



## INDEPENDENT AUDITOR'S REPORT

To The Members of  
Indian Cable Net Company Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Indian Cable Net Company Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

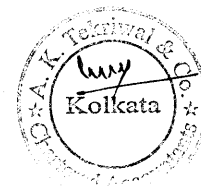
### Management's Responsibility for the Consolidated Financial Statements

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 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. 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 there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. 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 judgment, 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 control 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.

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 the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.





### Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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 of the Group, as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of the 2 subsidiaries, whose financial statements reflect total assets (after eliminating intra group transactions) of ₹ 1068181 Thousands as at 31st March, 2016, total revenues (after eliminating intra group transactions) of ₹ 385433 Thousands and net cash flows amounting to ₹ 29370 Thousands for the year ended on that date, as considered in the consolidated financial statements. These financial statements 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 the subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit 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 Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group, is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and



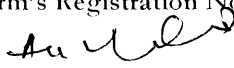


A. K. TEKRIWAL & CO.  
CHARTERED ACCOUNTANTS

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34, Chittaranjan Avenue, 2nd Floor  
Room No. 7, Kolkata - 700 012  
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- 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities-- Refer Note 28 to the consolidated financial statements.
  - ii. The Group, 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 Holding Company, and its subsidiary company.

For A.K.Tekriwal & Co.  
Chartered Accountants  
Firm's Registration No.:322352E

  
A.K.Tekriwal  
Partner  
Membership Number: 056362



Kolkata  
9<sup>th</sup> May, 2016.



## **Annexure – A to the Independent Auditor's Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of Indian Cable Net Co. Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.





**A. K. TEKRIWAL & CO.**  
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#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

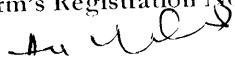
#### **Opinion**

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

#### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 2 subsidiaries, which are companies incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

For A.K.Tekriwal & Co.  
Chartered Accountants  
Firm's Registration No.:322352E

  
A.K.Tekriwal  
Partner  
Membership Number: 056362



Kolkata  
9<sup>th</sup> May, 2016.

**INDIAN CABLE NET COMPANY LIMITED**

Consolidated Balance Sheet As on 31<sup>st</sup> March 2016

(₹) 000s

| Particulars                       | Notes | 31 <sup>st</sup> Mar 2016 | 31 <sup>st</sup> March 2015 |
|-----------------------------------|-------|---------------------------|-----------------------------|
| <b>I. Equity and Liabilities</b>  |       |                           |                             |
| (1) Shareholders' Fund            |       |                           |                             |
| (a) Share Capital                 | 4     | 865,538                   | 865,538                     |
| (b) Reserves and Surplus          | 5     | 2,486,195                 | 2,363,561                   |
|                                   |       | <b>3,351,733</b>          | <b>3,229,099</b>            |
| (2) Minority Interest             |       | 151,766                   | 70,756                      |
| (3) Non-Current Liabilities       |       |                           |                             |
| (a) Long Term Borrowings          | 6     | 1,125,866                 | 541,476                     |
| (b) Deferred Tax Liability (net)  | 7     | 129,191                   | 84,427                      |
| (c) Other Long Term Liabilities   | 8     | 231,956                   | 30,028                      |
| (d) Long Term Provisions          | 9     | 9,223                     | 7,708                       |
|                                   |       | <b>1,496,236</b>          | <b>663,639</b>              |
| (4) Current Liabilities           |       |                           |                             |
| (a) Short Term Borrowings         | 10    | 33,073                    | 18,192                      |
| (b) Trade Payables                | 11    | 453,056                   | 498,956                     |
| (c) Other Current Liabilities     | 12    | 1,666,970                 | 979,045                     |
| (d) Short Term Provisions         | 9     | 28,384                    | 12,861                      |
|                                   |       | <b>2,181,483</b>          | <b>1,509,054</b>            |
| <b>Total</b>                      |       | <b>7,181,218</b>          | <b>5,472,548</b>            |
| <b>II. Assets</b>                 |       |                           |                             |
| (1) Non-Current Assets            |       |                           |                             |
| (a) Fixed Assets                  | 13    |                           |                             |
| (i) Tangible Assets               |       | 2,161,845                 | 1,437,806                   |
| (ii) Intangible Assets            |       | 1,727,980                 | 1,894,086                   |
| (iii) Capital Work-In-Progress    |       | 1,382,851                 | 577,789                     |
| (b) Goodwill on Consolidation     |       | 12,798                    | -                           |
| (c) Long Term Loans and Advances  | 14    | 177,224                   | 188,383                     |
| (d) Other Non-Current Assets      | 15    | 21,193                    | 891                         |
|                                   |       | <b>5,483,891</b>          | <b>4,098,955</b>            |
| (2) Current Assets                |       |                           |                             |
| (a) Inventories                   | 16    | 47,855                    | 36,740                      |
| (b) Trade Receivables             | 17    | 792,254                   | 690,653                     |
| (c) Cash and Bank balances        | 18    | 681,657                   | 258,610                     |
| (d) Short-Term Loans and Advances | 14    | 175,562                   | 378,267                     |
| (e) Other Current Assets          | 15    |                           | 9,323                       |
|                                   |       | <b>1,697,328</b>          | <b>1,373,593</b>            |
| <b>Total</b>                      |       | <b>7,181,218</b>          | <b>5,472,548</b>            |

Summary of Significant accounting policies and notes to financial statement

1 To 49

Balance Sheet referred in our report of even date.

For A.K. Tekriwal & Co.  
Chartered Accountants  
(Firm Registration No. - 322352 E)

A.K. Tekriwal  
Partner  
Membership No.-056362

Place - Kolkata  
Date - 9th May 2016



For Indian Cable Net Co Ltd

S. R. Kumar Agarwal  
Director

Anil Kumar Jain  
Director

S. Roy Chaudhury  
C.E.O

Atul Kumar Singh  
V.P.(F & A)

Laxman Singh Kalra  
Company Secretary

**INDIAN CABLE NET COMPANY LIMITED**

**Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2016**

(₹) 000s

| Particulars  | Notes     | 31st Mar 2016    | 31 <sup>st</sup> March 2015 |
|--|-----------|------------------|-----------------------------|
| I. Revenue from Operations   | 19        | 3,051,556        | 2,645,484                   |
| II. Other Income   | 20        | 42,608           | 113,810                     |
| <b>III. Total Revenue (I+II)</b>   |           | <b>3,094,164</b> | <b>2,759,294</b>            |
| <b>IV Expenses</b>   |           |                  |                             |
| Purchase of Traded Goods   | 21        | 69,340           | 15,377                      |
| Decrease/(Increase) in inventories of traded goods                               | 22        | 774              | 55                          |
| Operating Expenses   | 23        | 1,656,091        | 1,529,157                   |
| Employees Benefit expenses   | 24        | 102,981          | 107,363                     |
| Finance Cost   | 25        | 17,374           | 9,520                       |
| Depreciation and Amortisation Cost   | 26        | 495,379          | 472,878                     |
| Other Expenses   | 27        | 523,608          | 337,588                     |
|  |           | <b>2,865,548</b> | <b>2,471,938</b>            |
| <b>V. Profit/(Loss) before exceptional items and extraordinary items and tax</b> | (III-IV)  | <b>228,616</b>   | <b>287,356</b>              |
| VI Exceptional Items   | (V-VI)    | <b>228,616</b>   | <b>287,356</b>              |
| <b>VII. Profit/(Loss) before extraordinary items and tax</b>                     |           |                  | <b>345</b>                  |
| VIII Prior Period Items  | (VII-VII) | <b>228,616</b>   | <b>287,011</b>              |
| <b>IX. Profit/(Loss) before tax</b>  |           |                  |                             |
| X Tax Expenses   |           | 77,202           | 140,575                     |
| (a) Current Tax  |           | 61,268           | 86,917                      |
| (-) MAT credit entitlement   |           | (19,384)         | (42,820)                    |
| (b) Deferred Tax   |           | 36,590           | 87,070                      |
| (c) Short / (Excess) Provision for earlier years                                 |           | (1,272)          | 9,408                       |
| <b>XI Profit / (Loss) for the year</b>   | (IX-X)    | <b>151,414</b>   | <b>146,436</b>              |
| <b>XII Less Minority Interest</b>  |           | <b>27,577</b>    | <b>10,484</b>               |
| <b>XIII Profit/(Loss) for the Year</b>   |           | <b>123,837</b>   | <b>135,952</b>              |
| <b>Earning per Share: (Rs.) [Nominal value of Rs. 10/-]</b>                      | 34        |                  |                             |
| (1) Basic  |           | 1.75             | 10.11                       |
| (2) Diluted  |           | 1.75             | 10.11                       |

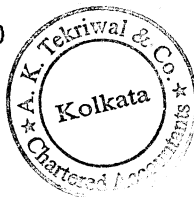
Summary of Significant accounting policies and notes to financial statement  
Statement of Profit & Loss referred in our report of even date.

1 To 49

For A.K. Tekriwal & Co.  
Chartered Accountants  
(Firm Registration No. - 322352)

A.K. Tekriwal  
Partner  
Membership No.-056362

Place - Kolkata  
Date - 9th May 2016



For Indian Cable Net Co Ltd

*Surendra Kumar Agarwal*  
Surendra Kumar Agarwal  
Director

*Anil Kumar Jain*  
Anil Kumar Jain  
Director

S. Roy Chaudhury  
C.F.O

*Atul Kumar Singh*  
Atul Kumar Singh  
V.P.(F & A)

