

Nature of loan	March 31, 2017		March 31, 2016		April 01, 2015		Nature of securities	Interest rate	Tenure of repayment
	Non-current	Current	Non-current	Current	Non-current	Current			
14	19.33	-	15.62	-	-	-	Term loan from bank is secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of a subsidiary company's immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/ or pledge of a subsidiary company's current assets.	11.60%	One hundred seventy seven (March 31, 2016 and April 01, 2015: One hundred seventy seven and nil respectively) monthly installments payable as per the terms of underlying agreement
15	47.85	-	-	-	-	-	secured by hypothecation of 70,000 digital set top box to be purchased and equitable mortgage of commercial plot of land at Beltala, Dispur, Dist: Kamrup held in the name of a Director, and personal gurantee of the Directors of the subsidiary.	12.90%	Sixty six (March 31, 2016 and April 01, 2015: nil and nil respectively) monthly installments payable as per the terms of underlying agreement
SUB TOTAL	**6,337.12**	**2,452.81**	**5,191.30**	**2,643.00**	**6,827.44**	**1,532.48**			
Buyer's credits									
1	-	-	-	-	932.91	-	Buyer's credit from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/ or pledge of the company's current assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA) for 2 quarters' interest.	Six months LIBOR+90 bps	Repayable at the end of tenure.
2	-	-	-	258.60	587.35	1,843.56	Buyer's credit from bank are secured by first charge by way of hypothecation of the Company's entire current assets which would include stocks and consumable stores and spares and such other movable properties including book debts, receivables both present and future, in a form and manner satisfactory to the bank, ranking pari passu with other banks/ lenders. First charge on all moveable fixed assets of the Company, cash flow and bank account of the Company ranking pari passu with other banks/lenders. Also secured by corporate guarantee of an associated company for maintaining revolving debt service reserve account (DSRA) for 1 quarter of the interest and principal repayment to be funded 10 days before each due date, for the entire tenure of the loan.	Six months LIBOR+350 bps	Repayable at the end of tenure.

₹ in million

Nature of loan	March 31, 2017		March 31, 2016		April 01, 2015		Nature of securities	Interest rate	Tenure of repayment
	Non-current	Current	Non-current	Current	Non-current	Current			
3	1,413.52	301.82	596.95	251.44	263.25	784.76	Buyer's credit from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/ or pledge of the Company's current assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA) for 1 quarters' interest.	Six months LIBOR+335 bps	Repayable at the end of tenure.
4	1,515.04	195.05	1,368.45	163.13	299.32	-	Buyer's credit from bank are secured by pari passu mortgage and charge in favour of lender in a form satisfactory to the lender of all of the Company's immovable properties, both present and future, and as well as movable properties and first charge by way of hypothecation and/ or pledge of the Company's current assets. Also secured by corporate guarantee of an associated company for maintenance of debt service reserve account (DSRA) for 2 quarters' interest.	Six months LIBOR+100 bps	Repayable at the end of tenure.
5	-	-	622.34	18.90	38.58	172.82	Buyer's credit from bank are secured by first and exclusive charge on all existing and future current assets and unencumbered movable fixed assets of a subsidiary company. Also secured by the first and exclusive equitable mortgage on its land and building, pledge of fixed deposit of a subsidiary company and personal guarantee of the directors of a subsidiary company.	Base rate+0.45%	Repayable at the end of tenure.
6	949.63	163.53	-	-	-	-	Buyer's credit from Bank secured by first and exclusive charge on all existing and future current assets and unencumbered movable fixed assets including the set top boxes and also secured by the first and exclusive equitable mortage on its land and building under construction, pledge of fixed deposit, held in the name of the subsidiary and personal guarantee of the directors.	Base rate+0.45%	Repayable at the end of tenure.
SUB TOTAL	**3878.19**	**660.40**	**2587.74**	**692.07**	**2121.41**	**2801.14**			
Unsecured loan	138.87	-	194.83	-	59.83	-	Repayable on demand	Interest free	Repayable on demand
Finance lease obligations	27.39	14.39	2.96	0.69	0.99	1.16	Finance lease obligations - Secured by hypothecation of vehicles purchased thereunder.		

₹ in million

	March 31, 2017	March 31, 2016
26 REVENUE FROM OPERATIONS		
Sale of services		
Subscription income	6,827.16	6,400.75
Advertisement income	135.18	319.74
Carriage income	3,000.51	2,447.59
Activation and Set top boxes pairing charges	1,700.86	1,524.07
Other operating revenue		
Sale of traded goods*	174.58	417.68
Management charges and other networking income	110.54	349.18
Scrap sales	0.33	1.39
	11,949.16	**11,460.40**
*** Details of sale of traded goods**		
Set top box (STB) and viewing cards (VC)	168.97	410.70
Stores and spares	5.61	6.98
	174.58	**417.68**

₹ in million

	March 31, 2017	March 31, 2016
27 OTHER INCOME		
Interest income on		
Bank deposits	79.71	133.58
Others	126.23	13.40
Excess provisions written back	52.23	61.06
Net gain arising on financial assets designated as at fair value through profit or loss	0.68	21.31
Profit on sale of property, plant and equipment	-	1.81
	258.85	**231.16**

₹ in million

	March 31, 2017	March 31, 2016
28 EMPLOYEE BENEFITS EXPENSE		
Salaries, allowances and bonus	748.55	565.50
Contributions to provident and other funds	42.05	33.41
Staff welfare expenses	42.30	31.99
	832.90	**630.90**

₹ in million

	March 31, 2017	March 31, 2016
29 FINANCE COSTS		
Interest expense for borrowings at amortised cost	949.16	1,113.02
Interest cost on discounting of financial instruments	26.90	20.82
Bank charges	274.33	229.66
Amortisation of ancillary borrowing costs	24.08	35.79
	1,274.47	**1,399.29**

₹ in million

	March 31, 2017	March 31, 2016
30 DEPRECIATION AND AMORTISATION OF NON-FINANCIAL ASSETS		
Depreciation of property, plant and equipment (refer note 4)	1,952.95	1,275.82
Amortisation of intangible assets (refer note 5)	458.87	378.72
	2,411.82	**1,654.54**

₹ in million

	March 31, 2017	March 31, 2016
31 OTHER EXPENSES		
Rent	203.82	132.28
Rates and taxes	68.90	34.52
Communication expenses	40.07	27.31
Repairs and maintenance		
- Network	74.39	57.37
- Buildings	1.33	1.04
- Others	22.13	25.87
Electricity and water charges	97.72	81.15
Legal, professional and consultancy charges	150.51	117.62
Printing and stationery	11.35	11.72
Service charges	459.76	276.39
Travelling and conveyance expenses	76.58	65.90
Auditors' remuneration*	8.63	6.93
Vehicle expenses	48.83	24.74
Insurance expenses	7.84	4.22
Provision for doubtful debts	331.28	368.42
Provision for doubtful advances	-	26.33
Advertisement and publicity expenses	22.42	11.05
Commission charges and incentives	150.32	143.33
Bad debts written off	3.88	181.67
Program production expenses	43.54	47.62
Other operational cost	997.35	544.68
Business and sales promotion	38.85	23.37
Exchange fluctuation loss (net)	1.90	15.42
Miscellaneous expenses	93.27	73.08
	2,954.67	**2,302.03**

*Auditors' remuneration (including auditors remuneration of subsidiaries company)

₹ in million

	March 31, 2017	March 31, 2016
as an auditor	8.03	6.53
for other services (certifications)	0.32	0.26
for reimbursement of expenses	0.28	0.14
	8.63	**6.93**

₹ in million

	March 31, 2017	March 31, 2016
32 EARNINGS (LOSS) PER SHARE		
Loss attributable to owners of the parent	(1,883.94)	(473.86)
Weighted average number of equity shares outstanding during the year (nos.)	801,199,892	690,721,041
Weighted average number of equity shares to be issued on conversion of mandatorily convertible instruments (i.e. share and OFCD) (nos.)	70,953,111	8,735,969
Weighted average number of equity shares outstanding during the year for calculating basic and diluted earnings per share (nos.)	**872,153,003**	**699,457,010**
Effect of dilutive potential equity shares ~		
Employee stock options (nos.)	434,549	15,412
Nominal value of per equity share (₹)	1	1
Loss per share (₹)		
Basic	(2.20)	(0.70)
Diluted	(2.20)	(0.70)

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

33 The digitisation of cable networks has been implemented in Phase 1 and 2 cities starting from November 1, 2012 onwards and Phase 3 and 4 cities were to be digitised by January 31, 2017 and March 31, 2017 respectively, as per the extended timelines. Owing to the initial delays in implementation of DAS, all the Multi-System Operators (MSOs) are in transition from analogue regime to DAS and are in the process of implementation of revenue sharing contracts with the local cable operators (LCOs). Accordingly, the Group has invoiced certain LCO's and recognised subscription revenue based on certain estimates (net basis) derived from market trends and ongoing discussion with the LCOs. Management is of the view that the execution/implementation of such contracts will not have a significant impact on the subscription revenue recognised.

34 GROUP COMPOSITION STRUCTURE

Indian Cable Net Company Limited (hereinafter referred as "ICNCL")*	India	60.02%
Central Bombay Cable Network Limited (hereinafter referred as "CBCNL")	India	100.00%
Siticable Broadband South Limited (hereinafter referred as "SBSL")	India	100.00%
Master Channel Community Network Private Limited (hereinafter referred as "MCCNPL")**	India	66.00%
Siti Vision Digital Media Private Limited (hereinafter referred as "SVDMPL")	India	51.00%
Siti Jind Digital Media Communications Private Limited (hereinafter referred as "SJDMCPL")****	India	57.50%
Siti Jai Maa Durgee Communications Private Limited (hereinafter referred as "SJMDCPL")	India	51.00%
Siti Bhatia Network Entertainment Private Limited (hereinafter referred as "SBNEPL")	India	51.00%
Siti Jony Digital Cable Network Private Limited (hereinafter referred as "SJDCNPL")	India	51.00%
Siti Krishna Digital Media Private Limited (hereinafter referred as "SKDMPL")	India	51.00%
Siti Faction Digital Private Limited (hereinafter referred as "SFDPL")	India	51.00%
Siti Guntur Digital Network Private Limited (hereinafter referred as "SGDNPL")	India	74.00%
Siti Maurya Cable Net Private Limited (hereinafter referred as "SMCNPL") ***	India	50.10%

Name of the subsidiaries	Country of incorporation	Percentage of ownership
Siti Karnal Digital Media Network Private Limited (hereinafter referred as "SKDMNPL") w.e.f. February 02, 2015	India	51.00%
Siti Global Private Limited (hereinafter referred as "SGPL") w.e.f. June 20, 2014	India	51.00%
Siti Siri Digital Network Private Limited (hereinafter referred as "SDNPL") w.e.f. February 02, 2015	India	51.00%
Siti Broadband Services Private Limited (hereinafter referred as "SBSPL") w.e.f. July 19, 2014	India	100.00%
Siti Prime Uttaranchal Communication Private Limited (formerly known as Capital Digital Multimedia Network Private Limited) w.e.f. September 30, 2015 (hereinafter referred as "SPUCPL")	India	51.00%
Siti Sagar Digital Cable Network Private Limited (formerly known as Panchsheel Digital Communication Network Private Limited) w.e.f. August 22, 2015 (hereinafter referred as "PDCNPL")	India	51.00%
Siti Saistar Digital Media Private Limited (formerly known as Saistar Digitalmedia Private Limited) w.e.f. February 12, 2016 (hereinafter referred as "SDPL")	India	51.00%
Siti Godaari Digital Services Private Limited (formerly known as Bargachh Digital Communication Network Private Limited) w.e.f. January 11, 2016 (hereinafter referred as "BDCNPL")	India	51.00%
Variety Entertainment Private Limited w.e.f. January 29, 2016 (hereinafter referred as "VEPL")	India	100.00%
Indinet Service Private Limited w.e.f. August 19, 2015 (hereinafter referred as "ISPL")***	India	100.00%
Axom Communications & Cable Private Limited w.e.f. March 31, 2016 (hereinafter referred as "ACCPL")***	India	50.00%

*Include 0.30% held through CBCNL
** Subsidiary of CBCNL
*** Subsidiary of ICNCL by virtue of control.
**** Include 6.50% held through SBSL

Name of the associate and joint ventures	Country of incorporation	Percentage of ownership
Siti Chhattisgarh Multimedia Private Limited (hereinafter referred as "SCMPL")*****	India	41.00%
C&S Medianet Private Limited	India	48.00%
Voice Snap Services Private Limited******	India	32.34%
Wire and Wireless Tisai Satellite Limited (hereinafter referred as "WWTSL")	India	51.00%

***** Associate of SBNEPL
****** Associate of VEPL

35 EMPLOYEE BENEFIT OBLIGATIONS

Post-employment obligations - gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The expected contribution to the plan for next annual reporting period amounts to ₹ 8.5 million.