*Laxman Singh Kaira*  
Laxman Singh Kaira  
Company Secretary

**INDIAN CABLE NET COMPANY LIMITED**  
Consolidated Cash Flow Statement for year ended 31<sup>st</sup> March 2016

| PARTICULARS   | ₹ '000s                         |                                 |
|---|---------------------------------|---------------------------------|
|   | 31 <sup>st</sup> Mar 2016       | 31 <sup>st</sup> March 2015     |
| <b>A. Cash Flow from Operating Activities:</b>                      |                                 |                                 |
| Net Profit before taxation, exceptional item & prior period items   |                                 |                                 |
| Adjustment for :-   | 228,616                         | 287,356                         |
| Depreciation  |                                 |                                 |
| Loss on sale/disposal/decapitalization of Fixed Assets              | 495,379                         | 472,878                         |
| Provision for Retirement Benefit                                    |                                 | 208                             |
| Provision for STBs Churn  | 2,069                           | 4,240                           |
| Liability no longer required written back ( Net )                   | 681                             | 740                             |
| Provision for doubtful Debt & Advance -                             | 27,972                          | 45,171                          |
| Unrealised Foreign Exchange Gain/Loss                               | 50,399                          | 107,573                         |
| Interest Paid & Borrowing cost                                      | 9,329                           | 34                              |
| Provision for Proposed Dividend                                     | 17,374                          | 9,520                           |
| Interest on Fixed Deposit/ IT Refund / Others                       |                                 | (6)                             |
| Operating profit before working capital changes                     | (6,062)                         | (6,243)                         |
| Change in working capital   | 825,758                         | 921,470                         |
| Increase/(Decrease) in Short-term Advances taken from related party |                                 |                                 |
| Increase/(Decrease) in Trade payables                               |                                 |                                 |
| Increase/(Decrease) in other current liabilities                    | (123,336)                       | (13,323)                        |
| Increase/(Decrease) in other long-term liabilities                  | 577,267                         | (1,013,529)                     |
| Decrease/ ( Increase) in Trade receivable                           | (2,667)                         | 27,184                          |
| Decrease/ ( Increase) in Inventories                                | (136,228)                       | (415,086)                       |
| Decrease/ ( Increase) in long-term loans and advances given         | (11,115)                        | (36,010)                        |
| Decrease/ ( Increase) in short-term loans and advances given        | (34,902)                        | (31,290)                        |
| Decrease/ ( Increase) in other current assets                       | 266,626                         | 68,240                          |
| Decrease/ ( Increase) in other non-current assets                   | 9,323                           | 47,788                          |
| Cash Generation from Operating Activities before exceptional item   | 47                              | 6,642                           |
| Exceptional item  | 1,370,774                       | (437,913)                       |
| Cash Generation from Operating Activities after exceptional item    |                                 |                                 |
| Net Prior Period Adjustment   | 1,370,774                       | (437,913)                       |
| Cash Generation from Operating Activities after Prior Period Item   |                                 |                                 |
| Income Tax Paid ( including TDS)                                    | 1,370,774                       | (438,258)                       |
| Net Cash Generation from operating Activities                       | (62,784)                        | (77,096)                        |
|   | 1,307,990                       | (515,354)                       |
| <b>B. Cashflow From Investing Activities:</b>                       |                                 |                                 |
| Purchase of Fixed Assets/ C/WIP                                     |                                 |                                 |
| Sale of Fixed Assets/Decapitalization                               | (1,491,853)                     | (376,722)                       |
| Net Cash Used in Amalgamation                                       |                                 | 475                             |
| Investment in Subsidiaries  |                                 |                                 |
| Interest  |                                 |                                 |
| Investment in FD/Term Deposit                                       | 6,062                           | 6,242                           |
| Opening Cash & Cash Equivalent on date of creation of Subsidiary    | (9,873)                         | (38,362)                        |
|   | (1,659)                         |                                 |
| Net Cash deployed in Investing Activities                           | (1,497,324)                     | (408,362)                       |
| <b>C. Cashflow From Financing Activities:</b>                       |                                 |                                 |
| Interest Paid   |                                 |                                 |
| Borrowings Taken  | (17,374)                        | (9,520)                         |
| Issue of Equity Share   | 589,943                         | 227,933                         |
|   | 29,940                          | 779,940                         |
| Net Cash Generation from Financing Activities                       | 602,508                         | 998,354                         |
| Net Increase/(decrease) in Cash & Cash Equivalents (A+B+C)          | 413,174                         | 74,638                          |
| Cash & Cash Equivalent at the beginning of the year                 | 220,127                         | 145,489                         |
| Cash & Cash Equivalent at the end of the year                       | 633,301                         | 220,127                         |
| Cash & Cash Equivalent include                                      |                                 |                                 |
| Cash Balance  | As on 31 <sup>st</sup> Dec 2015 | As on 31 <sup>st</sup> March 14 |
| Bank Balance  | 13,141                          | 4,420                           |
| Cheque in Hand  | 42,782                          | 27,533                          |
| Deposits - Free Maturity within 3 months                            | 572,388                         | 170,137                         |
| Cash & Cash Equivalent Reported                                     | 4,991                           | 18,037                          |
|   | 633,301                         | 220,127                         |

Notes: Previous years' figures are regrouped wherever necessary.

Cash Flow Statement referred in our report of even date.

For A.K. Tekriwal & Co.  
Chartered Accountants  
(FRN - 322352 E)

A.K. Tekriwal  
Partner  
M.No.-056362

Place - Kolkata  
Date - 9th May 2016



For Indian Cable Net Co Ltd

*(Signature)*  
Ajay Kumar Agarwal  
Director

*(Signature)*  
Anil Kumar Jain  
Director

S. Roy Choudhury  
C.E.O

*(Signature)*  
Atul Kumar Singh  
V.P.(F & A)

*(Signature)*  
Laxman Singh Khira  
Company Secretary



## INDIAN CABLE NET COMPANY LIMITED

Notes to Consolidated financial statements for the year ended 31st March 2016.

### 1 Corporate Information

Indian Cable Net Company Limited ( hereinafter referred to as "the company" or "ICNCL" or the "the Holding Company" or " the Parent Company" ) was incorporated in the state of West Bengal, India. During the year under review the ICNCL has acquired 100% of share holding of Indinet Service Private Limited ( hereinafter referred to as "ISPL" ) as on 19/08/2015 and 50% shareholding along with control in composition of the Board of Directors of Axom Communication & Cable Pvt. Ltd. (hereinafter referred to as "Axom") as on 31/03/2016 and thus the ISPL & Axom became subsidiaries of ICNCL from the effective dates. The Company and its subsidiaries ("Collectively known as "the group") are engaged in distribution of television channels through analogue and digital cable distribution network, primary internet and allied services.

### 2 a) Principles of Consolidation

The consolidated financial statements include the financial statements of the Holding Company, its subsidiaries and associate ( collectively referred to as "The Group")

In preparing the consolidated financial statements, financial statements of the Holding Company, its subsidiaries have been combined on a line by line basis by adding the book values of the like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and unrealised profits in full. The amount shown in respect of reserves comprise the amount of of the relevant reserves as per the balance sheet of the Parent Company and its share in the post acquisition increase in the relevant reserves of the consolidated entities.

The excess/deficit of cost to the Parent Company of its investment over its portion of net worth in the consolidated entities at the respective dates on which the investment in such entities was made is recognised in the financial statements as goodwill/capital reserve. Goodwill arising on consolidation is tested for impairment when the relevant indicators of impairment are applicable. The Parent Company's portion of net worth in such entities is determined on the basis of book value of assets and liabilities as per the financial statements of the entities as on the date of investment and if not available, the financials statements for the immediately preceding period adjusted for the effects of significant changes.

Minority interest in subsidiaries represents the minority shareholders proportionate share of the net assets and net income.

Minorities interest in net profit of consolidated subsidiaries for year has been identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the company. Their share of net assets has been identified and presented in the consolidated balance sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same have been attributed to the shareholder of the Holding Company.

### b) Basis of preparation

The consolidated financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting following generally accepted accounting principles in India (GAAP) and comply with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Act (to the extent notified).

The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year, unless otherwise mentioned, and are explained below-

### 3 Summary of Significant Accounting Policies

#### a) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current or future periods.

#### b) Fixed Assets and Depreciation

##### (i) Tangible Fixed assets and Capital Work in progress

Tangible Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Capital Work in progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

##### (ii) Intangible Assets

Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

##### (iii) Depreciation and Amortisation

Depreciation on tangible assets is provided on straight line method (except in case of Axom Communication & Cable Pvt. Ltd. which provides depreciation on WDV method) over the useful lives of assets estimated by the Management. Depreciation for assets purchased / sold during the period is proportionately charged. Leasehold land is amortized over the effective period of lease. Intangible assets are amortised over their respective individual estimated useful lives on straight line basis, commencing from the date the asset is available to the company for its use. The details of estimated life for each category of asset are as follows:



*Agarwal*

*H. Srinivas*

*[Signature]*

# INDIAN CABLE NET COMPANY LIMITED

Notes to Consolidated financial statements for the year ended 31st March 2016

| Asset                                   | Estimated useful life based on SLM | Residual Value (As % of Original Cost) |
|---|------------------------------------|--|
| Buildings                               | 60 years                           | 5%                                     |
| Computers and Data Processing Equipment | 3 years                            | 5%                                     |
| Plant and Machinery                     | 8 years                            | 5%                                     |
| Set Top Boxes                           | 8 years                            | 0%                                     |
| VC Card                                 | 6 years                            | 0%                                     |
| Furniture and Fixtures                  | 10 years                           | 5%                                     |
| Vehicles                                | 8 years                            | 5%                                     |
| Studio Equipments                       | 13 years                           | 5%                                     |
| Office Equipments                       | 5 years                            | 5%                                     |
| Network Assets                          | 10 years                           | 0%                                     |
| Goodwill                                | 10 years                           | 0%                                     |

**c) Leases**

Where the Group is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Group is the lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on monthly rental basis, wherever applicable over the lease term.

**d) Impairment of Assets**

The Carrying amount of the fixed assets and capital work in progress are reviewed at each balance sheet date in accordance with Accounting Standard-28 on "Impairment of Assets" prescribed by the Companies (Accounting Standard) rules, 2006, to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amounts are estimated at each reporting date and impairment loss is recognized whenever carrying amount of an assets or cash generating unit of which it is a part exceeds the corresponding recoverable amount. Impairment losses are recognized in the profit and loss account. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognized.

**e) Borrowing Costs**

Interest and other costs incurred by the Group in connection with the borrowing of funds are recognized as an expense in the period in which they are incurred, unless the borrowings are used for acquiring qualifying assets and activities that are necessary to prepare the qualifying assets for its intended use.

**f) Inventories**

Inventories are valued as follows-

Stock in trade & Stores and spares valued at cost on weighted average method 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.

**g) Revenue Recognition**

Revenue is recognized to the extent the Group considers it realizable and financial benefit of the same shall flow to the Group

**(i) Subscription Income from Cable Service**

Subscription Income from Cable Service (net of applicable taxes and duties) are recognized on accrual basis from the date of commencement of supply at the signal injection points(s) of the customers as per schedule of rates.

In pursuance of the regulation of Telecom Regulatory Authority of India (TRAI), the company has implemented Digital Adressable (DAS) in the notified areas and accordingly subscription charges have been accounted in terms of said regulation.

**(ii) Income From Activation Of Services**

Income from activation of digital cable services is recognised at the time of issue of Set Top Boxes to the Local Cable Operators and is net of Activation Fee Refunded on Returned Set Top Boxes.

**(iii) Income from Broadband Services**

Income from broadband services (net of applicable taxes and duties) is recognised on time proportion basis.



*Approved*

*18/03/16*

*[Signature]*

## INDIAN CABLE NET COMPANY LIMITED

Notes to Consolidated financial statements for the year ended 31st March 2016.

- (iv) **Carriage Income**  
Carriage Income is recognized on accrual basis as evenly accruing over the term of the contract of carriage. However, where the formal agreements are yet to be executed, the income from Carriage Services is deferred till the time the said agreements are formally executed.
- (v) **Other Services**  
i) Income from insertion of advertisements is recognized on accrual basis from the date(s) of insertion of advertisements based on the terms specified in the release orders.  
ii) Income from rendering technical services is recognized on accrual basis  
iii) Income from dark fiber leasing is recognized on accrual basis as per terms of the respective contracts.
- (vi) **Lease Income**  
Lease income from supply of set top boxes is recognized on accrual basis as per terms of agreement of lease.
- (vii) **Sales of goods**  
Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. 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.
- h) **Foreign Currency Transaction**  
Transaction in foreign currency is recorded at the rate of exchange prevailing on the transaction date(s). Transaction remaining unsettled, other than those contracts covered under forward exchange contracts, is translated at the rate prevailing at the end of the financial year. The exchange rate difference arising therefrom are adjusted in the Statement of Profit & Loss except in respect of fixed assets, where the exchange difference is adjusted to the carrying amount of the respective asset.
- i) **Retirement and other employee benefits**  
The Group's obligations towards various employee benefits have been recognized as follows:  
(a) **Short term benefits**  
i) Cost of accumulating compensated absences that are expected to be availed within a period of 12 months from the period end are recognized when the employees render the service that increases their entitlement to future compensated absences. Cost is computed based on past trends and is not discounted.  
ii) Cost of non-accumulating compensated absences is recognized when absences occur. Costs of other short term employee benefits are recognized on accrual basis based on the terms of employment contract and other relevant compensation policies followed by the Group  
(b) **Post employment benefit**  
i) Monthly contributions to Provident funds which are defined contribution schemes are charged to Profit and Loss Account and deposited with the Provident Fund authorities on a monthly basis.  
ii) In respect of gratuity which is in the nature of non contributory defined benefit plan, is administered by the Trustees. Trustees of the scheme have entrusted the administration of the related fund to the Life Insurance Corporation of India (LIC). The Group provides gratuity benefit through annual contributions to a fund managed by LIC. Under this plan settlement obligation remains with the company, although LIC administers the plan and determines the contribution premium required to be paid by the Group. The annual charge to the P&L is determined by the actuarial valuation done by the certified actuarial valuer appointed by the Group. The contribution to the fund with LIC is debited to the provision for gratuity which is created by the difference between the balance in the fund with LIC and the amount of fund required at the end of a relevant period as determined by external actuarial valuation  
(c) **Other Long term benefits**  
Cost of a long term benefit by way of accumulating compensated absence that are expected to be availed after a period of 12 months from the period end are recognized when the employees render the service that increases their entitlement to future compensated absences. Such cost is recognized based on actual valuation of related obligation on the reporting date. Actuarial gains and losses for the period are recognized in the profit and loss account as income or expense  
(d) **Termination benefit**  
Cost of termination benefit is recognized only when the company has a present obligation as a result of a past event, it is probable that outflow of resources will be required to settle such obligation and the amount of the obligation can be reliably estimated.
- j) **Taxation**  
Tax expense comprises current and deferred tax. Current Income Tax expense is determined and provided in the accounts at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act 1961.  
Deferred tax is recognized subject to the consideration of prudence, on timing difference, being the difference between taxable incomes and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets in respect of un-absorbed depreciation and carry forward losses are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- k) **Earnings Per Share**  
Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except where the results would be anti dilutive.



*Agarwal*

*Sharma*

*Mishra*

## INDIAN CABLE NET COMPANY LIMITED

Notes to Consolidated financial statements for the year ended 31st March 2016

**l) Provisions**

A provision is recognized when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

**m) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

**n) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**o) Segment Reporting**

The group is a Multi System Operator providing Cable Television Network Services, Broadband Services and Other Related services which is considered as the only reportable segment. The Group's operations are based in India.



*A. K. Tekriwal*

*Kolkata*

*2016*

**INDIAN CABLE NET COMPANY LIMITED**

**Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2016**

**4. Shares Capital**

| Particulars   | 31-Mar-16      | 31-Mar-15      |
|---|----------------|----------------|
|   | (₹) 000s       | (₹) 000s       |
| <b>Authorized Share Capital</b>   |                |                |
| 86,847,300 Equity Shares of ₹ 10/- each   | 868,473        | 868,473        |
| 15270 Preference Shares of ₹ 100/- each   | 1,527          | 1,527          |
| <b>Issued, subscribed and fully paid-up shares capital</b>  |                |                |
| 8,64,01,070 Equity Shares of ₹ 10/- each<br>(Out of above 313,10,000 Nos of equity shares of ₹ 10 each allotted for consideration other than cash in pursuant to the scheme of amalgamation)        | 864,011        | 864,011        |
| 15270 Preference Shares of ₹ 10 each<br>15270 Nos of 6 % Non Cumulative Redeemable Preference Shares of ₹ 100 allotted for consideration other than cash in pursuant to the scheme of amalgamation. | 1,527          | 1,527          |
| <b>Total issued, subscribed and fully paid-up share capital</b>   | <b>865,538</b> | <b>865,538</b> |

Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule III to the Companies Act, 2013

**(i) Equity Shares**

**(d) Long Term Provisions**

|   | 31-Mar-16  |          | 31-Mar-15  |          |
|---|------------|----------|------------|----------|
|   | Nos        | Rs. 000s | Nos        | Rs. 000s |
| At the beginning of the year                                      |            |          |            |          |
| Issued during the period - in pursuance of scheme of amalgamation | 86,401,070 | 864,011  | 10,991,070 | 109,911  |
| Issued during the period - other                                  |            |          | 31,310,000 | 313,100  |
| Outstanding at the end of the year                                | 86,401,070 | 864,011  | 45,000,000 | 450,000  |
|   |            |          | 86,401,070 | 864,011  |

**(ii) Preference Shares**

| Particulars   | 31-Mar-16 |         | 31-Mar-15 |          |
|---|-----------|---------|-----------|----------|
|   | Nos       | Rs. 000 | Nos       | Rs. 000  |
| Outstanding at the beginning of the year                      | 15,270    | 1,527   |           |          |
| Issued during the year in pursuance of scheme of Amalgamation |           |         | 15,270    | 1,527    |
| Outstanding at the end of the year                            | 15,270    | 1,527   | 15,270.00 | 1,527.00 |

**Terms & rights attached to Preference Shares**

The 6% Non-cumulative Redeemable Preference Shares shall be redeemed at Par on 10.02.2023.

Disclosure pursuant to Note no. 6(A)(e) of Part I of Schedule III to the Companies Act, 2013

**Terms & rights attached to equity shares**

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after

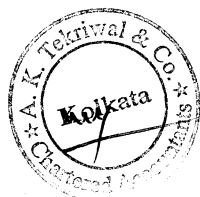
Disclosure pursuant to Note no. 6(A)(f) of Part I of Schedule III to the Companies Act, 2013

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

| Particulars   | 31-Mar-16  |          | 31-Mar-15  |          |
|---|------------|----------|------------|----------|
|   | No.        | (₹) 000s | No.        | (₹) 000s |
| <b>Equity Shares</b>  |            |          |            |          |
| Holding Company -Siti Cable Network Limited                         | 51,831,000 | 518,310  | 51,831,000 | 518,310  |
| Subsidiary of Holding Company- Central Bombay Cable Network Limited | 30,000     | 300      | 30,000     | 300      |

Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule III to the Companies Act, 2013 (If more than 5%)

| Name of Shareholder                         | Equity Shares     |              |                     |              |
|---|-------------------|--------------|---------------------|--------------|
|   | As at 31 Mar 2016 |              | As at 31 March 2015 |              |
|   | No. of Shares     | % of Holding | No. of Shares       | % of Holding |
| Siti Cable Network Limited, Holding Company | 51831000          | 59.99        | 51831000            | 59.99        |
| Anurag Chitmar                              | 5236357           | 6.06         | 5236357             | 6.06         |
| Sunil Nihalani                              | 5454347           | 6.31         | 5454347             | 6.31         |
| Suresh Sethiya                              | 5451007           | 6.31         | 5451007             | 6.31         |
| Tinkart Dutta                               | 5244586           | 6.07         | 5244586             | 6.07         |
| Zafar Iqbal                                 | 5225596           | 6.05         | 5225596             | 6.05         |
| Surendra Kumar Agarwal                      | 5219377           | 6.04         | 5219377             | 6.04         |



*Agarwal*  
*J. S. Chitmar*  
*Suresh*

**INDIAN CABLE NET COMPANY LIMITED**
**Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2016**
**5. Reserves & Surplus**

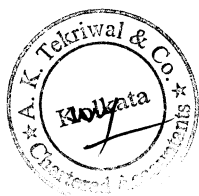
| Particulars  | 31-Mar-16<br>(₹) 000s | 31-Mar-15<br>(₹) 000s |
|--|-----------------------|-----------------------|
| <b>Capital Reserve</b>   |                       |                       |
| OP Balance   | 1,210                 | 1,210                 |
| (+/-) Current Year on Consolidation - Adjusted with Goodwill arised during the year                                      | (1,210)               | -                     |
| <b>Closing Balance</b>   | <u>0</u>              | <u>1,210</u>          |
| <b>Securities premium account</b>  |                       |                       |
| Balance as per the last financial statements   | 1,896,798             | 96,798                |
| Add: Addition on share Issued during the year  | -                     | 1,800,000             |
| <b>Closing Balance</b>   | <u>1,896,798</u>      | <u>1,896,798</u>      |
| <b>Surplus / (deficit) in the statement of profit and loss</b>   |                       |                       |
| Balance as per last financial statements   | 465,554               | 355,624               |
| Less: Depreciation adjusted as per Schedule - II of The Companies Act 2013, net of deferred tax of Rs. 13,397 thousands) | -                     | (26,017)              |
| Add : Profit for the year  | 123,837               | 135,952               |
| Less: Proposed Dividend / Reversal (Incd Corporate Dividend Tax) on 6 % Non Cumulative Redemable Preference Shares       | 6                     | (6)                   |
| <b>Net surplus in the statement of profit and loss</b>   | <u>589,397</u>        | <u>465,554</u>        |
| <b>Total reserves and surplus</b>  | <u>2,486,195</u>      | <u>2,363,561</u>      |

**6. Long-term borrowings**

| Particulars  | 31-Mar-16<br>(₹) 000s | 31-Mar-15<br>(₹) 000s |
|--|-----------------------|-----------------------|
| <b>Secured Loan</b>  |                       |                       |
| - From Banks<br>Buyer's credit through Kotak Mahindra 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 mortgage on its land and building under construction at Plot No.- XIV4, Block- HP & GP, Sector-V, Salt Lake, Kolkata-700091, pledge of fixed deposit, held in the name of the company and personal guarantee of the directors)<br>(The facility is repayable on expiry of 36 / 24 months from 1st drawdown date) | 622,342               | 38,576                |
| - From ICICI Bank - Car Loan   | 624                   | -                     |
| <b>Unsecured Loan</b>  |                       |                       |
| <b>Loans and Advances From Related Parties</b>   |                       |                       |
| Holding company, Siti Cable Network Limited<br>(Repayable on demand after three years (PY One year) from the Balance Sheet date)   | 502,900               | 502,900               |
|  | <u>1,125,866</u>      | <u>541,476</u>        |

**7. Deferred tax asset / (liabilities) (net)**

| Particulars   | 31-Mar-16<br>(₹) 000s | 31-Mar-15<br>(₹) 000s |
|---|-----------------------|-----------------------|
| <b>Deferred tax liability</b>   |                       |                       |
| Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting      | 207,477               | 150,851               |
| <b>Gross deferred tax liability</b>   | <u>207,477</u>        | <u>150,851</u>        |
| <b>Deferred tax asset</b>   |                       |                       |
| Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis | 1,071                 | 351                   |
| Provision for doubtful debts and advances   | 75,199                | 66,073                |
| Other disallowances   | 2,016                 | -                     |
| <b>Gross deferred tax asset</b>   | <u>78,286</u>         | <u>66,423</u>         |
| <b>Net deferred tax asset / (liabilities)</b>   | <u>(129,191)</u>      | <u>(84,427)</u>       |



*Agarwal*

*Shreejit*

**INDIAN CABLE NET COMPANY LIMITED**

Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2016

**8. Other long-term liabilities**

| Particulars                        | 31-Mar-16      | 31-Mar-15     |
|------------------------------------|----------------|---------------|
|                                    | (₹) 000s       | (₹) 000s      |
| Others                             | -              | 2,667         |
| Advance from customers             | -              | -             |
| Security Deposit taken against STB | 231,956        | 27,361        |
|                                    | <u>231,956</u> | <u>30,028</u> |
|                                    | <b>231,956</b> | <b>30,028</b> |

**9. Provisions**

| Particulars   | Non-Current  |              | Current       |               |
|---|--------------|--------------|---------------|---------------|
|   | 31-Mar-16    | 31-Mar-15    | 31-Mar-16     | 31-Mar-15     |
|   | (₹) 000s     | (₹) 000s     | (₹) 000s      | (₹) 000s      |
| <b>Provision for employee benefits</b>  |              |              |               |               |
| Gratuities  | 3,828        | 3,002        | 765           | 292           |
| Leave Encashment  | 5,395        | 4,707        | 725           | 643           |
|   | <u>9,223</u> | <u>7,708</u> | <u>1,490</u>  | <u>936</u>    |
| <b>Other provisions</b>   |              |              |               |               |
| Provision for Churn STBs  | -            | -            | 7,548         | 6,866         |
| Provision of Proposed Dividend (Incl Corporate Dividend tax) on 6 % Non Cumulative Redeemable Preference Shares | -            | -            | -             | 6             |
| Provision for Tax   | -            | -            | 19,347        | 5,052         |
|   | -            | -            | <u>26,894</u> | <u>11,925</u> |
|   | <u>9,223</u> | <u>7,708</u> | <u>28,384</u> | <u>12,861</u> |