The weighted average duration of the defined benefit obligation as at March 31, 2017 is 16 years (previous year 16 years).

The plan exposes the Group to actuarial risks such as interest rate risk and inflation risk.

Interest rate risk

The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of risk free securities.

Inflation risk

A significant proportion of the defined benefit liability is linked to inflation. An increase in the inflation rate will increase the Group's liability.

The following tables summarises the components of net benefit expense recognised in the consolidated statement of profit and loss and the amount recognised in the consolidated balance sheet for the respective plans.

Changes in the present value of the defined benefit obligation are as follows:

₹ in million

	March 31, 2017	March 31, 2016	April 01, 2015
Present value of defined benefit obligation at the beginning of the year	29.13	25.44	17.80
Interest cost	2.72	2.48	1.88
Current service cost	11.14	7.96	6.07
Benefits paid	(1.64)	(6.68)	(3.42)
Actuarial loss/(gain) on Remeasurement of obligation	2.25	(0.07)	3.11
Present value of defined benefit obligation at the end of the year *	**43.60**	**29.13**	**25.44**

* Includes current portion ₹ 2.57 million (March 31, 2016 and April 01, 2015: 1.60 million and 0.98 million respectively) The gratuity plan of the Group is unfunded.

Amount recognised in the consolidated statement of profit and loss:

₹ in million

	March 31, 2017	March 31, 2016
Current service cost	11.14	7.96
Interest cost	2.72	2.48
	13.86	**10.44**

₹ in million

	March 31, 2017	March 31, 2016
Amount recognised in the statement of other comprehensive income		
Actuarial loss on arising from change in financial assumptions	1.36	-
Actuarial loss on arising from experience adjustments	(0.89)	(0.07)
	2.25	**0.07**

₹ in million

	Leave encashment		Gratuity	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Actuarial assumptions used				
Discount rate (per annum)	8%-9%	8%-9%	8%-9%	8%-9%
Rate of escalation in salary (per annum)	5%-8%	5%-8%	5%-8%	5%-8%
Withdrawal rate (per annum)	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Mortality	2.0%	2.0%	2.0%	2.0%
Normal retirement age	60 years	60 years	60 years	60 years

These assumptions were developed by management with the assistance of independent actuaries. Discount factors are determined close to each year-end by reference to market yields of risk free securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

The present value of the defined benefit obligation was measured using the projected unit credit method.

₹ in million

	March 31, 2017	March 31, 2016
Sensitivity analysis of the defined benefit obligation for significant actuarial assumptions		
Impact of the change in discount rate		
Present value of obligation at the end of the year	**43.60**	**29.13**
Decrease in liability due to increase of 11 %	(4.32)	(2.89)
Increase in liability due to decrease of 13 %	17.82	3.35
Impact of the change in salary increase		
Present value of obligation at the end of the year	**43.60**	**29.13**
Increase in liability due to increase of 12 %	4.67	3.12
Decrease in liability due to decrease of 11 %	(4.32)	(2.89)

Defined contribution plans

Contribution to defined contribution plan, recognised as expense for the year are as under:-
Employer's contribution to provident fund and other funds ₹ 42.05 million (previous year ₹ 33.41 million)

36 SHARE-BASED EMPLOYEE REMUNERATION

Employee Stock Option Plan –ESOP-2015

The Holding Company instituted the Employee Stock Option Scheme -2015 ("SITI ESOP 2015" or "New Plan") to grant equity based incentives to eligible employees. The SITI ESOP-2015 has been approved by the Board of Directors of the Holding Company at their meeting held on May 28, 2015 and by the shareholders of the Holding Company by way of special resolution passed at their Annual General Meeting held on August 27, 2015 to grant upto 33,881,656 options, representing one share for each option upon exercise by the eligible employee at an exercise price determined by the Board / remuneration committee.

The options granted under the Scheme shall vest not less than one year and not more than five years from the date of grant of options. Under the terms of the Scheme, 50%, 35% and 15% of the options will vest in the employee(s) after expiry of one year, two years and three years, respectively, from the date of grant of options. The option grantee must exercise all vested options within a period of four years from the date of vesting and the shares arising on exercise of such options shall not be subject to any lock-in period.

	Employee Stock Option Plan –ESOP-2015
Date of grant	September 3, 2015
Date of Board approval	May 28, 2015
Date of shareholders' approval	August 27, 2015
Number of options granted	4,663,500
Method of settlement (cash/equity)	Equity
Vesting period	Five years
Exercise period	Four years

The details of activity under new plan have been summarised below:

	March 31, 2017		March 31, 2016		April 1, 2015	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	4,663,500	30.85	-	-	-	-
Granted during the year	-	-	4,663,500	30.85	-	-
Expired/lapsed during the year	450,000	30.85	-	-	-	-
Exercised during the year	135,000	30.85	-	-	-	-
Outstanding at the end of the year	4,078,500	30.85	4,663,500	30.85	-	-
Exercisable at the end of the year	2,039,250	30.85	-	-	-	-

The weighted average share price per share at the date of exercise was ₹ 39.05 per share (no options were exercised during the financial year 2015-2016 and April 01, 2015).

The fair values of options granted under new plan were determined using a variation of the binomial option pricing model that takes into account factors specific to the share incentive plans, such as the vesting period. The following principal assumptions were used in the valuation:

	March 31, 2017			March 31, 2016		
	Options Vested (50%)	Options to be vested (35%)	Options to be vested (15%)	Options to be vested (50%)	Options to be vested (35%)	Options to be vested (15%)
Number of options	2,331,750	1,632,225	699,525	2,331,750	1,632,225	699,525
Fair value on grant date	14.63	17.49	19.14	14.63	17.49	19.14
Share price at grant date	30.85	30.85	30.85	30.85	30.85	30.85
Fair value at exercise date	39.05	-	-	-	-	-
Exercise price	30.85	30.85	30.85	30.85	30.85	30.85
Expected volatility	39.82%	44.49%	43.47%	39.82%	44.49%	43.47%
Expected life	Three years	Four years	Five years	Three years	Four years	Five years
Expected dividends	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Risk-free interest rate (based on government bonds)	7.80%	7.79%	7.88%	7.80%	7.79%	7.88%

The underlying expected volatility was determined by reference to historical data of the Holding Company's shares over a period of time since its flotation on the Stock Exchange. No special features inherent to the options granted were incorporated into measurement of fair value.

In total ₹ 30.29 million (previous year ₹ 30.35 million) of employee remuneration expense (all of which related to equity-settled share-based payment transactions) has been included in profit or loss.

37 LEASES

Finance lease: Group as lessee

Vehicles obtained on finance lease are for 4 years after which the legal title is passed to the lessee. There is escalation clause in the lease agreement. There are restrictions imposed by the lease arrangements. There are subleases.

Finance lease liabilities (refer note 16 and 23) are secured by related assets held under finance leases.

Future Minimum Lease Payments and their Present Values are given below:

₹ million

	Minimum lease payments due			Total
	Within 1 year	1 to 5 years	after 5 years	
March 31, 2017				
Lease payments	1.42	3.97	-	5.39
Finance charges	0.38	0.55	-	0.93
Net present value	**1.04**	**3.42**	**-**	**4.46**
March 31, 2016				
Lease payments	0.80	0.86	-	1.66
Finance charges	0.11	0.08	-	0.19
Net present value	**0.69**	**0.78**	**-**	**1.47**
April 01, 2015				
Lease payments	1.18	1.27	-	2.45
Finance charges	0.16	0.14	-	0.30
Net present value	**1.02**	**1.13**	**-**	**2.15**

The Group has taken various commercial premises under operating leases. These leases have varying terms, escalation clauses and renewal rights. On renewal the terms of the leases are renegotiated. Rent amounting to ₹ 203.82 million (March 31, 2016 ₹ 132.28 million) has been debited to consolidated statement of profit and loss during the year.

The total future minimum lease payment receivable under non-cancellable operating lease is:

₹ in million

	March 31, 2017	March 31, 2016	April 01, 2015
Lease payment for the year	30.00	30.00	30.00
Minimum lease payment not later than 1 year	12.64	30.00	30.00
Minimum lease payment later than 1 year but not later than 5 years	-	12.64	42.64
Minimum lease payment later than 5 years	-	-	

38 FAIR VALUE MEASUREMENTS

A. Financial instruments by category

₹ million

	NOTES	March 31, 2017	
		FVTPL	Amortised cost
Financial assets			
Bank deposits	7	-	874.09
Amount recoverable	13	-	967.86
Interest accrued and not due on fixed deposits	13	-	83.92
Security deposits	7 and 13	-	73.33
Unbilled revenues	13	-	412.59
Trade receivables	10	-	3,631.40
Investments (Current, financial assets)	12	4.40	-
Cash and cash equivalents	11	-	1,706.56
TOTAL FINANCIAL ASSETS		**4.40**	**7,749.75**
Financial liabilities			
Borrowings (Non-current, financial liabilities)	16	-	10,381.61
Borrowings (Current, financial liabilities)	21	-	196.06
Payables for purchase of property, plant and equipment	17	-	1,941.12
Security deposits received from customer	17	-	37.45
Trade payables	22	-	4,087.26
Other financial liabilities (current)	23	-	5,118.50
TOTAL FINANCIAL LIABILITIES		**-**	**21,762.00**

₹ million

	NOTES	March 31, 2016 FVTPL	March 31, 2016 Amortised cost
Financial assets			
Bank deposits	7	-	732.14
Amount recoverable	13	-	133.64
Interest accrued and not due on fixed deposits	13	-	52.94
Security deposits	7 and 13	-	77.64
Unbilled revenues	13	-	68.77
Trade receivables	10	-	2,593.58
Investment (Current, financial assets)	12	12.56	-
Cash and cash equivalents	11	-	3,678.22
Other bank balances	11	-	71.07
TOTAL FINANCIAL ASSETS		**12.56**	**7,408.00**
Financial liabilities			
Borrowings (non-current, financial liabilities)	16	-	7,976.85
Borrowings (Current, financial liabilities)	21	-	32.97
Payables for purchase of property, plant and equipment	17	-	1,985.83
Security deposits	17	-	329.69
Trade payables	22	-	3,293.92
Other financial liabilities (current)	23	-	7,555.27
TOTAL FINANCIAL LIABILITIES		**-**	**21,174.53**

₹ million

	NOTES	April 01, 2015 FVTPL	April 01, 2015 Amortised cost
Financial assets			
Bank deposits	7	-	575.39
Amount recoverable	13	-	614.83
Interest accrued and not due on fixed deposits	13	-	41.66
Security deposits	7 and 13	-	10.56
Investment (Non- current, financial assets)	6	-	10.48
Unbilled revenues	13	-	34.06
Trade receivables	10	-	2,307.59
Investment (Current, financial assets)	12	11.61	-
Cash and cash equivalents	11	-	4,297.75
Other bank balances	11	-	40.67
TOTAL FINANCIAL ASSETS		**11.61**	**7,932.99**
Financial liabilities			
Borrowings (non-current, financial liabilities)	16	-	9,009.69
Borrowings (current, financial liabilities)	20	-	357.12
Payables for purchase of property, plant and equipment	17	-	726.57
Security deposits	17	-	96.50
Trade payables	22	-	2,526.52
Other financial liabilities (current)	23	-	5,697.87
TOTAL FINANCIAL LIABILITIES		**-**	**18,414.27**

B. Financial instruments measured at fair value

The following tables present financial assets and liabilities measured at fair value in the consolidated balance sheet in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The financial assets measured at fair value in the consolidated statement of financial position are grouped into the fair value hierarchy as on March 31, 2017, March 31, 2016 and April 01, 2015 as follows:

March 31, 2017	Date of Valuation	Level 1	Level 2	Level 3
Financial assets				
Mutual funds	At March 31, 2017	4.40	-	-

March 31, 2016	Date of Valuation	Level 1	Level 2	Level 3
Financial assets				
Mutual funds	At March 31, 2016	12.56	-	-

April 01, 2015	Date of Valuation	Level 1	Level 2	Level 3
Financial assets				
Mutual funds	At April 01, 2015	11.61	-	-

The investments in mutual funds has been fair valued using market price as at reporting date.