**10. Short-term borrowings**

| Particulars                                 | 31-Mar-16     | 31-Mar-15     |
|---|---------------|---------------|
|   | (₹) 000s      | (₹) 000s      |
| <b>Other Loans and Advances (Unsecured)</b> |               |               |
| From a body corporate                       | 33,073        | 18,192        |
|   | <u>33,073</u> | <u>18,192</u> |

**11. Trade payables**

(refer Note -41)

| Particulars    | 31-Mar-16      | 31-Mar-15      |
|----------------|----------------|----------------|
|                | (₹) 000s       | (₹) 000s       |
| Trade payables | 453,056        | 498,956        |
|                | <u>453,056</u> | <u>498,956</u> |

**12. Other current liabilities**

| Particulars                                  | 31-Mar-16        | 31-Mar-15      |
|--|------------------|----------------|
|  | (₹) 000s         | (₹) 000s       |
| <b>Other liabilities</b>                     |                  |                |
| Unearned Income                              | 31,364           | 7,778          |
| <b>Others</b>                                |                  |                |
| Advances from customers                      | 33,530           | 14,934         |
| Interest free deposits from Customers        | 53,242           | 24,536         |
| Payable for Capital Goods                    | 841,917          | 507,932        |
| Payable for Contractual Liabilities          | 4,834            | 1,905          |
| Temporary Overdraft                          | 588,698          | 136,045        |
| Interest Accrued But Not Due ( Liabilities ) | 1,462            | 633            |
| Misc Sundry Liabilities                      | 577              | -              |
| Statutory Liabilities                        | 92,445           | 112,458        |
| Current Maturities of Long Term Liabilities  | 18,901           | 172,824        |
|  | <u>1,666,970</u> | <u>979,045</u> |



*Agarwal*

*S. K. Singh*

*M. S.*

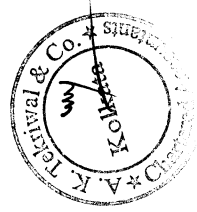
**INDIAN CABLE NET COMPANY LTD.**

Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March '16

**1.3. Fixed Assets**

| Particulars                              | Gross Block      |                            |                |          |                        |                  | Accumulated Depreciation |                                  |                        |                        | Net Block    |                  |                  |
|--|------------------|----------------------------|----------------|----------|------------------------|------------------|--------------------------|----------------------------------|------------------------|------------------------|--------------|------------------|------------------|
|  | Opening          | Additions on Consolidation | Addition       | Disposal | Other Adjustments +(-) | Closing          | Opening                  | Depreciation charge for the year | Other Adjustments +(-) | Other Adjustments +(-) | On disposals | Closing          | Closing          |
| <b>FY 2014-15</b>                        |                  |                            |                |          |                        |                  |                          |                                  |                        |                        |              |                  |                  |
| <b>Tangible Assets (Net Under Lease)</b> |                  |                            |                |          |                        |                  |                          |                                  |                        |                        |              |                  |                  |
| Buildings                                | 41,934           | -                          | 5,382          | -        | -                      | 47,316           | 1,636                    | 6,008                            | -                      | -                      | -            | 7,644            | 39,672           |
| Plant and Equipment                      | 454,368          | -                          | 74,063         | -        | -                      | 528,431          | 152,875                  | 106,712                          | -                      | -                      | -            | 259,587          | 268,845          |
| Furniture and Fixtures                   | 19,630           | -                          | 983            | -        | -                      | 20,614           | 3,721                    | 2,363                            | -                      | -                      | -            | 6,084            | 14,529           |
| Vehicles                                 | 5,836            | -                          | 2,299          | -        | -                      | 8,135            | 813                      | 834                              | -                      | 369                    | -            | 5,023            | 6,857            |
| Office Equipment                         | 8,670            | -                          | 987            | -        | 1,055                  | 8,602            | 2,832                    | 2,903                            | -                      | -                      | -            | 5,735            | 3,067            |
| Computer                                 | 98,049           | -                          | 43,203         | -        | -                      | 141,253          | 16,776                   | 16,247                           | -                      | -                      | -            | 81,273           | 106,229          |
| Set Top Box                              | 1,105,182        | -                          | 192,258        | -        | -                      | 1,297,440        | 269,672                  | 135,984                          | -                      | -                      | -            | 405,656          | 891,784          |
| <b>Total (I)</b>                         | <b>1,733,470</b> |                            | <b>319,176</b> |          | <b>1,055</b>           | <b>2,051,999</b> | <b>448,325</b>           | <b>271,051</b>                   |                        | <b>369</b>             |              | <b>719,007</b>   | <b>1,332,994</b> |
| <b>Tangible Assets (Under Lease)</b>     |                  |                            |                |          |                        |                  |                          |                                  |                        |                        |              |                  |                  |
| Leasehold Land                           | 8,919            | -                          | -              | -        | -                      | 8,919            | 895                      | 110                              | -                      | -                      | -            | 1,005            | 7,915            |
| Set Top Box under Lease                  | 142,304          | -                          | -              | -        | -                      | 142,304          | 19,955                   | 17,527                           | -                      | -                      | -            | 37,482           | 104,822          |
| <b>Total (II)</b>                        | <b>151,223</b>   |                            |                |          |                        | <b>151,223</b>   | <b>20,850</b>            | <b>17,637</b>                    |                        |                        |              | <b>38,487</b>    | <b>112,449</b>   |
| <b>Total (I+II)</b>                      | <b>1,884,693</b> |                            | <b>319,176</b> |          | <b>1,055</b>           | <b>2,203,224</b> | <b>469,175</b>           | <b>288,687</b>                   |                        | <b>369</b>             |              | <b>757,494</b>   | <b>1,445,443</b> |
| <b>Intangible Assets</b>                 |                  |                            |                |          |                        |                  |                          |                                  |                        |                        |              |                  |                  |
| Distribution Network Assets              | 1,537,083        | -                          | -              | -        | -                      | 1,537,083        | -                        | 153,708                          | -                      | -                      | -            | 153,708          | 1,383,375        |
| Goodwill on Acquisition                  | 421,329          | -                          | -              | -        | -                      | 421,329          | 36,122                   | 42,133                           | -                      | -                      | -            | 42,133           | 379,197          |
| VC Cards                                 | 115,554          | -                          | 20,596         | -        | -                      | 136,150          | 36,122                   | 33,009                           | -                      | -                      | -            | 36,130           | 97,023           |
| Softwares                                | 28,594           | -                          | 9,240          | -        | -                      | 37,834           | 6,501                    | 4,756                            | -                      | -                      | -            | 11,257           | 26,577           |
| <b>Total</b>                             | <b>2,122,561</b> |                            | <b>29,836</b>  |          |                        | <b>2,152,400</b> | <b>42,622</b>            | <b>223,606</b>                   |                        |                        |              | <b>266,229</b>   | <b>1,886,172</b> |
| <b>Capital Work In Progress</b>          |                  |                            |                |          |                        |                  |                          |                                  |                        |                        |              |                  |                  |
| Set Top Boxes & VCs                      | 336,948          | -                          | 33,429         | -        | 282,086                | 88,291           | -                        | -                                | -                      | -                      | -            | -                | 88,291           |
| Building under construction              | 210,656          | -                          | 278,841        | -        | -                      | 489,497          | -                        | -                                | -                      | -                      | -            | -                | 489,497          |
| <b>Total</b>                             | <b>547,604</b>   |                            | <b>312,270</b> |          | <b>282,086</b>         | <b>577,788</b>   |                          |                                  |                        |                        |              |                  | <b>577,788</b>   |
| <b>Ground Total</b>                      | <b>4,555,258</b> |                            | <b>661,285</b> |          | <b>283,141</b>         | <b>4,933,403</b> | <b>511,798</b>           | <b>512,293</b>                   |                        | <b>369</b>             |              | <b>1,023,722</b> | <b>3,909,681</b> |
| <b>FY 2015-16</b>                        |                  |                            |                |          |                        |                  |                          |                                  |                        |                        |              |                  |                  |
| <b>Tangible Assets (Net Under Lease)</b> |                  |                            |                |          |                        |                  |                          |                                  |                        |                        |              |                  |                  |
| Buildings                                | 47,316           | -                          | 38,131         | -        | -                      | 85,447           | 7,634                    | 7,107                            | -                      | -                      | -            | 14,751           | 70,696           |
| Plant and Equipment                      | 528,432          | 364,503                    | 153,503        | -        | -                      | 1,066,438        | 259,587                  | 57,787                           | 39,542                 | -                      | -            | 386,916          | 709,522          |
| Furniture and Fixtures                   | 70,614           | 3,646                      | 4,315          | -        | -                      | 78,574           | 6,084                    | 232                              | 232                    | -                      | -            | 8,670            | 19,504           |
| Vehicles                                 | 8,135            | 344                        | 5,379          | -        | -                      | 13,457           | 1,278                    | 185                              | 185                    | -                      | -            | 2,625            | 11,232           |
| Office Equipment                         | 8,802            | 2,848                      | 2,848          | -        | -                      | 11,650           | 5,735                    | 1,515                            | 200                    | -                      | -            | 7,349            | 4,401            |
| Computer                                 | 141,253          | 484                        | 190,792        | -        | -                      | 292,529          | 33,023                   | 21,099                           | 200                    | -                      | -            | 54,233           | 238,296          |
| Set Top Box                              | 1,297,440        | 277,475                    | 277,475        | -        | -                      | 1,574,915        | 405,656                  | 156,566                          | -                      | -                      | -            | 562,222          | 891,784          |
| <b>Total (I)</b>                         | <b>2,051,999</b> | <b>388,977</b>             | <b>632,442</b> |          |                        | <b>3,073,409</b> | <b>719,807</b>           | <b>247,480</b>                   | <b>40,179</b>          |                        |              | <b>1,086,665</b> | <b>2,066,744</b> |
| <b>Tangible Assets (Under Lease)</b>     |                  |                            |                |          |                        |                  |                          |                                  |                        |                        |              |                  |                  |
| Leasehold Land                           | 8,919            | -                          | -              | -        | -                      | 8,919            | 1,005                    | 110                              | -                      | -                      | -            | 1,114            | 7,915            |
| Set Top Box under Lease                  | 142,304          | -                          | -              | -        | -                      | 142,304          | 19,955                   | 17,527                           | -                      | -                      | -            | 37,482           | 104,822          |
| <b>Total (II)</b>                        | <b>151,223</b>   |                            |                |          |                        | <b>151,223</b>   | <b>20,887</b>            | <b>17,636</b>                    |                        |                        |              | <b>55,009</b>    | <b>87,295</b>    |
| <b>Total (I+II)</b>                      | <b>2,203,224</b> | <b>388,977</b>             | <b>632,442</b> |          |                        | <b>3,224,633</b> | <b>740,694</b>           | <b>265,116</b>                   | <b>40,179</b>          |                        |              | <b>1,062,789</b> | <b>2,161,844</b> |

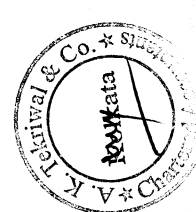
*Approved*  
*Asst. Manager*





13. Fixed Assets

| Particulars                 | Gross Block      |                         |                  |                        |                  | Accumulated Depreciation |                           |                                  |                        |             | Net Block        |                  |                  |
|-----------------------------|------------------|-------------------------|------------------|------------------------|------------------|--------------------------|---------------------------|----------------------------------|------------------------|-------------|------------------|------------------|------------------|
|                             | Operating        | Addition on Consolidate | Disposal         | Other Adjustments +(-) | Closing          | Operating                | Addition on Consolidation | Depreciation charge for the year | Other Adjustments +(-) | On Disposal | Closing          | Operating        | Closing          |
| <b>Intangible Assets</b>    |                  |                         |                  |                        |                  |                          |                           |                                  |                        |             |                  |                  |                  |
| Distribution Network Assets | 1,537,083        |                         |                  |                        | 1,537,083        | 1,537,083                |                           | 153,708                          |                        |             | 307,417          | 1,383,375        | 1,229,667        |
| Goodwill on Amalgamation    | 421,329          |                         |                  |                        | 421,329          | 421,329                  |                           | 42,133                           |                        |             | 84,266           | 379,197          | 337,064          |
| VC Cords                    | 156,154          | 30,105                  |                  |                        | 186,259          | 186,259                  | 59,130                    | 25,579                           |                        |             | 84,709           | 91,023           | 101,550          |
| Software                    | 37,834           | 41,967                  |                  |                        | 79,801           | 79,801                   | 11,257                    | 8,843                            |                        |             | 20,100           | 26,577           | 59,700           |
| <b>Total</b>                | <b>2,152,400</b> | <b>72,072</b>           |                  |                        | <b>2,224,472</b> | <b>2,66,229</b>          |                           | <b>230,263</b>                   |                        |             | <b>496,492</b>   | <b>1,866,172</b> | <b>1,727,980</b> |
| Capital Work In Progress    |                  |                         |                  |                        |                  |                          |                           |                                  |                        |             |                  |                  |                  |
| Set Top Boxes & VCs         | 88,291           | 17,723                  | 525,686          |                        | 440,324          |                          |                           |                                  |                        |             |                  | 88,291           | 440,324          |
| Building under construction | 489,497          | 453,059                 |                  |                        | 942,527          |                          |                           |                                  |                        |             |                  | 489,497          | 942,527          |
| <b>Total</b>                | <b>577,789</b>   | <b>17,723</b>           | <b>978,715</b>   |                        | <b>1,382,851</b> |                          |                           |                                  |                        |             |                  | <b>577,789</b>   | <b>1,382,851</b> |
| <b>Gross Total</b>          | <b>4,933,403</b> | <b>446,649</b>          | <b>1,683,229</b> |                        | <b>6,831,955</b> | <b>1,023,722</b>         | <b>40,179</b>             | <b>495,379</b>                   |                        |             | <b>1,539,281</b> | <b>3,909,680</b> | <b>5,272,676</b> |



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**INDIAN CABLE NET COMPANY LIMITED**

Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2016

**14. Loans and Advances (Refer Note - 41)**

| Particulars   | Non-current           |                       | Current               |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 31-Mar-16<br>(₹) 000s | 31-Mar-15<br>(₹) 000s | 31-Mar-16<br>(₹) 000s | 31-Mar-15<br>(₹) 000s |
| <b>a. Capital Advances</b>                              |                       |                       |                       |                       |
| Unsecured, considered good                              | -                     | 12,535                | -                     | -                     |
| <b>b. Security Deposits</b>                             |                       |                       |                       |                       |
| Secured, considered good                                | -                     | -                     | 79                    | -                     |
| Unsecured, considered good                              | 15,493                | 7,846                 | -                     | 50                    |
| <b>c. Loans and advances to related parties**</b>       |                       |                       |                       |                       |
| Unsecured, considered good                              | -                     | -                     | 104                   | -                     |
| Doubtful  | -                     | -                     | 93                    | 924                   |
| Less: Provision for doubtful loans and advances         | -                     | -                     | (93)                  | (924)                 |
| <b>d. Other loans and advances</b>                      |                       |                       |                       |                       |
| Unsecured, considered good                              | -                     | -                     | -                     | -                     |
| Prepaid Expenses  | -                     | -                     | 9,297                 | 4,477                 |
| Miscellaneous Expenditure to the extent not written off | -                     | -                     | -                     | -                     |
| Mat Credit Entitlement                                  | 62,205                | 42,820                | 2,987                 | -                     |
| Advance Income Tax (Net of Provisions)                  | 80,127                | 57,800                | 11,597                | -                     |
| <b>Balances with Statutory / Govt authorities-</b>      |                       |                       |                       |                       |
| - Income Tax Refundable                                 | 5,982                 | 16,225                | 2,010                 | -                     |
| - Amusement Tax Authority                               | 650                   | 650                   | -                     | -                     |
| - Service tax authority                                 | -                     | -                     | 117,133               | 54,886                |
| - Sales tax authority                                   | 11,436                | 7,601                 | -                     | -                     |
| - Others  | -                     | -                     | 50                    | -                     |
| Loan & Advance to Staff                                 | 766                   | 433                   | 3,163                 | 2,499                 |
| Advance to other  | -                     | 38,698                | 526                   | 300,000               |
| Advance to Suppliers                                    | 565                   | 3,774                 | 28,616                | 16,355                |
| Doubtful Advances to Suppliers                          | -                     | -                     | -                     | 735                   |
| Less: Provision for doubtful advances                   | -                     | -                     | -                     | (735)                 |
|   | <b>177,224</b>        | <b>188,383</b>        | <b>175,562</b>        | <b>378,267</b>        |

| Particulars  | 31-Mar-16<br>(₹) 000s | 31-Mar-15<br>(₹) 000s |
|--|-----------------------|-----------------------|
| <b>Loan and advances to related parties include</b>      |                       |                       |
| ** Private Company in which director/s is/are a member/s |                       |                       |
| Siti Singhbhum Cable Network Co P.Ltd                    | 93                    | 76                    |
| Siti Royal Heritage Cable Net Co. Private Limited        | -                     | 848                   |
| <b>Total</b>   | <b>93</b>             | <b>924</b>            |

**15. Other Assets**

| Particulars                   | Non-current           |                       | Current               |                       |
|-------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                               | 31-Mar-16<br>(₹) 000s | 31-Mar-15<br>(₹) 000s | 31-Mar-16<br>(₹) 000s | 31-Mar-15<br>(₹) 000s |
| Income Accrued but not billed | -                     | -                     | -                     | 9,323                 |
| Non - Current Bank Balances   | 21,193                | 891                   | -                     | -                     |
|                               | <b>21,193</b>         | <b>891</b>            | <b>-</b>              | <b>9,323</b>          |
|                               | <b>21,193</b>         | <b>891</b>            | <b>-</b>              | <b>9,323</b>          |

**16. Inventories (valued at lower of cost and net realizable value)**

| Particulars                    | 31-Mar-16     | 31-Mar-15     |
|--------------------------------|---------------|---------------|
|                                | (₹) 000s      | (₹) 000s      |
| Traded goods - Broadband Items | -             | 1,140         |
| Stores and spares              | 47,855        | 35,600        |
|                                | <b>47,855</b> | <b>36,740</b> |



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**INDIAN CABLE NET COMPANY LIMITED**

Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2016

**17. Trade receivables**

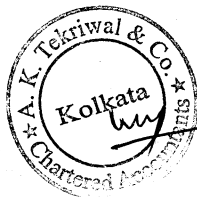
(refer Note No. 41)

| Particulars  | 31-Mar-16      | 31-Mar-15      |
|--|----------------|----------------|
|  | (₹) 000s       | (₹) 000s       |
| Trade receivables outstanding for a period exceeding six months from the date they are due for payment |                |                |
| Secured, considered good   |                |                |
| Unsecured, considered good   | 107,623        | 101,855        |
| Unsecured, considered doubtful   | 222,446        | 179,589        |
| Less: Provision for doubtful debts   | (222,446)      | (179,589)      |
|  | <u>107,623</u> | <u>101,855</u> |
| Other Receivables  |                |                |
| Secured, considered good   |                |                |
| Unsecured, considered good   | 684,632        | 588,798        |
| Unsecured, considered doubtful   | 4,901          | 5,398          |
| Less: Provision for doubtful debts   | (4,901)        | (5,398)        |
|  | <u>684,632</u> | <u>588,798</u> |
|  | <u>792,254</u> | <u>690,653</u> |

| Particulars   | 31-Mar-16      | 31-Mar-15     |
|---|----------------|---------------|
|   | (₹) 000s       | (₹) 000s      |
| <b>Due from Private Company in which director/s is/are a member/s</b> |                |               |
| Siti Darshan Cable Net Co. Private Limited                            | 13,631         | 14,593        |
| Smart Vinimay Private Limited   | 1,364          | 417           |
| Siti Royal Heritage Cable Net Co. Private Limited                     | 3,699          | 2,749         |
| Siti Vision Digital Media Private Limited                             | 1,906          | -             |
| <b>Total</b>  | <u>169,584</u> | <u>67,530</u> |

**18. Cash and bank balances**

| Particulars  | Non-current   |            | Current        |                |
|--|---------------|------------|----------------|----------------|
|  | 31-Mar-16     | 31-Mar-15  | 31-Mar-16      | 31-Mar-15      |
|  | (₹) 000s      | (₹) 000s   | (₹) 000s       | (₹) 000s       |
| <b>Cash and cash equivalents</b>   |               |            |                |                |
| <b>Balances with banks:</b>  |               |            |                |                |
| - On current accounts  | -             | -          | 42,782         | 27,533         |
| - Deposits with original maturity of less than three months                      | -             | -          | 4,991          | 18,037         |
| <b>Cheques/ drafts on hand</b>   | -             | -          | 572,388        | 170,137        |
| <b>Cash on hand</b>  | -             | -          | 13,141         | 4,420          |
|  | -             | -          | <u>633,301</u> | <u>220,127</u> |
| <b>Other bank balances</b>   |               |            |                |                |
| - Deposits with original maturity for more than 12 months                        | -             | -          | -              | -              |
| - Deposits with original maturity for more than 3 months but less than 12 months | -             | -          | 48,356         | 38,483         |
| - Deposits with original maturity for more than 12 months                        | 18,000        | -          | -              | -              |
| - Cash seized by Income Tax Department   | 2,350         | -          | -              | -              |
| - Margin money deposit (pledge against bank guarantees)                          | 843           | 891        | -              | -              |
|  | <u>21,193</u> | <u>891</u> | <u>48,356</u>  | <u>38,483</u>  |
| <b>Amount disclosed under non-current assets</b>                                 | (21,193)      | (891)      | -              | -              |
|  | -             | -          | <u>681,657</u> | <u>258,610</u> |



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**INDIAN CABLE NET COMPANY LIMITED**

Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2016

**19. Revenue from operations**

| Particulars                               | FY 2015-16 | FY 2014-15 |
|---|------------|------------|
|   | (₹) 000s   | (₹) 000s   |
| <b>Revenue from operations</b>            |            |            |
| <b>Sale of products (net of returns)</b>  |            |            |
| STBs and Others                           | 91,270     | 17,091     |
|   | 91,270     | 17,091     |
| <b>Sale of services</b>                   |            |            |
| Subscription Income                       | 1,539,427  | 1,571,432  |
| Income from Internet Services             | -          | 1,628      |
| Activation Charges                        | 355,477    | 110,233    |
| Carriage Income                           | 774,432    | 781,788    |
|   | 2,669,336  | 2,465,081  |
| <b>Other operating revenue</b>            |            |            |
| Income from Leasing & Network Maintenance | 23,391     | 23,595     |
| Other Networking Income                   | 122,280    | 90,983     |
| Advertisement Income                      | 119,966    | 33,505     |
| Miscellaneous Income                      | 25,313     | 15,229     |
|   | 290,950    | 163,311    |
|   | 3,051,556  | 2,645,484  |