There have been no transfer between level 1 and level 2 during the year ended March 31, 2017, March 31, 2016 and April 01, 2015.

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

₹ in million

	March 31, 2017		March 31, 2016	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Bank deposits	874.09	874.09	732.14	732.14
Amount recoverable	967.86	967.86	133.64	133.64
Interest accrued and not due on fixed deposits	83.92	83.92	52.94	52.94
Security deposits	73.33	73.33	77.64	77.64
Unbilled revenue	412.59	412.59	68.77	68.77
Trade receivables	3,631.40	3,631.40	2,593.58	2,593.58
Cash and cash equivalents	1,706.56	1,706.56	3,678.22	3,678.22
Other bank balances			71.07	71.07
TOTAL FINANCIAL ASSETS	**7,749.75**	**7,749.75**	**7,408.00**	**7,408.00**
Financial liabilities		-		
Borrowings (non-current, financial liabilities)	10,381.61	10,381.61	7,976.85	7,976.85
Borrowings (current, financial liabilities)	196.06	196.06	32.97	32.97
Payables for purchase of property, plant and equipment	1,941.12	1,941.12	1,985.83	1,985.83
Security deposits	37.45	37.45	329.69	329.69
Trade payables	4,087.26	4,087.26	3,293.92	3,293.92
Other financial liabilities (current)	5,118.50	5,118.50	7,555.27	7,555.27
TOTAL FINANCIAL LIABILITIES	**21,762.00**	**21,762.00**	**21,174.53**	**21,174.53**

₹ in million

	April 01, 2015	
	Carrying amount	Fair value
Financial assets		
Bank deposits	575.39	575.39
Amount recoverable	614.83	614.83
Interest accrued and not due on fixed deposits	41.66	41.66
Security deposits	10.56	10.56
Investment (Non- current, financial assets)	10.48	10.48
Unbilled revenue	34.06	34.06
Trade receivables	2,307.59	2,307.59
Cash and cash equivalents	4,297.75	4,297.75
Other bank balances	40.67	40.67
TOTAL FINANCIAL ASSETS	**7,932.99**	**7,932.99**
Financial liabilities		
Borrowings (non-current, financial liabilities)	9,009.69	9,009.69
Borrowings (current, financial liabilities)	357.12	357.12
Payables for purchase of property, plant and equipment	726.57	726.57
Security deposits	96.50	96.50
Trade payables	2,526.52	2,526.52
Other financial liabilities (current)	5,697.87	5,697.87
TOTAL FINANCIAL LIABILITIES	**18,414.27**	**18,414.27**

D. Financial risk management objectives and policies

Financial risk management

The Group is exposed to various risks in relation to financial instruments. The main types of risks are credit risk, liquidity risk and market risk.

The Group's risk management is coordinated in close co-operation with the board of directors, and focuses on securing Group's short to medium term cash flows.

This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the related impact in these consolidated financial statements.

A. Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due to the Group causing financial loss. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit risk management

Credit risk rating

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

A: Low credit risk on financial reporting date

B: High credit risk

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

Asset group	Basis of categorisation	Provision for expected credit loss
Low credit risk	Investment, Cash and cash equivalents, trade receivable and other financial assets	12 month expected credit loss
High credit risk	Trade receivables, security deposits and amount recoverable	Life time expected credit loss or fully provided for

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

₹ in million

Credit rating	Particulars	March 31, 2017	March 31, 2016	April 01, 2015
A: Low credit risk	Investment, Cash and cash equivalents and other financial assets except security deposits and amount recoverable	7,796.71	7,416.41	7,932.99
B: High credit risk	Trade receivables, security deposits and amount recoverable	4,672.60	2,804.85	2,932.99

Concentration of trade receivables

The Group has widespread customers and there is no concentration of trade receivables.

Credit risk exposure

Provision for expected credit losses

The Company provides for 12 month expected credit losses for following financial assets.

Expected credit loss for trade receivables under simplified approach

For the purpose of computation of expected credit loss, the Company has analysed the trend of provisions for doubtful debts created in earlier years. The average rate of provision has been computed based on the adjusted sales (excluding those where the Company does not have any historical provision) and provision for doubtful debtors created against those sales. Further, the Company has analysed expected credit loss seperately for carriage revenue customer and other than carriage revenue customer primarily because the characteristics and historical losses trend was different in these two streams. As per this methodology, the Company has determined the expected credit loss as 15.5% for customers other than carriage and 5.5% for carriage customers.

as at March 31, 2017

₹ in million

Particular	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	6,057.39	(2,425.99)	3,631.40
Security deposits	73.33	-	73.33
Advances recoverable	1,760.09	(637.87)	1,122.22

as at March 31, 2016

₹ in million

Particular	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	4,738.12	(2,144.54)	2,593.58
Security deposits	80.45	(2.81)	77.64
Advances recoverable	1,746.01	(635.06)	1,110.95

as at April 01, 2015

₹ in million

Particular	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	4,199.53	(1,891.94)	2,307.59
Security deposits	13.37	(2.81)	10.56
Advances recoverable	2,390.98	(609.27)	1,781.71

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

₹ in million

Particular	Carrying amount net of impairment provision
Loss allowance on April 01, 2015	**(2,504.02)**
Changes in loss allowance	(278.39)
Loss allowance on March 31, 2016	**(2,782.41)**
Changes in loss allowance	(281.45)
Loss allowance on March 31, 2017	**(3,063.86)**

B. Liquidity risk

Liquidity risk is the risk that suitable sources of funding for the Group's business activities may not be available. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. Short term liquidity requirements comprises mainly of trade payables and employee dues arising during normal course of business as on each balance sheet date. Long- term liquidity requirement is assessed by the management on periodical basis and is managed through internal accruals and through funding commitments from shareholders. As at each statement of financial position date, the Group's liabilities having contractual maturities (including interest payments where applicable) are summarised as follows:

₹ in million

Contractual maturities of financial liabilities	Less than one year	One to two years	More than two years
March 31, 2017			
Non-derivatives			
Borrowings (non-current, financial liabilities) and interest on borrowings	4,235.04	4,335.05	7,698.33
Borrowings (current, financial liabilities) and interest on borrowings	216.24	-	-
Payables for purchase of property, plant and equipments	1,383.58	-	1,941.12
Security deposits received from customers (non-current, financial liabilities)	-	-	37.45
Book overdraft	587.14	-	-
Trade payables	4,087.26	-	-
TOTAL NON-DERIVATIVE LIABILITIES	**10,509.26**	**4,335.05**	**9,676.90**
March 31, 2016			
Non-derivatives			
Borrowings (non-current, financial liabilities) and interest on borrowings	4,112.73	4,134.13	2,887.64
Interest accrued and not due on borrowings	32.97	-	-
Payables for purchase of property, plant and equipments	2,935.45	-	1,985.83
Security deposits received from customers (non-current, financial liabilities)	-	-	329.69
Book overdraft	1,259.82	-	-
Trade payables	3,293.92	-	-

₹ in million

Contractual maturities of financial liabilities	Less than one year	One to two years	More than two years
TOTAL NON-DERIVATIVE LIABILITIES	**11,634.89**	**4,134.13**	**5,203.16**
April 01, 2015			
Non-derivatives			
Borrowings (non-current, financial liabilities) and interest on borrowings	5,326.44	5,023.78	5,323.31
Borrowings (current, financial liabilities) and interest on borrowings	390.35	-	-
Payables for purchase of property, plant and equipments	1,006.80		726.57
Security deposits received from customers (non-current, financial liabilities)	-	-	96.50
Book overdraft	323.06	-	-
Trade payables	2,526.52	-	-
TOTAL NON-DERIVATIVE LIABILITIES	**9,573.17**	**5,023.78**	**6,146.38**

C. Market Risk

The Company has foreign currency borrowings in the form of buyers credit and is exposed to change in the exchange rates. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (₹). The risk is measured through a forecast of highly probable foreign currency cash flows.

(i) Foreign currency risk

Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in Indian rupees, are as follows

₹ in million

	March 31, 2017	March 31, 2016	April 01, 2015
Financial assets (A)	46.09	6.03	23.59
Trade receivables	46.09	6.03	23.59
Financial liabilities (B)	**7,049.62**	**9,905.88**	**6,130.12**
Buyer's credit	3,874.44	3,302.74	4,923.20
Payable to vendors for property, plant and equipment	3,175.18	6,589.48	1,164.27
Trade payables	-	13.66	42.65
Net exposure (B-A)	**7,003.53**	**9,899.85**	**6,106.53**

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

₹ in million

	Impact on loss after tax	
	March 31, 2017	March 31, 2016
(₹) / USD increased by 5% (previous year 5%)	(350.18)	(494.99)
(₹) / USD decreased by 5% (previous year 5%)	350.18	494.99

(ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates.

₹ in million

	March 31, 2017	March 31, 2016	April 01, 2015
Variable rate borrowings	13,705.27	11,345.59	13,701.59
Fixed rate borrowings	-	-	-
Total borrowings	**13,705.27**	**11,345.59**	**13,701.59**

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

₹ in million

	Impact on loss after tax	
	March 31, 2017	March 31, 2016
Interest rates – increase by 100 basis points (31 March 2016 150 bps)	137.05	170.18
Interest rates – decrease by 100 basis points (31 March 2016 150bps)	(137.05)	(170.18)

39 RELATED PARTY TRANSACTIONS

(i) Associate companies

Siti Chhattisgarh Multimedia Private Limited (Associate of Siti Bhatia Network Entertainment Private Limited)

Voice Snap Services Private Limited w.e.f. September 19, 2016 (Associate of Variety Entertainment Private Limited)

(ii) Joint ventures

C&S Medianet Private Limited w.e.f. May 05, 2016

Wire and Wireless Tisai Satellite Limited

(iii) Key Management Personnel (KMP)

Dr. Subhash Chandra, Director (till April 04, 2015) and Mr .V.D. Wadhwa, Executive Director and CEO

(iv) Relatives of KMP**

Mrs. Shiela Wadhwa

Mrs. Renu Wadhwa

(v) Enterprises owned or significantly influenced by key management personnel or their relatives**

Zee Entertainment Enterprises Limited

Zee Media Corporation Limited (formerly known as Zee News Limited)

Zee Turner Limited

Essel International Limited

Essel Media Ventures Limited

Direct Media & Cable Private Limited

Digital Satellite Media & Broadband Private Limited

Arrow Media & Broadband Private Limited

All India Digital Cable Federation

** With whom the Company has transactions during the current year and previous year.

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

a) Sale of goods and services during the year

₹ in million

	March 31, 2017	March 31, 2016
Enterprises owned or significantly influenced by key management personnel or their relatives		
Zee Entertainment Enterprises Limited	272.00	342.52
Zee Media Corporation Limited	95.18	33.58

b) Purchase of goods and services during the year

₹ in million

	March 31, 2017	March 31, 2016
Enterprises owned or significantly influenced by key management personnel or their relatives		
Zee Entertainment Enterprises Limited	5.39	5.61
Zee Media Corporation Limited	2.55	1.92

c) Balance at the end of the year subsidiaries

₹ in million

	March 31, 2017	March 31, 2016
Jointly ventures		
Wire and Wireless Tisai Satellite Limited	37.83	37.78
Enterprises owned or significantly influenced by key management personnel or their relatives		
Trade receivables		
Zee Entertainment Enterprises Limited	113.78	7.51
Zee Media Corporation Limited	99.38	44.90
Trade payables		
Zee Entertainment Enterprises Limited	3.08	26.18
Zee Turner Limited	280.94	281.15
Zee Media Corporation Limited	15.96	13.42
Security deposit given		
Zee Turner Limited	13.15	13.15

d) Expenditure paid by the Company on behalf of others and expenditure paid by others on behalf of the Group:

₹ in million

	Expenditure paid by the Company on behalf of the others		Expenditure paid by others on behalf of the Company	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Jointly ventures				
Wire and Wireless Tisai Satellite Limited	0.04	-	-	-
Enterprises owned or significantly influenced by key management personnel or their relatives				
Zee Entertainment Enterprises Limited	-	2.60	10.06	8.12
Zee Media Corporation Limited	-	-	-	-
All India Digital Cable Federation	-	3.04	-	-

e) Money received against preferential allotment

₹ in million

	March 31, 2017	March 31, 2016
Direct Media & Cable Private Limited (allotment of warrants)	-	3,000.00
Digital Satellite Media & Broadband Private Limited (subscription of optionally fully convertible debentures)	-	1,800.00
Arrow Media & Broadband Private Limited (allotment of warrants)	1,500.00	500.00

f) Equity share capital issued on conversion of warrants and optionally fully convertible debentures

₹ in million

	March 31, 2017	March 31, 2016
Digital Satellite Media & Broadband Private Limited	722.00	30.80
Direct Media & Cable Private Limited	-	85.71
Arrow Media & Broadband Private Limited	2,000.00	-

g) Remuneration to key managerial personnel

₹ in million

	March 31, 2017	March 31, 2016
Mr. V.D. Wadhwa	20.17	18.09

h) Purchase of services

₹ in million

	March 31, 2017	March 31, 2016
Relatives of KMP	6.24	5.58

i) Corporate guarantee given by

₹ in million

	March 31, 2017	March 31, 2016
Zee Entertainment Enterprises Limited	870.00	629.90

40 CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed and not provided for (net of advances) amounting to ₹ 1,019.55 million (Previous year ₹ 228.18 million).