**20. Other Income**

| Particulars                          | FY 2015-16 | FY 2014-15 |
|--------------------------------------|------------|------------|
|                                      | (₹) 000s   | (₹) 000s   |
| <b>Interest on</b>                   |            |            |
| Bank deposits                        | 4,783      | 3,524      |
| Income Tax Refund                    | 1,276      | 2,719      |
| Interest on Other                    | 2          | -          |
| Provisions no longer required w/back | 735        | -          |
| Liabilities Written back (Nec)       | 27,237     | 45,171     |
| Business Support Income              | 7,126      | 59,657     |
| Realisation of Scrap Sales           | 741        | -          |
| Miscellaneous Income                 | 707        | 2,739      |
|                                      | 42,608     | 113,810    |

**21. Purchase of Traded Goods**

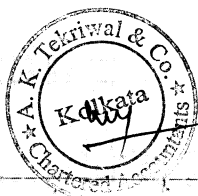
| Particulars    | FY 2015-16 | FY 2014-15 |
|----------------|------------|------------|
|                | (₹) 000s   | (₹) 000s   |
| STBs and Other | 69,340     | 15,432     |
|                | 69,340     | 15,432     |

**22. (Increase)/ decrease in Inventories**

|   | FY 2015-16 | FY 2014-15 |
|---|------------|------------|
|   | (₹) 000s   | (₹) 000s   |
| Inventories at the beginning of the year - Traded goods | 1,140      | 1,195      |
| Inventories at the end of the year - Traded goods       | 366        | 1,140      |
| (Increase)/decrease                                     | 774        | 58         |

**23. Operating Expenses**

| Particulars                          | FY 2015-16 | FY 2014-15 |
|--------------------------------------|------------|------------|
|                                      | (₹) 000s   | (₹) 000s   |
| Management Charges                   | 180,875    | 10,000     |
| Pay channel Expenses                 | 775,971    | 781,339    |
| Carriage Sharing Charges             | 28,398     | 2,837      |
| Lease Rental & Right to Usage Charge | 61,976     | 81,071     |
| Bandwidth Cost                       | 16,556     | 14,256     |
| Program Production Expenses          | 16,051     | 8,625      |
| Other Operational Expenses           | 1,062      | 3,811      |
| Commission Charges and Incentives    | 575,201    | 607,220    |
|                                      | 1,656,891  | 1,529,157  |



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**INDIAN CABLE NET COMPANY LIMITED**

Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2016

**24. Employee benefits expenses**

| Particulars                     | FY 2015-16     | FY 2014-15     |
|---------------------------------|----------------|----------------|
|                                 | (₹) 000s       | (₹) 000s       |
| (a) Salaries and Incentives     | 86,490         | 86,273         |
| (b) Contributions to -          |                |                |
| (i) Provident fund              | 4,606          | 4,561          |
| (ii) ESI fund                   | 668            | 800            |
| (iii) LWF fund                  | 3              | 3              |
| (c) Gratuity fund contributions | 1,818          | 4,616          |
| (d) Staff welfare expenses      | 9,396          | 11,111         |
|                                 | <b>102,981</b> | <b>107,363</b> |

**25. Finance costs**

| Particulars                                | FY 2015-16    | FY 2014-15   |
|--|---------------|--------------|
|  | (₹) 000s      | (₹) 000s     |
| Interest on late payment of Statutory Dues | 6,661         | 4,343        |
| Interest- Others                           | 5,178         | 1,139        |
| Other Borrowing Cost & Bank Charges        | 5,536         | 4,037        |
|  | <b>17,374</b> | <b>9,520</b> |

**26. Depreciation and amortization expense**

| Particulars   | FY 2015-16     | FY 2014-15     |
|---|----------------|----------------|
|   | (₹) 000s       | (₹) 000s       |
| Depreciation of tangible assets (Refer Note No. - 13)   | 265,116        | 250,913        |
| Amortization of Intangible assets (Refer Note No. - 13) | 230,263        | 221,965        |
|   | <b>495,379</b> | <b>472,878</b> |

**27. Other expenses**

| Particulars  | FY 2015-16     | FY 2014-15     |
|--|----------------|----------------|
|  | (₹) 000s       | (₹) 000s       |
| Rent   | 17,793         | 16,109         |
| Rates and Taxes                                    | 4,929          | 2,546          |
| Communication Expenses                             | 7,797          | 4,854          |
| Repairs and Maintenance                            |                |                |
| - Plant & Machinery                                | 25,810         | 30,359         |
| - Building   | -              | -              |
| - Others   | 64,585         | 7,743          |
| Electricity Expenses & Water Charges               | 15,635         | 17,589         |
| Payment to Auditors                                | 125            | 44             |
| Legal, Professional and Consultancy Charges        | 32,910         | 25,482         |
| Printing and Stationeries                          | 2,192          | 2,459          |
| Service Charges                                    | 56,989         | 43,929         |
| Travelling and Conveyance Expenses                 | 19,933         | 15,167         |
| Foreign Exchange Fluctuation loss (net)            | 9,329          | 9,640          |
| Vehicle Expenses                                   | 13,606         | 15,584         |
| Insurance expenses                                 | 214            | 189            |
| Miscellaneous Expenses                             | 12,312         | 9,358          |
| Loss on Sale / Discard / Write off of Assets (net) | 458            | 9,507          |
| Bad Debts Written Off                              | 36,506         | -              |
| Provision for Churn STBs                           | 681            | 740            |
| Preliminary expenses written off                   | 40             | -              |
| Advertisement and Publicity Expenses               | 4,274          | 2,932          |
| Rebate and Discount                                | 138,356        | -              |
| Bank charges                                       | 1,867          | 571            |
| Provision for Doubtful Advances                    | 119            | 106,649        |
| Provision for Doubtful Debts                       | 50,280         | 924            |
| Business and Sales Promotion                       | 6,867          | 15,214         |
|  | <b>823,608</b> | <b>837,588</b> |



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**INDIAN CABLE NET COMPANY LIMITED**

**Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2016**

**28. Contingent liabilities and commitments (to the extent not provided for)**

| Particulars  | As at 30 March | As at 31 March |
|--|----------------|----------------|
|  | 2016           | 2015           |
|  | (₹) 000s       | (₹) 000s       |
| <b>(i) Contingent Liabilities</b>  |                |                |
| (a) Claims against the company not acknowledged as debt #  |                |                |
| (b) Guarantees ##  | 41,512         | 68,658         |
| (c) Other money for which the company is contingently liable                                       | 666            | 666            |
|  | 42,179         | 71,814         |
| <b>(ii) Commitments</b>  |                |                |
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for |                |                |
|  | 103,784        | 381,691        |
|  | 103,784        | 381,691        |
|  | <b>145,963</b> | <b>453,505</b> |

# Include ₹5,483 (PY ₹ 6132) thousand towards amusement tax demand against the holding company for financial year 2007-08 to 2009-10. The holding company has filed appeal with Commissioner of Agricultural Income Tax, West Bengal. These demands are raised for the difference in amount which is 5% on amount billed by the holding company on cable operator towards monthly subscription during a financial year and amount of collection received in respect of the same during the said period.

# Include ₹NIL (PY ₹41700) thousand towards demand against the holding company for the financial year 2011-12 arising from the order of Sr. Joint Commissioner, Commercial Taxes, West Bengal passed in the course of special audit conducted in respect of F.Y. 2011-12. The holding company has filed appeal with the additional commissioner of sales tax.

# Including ₹ 9085 (PY ₹ 9085) thousand towards Service Tax demand on holding company relating to the F.Y.2006-07 to 2011-12. The said demand has been raised in respect of rental of set top boxes and reversal of service tax on adjustment of dishonored cheques. For ₹ 8920 thousands company has preferred appeal with Commissioner of Service Tax (A), and for ₹.165 thousands reply for showcase has been filed with Additional Commissioner of Service Tax. The holding company has been advised that no service tax is leviable on afforsaid transactions.

# Including ₹ 3600 (PY ₹NIL) thousand towards interest & penalty demand against late payment of amusement tax on holding company during FY 2013-14. Total demand against Interest & Penalty is of ₹4357 & ₹3600 respectively. Provision taken in books amounting to ₹. 4357 thousand against interest.

# Includes ₹629 (PY NIL) thousand against a money suit on holding company filed by M/s Ten Dot Net Cable Pvt. Ltd. for recovery of alleged dues against a work contract allegedly done for the company.

# Includes ₹ 2632 (PY ₹ NIL) on holding company on account of demand received from District Magistrate Noida for Entertainment Tax on activation / installation charges of STB's in UP

# Includes ₹ 20084 ( PY ₹11741) thousand on account of entry tax on holding company on import of STB and other networking materials into west bengal. The west Bengal government levied entry tax vide 'West Bengal Tax on entry of goods into local areas Act 2012'. The operation of the Act was w.e.f. 1st Apr-2012. The validity of the this levy has been challenged by the company in the Honorable Calcutta High Court by a writ petition, on the belief that the levy is unconstitutional and is thus unsustainable. The company is hopeful of getting a favourable order.

## For counter bank guarantees in respect of outstanding bank guarantees & FD pledged ₹ 666 thousands (PY ₹ 666 thousands) of holding company.

In addition, the company is subject to legal proceeding and claims, which have arisen in the ordinary course of business. The company's management does not reasonably expect that there legal action, when ultimately concluded and determined, will have a material and adverse effect on the company's result of operation or financial conditions.



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**INDIAN CABLE NET COMPANY LIMITED**

**Notes to Consolidated financial statements for the year ended 31st March 2016**

29 During the year, the Digital Addressable System ("DAS") has become operational in phase-3 notified areas in terms of mandate of Government Of India (GOI) w.e.f. 1st Jan 2016 During the year, the holding company has earned ₹ 157211 thousand from activation of digital cable TV service in DAS-3. However, the subscription billing in the DAS-3 area continues to be on Analogue basis in the transitional period.

30 The group has not received intimation from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosures relating to amount unpaid as on 31st Mar 2016 together with interest paid or payable under this Act have not been given.

31 Value of Imports calculated on CIF basis

| Particulars   | 31-Mar-16        | 31-Mar-15     |
|---------------|------------------|---------------|
|               | (₹) 000s         | (₹) 000s      |
| Consumables   | 6,261            | 2,976         |
| Capital Goods | 1,275,642        | 54,657        |
|               | <b>1,281,903</b> | <b>57,633</b> |

| Particulars                | 31-Mar-16     | 31-Mar-15    |
|----------------------------|---------------|--------------|
|                            | (₹) 000s      | (₹) 000s     |
| Interest                   | 1,440         | 633          |
| Annual Maintenance Charges | 8,550         | 4,976        |
| Licence Fees               | 586           | 645          |
| Travelling & Conveyance    | 47            | 228          |
|                            | <b>10,624</b> | <b>6,482</b> |

33 At the year end, unhedged foreign currency exposures are as follows:

| Particulars                   | As on 31/03/2016 (In ₹000s) |                     | As on 31/3/2015 (In ₹000s) |                     |
|-------------------------------|-----------------------------|---------------------|----------------------------|---------------------|
|                               | In ₹ 000                    | In Foreign Currency | In ₹ 000                   | In Foreign Currency |
|                               | Advance to Vendor (in USD)  | 19,133              | 289                        | 3,686               |
| Advance to Employees (in USD) |                             |                     | 101                        | 10                  |
| Advance to Employees (in Yen) |                             |                     |                            |                     |
| Buyer's Credit (in USD)       | 642,574                     | 9,699               | 212,033                    | 3,383               |
| Payable to Vendor (in USD)    | 251,367                     | 3,794               |                            |                     |

34 Earning Per Share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

|   | 31-Mar-16        | 31-Mar-15        |
|---|------------------|------------------|
|   | (₹) 000s         | (₹) 000s         |
| <b>Total operations for the year before prior period</b>                  |                  |                  |
| Profit/(loss) after tax after prior period items                          | 151,414          | 146,436          |
| Add/(less): Prior Period Items  |                  |                  |
| <b>Net profit/(loss) before prior period for calculation of basic EPS</b> | <b>151,414</b>   | <b>146,436</b>   |
| Net profit before prior period items as above                             | 151,414          | 146,436          |
| <b>Net profit/(loss) for calculation of diluted EPS</b>                   | <b>151,414</b>   | <b>146,436</b>   |
| <b>Total operations for the year after prior period</b>                   |                  |                  |
| Profit/(loss) after tax after prior period items                          | 151,414          | 146,436          |
| <b>Net profit for calculation of basic EPS</b>                            | <b>151,414</b>   | <b>146,436</b>   |
| Net profit as above after prior period items                              | 151,414          | 146,436          |
| <b>Net profit/(loss) for calculation of diluted EPS</b>                   | <b>151,414</b>   | <b>146,436</b>   |
|   | <b>No.(000s)</b> | <b>No.(000s)</b> |
| Weighted average number of equity shares in calculating basic EPS         | 86,401           | 14,482           |
| Weighted average number of eq. shares in calculating diluted EPS          | 86,401           | 14,482           |

Earnings Per Share in INR (Nominal Value per equity shares ₹ 10/-)

**Before Prior Period Items**

|                           |      |       |
|---------------------------|------|-------|
| Basic Earning Per Share   | 1.75 | 10.11 |
| Diluted Earning Per Share | 1.75 | 10.11 |

**After Prior Period Items**

|                           |      |       |
|---------------------------|------|-------|
| Basic Earning Per Share   | 1.75 | 10.11 |
| Diluted Earning Per Share | 1.75 | 10.11 |



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35 (i) The detail of employee benefit for the period in respect of gratuity which is funded defined benefit plan is as under:

a. Component of employer expense

| PARTICULARS                                       | (₹) 000s            | (₹) 000s              |
|---|---------------------|-----------------------|
|   | As on 31st Mar 2016 | As on 31st March 2015 |
| Current Service Cost                              | 1,717               | 1,488                 |
| Interest on defined benefit obligation            | 631                 | 405                   |
| Expected Return on plan assets                    | (417)               | (257)                 |
| Net Accrual losses/(gains) recognized in the year | 277                 | 961                   |
| Past Service Cost                                 | -                   | -                     |
| Total Included in employer benefit                | 2,208               | 2,597                 |
| Actual Return on plan assets                      | 417                 | 257                   |

b. Net Asset / (Liability) recognized in the balance sheet as at 31st March 2016

| PARTICULARS                        | (₹) 000s            | (₹) 000s              |
|------------------------------------|---------------------|-----------------------|
|                                    | As on 31st Mar 2016 | As on 31st March 2015 |
| Present Value of Funded Obligation | 10,138              | 7,889                 |
| Fair Value of Plan Assets          | 5,545               | 4,595                 |
| Net Liability                      | 4,593               | 3,294                 |
| Amount in Balance Sheet            |                     |                       |
| Liability                          | 4,593               | 3,294                 |
| Assets                             |                     |                       |
| Net Liability                      | 4,593               | 3,294                 |

c. Reconciliation of Benefit Obligation & Plan Assets for the Period ended:

| PARTICULARS                              | (₹) 000s              | (₹) 000s              |
|--|-----------------------|-----------------------|
|  | As on 31st March 2016 | As on 31st March 2015 |
| Change in Defined Benefit Obligation     |                       |                       |
| Opening Defined Benefit Obligation       | 7,791                 | 5,033                 |
| Current Service Cost                     | 1,717                 | 1,488                 |
| Interest Cost                            | 631                   | 405                   |
| Actuarial Losses / (Gain)                | (63)                  | 955                   |
| Past Service Cost                        | -                     | -                     |
| Benefits Paid                            | (30)                  | (22)                  |
| Closing Defined Benefit Obligation       | 10,045                | 7,858                 |
| Change in Fair Value of Assets           |                       |                       |
| Opening Fair Value of Plan Assets        | 4,595                 | 3,463                 |
| Fund converted old scheme                | 282                   | -                     |
| Expected Return on Plan Assets           | 417                   | 257                   |
| Actuarial Gain / (Losses)                | (351)                 | 6                     |
| Contribution by Employer                 | 628                   | 897                   |
| Benefits Paid                            | (30)                  | (22)                  |
| Closing Fair Value on Plan Assets        | 5,539                 | 4,601                 |
| Expected Employer Contribution Next Year | 700                   | 900                   |

(ii) The Defined Benefit Obligation of compensated absence in respect of Privilege Leave is ₹5,272 thousand (P.Y ₹3,556 thousand).

(iii) Actuarial Assumptions

| Category of Assets                | As on 31st March 2016 | As on 31st March 2015 |
|-----------------------------------|-----------------------|-----------------------|
| Discount Rate (p.a.)              | 8.00%                 | 8.00%                 |
| Expected rate of return on Assets | 0% - 8%               | 0% - 8.75%            |
| Salary Escalation Rate (p.a.)     | 5% - 8%               | 5% - 8%               |

- Discount Rate is based on the prevailing market yield of Indian Government Securities' as the balance sheet as date for expected term of obligation.
- Expected rate of return on plan assets is based on our expectation of the average long term rate of return expected on investment of the fund during the estimated term of obligations.
- Salary Escalation rate is based on estimates of future salary increases taking into consideration of inflation, seniority, promotion and other relevant factors.



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36 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 Holding Company's income from cable TV services. The Holding 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 Holding Company in the books of accounts

37 Payment to Auditors (accrued) (Excluding Service Tax)

(₹) '000

| PARTICULARS     | As on 31st March 2015 | As on 31st March 2014 |
|-----------------|-----------------------|-----------------------|
| Audit Fees      | 570                   | 441                   |
| Tax Audit Fees  | 133                   | 107                   |
| Taxation Matter | 348                   | 444                   |
| Other Services  | 262                   | 155                   |
| Reimbursements  | 20                    | 6                     |
|                 | 1,333                 | 1,152                 |

38 There is no amount due to any Small Scale Industrial Undertakings as at March 31, 2016

39 In compliance with Accounting Standard 21 "Consolidated Financial Statements" referred to in Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, the parent company has prepared the accompanying consolidated financial statements, which includes the financial statement of the parent company and its subsidiaries listed below:

| Name of the Subsidiaries              | Country of Incorporation | Percentage of Ownership |
|---------------------------------------|--------------------------|-------------------------|
| Siti Maurya Cable Net Pvt. Ltd.       | India                    | 50.10%                  |
| Indinet Service Pvt. Ltd.             | India                    | 100.00%                 |
| Axom Communications & Cable Pvt. Ltd. | India                    | 50.00%                  |

40 The Group has been using SMS software (ZT system) provided by Siti Cable Network Limited (SCNL). No provision for expenses has been made in the books for the said services received from SCNL since the Group does not foresee any liability in this regard.

41 Balances of Loans & Advances, Trade Receivables, Trade Payables, and other assets & liabilities are subject to confirmation.

42 The Holding Company has constituted Corporate Social Responsibility (CSR) Committee to prescribe CSR policies and its implementation as per the section 135 of Companies Act, 2013. The CSR policy has been approved by the Committee and the Board of Directors and the same is already uploaded in the Company's website. The total amount to be spent under the CSR for the F.Y. 2015-16 is to the extent of ₹ 3831 thousand (previous year ₹ 2325 thousand). However, the company have spent ₹ 200 thousand.

43 In the opinion of the Board of Directors the current assets, loans and advances shown in the Balance Sheet as on 31st Mar' 2016 are considered good and fully recoverable, except otherwise stated and provision for all known liabilities has been made in the accounts.

44 In respect of Axom Communication & Cable Pvt. Ltd. a search proceedings was conducted on 09/06/2015 at companies regd. office by the Income Tax Dept. Guwahati and an amount of Rs. 2350 thousand was seized which has been shown under "Other Non Current Assets". In the opinion of the management, Axom does not foresee any tax liability on this account neither has any demand been raised by the department in this regard.

45 During the Year 2013-14, Siti Maurya Cable Net Pvt. Ltd. had entered into an understanding with Sin Broadband Services Private Limited ("SBSPL"). Under the understanding, the company is providing the broadband services / internet services to the subscribers through SBSPL. All the revenue and expenses w.r.t. internet services are collected/incurred by SBSPL itself. It has been mutually agreed that a portion of income from internet services (net of expenses) would be paid to the company. The recognition of the income from internet services is pending as on 31st March 2016 for reason that some of terms and conditions of an agreement is still under negotiation and the same has not been executed as yet. If the desired agreement would have been executed, the economic benefit thereof would have flown to the company. Pending execution of the agreement the company has not been able to realise any economic benefit. However, the Management of the view that the necessary agreement for internet services shall be completed in the current year 2016 - 17 and the company shall be able to realise the financial benefits to which it is entitled to.

46 In terms of the order dated 28th April 2015 of TDSAT in Appeal Nos. 1(C) of 2014, 2(C) of 2014, 3(C) of 2014, 4(C) of 2014, 5(C) of 2014 and 6(C) of 2014 have passed order to set aside the amendments in the 'Principal Tariff Order'. The Supreme Court also upheld the judgment passed by the TDSAT on the amendments to 'Principal Tariff Order' by order dated 4th August 2015. With reference to the said order the Holding Company has reduced content cost by an amount of Rs. 4.96 Crores on cost payable to STAR INDIA PVT. LTD. & TAJ TELEVISION INDIA PVT. LTD. The amount has been credited to pay channel expenses under Schedule No. 24 "Operating Expenses" of Notes to Accounts.



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47 Related Party Disclosure

List of parties where control Exists

a. Holding Company

. Siti Cable Network Limited

b. Fellow Subsidiary Companies

. Siticable Broadband South Limited

. Central Bombay Cable Network Limited

. Wire & Wireless Tisai Satellite Pvt Ltd

. Master Channel Community Network Pvt. Ltd

. Siti Jai Maa Durgee Communications Pvt. Ltd

. Siti Bhatia Network Entertainment P.Ltd.

. Siti Krishna Digital Media Pvt. Ltd.

. Siti Jony Digital Cable Network Pvt. Ltd.

. Siti Guntur Digital Network Pvt. Ltd.

. Siti Faction Digital Pvt.Ltd.

. Siti Jind Digital Media Communications Pvt. Ltd

. Siti Global Pvt. Ltd.

. Siti Broadband Services Pvt. Ltd.

. Siti Kranal Digital Media Network Pvt. Ltd.

. Siti Digital Network Pvt. Ltd.

. Siti Chhattisgarh Multimedia Pvt. Ltd.

. Siti Vision Digital Media Private Limited

c. Entities with Common Control

. Siti Darshan Cable Net Co. Private Limited

. Siti Royal Heritage Cable Net Co. Private Limited

. Siti Singbhum Cable Net Company Pvt. Ltd.

d. Entities with Significant Influence

. Calcutta Communication LLP

. Purvi Communications LLP

. Maurya Diginet Pvt. Ltd.

e. Entities in which Directors Interested

. Smart Vinimay Private Limited

. Statt Solution Private Limited

. Gurukripa Comlink Private Limited

. Haridwar Traders Private Limited

. Maxpro Tracon Private Limited

. Maa Laxmi Network

. Global Cable Network

. IT Agency

. Rai Cable Network

. Raja Cable

. Puja Cable

. Nice Network

. Maa Vaishnav Setdite Vision

. Maa Vaishnav Vision

. Shiva Vision

. Purvanchal Communication Pvt. Ltd

. AM Televisions Pvt. Ltd.