41 POST REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between March 31, 2017 and the date of authorisation of these consolidated financial statements.

42 CONTINGENT LIABILITIES

i) Claims against the Group not acknowledged as debts ₹ 33.52 million* (Previous year ₹ 46.52 million).

ii) Demands raised by the statutory authorities being contested by the Group ₹ 413.47 million* (Previous year ₹ 718.13 million).

iii) In case of ICNCL, counter bank guarantees in respect of outstanding bank guarantees and fixed deposit pledged ₹ 21.67 million (Previous year ₹ 0.67 million).

* excludes pending cases/litigations including ones with business associates/statutory authorities where the management believes that no material liability will devolve on the Company in respect of these litigations or where amount of liability is not ascertainable.

43 UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars of unhedged foreign currency exposure as at reporting date:

	March 31, 2017		March 31, 2016		March 31, 2015	
	US$ million	₹ in million	US$ million	₹ in million	US$ million	₹ in million
Trade receivables for carriage income	0.71	46.09	0.09	6.03	0.38	23.59
Trade payables	-	-	0.21	13.66	0.68	42.65
Payable for Property, plant and equipment	48.97	3,175.18	99.34	6,589.48	18.60	1,164.27
Buyers' credit (Secured loan)	59.75	3,874.44	49.79	3,302.74	78.65	4,923.20

* Closing rate as at March 31, 2017 :1 USD = ₹ 64.84 (March 31, 2016 :1 USD = ₹ 66.33 and March 31, 2015: 1 USD = ₹ 62.59)

44 The Commercial Tax authorities, Government of West Bengal, by an order dated June 9, 2003, sought to impose sales tax, with retrospective effect from April 2, 1997, on the subsidiary's income from cable TV services. The subsidiary company has filed an application before the Hon'ble West Bengal Taxation Tribunal on July 15, 2003, seeking, inter alia, that the aforesaid order be set aside. The Hon'ble West Bengal Taxation Tribunal by its order dated August 1, 2003 has directed that pending disposal of the application, assessment proceedings may continue but that no demand notice will be issued. The matter had come for hearing on several occasions but has been adjourned, pending State's submissions. In view of the fact that neither assessment proceedings have been completed nor demand notice has been issued, the alleged liability for Sales tax cannot be ascertained. Consequently no liability on account of sales tax has been recognized by the subsidiary company in the books of accounts.

45 AUTHORISATION OF FINANCIAL STATEMENTS

These consolidated financial statements for the year ended 31 March 2017 (including comparatives) were approved by the board of directors on 26 May 2017.

46 RIGHTS ISSUE UTILISATION

The Holding Company had during the year 2009-10 issued 236,222,285 equity shares of ₹ 1 each at a premium of ₹ 18 per share for cash to the existing equity shareholders of the Holding Company. Given below are the details of utilisation of proceeds raised through rights issue.

₹ in million

	March 31, 2017	March 31, 2016	April 01, 2015
Unutilised amount at the beginning of the year	-	75.87	75.87
Less:-Working capital requirements	-	10.07	-
Acquisition of Multiple system operators and local cable operators.	-	44.90	-
General corporate purposes	-	20.90	-
Unutilised amount at the end of the year	**-**	**-**	**75.87**

Unutilised amount was lying in deposit account with banks and since the money was fungible, utilisation had been linked with the payment made from a common bank account post transfer of fund from the bank account separately maintained for the receipt of right issue proceeds.

47 UTILISATION OF PROCEEDS FROM PREFERENTIAL ALLOTMENT

The Holding Company had issued 142,857,142 warrants at ₹ 35 per warrant during the year 2015-16. The Holding Company had also issued Optionally Fully Convertible Debenture (OFCD) 51,428,571 each at ₹ 35 per OFCD during the year 2015-16. Given below are the details of utilisation of proceeds raised through preferential issue.

₹ in million

	March 31, 2017	March 31, 2016	April 01, 2015
Unutilised amount at the beginning of the year	1,090.49	-	-
Add:- Amount received during the year	1,500.00	5,300.00	-
Less: Amount utilised during the year			
Repayments of debts of the Company	1,588.49	3,799.03	-
Capital expenditure	24.84	410.48	-
Working capital requirement	500.00	-	-
Unutilised amount at the end of the year	**477.16**	**1,090.49**	**-**

Unutilised amount is lying bank accounts and since the money is fungible, utilisation had been linked with the payment made from a common bank account post transfer of fund from the bank account separately maintained for the receipt of preferential allotment proceeds.

48 UTILISATION OF PROCEEDS FROM QUALIFIED INSTITUTIONAL PLACEMENT (QIP)

The Holding Company had during the previous year 2014-15 issued 63,174,540 equity shares of ₹ 1 each at a premium of ₹ 34 per share. Given below are the details of utilisation of proceeds raised through rights issue.

₹ in million

	March 31, 2017	March 31, 2016	April 01, 2015
Unutilised amount at the beginning of the year	-	2,194.01	2,194.01
Add:- Amount received during the year	-	-	-
Less: Amount utilised during the year			
Working capital	-	239.43	-
General corporate purposes	-	1,954.58	-
Unutilised amount at the end of the year	**-**	**-**	**2,194.01**

Unutilised amount was lying in deposit account with banks as at end of the previous year and since the money was fungible, utilisation had beed linked with the payment made from a common bank account post transfer of fund from the bank account separately maintained for the receipt of QIP proceeds.

49 FIRST TIME ADOPTION OF IND AS

Transition to Ind AS

These are the Group's first consolidated financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these consolidated financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS consolidated balance sheet at April 01, 2015 (the date of transition). In preparing its opening Ind AS standalone balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Deemed cost exemption of property, plant and equipment

The Group has elected to measure land which is an item of property, plant and equipment at the date of transition to Ind AS at its fair value and use that fair value as its deemed cost at that date. For all the other items of property, plant and equipment the Group has elected to continue with the carrying value as recognized in the financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that its deemed costs.

Use of deemed cost for investments in subsidiaries, jointly ventures and associates

The balance of the investment in subsidiaries and joint controlled entities at the date of transition to Ind AS, determined in accordance with the previous GAAP as the deemed cost of the investment at initial recognition.

Exchange differences on long-term foreign currency monetary items

Under previous GAAP, the company applied paragraph 46A of AS 11 whereby exchange differences arising from translation of long-term foreign currency monetary items were capitalized/ deferred. On transition to Ind AS first time adopter is permitted to continue policy adopted for accounting for such exchange differences recognised in the previous GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. The Company has opted for this exemption and continued its previous GAAP policy for accounting of exchange differences on long-term foreign currency monetary items recognized in the previous GAAP financial statements for the year ended March 31, 2016.

Under previous GAAP foreign exchange gain/ loss on long term foreign currency monetary items recognized upto March 31, 2016 has been deferred/ capitalized. Such exchange differences arising on translation/settlement of long-term foreign currency monetary items and pertaining to the acquisition of a depreciable asset are amortised over the remaining useful lives of the assets.

From accounting periods commencing on or after April 01, 2016, exchange differences arising on translation/ settlement of long-term foreign currency monetary items, acquired post April 01, 2016, pertaining to the acquisition of a depreciable asset are charged to the statement of profit and loss.

B: Ind AS mandatory exceptions

Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 01, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

Investment in equity instruments carried at FVTPL or FVTOCI.
Impairment of financial assets based on expected credit loss model.

Non-controlling interest

Ind AS 110 requires entities to attribute the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests. This requirement needs to be followed even if this results in the non-controlling interests having a deficit balance. Ind AS 101 requires the above requirement to be followed prospectively from the date of transition. Consequently, the group has applied the above requirement prospectively.

Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when an entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

a) The effects of the retrospective application or retrospective restatement are not determinable;

b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period;

The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

C: Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of previous GAAP and Ind AS impact for Balance Sheet (April 01, 2015)

₹ in million

		Previous GAAP	IND AS Adjustments	Ind AS
ASSETS				
Non-current assets				
a) Property, plant and equipment	Note 11, 12 and 13	6,333.22	430.46	6,763.69
b) Capital work-in-progress	Note 12	1,848.91	26.26	1,875.17
c) Intangibles assets		2,140.79	-	2,140.79
d) Intangibles assets under development		141.18	-	141.18
e) Goodwill		480.27	-	480.27
f) Investments		8.42	2.06	10.48
g) Financial Assets				
i) Others financial assets	Note 1	655.26	(69.31)	585.95
h) Deferred tax assets (net)		0.25	-	0.25
i) Other non-current assets	Note 1 and 13	181.40	(10.60)	170.80
		11,789.70	**378.87**	**12,168.58**
Current assets				
a) Inventories	Note 9	140.02	(26.26)	113.76
b) Financial Assets				
i) Trade receivable	Note 2 and 13	3,283.49	(975.90)	2,307.59
ii) Cash and cash equivalents		4,297.75	-	4,297.75
iii) Bank balances other than (ii) above		40.67	-	40.67
iv) Investments	Note 3	8.04	3.57	11.61
v) Others	Note 1 and 13	722.60	(32.05)	690.55
c) Current tax assets		52.72	-	52.72
d) Other current assets	Note 1	2,027.07	(16.05)	2,011.01
		10,572.36	**(1,046.69)**	**9,525.66**
		22,362.06	**(667.82)**	**21,694.24**
EQUITY AND LIABILITIES				
Equity				
a) Equity share capital	Note 6	678.27	(0.02)	678.25
b) Other equity	Note 9	1,151.16	(967.08)	184.08
c) Non controlling interest		677.60	(25.20)	652.40
		2,507.03	**(992.30)**	**1,514.73**
LIABILITIES				
Non-current liabilities				
a) Financial liabilities				
i) Borrowings	Note 4	9,120.87	(111.17)	9,009.69
ii) Other financial liabilities		823.07	-	823.07
b) Provisions		50.36	-	50.35
c) Deferred tax liabilities	Note 7	100.85	(42.54)	58.31
d) Other non-current liabilities	Note 5 and 13	89.44	403.01	492.44
		10,184.59	**249.30**	**10,433.86**
Current liabilities				
a) Financial liabilities				
i) Borrowings		357.12	-	357.12
ii) Trade payables	Note 12	2,504.78	21.74	2,526.52
iii) Other financial liabilities	Note 4	5,644.39	53.44	5,697.87
b) Provisions		77.57	-	77.56
c) Other current liabilities		1,086.58	-	1,086.58
TOTAL CURRENT LIABILITIES		**9,670.44**	**75.18**	**9,745.65**
		19,855.03	**324.48**	**20,179.51**
TOTAL EQUITY AND LIABILITIES		**22,362.06**	**(667.82)**	**21,694.24**

Reconciliation of previous GAAP and IndAS impact for Balance Sheet (March 31, 2016)

₹ in million

		Previous GAAP	IND AS Adjustments	Ind AS
ASSETS				
Non-current assets				
a) Property, plant and equipment	Note 11, 12 and 13	10,585.84	427.05	11,012.89
b) Capital work-in-progress	Note 12	5,039.58	73.55	5,113.13
c) Intangibles assets		2,248.81	-	2,248.80
d) Intangibles assets under development		271.87	-	271.87
e) Goodwill		624.68	-	624.68
f) Investments		8.42	-	8.42
g) Financial Assets			-	
i) Others financial assets	Note 1	864.34	(56.51)	807.83
h) Deferred tax assets (net)		21.13	-	21.13
i) Other non-current assets	Note 1 nad 13	98.47	(55.55)	42.92
		19,763.14	**388.54**	**20,151.67**
Current assets				
a) Inventories	Note 9	191.44	(73.55)	117.89
b) Financial Assets				
i) Trade receivable	Note 2 and 13	3,683.17	(1,089.60)	2,593.58
ii) Cash and cash equivalents		3,678.22	-	3,678.22
iii) Bank balances other than (ii) above		71.07	-	71.07
iv) Investments	Note 3	8.03	4.54	12.56
v) Others	Note 1 and 13	255.36	1.94	257.30
c) Current tax assets		79.72	-	79.72
d) Other current assets	Note 1	2,362.67	2.69	2,365.36
		10,329.68	**(1,153.98)**	**9,175.70**
		30,092.82	**(765.44)**	**29,327.37**
EQUITY AND LIABILITIES				
Equity				
a) Equity share capital	Note 6	794.78	(0.02)	794.76
b) Other Equity	Note 9	5,619.53	(701.84)	4,917.69
c) Non controlling interest		805.36	(21.97)	783.40
		7,219.67	**(723.83)**	**6,495.85**
LIABILITIES				
Non-current liabilities				
a) Financial Liabilities				
i) Borrowings	Note 4	7,868.34	108.52	7,976.85
ii) Other financial liabilities		2,315.52	-	2,315.52
b) Provisions		60.79	-	60.79
c) Deferred tax liabilities	Note 7	116.11	(81.76)	34.34
d) Other non current liabilities	Note 5	53.68	510.56	564.24
		10,414.44	**537.32**	**10,951.74**
Current liabilities				
a) Financial Liabilities				
i) Borrowings	Note 6	754.97	(722.00)	32.97
ii) Trade payables		3,293.92	-	3,293.92
iii) Other financial liabilities	Note 4	7,724.41	(169.14)	7,555.27
b) Provisions		67.52	-	67.52
c) Other current liabilities	Note 4	617.89	312.21	930.10
TOTAL CURRENT LIABILITIES		**12,458.71**	**(578.93)**	**11,879.78**
		22,873.15	**(41.61)**	**22,831.52**
TOTAL EQUITY AND LIABILITIES		**30,092.82**	**(765.44)**	**29,327.37**

Reconciliation of total comprehensive income for the year ended March 31, 2016.

₹ in million

		Previous GAAP	IND AS Adjustments	Ind AS
INCOME				
Revenues from operations	Note 5	11,889.18	(428.78)	11,460.40
Other income	Note 1 and 3	240.15	(8.99)	231.16
TOTAL INCOME		**12,129.33**	**(437.77)**	**11,691.56**
EXPENSES				
Purchase of traded goods		381.70	-	381.70
Carriage sharing, pay channel and related costs		5,686.36	-	5,686.36
Employee benefits expense	Note 8	630.83	0.07	630.90
Finance costs	Note 4	1,378.20	21.10	1,399.29
Depreciation and amortisation of non-financial assets	Note 11 and 12	1,632.06	22.48	1,654.54
Other expenses	Note 1 and 2	2,201.34	100.70	2,302.03
TOTAL EXPENSES		**11,910.49**	**144.35**	**12,054.82**
Loss before share of (loss)/profit of associates and joint ventures, exceptional item and tax		**218.84**	**(582.12)**	**(363.26)**
Share of profit/(loss) of associates and jointly ventures		-	-	(2.06)
Loss before exceptional item and tax		**218.84**	**(582.12)**	**(365.32)**
Exceptional items		(1.58)	-	(1.58)
Profit/(Loss) before tax		**220.42**	**(582.12)**	**(363.74)**
Loss before tax		**220.42**	**(582.12)**	**(363.74)**
Tax expenses	Note 7	130.94	(81.76)	49.17
Other comprehensive loss for the year		**89.48**	**(500.36)**	**(412.91)**
Prior period items	Note 13	21.11	(21.11)	-
Profit/(loss) for the year before minority interest		**68.37**	**(479.25)**	**(412.91)**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss in subsequent periods				
Remeasurement of defined benefit liability	Note 8	-	0.07	0.07
TOTAL COMPREHENSIVE INCOME		**68.37**	**(479.18)**	**(412.84)**

Reconciliation of total equity as at March 31, 2016 and April 01, 2015

₹ in million

	Notes to first time adoption	March 31, 2016	April 01, 2015
Total equity (shareholder's funds) as per previous GAAP		**6,414.31**	**1,829.43**
Adjustments:			
Optionally fully convertible debentures classified to equity	Note 6	722.00	-
Redeemable preference shares transferred to liability	Note 6	(0.02)	(0.02)
Effect of recognising interest expense on long-term borrowings and advances as per effective interest method	Note 4	(46.39)	(22.70)
Effect of provision for expected credit loss	Note 2	(1,064.67)	(954.52)
Measurement of financial assets at fair value through profit and loss	Note 3	6.24	3.59
Effect of recognition of activation and set top boxes pairing charges	Note 5	(933.27)	(504.50)
Effect of fair valuation of property, plant and equipment on transition date	Note 11	460.10	460.10
Deferred tax impact	Note 7	81.76	42.54
Effects of prior period items	Note 13	-	(21.76)
Others	Note 12	(29.15)	(17.63)
Loss attributable to non-controlling interest		101.54	47.80
TOTAL ADJUSTMENTS		**(701.86)**	**(967.10)**
TOTAL EQUITY AS PER IND AS		**5,712.45**	**862.33**

Reconciliation of total comprehensive income for the year ended 31 March 2016

₹ in million

	Notes to first time adoption	31 March 2016
Net loss after tax as reported under previous GAAP for March 31, 2016		(17.10)
Effect of recognising interest expense on long term borrowings and advances as per effective interest method	Note 3	(21.10)
Measurement of financial assets and financial liabilities at amortise cost	Note 1	-
Effect of provision for expected credit loss	Note 2	(110.18)
Measurement of financial asset at fair value through profit and loss	Note 3	0.95
Effect of recognition of activation and set top boxes pairing charges	Note 5	(428.74)
Remeasurement of employee benefit obligation to other comprehensive income	Note 8	(0.07)
Effects of prior period items	Note 13	21.11
Other	Note 12	(23.02)
Tax impact of the above	Note 7	81.76
Loss attributable to non-controlling interest		22.42
Net loss after tax as reported under Ind AS for March 31, 2016		**(473.97)**
Other comprehensive income after tax	8	0.07
TOTAL COMPREHENSIVE INCOME		**(473.90)**

Note 1: Interest free advances and security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Group has fair valued these security deposits and advances under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised according to the nature of the respective deposit or advance.

Note 2 : Trade receivables

As per Ind AS 109, the Group is required to apply expected credit loss model for recognising the allowance for doubtful debts. IND-AS 109 requires entities to recognise loss allowances on at an amount equal to the lifetime expected credit loss or the 12 month expected credit loss based on the increase in the credit risk of the borrower. Lifetime expected credit losses are required to be estimated based on the present value of all expected cash shortfalls over the remaining life of the financial instrument. Lifetime expected credit losses are an expected present value measure of losses that arise if a borrower defaults on their obligation throughout the life of the financial instrument. They are the weighted average credit losses with the probability of default as the weight.

Note 3: Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value through profit and loss where fair value gains or losses are recognised in profit and loss.

Note 4: Borrowings and advances

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Further, long term advances are initially recognised at fair value by applying the effective interest method. Under previous

GAAP, these transaction cost on long term borrowings were amortised over the term of the borrowings.

Note 5: Deferred revenue

Under the previous GAAP, upfront amount charged as activation was being taken to revenue. Under Ind AS, Group has deferred the activation income over the average customer relationship period and carried the deferred portion on the transition date under deferred revenue.

Note 6: Convertible instruments

Under IND AS 109, a financial instrument should be classified by the issuer upon initial recognition as a financial liability or an equity instrument according to the substance of the contractual arrangement rather than its actual form and the definitions of financial liability and an equity instrument. Accordingly the company has classified optionally convertible debentures and redeemable preference shares from liability to equity.

Note 7: Deferred tax

Retained earnings has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.

Note 8: Remeasurement of post-employment benefit obligations

Under Ind AS, Remeasurement i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these Remeasurement were forming part of the profit or loss for the year. As a result of this change, the loss for the year ended March 31, 2016 increased by ₹ 0.07 million . There is no impact on the total equity as at March 31, 2016.

Note 9: Retained Earnings

Retained earnings as at April 01, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

Note 10: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes Remeasurement of defined benefit plans, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

Note 11: Fair value of leasehold land

A subsidiary company has made fair value measurement in respect of its leasehold land (PPE) at the Ind AS transition date in accordance with Ind AS-101 (first time adoption). The fair values measured in respect of the said leasehold lands is ₹ 469.7 million. Accordingly an amount of ₹ 461.8 million (being difference between the fair value as on April 01, 2015 and the carrying value as on that date) has been transferred to retained earnings and corresponding amount has been added to the carrying value of leasehold lands. The effective date of fair value measurement is April 01, 2015 and done on the basis of reports of certified independent valuers. If the Leasehold lands were not revalued on the transition date, the carrying cost of the same would have been ₹ 7.9 million. The corresponding amortisation of leasehold land would also have been reduced by ₹ 6.8 million (previous year ₹ 6.8 million).

Note 12: Capitalisation of major repairs and capital spares

Under previous GAAP, spares were recognised as inventory and charged to profit or loss upon issuance and all expenditure on repairs were charged to profit or loss unless it increased the future benefits from the existing asset beyond its previously assessed standard of performance. Under Ind AS, spares have been capitalised if they were held by the Company for use in business and that is expected to be used for more than one year. Similarly cost of major spares and overhauls to continue to operate an item of property, plant and equipment has been capitalised as a cost of such property, plant and equipment.

Note 13: Prior period item

During the year ended 31 March 2016, there was a prior period expense of ₹ 21.76 million and ₹ 0.65

million which relate to license fee and carriage income respectively pertaining to financial year 2014-2015 . Under Ind AS 8, financial statements are restated retrospectively for correcting the recognition, measurement and disclosure of amounts of elements of financial statements as if a prior period error had never occurred.

Note 13: Subsidiaries as joint ventures owing to the application of Ind AS 110

Under IGAAP, the capital structure was relevant for determining the subsidiary relationship. Under Ind AS, the control structure is the determining factor. Owing to the application of Ind AS 110, the group has assessed certain subsidiaries as joint ventures due to joint control in those entities.

50 CAPITAL MANAGEMENT

Risk Management

The Group's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Group's overall strategy remains unchanged from previous year. The Group sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Group's policy is to use current and non-current borrowings to meet anticipated funding requirements. The Group monitors capital on the basis of the gearing ratio which is net debt divided by total capital (equity plus net debt) . The Group is not subject to any externally imposed capital requirements. Net debt are non-current and current borrowings as reduced by cash and cash equivalents, other bank balances and current investments. Equity comprises all components including other comprehensive income.

₹ in million

Particular	March 31, 2017	March 31, 2016	April 01, 2015
Cash and cash equivalents (refer note 11)	1,706.56	3,678.22	4,297.75
Current investments (refer note 12)	4.40	12.56	11.61
Margin money (refer note 7)	874.09	732.14	575.39
TOTAL CASH (A)	**2,585.05**	**4,422.92**	**4,884.75**
Borrowings (non-current, financial liabilities) (refer note 16)	10,242.70	7,782.01	8,949.84
Borrowings (current, financial liabilities) (refer note 21)	115.26	-	344.10
Current maturities of long-term borrowings (refer note 21)	3,113.21	3,335.07	4,333.62
Current maturities of finance lease obligations (refer note 21)	14.39	0.69	1.16
TOTAL BORROWING (B)	**13,485.56**	**11,117.77**	**13,628.72**
NET DEBT (C=B-A)	**10,900.51**	**6,694.84**	**8,743.97**
Total equity	5,373.28	5,712.45	862.33
TOTAL CAPITAL (EQUITY + NET DEBTS) (D)	**16,273.80**	**12,407.30**	**9,606.31**
GEARING RATIO (C/D)	**0.67**	**0.54**	**0.91**

51 THE HOLDING COMPANY AND CERTAIN SUBSIDIARY COMPANIES ACQUIRED STAKES IN DIFFERENT COMPANIES AS STATED BELOW:

1. Siti Sagar Digital Cable Network Private Limited (formerly known as Panchsheel Digital Communication Network Private Limited) w.e.f. August 22, 2015 (hereinafter referred as ""PDCNPL"");

2. Siti Prime Uttaranchal Communication Private Limited (Formerly Capital Digital Multimedia Network Private Limited) w.e.f. September 30, 2015 (hereinafter referred as "SPUCPL")

3. Siti Godaari Digital Services Private Limited (formerly Bargachh Digital Communication Network Private Limited) w.e.f. January 11, 2016 (hereinafter referred as "BDCNPL")

4. Siti Saistar Digital Media Private Limited (formerly Saistar Digitalmedia Private Limited) w.e.f. February 12, 2016 (hereinafter referred as "SDPL")

5. Variety Entertainment Private Limited w.e.f. January 29, 2016 (hereinafter referred as "VEPL") and

6. Axom Communications & Cable Private Limited w.e.f. March 31, 2016 (hereinafter referred as "ACCPL")

Particulars	PDCNPL	SPUCPL	BDCNPL	SDPL	VEPL	ACCPL
Stake acquired	51%	51%	51%	51%	100%	50%
Area of operation of network	Sagar (Madhya Pradesh)	Uttaranchal	Andhra Pradesh	Vadodra	Andhra Pradesh	Guwahati

The companies acquired were primarily in the business of providing cable television network services in different operational areas. This acquisition will give the Group inorganic growth.

Details of purchase consideration, the net assets acquired and goodwill is as follows:

Particulars	PDCNPL	SPUCPL	BDCNPL	SDPL	VEPL	ACCPL
Purchase consideration						
Fair value of consideration transferred	2.43	1.90	4.70	12.92	-	-
Cash paid	-	-	-	-	7.50	37.50
TOTAL PURCHASE CONSIDERATION	**2.43**	**1.90**	**4.70**	**12.92**	**7.50**	**37.50**

The asset and liabilities recognised at fair value as a result of acquisition are as follows:

Property, plant and equipment	-	-	-	3.58	5.86	348.80
Capital work in progress	14.18	11.62	77.94	184.11	-	-
Long term loans and advances	-	-	-	7.93	-	-
Sundry debtors	-	-	-	22.54	9.03	36.22
Other current assets	-	-	-	37.19	-	43.99
Cash and bank balances	0.09	0.10	-	6.29	0.10	7.48
Trade payables	(14.19)	(11.63)	(79.18)	(292.44)	(147.13)	(392.49)
Long term borrowings	-	-	-	(15.85)	-	-

Particulars	PDCNPL	SPUCPL	BDCNPL	SDPL	VEPL	ACCPL
Intangible assets acquired: Customer contracts	0.83	1.66	7.73	10.70	4.38	-
Intangible assets acquired: Non-compete fees	0.02	0.04	0.06	5.38	-	-
Net identifable assets acquired	**0.93**	**1.79**	**6.55**	**(30.57)**	**(127.76)**	**44.00**
Calculation of goodwill						
Consideration transferred	2.43	1.90	4.70	12.92	7.50	37.50
Non-controlling interest in the acquired entity	2.06	1.59	4.68	(11.69)	-	24.04
Less: net identiable assets acquired	0.93	1.79	6.55	(30.57)	(127.76)	44.00
Goodwill	**3.56**	**1.70**	**2.83**	**31.80**	**135.26**	**17.54**
	3.56	1.70	2.83	31.80	135.26	17.54

The goodwill is attributable to the existing established cable television networking markets of the acquired entities in the specific regions.

Accounting policy choice of non-controlling interest

The Group recognises non-controlling interest at the non-controlling interest proportionate share of the of the acquired entity's net identifiable assets.

Revenue and profit contribution

Revenue and profit/(loss) contribution (gross of elimination) of associates and joint ventures for the year ended March 31, 2017 amounted to ₹ 365.66 million and ₹ 34.64 (March 31, 2016: ₹ 361.86 million and ₹ (50.24) million) respectively.

Acquisition related costs

The acquisition related costs were not directly attributable to the issue of shares and are included in profit and loss as well as in operating cash flows in the statement of cash flows.

Further to the above, during the financial year 2016-2017, subsidiary company namely, Variety Entertainment Private Limited ('VEPL') acquired 32.34% stake in Voice Snap Services Private Limited, thereby making it associate of VEPL.

52 DISCLOSURE ON SPECIFIED BANK NOTES (SBN'S)

As required by Ministry of Corporate Affairs notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise details of SBN and other notes is given below:

₹ in million

	SBN	Other denomination notes	Total
Closing cash on hand as on November 08, 2016	222.94	12.93	235.87
(+)Amount withdrawn from banks	-	2.33	2.33
(+) Permitted receipts	-	329.63	329.63
(-) Permitted payments	(0.36)	(14.24)	(14.59)
(-) Amount deposited in banks	(222.58)	(298.79)	(521.37)
Closing cash on hand as on December 30, 2016	**-**	**31.87**	**31.87**

53 INFORMATION UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013

There are no investments or loan given or guarantee provided or security given by the Group other than the investments and loans in these consolidated financial statements, which have been made predominantly for the purpose of business.

54 Additional information, as required to Consolidated Financial Statements pursuant to Schedule III to the Companies Act, 2013.

For the Financial year March 31, 2017

SITI Cable Network Limited	118%	5,257.47	99%	(1,864.72)	58%	(1.31)	99%	(1,866.03)
Subsidiaries								
Indian Cable Net Company Limited (consolidated)	82%	3,633.10	-11%	206.23	42%	(0.93)	-11%	205.30
Central Bombay Cable Network Limited (consolidated)	0%	9.77	0%	1.51	0.00%	-	0%	1.51
Siticable Broadband South Limited	0%	(16.31)	0%	(4.71)	0.00%	-	0%	(4.71)
Siti Vision Digital Media Private Limited	-4%	(163.32)	3%	(49.07)	0.00%	-	3%	(49.07)
Siti Jind Digital Media Communications Private Limited	0%	(6.78)	0%	(1.47)	0.00%	-	0%	(1.47)
Siti Jai Maa Durgee Communications Private Limited	-2%	(72.13)	0%	(7.74)	0.00%	-	0%	(7.74)
Siti Bhatia Network Entertainment Private Limited	-1%	(45.09)	1%	(15.71)	0.00%	-	1%	(15.71)
Siti Jony Digital Cable Network Private Limited	0%	(1.00)	0%	0.04	0.00%	-	0%	0.04

Name of the entity	Net assets i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in other total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Siti Krishna Digital Media Private Limited	0%	2.55	0%	1.74	0.00%	-	0%	1.74
Siti Faction Digital Private Limited	0%	(12.93)	0%	(1.26)	0.00%	-	0%	(1.26)
Siti Guntur Digital Network Private Limited	0%	18.33	0%	(0.39)	0.00%	-	0%	(0.39)
Siti Karnal Digital Media Network Private Limited	0%	(20.43)	-1%	19.01	0.00%	-	-1%	19.01
Siti Global Private Limited	0%	(6.80)	0%	0.22	0.00%	-	0%	0.22
Siti Siri Digital Network Private Limited (formerly Siri Digital Network Private Limited)	-2%	(67.86)	1%	(15.91)	0.00%	-	1%	(15.91)
Siti Broadband Services Private Limited	-1%	(34.64)	2%	(39.22)	0.00%	-	2%	(39.22)
Siti Prime Uttaranchal Communication Private Limited	0%	18.89	0%	0.15	0.00%	-	0%	0.15
Siti Sagar Digital Cable Network Private Limited (formerly Panchsheel Digital Communication Network Private Limited)	0%	(4.83)	0%	1.07	0.00%	-	0%	1.07
Siti Godaari Digital Services Private Limited (formerly Bargachh Digital Communication Network Private Limited)	0%	1.14	0%	(1.41)	0.00%	-	0%	(1.41)
Siti Saistar Digital Media Private Limited (formerly Saistar Digitalmedia Private Limited)	0%	8.50	-2%	31.77	0.00%	-	-2%	31.77
Variety Entertainment Private Limited	0%	(21.05)	0%	(0.37)	0.00%	-	0%	(0.37)
Minority interest in all subsidiaries	-21%	(920.44)	5%	(92.98)	0.00%	-	5%	(92.98)
Intra-group eliminations	-70%	(3,103.29)	3%	(54.13)	0.00%	-	3%	(54.13)
For the Financial year March 31, 2016								
SITI Cable Network Limited	124%	5,506.80	110%	(519.57)	442%	0.30	110%	(519.26)
Subsidiaries								-

Name of the entity	Net assets i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in other total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Indian Cable Net Company Limited (consolidated)	78%	3,489.39	-29%	136.69	-261%	(0.18)	-29%	136.51
Central Bombay Cable Network Limited (consolidated)	0%	8.79	0%	(1.14)	0.00%	-	0%	(1.14)
Siticable Broadband South Limited	0%	(11.60)	1%	(4.58)	0.00%	-	1%	(4.58)
Siti Vision Digital Media Private Limited	-3%	(114.42)	10%	(48.17)	0.00%	-	10%	(48.17)
Siti Jind Digital Media Communications Private Limited	0%	(5.32)	1%	(5.48)	0.00%	-	1%	(5.48)
Siti Jai Maa Durgee Communications Private Limited	-1%	(64.39)	4%	(18.78)	0.00%	-	4%	(18.78)
Siti Bhatia Network Entertainment Private Limited	-1%	(29.38)	1%	(6.15)	0.00%	-	1%	(6.15)
Siti Jony Digital Cable Network Private Limited	0%	(1.03)	0%	(0.43)	0.00%	-	0%	(0.43)
Siti Krishna Digital Media Private Limited	0%	0.92	-1%	2.37	0.00%	-	-1%	2.37
Siti Faction Digital Private Limited	0%	(11.67)	0%	0.33	0.00%	-	0%	0.33
Siti Guntur Digital Network Private Limited	0%	18.68	-1%	6.39	-81%	(0.06)	-1%	6.33
Siti Karnal Digital Media Network Private Limited	-1%	(39.44)	5%	(25.25)	0.00%	-	5%	(25.25)
Siti Global Private Limited	0%	(7.02)	1%	(2.44)	0.00%	-	1%	(2.44)
Siti Siri Digital Network Private Limited (formerly Siri Digital Network Private Limited)	-1%	(51.95)	10%	(45.48)	0.00%	-	10%	(45.48)
Siti Broadband Services Private Limited	0%	4.58	-1%	4.53	0.00%	-	-1%	4.53
Siti Prime Uttaranchal Communication Private Limited	0%	18.74	1%	(6.35)	0.00%	-	1%	(6.35)

Name of the entity	Net assets i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in other total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Siti Sagar Digital Cable Network Private Limited (formerly Panchsheel Digital Communication Network Private Limited)	0%	(5.90)	1%	(5.99)	0.00%	-	1%	(5.99)
Siti Godaari Digital Services Private Limited (formerly Bargachh Digital Communication Network Private Limited)	0%	2.55	-1%	2.45	0.00%	-	-1%	2.45
Siti Saistar Digital Media Private Limited (formerly Saistar Digitalmedia Private Limited)	-1%	(27.52)	6%	(29.37)	0.00%	-	6%	(29.37)
Variety Entertainment Private Limited	0%	(20.68)	0%	0.50	0.00%	-	0%	0.50
Minority interest in all subsidiaries	18%	783.40	13%	(61.02)	0.00%	-	13%	(61.02)
Intra-group eliminations	-66%	(2,947.69)	-32%	153.02	0.00%	-	-32%	153.02

For the Financial year March 31, 2015

Name of the entity	Net assets i.e., total assets minus total liabilities	
	As % of consolidated net assets	Amount
SITI Cable Network Limited	16%	702.11
Subsidiaries		
Indian Cable Net Company Limited (consolidated)	75%	3,357.17
Central Bombay Cable Network Limited (consolidated)	0%	8.30
Siticable Broadband South Limited	0%	(7.01)
Siti Vision Digital Media Private Limited	-1%	(66.08)
Siti Jind Digital Media Communications Private Limited	0%	0.16
Siti Jai Maa Durgee Communications Private Limited	-1%	(45.48)
Siti Bhatia Network Entertainment Private Limited	-1%	(23.23)
Siti Jony Digital Cable Network Private Limited	0%	(0.68)
Siti Krishna Digital Media Private Limited	0%	(1.69)
Siti Faction Digital Private Limited	0%	(12.00)
Siti Guntur Digital Network Private Limited	0%	12.35
Siti Karnal Digital Media Network Private Limited	0%	(14.19)

Name of the entity	Net assets i.e., total assets minus total liabilities	
	As % of consolidated net assets	Amount
Siti Global Private Limited	0%	(4.58)
Siti Siri Digital Network Private Limited (formerly Siri Digital Network Private Limited)	0%	(6.48)
Siti Broadband Services Private Limited	0%	0.06
Siti Prime Uttaranchal Communication Private Limited	0%	0.09
Siti Sagar Digital Cable Network Private Limited (formerly Panchsheel Digital Communication Network Private Limited)	0%	0.08
Minority interest in all subsidiaries	15%	678.65
Intra-group eliminations	-69%	(3,062.77)

55 INVESTMENT IN JOINT VENTURE

₹ in million

	WWTSL*	C&S Medianet Private Limited	Voice Snap Services Private Limited	WWTSL*
			March 31, 2017	March 31, 2016
Summarised balance sheet				
Current assets				
Cash and cash equivalents	-	0.07	10.48	-
Other assets	-	0.06	14.87	-
	-	**0.13**	**25.35**	**-**
Non-current assets	10.13	-	45.64	12.24
Current liabilities				-
Financial liabilities (excluding trade payables and provisions)	-	-	17.05	-
Other liabilities	0.04	0.03	-	-
	0.04	**0.03**	**17.05**	**-**
Non-Current liabilities				
Financial liabilities (excluding trade payables and provisions)	108.46	-	5.67	108.40
Other liabilities	-	-	0.25	-
	108.46	**-**	**5.93**	**108.40**
Net assets	**(98.37)**	**0.10**	**48.02**	**(96.16)**
Ownership interest	**51.00%**	**48.00%**	**32.34%**	**51.00%**
Carrying amount of interest	**-**	**0.05**	**38.49**	**-**
Proportionate share in net assets less securities premium			(4.46)	
Add securities premium			42.95	
Carrying amount of interest			**38.49**	

*The carrying amount of interest has been restricted to ₹ nil million on account of losses.

	March 31, 2017			March 31, 2016
Summarised statement of profit and loss				
Revenue	-	-	47.21	-
Other income	-	-	0.36	-
Depreciation and amortisation	2.13	-	2.68	2.34
Finance cost	-	-	0.08	-
Other expenses	0.09	-	46.73	1.69
Income tax expense or income	-	-	0.91	-
Loss from operations	(2.22)	-	(2.84)	(4.03)
Post tax loss from operations	(2.22)	-	(2.84)	(4.03)
Other comprehensive income	-	-	-	-
Total comprehensive income	(2.22)	-	(2.84)	(4.03)
Ownership interest	**51.00%**	**48.00%**	**32.34%**	**51%**

56 TAX EXPENSE

The major components of income tax for the year are as under:

₹ in million

	March 31, 2017	March 31, 2016
Income tax related to items recognised directly in the statement of profit and loss		
Current tax - current year	103.55	82.54
Deferred tax charge / (benefit)	89.09	(33.36)
TOTAL	**192.64**	**49.17**
Effective tax rate	34.61%	34.61%
A reconciliation of the income tax expense applicable to the profit before income tax at statutory rate to the income tax expense at the Company's effective income tax rate for the year ended 31 March, 2017 and 31 March, 2016 is as follows:		
Loss before tax	(1,399.35)	(363.26)
Effective tax rate	34.61%	34.61%
Tax at statutory income tax rate	(484.31)	(125.72)
Tax effect on non-deductible expenses	306.75	219.43
Additional allowances for tax purposes	(332.95)	(222.10)
Effect of tax on group companies incurring losses	(686.85)	(131.09)
Effect of tax rate difference of subsidiaries	14.28	0.56
Other permanent difference	2.02	45.92
Tax expense recognised in the statement of profit and loss	**192.64**	**49.17**

57 The Group predominantly operates in a single business segment of cable distribution in India only. Hence there are no separately reportable business or geographical segments as per Indian Accounting Standard ('Ind AS') 108 on Operating Segments. Further the Holding Company, its subsidiaries, its associates and its joint venture also predominantly operate in a single business segment of cable and broadband distribution in India only. Hence the Group has no separately reportable business or geographical segments as per Ind AS 108. The aforesaid is in line with the way operating results are reviewed and viewed by the chief operating decision maker(s).

58 PARTICULARS OF DONATIONS MADE TO POLITICAL PARTIES.

₹ in million

	March 31, 2017	March 31, 2016
Bharatiya Janata Party	7.50	-
Rashtriya Janata Dal	-	2.00

59 In accordance with the provisions of section 135 of the Companies Act, 2013, the Board of Directors of the subsidiary company had constituted a Corporate Social Responsibility ('CSR') Committee. The subsidiary company has incurred expenses aggregating to ₹ 9.90 million (previous year ₹ 0.20 million) for CSR activities.

₹ in million

	March 31, 2017	March 31, 2016
a) Gross amount required to be spent by the subsidiary company during the year	9.90	0.20
b) Amount spent during the year on the following		
1. Construction / Acquisition of any asset	-	-
2. On purpose other than 1 above	9.90	0.20

60 The Group had recognised certain receivables in prior years pertaining to billings done on estimation (net) basis. During the year, the Group has reached further negotiations with the customers and has accordingly written off such old receivables based on management's best estimates, which have been disclosed as exceptional items during the year ended March 31, 2017.

61 Previous year's amounts have been regrouped and rearranged, wherever necessary and in compliance with Ind AS.

This is the Summary of significant accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiok & Co LLP**

Chartered Accountants

per **Sumit Mahajan**
Partner

Place : New Delhi
Date : May 26, 2017

For and on behalf of the Board of Directors of
SITI Networks Limited (formerly SITI Cable Network Limited)

V D Wadhwa
Executive Director and CEO
DIN 00439684

B.K. Syngal
Director
DIN 00002395

Anil Jain
Head-Finance and Accounts

Suresh Kumar
Company Secretary
M No ACS 14390

Notes

SITI NETWORKS LIMITED

(Formerly known as Siti Cable Network Limited)
Regd. Office: 4th Floor, Madhu Industrial Estate, Pandurang Budhkar Marg, Worli, Mumbai 400013
Tel.: +91 22 43605555 Email:- csandlegal@siti.esselgroup.com
CIN:- L64200MH2006PLC160733 Website : www.sitinetworks.com

ATTENDANCE SLIP

11th Annual General Meeting

I/We hereby record my/our presence at the 11th Annual General Meeting of the Company at The Orchid, 70-C, Nehru Road, Near Mumbai Domestic Airport, Vile Parle (E), Mumbai, Maharashtra - 400099 on Tuesday, the 26th day of September, 2017 at 3:00 p.m.

______________________________	______________________________
Name of Shareholder/Proxy: (IN BLOCK LETTERS)	Signature of Shareholder/Proxy

Folio No.____

Client ID#_______________________________________

D.P. I.D. ____

No. of Shares: ___________________________________

(Applicable for shareholders holding shares in dematerialized form)

SITI NETWORKS LIMITED

(Formerly known as Siti Cable Network Limited)
Regd. Office: 4th Floor, Madhu Industrial Estate, Pandurang Budhkar Marg, Worli, Mumbai 400013
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CIN:- L64200MH2006PLC160733 Website : www.sitinetworks.com

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management Administration) Rules, 2014)

11th Annual General Meeting

Name of Member(s) : ....

Registered address : ....

E-mail : ....

Folio No./DP ID No./ Client ID No. : ....

1/We, being the member(s) holding .... Equity Shares of Siti Networks Limited, hereby appoint

1. Name:...................................E-mail Id:...................................
   Address:..
   ....Signature:...................................or failing him
2. Name:...................................E-mail Id:...................................
   Address:..
   ....Signature:...................................or failing him
3. Name:...................................E-mail Id:...................................
   Address:..
   ....Signature:...................................or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 11th Annual General Meeting of the Company to be held on Tuesday, 26th day of September, 2017 at 3.00 p.m. at The Orchid, 70-C, Nehru Road, Near Mumbai Domestic Airport, Vile Parle (E), Mumbai, Maharashtra - 400099 and at any adjournment (s) thereof in respect of such resolutions as are indicated below:

I wish my above proxy to vote in the manner as indicated in the box below:

	Resolutions	For	Against
Ordinary Business			
1.	Adoption of Audited Financial Statements of the Company on a standalone and consolidated basis for the financial year ended March 31, 2017 including the Balance sheet, Statement of Profit & Loss and the Reports of the Auditors and Directors thereon.		
2.	Re-appointment of Mr. Sandeep Khurana as a Director of the Company.		
3.	Ratification of appointment of M/s. Walker Chandiok & Co. LLP, Chartered Accountants, New Delhi, as the Statutory Auditors of the Company and to fix their remuneration.		
Special Business			
4.	Appointment of Mr. Sidharth Balakrishna as an Additional Director of the Company.		
5.	Appointment of Mr. Sidharth Balakrishna as a Whole Time Director of the Company for the period of three year.		
6.	To appoint M/s Jitender, Navneet and Co., Cost Accountants (Firm Registration No. 000119) as Cost Auditors of the Company.		
7.	Maintenance of register of members at the office of Registrar & Share Transfer Agent instead of Registered office of the Company.		
8.	Reclassification of Mr. Ashok Mathai Kurien along with entity controlled by him (i.e. Ambience Business Services Private Limited) from "Promoters" of the Company to "Public" category.		

Signed this ________________________day of _____________2017

Signature of Shareholder_______________________ Signature of Proxyholder(s)___________________

Note: This form in order to be effective should be duly completed and deposited at the Registered Office of the Company at 4th Floor, Madhu Industrial Estate, Pandurang Budhkar Marg, Worli, Mumbai 400013, not less than 48 hours before the commencement of the Meeting.

ROUTE MAP TO THE VENUE OF THE 11TH ANNUAL GENERAL MEETING OF SITI NETWORKS LIMITED

The Orchid, 70-C, Nehru Road, Near Mumbai Domestic Airport, Vile Parle (E),
Mumbai, Maharashtra 400099

SITI Networks Limited
The Orchid, 70-C, Nehru Road

SITI NETWORKS LIMITED
Madhu Industrial Estate, 4th Floor
Pandurang Budhkar Marg, Worli, Mumbai – 400013
Tel - +91-22-43605555
CIN: L64200MH2006PLC160733

www.sitinetworks.com

concept, content and design at aicl [info@aicl.in]

Newspaper – Business Standard (All Editions)
Dated – September 5, 2016

SITI NETWORKS LIMITED

(Formerly known as Siti Cable Network Limited)

Regd. Office: 4th Floor, Madhu Industrial Estate,
Pandurang Budhkar Marg, Worli, Mumbai 400013
Tel.: +91 22 43605555 Email: csandlegal@siti.esselgroup.com
CIN:- L64200MH2006PLC160733 Website : www.sitinetworks.com

NOTICE

NOTICE is hereby given that 11th Annual General Meeting (AGM) of the members of Siti Networks Limited (formerly known as "Siti Cable Network Limited") will be held on Tuesday, September 26, 2017 at 3:00 PM at The Orchid, 70-C, Nehru Road, Near Mumbai Domestic Airport, Vile Parle (E), Mumbai, Maharashtra 400099 to transact the Business, as set out in the Notice of AGM.

The Annual Report for the financial year 2016-17 comprising inter-alia Notice of the Annual General Meeting, Audited Financial Statements on a standalone and consolidated basis, Directors' Report & Auditor's Report for the financial year ended March 31, 2017 has been sent electronically on September 4, 2017 to all the members whose e-mail IDs are registered with the Company / Depository Participant(s) and physically to all other members at their registered address through permitted mode on September 2, 2017.

In compliances with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing its members facility to exercise their right to vote on resolutions proposed to be passed in AGM. The members may cast their votes using electronic voting system from a place other than the venue of AGM ("remote e-voting"). The Company has engaged Central Depository Services (India) Limited ("CDSL") as the agency to provide remote e-voting facility.

Remote e-voting facility shall commence from Friday, September 22, 2017 at 9.00 a.m. and will end on Monday, September 25, 2017 at 5.00 p.m. Remote e-voting module shall not be allowed beyond the said date and time.

For details relating to remote e-voting, please refer to the Notice of AGM. The Notice of AGM is available as part of Annual Report on the website of the Company at www.sitinetworks.com and also on the website of CDSL at www.evotingindia.com. In case of any query on e-voting, please refer to the Frequently Asked Questions (FAQs) and e-voting user manual for Shareholders available at the Downloads section of www.evotingindia.com or send email to CDSL at helpdesk.evoting@cdslindia.com or to the Company at csandlegal@siti.esselgroup.com. In case of any grievances connected with facility for voting by electronic means, please contact Mr. Rakesh Dalvi, Deputy Manager, CDSL, Phiroze Jeejeebhoy Towers, 16th Floor, Dalal Street, Fort, Mumbai – 400001. Email: helpdesk.evoting@cdslindia.com Tel: 18002005533.

Any person, whose name appears in the Register of Members/Beneficial Owners as on the cut-off date i.e. September 20, 2017 shall be eligible to caste vote on all the resolutions set forth in the Notice of AGM using remote e-voting or voting at the AGM.

Those persons who have acquired shares and have become members of the Company after dispatch of the Notice of AGM by the Company and whose names appears in the Register of Members/beneficial holders as on the cut-off date i.e. September 20, 2017 can exercise their voting rights through remote e-voting by following the procedure as mentioned in the Notice of AGM or by voting through poll/ ballot at AGM.

The Members who have cast their vote by remote e-voting prior to AGM may also attend AGM but shall not be entitled to cast their vote again. The facility for voting through poll/ ballot shall be made available at AGM and the members attending AGM who have not cast their vote by remote e-voting shall be able to vote at AGM through poll/ ballot.

Persons entitled to attend and vote at the meeting, may vote in person or by proxy/ through authorized representative, provided that all proxies in the prescribed form/ authorization duly signed by the person entitled to attend and vote at the meeting are deposited at the Registered Office of the Company, not later than 48 hours before the meeting.

NOTICE is further given pursuant to Regulation 42 of the Listing Regulations, read with Section 91 of the Companies Act, 2013, that the Register of Members & Share Transfer Books of the Company will remain closed from Friday, September 22, 2017 to Monday, September 25, 2017 (both days inclusive) for the purpose of AGM.

For Siti Networks Limited
(Formerly Known as Siti Cable Network Limited)

Date : September 4, 2017
Place: Noida

Sd/-
Suresh Kumar
Company Secretary
M.No 14390

Newspaper – NavShakti (Mumbai Edition)
Dated – September 5, 2016

सिटी नेटवर्क्स लिमिटेड

(पूर्वीची सिटी केबल नेटवर्क लिमिटेड म्हणून ज्ञात)

नोंदणीकृत कार्यालय : ४ था मजला, मधु इंडस्ट्रियल इस्टेट,
पांडुरंग बुधकर मार्ग, वरळी, मुंबई - ४०० ०१३.
दू. + ९१ २२ ४३६० ५५५५
ई-मेल : csandlegal@siti.esselgroup.com
सीआयएन : L64200MH2006PLC160733
वेबसाइट : www.sitinetworks.com

सूचना

सूचना याद्वारे देण्यात येत आहे की, सिटी नेटवर्क्स् लिमिटेडच्या (पूर्वीची सिटी केबल नेटवर्क लिमिटेड म्हणून ज्ञात) सभासदांची ११ वी वार्षिक सर्वसाधारण सभा एजीएमच्या सूचनेत विहित विषयांवर विचारविनिमय करण्यासाठी मंगळवार, दि. २६ सप्टेंबर, २०१७ रोजी दु. ३.०० वाजता दी ऑर्किड, ७० -सी, नेहरू रोड, मुंबई स्थानिक विमानतळाजवळ, विलेपार्ले (पू.), मुंबई, महाराष्ट्र - ४०० ०९९ येथे आयोजित करण्यात येत आहे.

वार्षिक सर्वसाधारण सभेची सूचना, स्थायी व एकत्रित आधारावरील लेखापरीक्षित वित्तीय निष्कर्ष, दि. ३१ मार्च, २०१७ रोजी संपलेल्या वित्तीय वर्षाकरिता संचालकांचा अहवाल व लेखापरीक्षकांचा अहवाल यांचा समावेश असलेला वित्तीय वर्ष २०१६-१७ करिताचा वार्षिक अहवाल आदी दस्तावेज, ज्यांची ई-मेल आयडीज् कंपनी/डिपॉझिटरी पार्टिसिपंट्सकडे नोंदवलेले असतील त्यांना इलेक्ट्रॉनिक स्वरूपात तसेच अन्य सर्व सभासदांना त्यांच्या नोंदणीकृत पत्त्यांवर प्रत्यक्ष स्वरूपात दि. २ सप्टेंबर, २०१७ रोजी पाठवण्यात आलेले आहेत.

कंपन्या कायदा, २०१३ चे अनुच्छेद १०८ च्या तरतुदी सहवाचन कंपन्या (व्यवस्थापन व प्रशासन) नियम, २०१४ चे नियम २०, सुधारित केल्यानुसार तसेच सेबी (सूची अनिवार्यता व विमोचन आवश्यकता) विनियमन, २०१५ चे विनियमन ४४ अंतर्गत कंपनी आपल्या सभासदांना एजीएममध्ये मंजूर करावयाच्या प्रस्तावित ठरावांवर आपली मते देण्याची सुविधा उपलब्ध करून देत आहे. सभासद त्यांची मते एजीएमच्या ठिकाणाव्यतिरिक्त अन्य ठिकाणाहून इलेक्ट्रॉनिक मतदान प्रणालीचा वापर करून (परोक्ष ई-मतदान) देऊ शकतील. ई-मतदान सुविधा पुरविण्यासाठी कंपनीने सेंट्रल डिपॉझिटरी सर्व्हिसेस (इंडिया) लिमिटेड (सीडीएसएल)ची सेवा नेमली आहे.

परोक्ष ई-मतदानाचा कालावधी शनिवार, दि. २३ सप्टेंबर, २०१७ रोजी स. ९.०० नंतर सुरू होईल व सोमवार, दि. २५ सप्टेंबर, २०१७ रोजी सायं. ५.०० वाजता संपेल. सदर तारीख व वेळेपश्चात परोक्ष ई-मतदानास परवानगी नसेल.

परोक्ष ई-मतदानाशी संबंधित तपशिलाकरिता कृपया एजीएमची सूचना वाचावी. एजीएमची सूचना ही वार्षिक अहवालाचा भाग म्हणून कंपनीची वेबसाइट www.sitinetworks.com वर तसेच सीडीएसएलची वेबसाइट www.evotingindia.com वरही उपलब्ध आहे. ई-मतदानाशी संबंधित कोणत्याही प्रकारच्या चौकशीसाठी सभासदांनी www.evotingindia.com च्या download section वर उपलब्ध सभासदांकरिताचे Frequently Asked Questions (FAQs) व सभासदांकरिताचे e-voting manual वाचावे किंवा सीडीएसएलला helpdesk.evoting@cdslindia.com वर व कंपनीला csandlegal@siti.esselgroup.com वर ई-मेल पाठवावा. इलेक्ट्रॉनिक मतदान सुविधेशी संबंधित कोणत्याही तक्रारीकरिता कृपया संपर्क साधावा : श्री. राकेश दळवी, उपव्यवस्थापक, सीडीएसएल, फिरोज जीजीभॉय टॉवर्स, १६ वा मजला, दलाल स्ट्रीट, फोर्ट, मुंबई - ४०० ००१, ई-मेल : helpdesk.evoting@cdslindia.com, दू. : १८००२००५५३३.

निर्धारित अंतिम तारीख अर्थात दि. २० सप्टेंबर, २०१७ रोजीनुसार ज्या व्यक्तीचे नाव सभासदांचे/लाभार्थी मालकांच्या रजिस्टरमध्ये नोंद असेल ते केवळ एजीएमच्या सूचनेत विहित सर्व ठरावांवर परोक्ष ई-मतदानाचा वापर करून किंवा एजीएमच्या ठिकाणी मतदानाद्वारे मत देण्यास पात्र असतील.

ज्या व्यक्तींनी एजीएमच्या सूचनेच्या पाठवणीपश्चात शेअर्स संपादित केले असतील व कंपनीचे सभासद बनले असतील व ज्यांची नावे निर्धारित अंतिम तारीख अर्थात दि. २० सप्टेंबर, २०१७ रोजीनुसार सभासदांचे/लाभार्थी मालकांच्या रजिस्टरमध्ये नोंद असतील असे सभासद एजीएमच्या सूचनेत विहित प्रक्रियेचे पालन करून परोक्ष ई-मतदानाद्वारे किंवा एजीएमच्या ठिकाणी मतपत्रिकेद्वारे मतदान करून आपला मतदानाचा हक्क बजावू शकतील.

एजीएमच्या आधी ज्या सभासदांनी परोक्ष ई-मतदानाद्वारे मत दिलेले असतील ते सभासद एजीएमसाठीही उपस्थित राहू शकतील परंतु त्यांना पुन्हा मत देता येणार नाही. एजीएमच्या ठिकाणी मतपत्रिकेद्वारे मतदानाची सुविधा उपलब्ध असेल व परोक्ष ई-मतदानाद्वारे मत न दिलेले एजीएममध्ये उपस्थित असलेले सभासद एजीएमच्या ठिकाणी मतपत्रिकेद्वारे मतदान करू शकतील.

सभेस उपस्थित राहून मत देऊ शकणारी व्यक्ती ही व्यक्तिश: वा प्रॉक्सीद्वारे/अधिकृत प्रतिनिधीमार्फत मत देऊ शकते. अर्थात प्रतिनिधित्वासंदर्भातील सर्व दस्तावेज विहित प्रारूपातून/सभेस उपस्थित राहून मत देण्यास पात्र असलेल्या व्यक्तीद्वारे अधिकारिता स्वाक्षरीसहित कंपनीच्या नोंदणीकृत कार्यालयात सभेच्या किमान ४८ तास अगोदरपर्यंत पोहोचणे आवश्यक आहे.

सूची अनिवार्यतेचे विनियमन ४२ सहवाचन कंपन्या कायदा, २०१३ चे अनुच्छेद ९१ अंतर्गत पुढे अशी सूचना देण्यात येत आहे की, एजीएमच्या निमित्ताने कंपनीचे सभासदांचे रजिस्टर व शेअर ट्रान्सफर बुक्स शुक्रवार, दि. २२ सप्टेंबर, २०१७ ते सोमवार, दि. २५ सप्टेंबर, २०१७ दरम्यान (दोन्ही दिवस समाविष्ट) बंद राहतील.

सिटी नेटवर्क्स् लिमिटेड (पूर्वीची सिटी केबल नेटवर्क लिमिटेड) करिता

सही/-

सुरेश कुमार

दिनांक : ४ सप्टेंबर, २०१७ — कंपनी सचिव

ठिकाण : नोएडा — सदस्यत्व क्र. १४३९०