. Bhavyadev Hotels Pvt Ltd

g. Key Managerial Personnel

. Mr. Soumen Roy Choudhury

. Mr. Laxman Singh Khaira

Manager

Company Secretary



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Transactions with related parties.

| Particulars   | ₹ 000s                     |             | ₹ 000s                              |          | ₹ 000s                                 |          |
|---|----------------------------|-------------|-------------------------------------|----------|--|----------|
|   | Siti Cable Network Limited |             | Siti Darshan Cable Net Co. (P) Ltd. |          | Siti Royal Heritage Cable Net (P) Ltd. |          |
|   | FY 15-16                   | FY 14-15    | FY 15-16                            | FY 14-15 | FY 15-16                               | FY 14-15 |
| Expense paid by   | (3,982)                    | 8,605       | (4)                                 | 32       |  |          |
| Expenses paid on behalf of                              | 296                        | -           | 5,560                               | (4,770)  | 102                                    | (525)    |
| Payment for purchase of material and services           | 404,416                    | (19,195)    |                                     |          |  |          |
| Purchase of material & Services                         | (311,750)                  | 72,031      |                                     |          |  |          |
| Expenses Reimbursed to                                  | -                          |             |                                     |          |  |          |
| Sales of service and materials                          | 103,134                    | (161,012)   | 36,469                              | (36,152) |  | (1,069)  |
| Expenses Reimbursed by                                  | (221)                      | 2,850       | (5,556)                             | 5,073    |  | 121      |
| Equity Contribution                                     | -                          | (750,000)   |                                     |          |  |          |
| Payment received for sales of services/other recoveries | (103,134)                  | 153,470     | (37,431)                            | 29,664   |  | 1,135    |
| Advances refunded to/ given                             |                            |             |                                     |          |  |          |
| Liabilities Taken over by                               | -                          | 223,465     |                                     |          |  |          |
| Assets Taken over by                                    | -                          | (43,430)    |                                     |          |  |          |
| Outstanding at the end of year                          | (1,024,886)                | (1,113,646) | 13,631                              | 14,593   | 3,699                                  | 3,597    |

Transactions with related parties.

| Particulars   | ₹ 000s                     |          | ₹ 000s                   |          | ₹ 000s                            |          |
|---|----------------------------|----------|--------------------------|----------|-----------------------------------|----------|
|   | Calcutta Communication LLP |          | Purvi Communications LLP |          | Siti Vision Digital Media Pvt Ltd |          |
|   | FY 15-16                   | FY 14-15 | FY 15-16                 | FY 14-15 | FY 15-16                          | FY 14-15 |
| Expense paid by   |                            |          |                          |          |                                   |          |
| Expenses paid on behalf of                              |                            |          |                          |          |                                   |          |
| Payment for purchase of material and services           |                            |          | 178                      |          |                                   |          |
| Purchase of material & Services                         |                            |          |                          |          |                                   |          |
| Equity Acquisition                                      |                            |          |                          |          |                                   |          |
| Expenses Reimbursed to                                  |                            |          |                          |          |                                   |          |
| Sales of service and materials                          |                            |          |                          |          | 1,986                             |          |
| Expenses Reimbursed by                                  |                            |          |                          |          |                                   |          |
| Payment received for sales of services/other recoveries |                            |          | (178)                    |          |                                   |          |
| Equity Contribution in Cash                             |                            |          |                          |          |                                   |          |
| Advances refunded to/ given                             |                            |          |                          |          |                                   |          |
| Assets Taken over by                                    |                            | (295)    |                          | (40)     |                                   |          |
| Outstanding at the end of year                          | (295)                      | (295)    | (40)                     | (40)     | 1,986                             |          |



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Transactions with related parties. (₹) 000s (₹) 000s (₹) 000s

| Particulars   | Smart Vinlmay Private limited |          | Siti Singhbhum Cable Net Co. (P) Ltd. |          | Statt Solution Pvt Ltd |          |
|---|-------------------------------|----------|---------------------------------------|----------|------------------------|----------|
|   | FY 15-16                      | FY 14-15 | FY 15-16                              | FY 14-15 | FY 15-16               | FY 14-15 |
| Expense paid by   |                               |          |                                       |          |                        |          |
| Expenses paid on behalf of                              |                               |          | 17                                    | (26)     |                        |          |
| Payment for purchase of material and services           | 227                           | (103)    |                                       |          | (184)                  |          |
| Purchase of material & Services                         | (1,975)                       | 282      |                                       |          | 184                    |          |
| Equity Acquisition                                      |                               |          |                                       |          |                        |          |
| Expenses Reimbursed to                                  |                               |          |                                       |          |                        |          |
| Sales of service and materials                          | 4,500                         | (638)    |                                       |          |                        |          |
| Expenses Reimbursed by                                  |                               |          |                                       |          |                        |          |
| Payment received for sales of services/other recoveries | (1,806)                       | 63       |                                       |          |                        |          |
| Equity Contribution in Cash                             |                               |          |                                       |          |                        |          |
| Advances refuned to/ given                              |                               |          |                                       |          |                        |          |
| Assets Taken over by                                    |                               |          |                                       |          |                        |          |
| Advance Refund to/given                                 |                               |          |                                       |          |                        |          |
| Outstanding at the end of year                          | 1,340                         | 395      | 93                                    | 76       |                        |          |

Transactions with related parties.

(₹) 000s (₹) 000s (₹) 000s

| Particulars   | Gurukripa Comlink Pvt Ltd |          | Haridwar Traders Pvt Ltd |          | Maxpro Tracon Pvt Ltd |          |
|---|---------------------------|----------|--------------------------|----------|-----------------------|----------|
|   | FY 15-16                  | FY 14-15 | FY 15-16                 | FY 14-15 | FY 15-16              | FY 14-15 |
| Expense paid by   |                           |          |                          |          |                       |          |
| Expenses paid on behalf of                              |                           |          |                          |          |                       |          |
| Payment for purchase of material and services           | (172)                     |          |                          |          |                       |          |
| Purchase of material & Services                         | 172                       |          |                          |          |                       |          |
| Equity Acquisition                                      |                           |          |                          |          |                       |          |
| Expenses Reimbursed to                                  |                           |          |                          |          |                       |          |
| Sales of service and materials                          |                           |          |                          |          |                       |          |
| Expenses Reimbursed by                                  |                           |          |                          |          |                       |          |
| Payment received for sales of services/other recoveries |                           |          |                          |          |                       |          |
| Equity Contribution in Cash                             |                           |          |                          |          |                       |          |
| Advance Refund to/given                                 |                           |          | (20,000)                 |          | (15,000)              |          |
| Assets Taken over by                                    |                           |          |                          |          |                       |          |
| Advance Refund to/given                                 |                           |          | 20,000                   |          | 15,000                |          |
| Outstanding at the end of year                          |                           |          |                          |          |                       |          |



*Agarwal*

*Mehta*

*Sharma*

Transactions with related parties.

| Particulars   | ₹ 000s                          |          | ₹ 000s                             |          | ₹ 000s                   |          |
|---|---------------------------------|----------|------------------------------------|----------|--------------------------|----------|
|   | Siti Broadband Services Pvt Ltd |          | Purvanchal Communication Pvt. Ltd. |          | AM Televisions Pvt. Ltd. |          |
|   | FY 15-16                        | FY 14-15 | FY 15-16                           | FY 14-15 | FY 15-16                 | FY 14-15 |
| Expense paid by   |                                 |          |                                    |          |                          |          |
| Expenses paid on behalf of                              |                                 |          |                                    |          |                          |          |
| Payment for purchase of material and services           |                                 |          |                                    |          |                          |          |
| Purchase of material & Services                         |                                 |          | 3,924                              |          | 11,450                   |          |
| Equity Acquisition                                      |                                 |          |                                    |          |                          |          |
| Expenses Reimbursed to                                  |                                 |          |                                    |          |                          |          |
| Sales of service and materials                          | 84,766                          |          |                                    |          |                          |          |
| Expenses Reimbursed by                                  |                                 |          |                                    |          |                          |          |
| Payment received for sales of services/other recoveries | (105,713)                       |          |                                    |          |                          |          |
| Equity Contribution in Cash                             |                                 |          |                                    |          |                          |          |
| Advance Refund to/given                                 |                                 |          |                                    |          |                          |          |
| Assets Taken over by                                    |                                 |          |                                    |          |                          |          |
| Advance Refund to/given                                 |                                 |          |                                    |          |                          |          |
| Outstanding at the end of year                          | (20,947)                        |          | (416)                              |          |                          |          |

h. Transaction with key managerial persons

|                                | ₹ 000s  |         |
|--------------------------------|---------|---------|
|                                | FY15-16 | FY14-15 |
| Remuneration paid to manager   | 3132    | 3012    |
| Remuneration paid to Directors | -       | 2696    |

48 Additional Information as required under Schedule III to the Companies Act, 2013 of Enterprises Consolidated

Figures in ₹000

| Name of the Enterprise                | Net Assets, i.e., total assets minus total liabilities |                    | Share in profit or loss             |                    |
|---------------------------------------|--|--------------------|-------------------------------------|--------------------|
|                                       | As % of Consolidated Net Assets                        | Amount (₹ in '000) | As % of Consolidated Profit or Loss | Amount (₹ in '000) |
|                                       | <b>Parent</b>  |                    |                                     |                    |
| Indian Cable Net Co. Ltd.             | 87.88  | 3,304,533          | 53.72                               | 96,060             |
| <b>Subsidiary</b>                     |  |                    |                                     |                    |
| Siti Maurya Cable Net Pvt. Ltd.       | 6.84   | 257,060            | 30.90                               | 55,265             |
| Indinet Service Pvt Ltd               | 0.00   | 22                 | (0.04)                              | -77.63             |
| Axom Communications & Cable Pvt. Ltd. | 1.25   | 46,985             |                                     |                    |
| Minority Interest in Subsidiary       | 4.04   | 151,766            | 15.42                               | 27,577             |
|                                       |  | <u>3,760,366</u>   |                                     | <u>178,825</u>     |
| Intra Group Elimination               |  | <u>256,867</u>     |                                     | <u>54,987</u>      |
| <b>TOTAL</b>                          |  | <u>3,503,500</u>   |                                     | <u>123,837</u>     |



*Agarwal*

*M. S.*

*V. S. K. Singh*

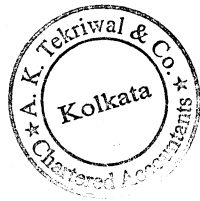
49 Previous year's figures have been regrouped and/or rearranged wherever necessary and are not strictly comparable with the current years figures in view of the accounting effect of amalgamation in the current year.

**Notes to accounts referred in our report of even date.**

For A.K. Tekriwal & Co.  
Chartered Accountants  
(Firm Registration No. - 322352 E)

*A.K. Tekriwal*  
A.K. Tekriwal  
Partner  
Membership No.-056362

Place - Kolkata  
Date - 9th May 2016



For Indian Cable Net Co Ltd

*Sy.endra Kumar Agarwal*  
Sy.endra Kumar Agarwal  
Director

*Anil Kumar Jain*  
Anil Kumar Jain  
Director

S. Roy Chaudhury  
C.E.O

*Atul Kumar Singh*  
Atul Kumar Singh  
V.P.(F & A)

*Laxman Singh Kalra*  
Laxman Singh Kalra  
Company Secretary



## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Indian Cable Net Co. Ltd.

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Indian Cable Net Co. Ltd. ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our 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 there under. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

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





### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure-B.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note - 29 to the financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For A.K.Tekriwal & Co.

Chartered Accountants

Firm's Registration No.: 322352E

A.K.Tekriwal  
Partner

Membership Number: 056362



Kolkata

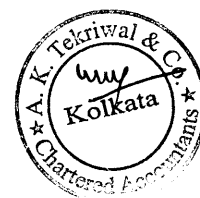
9th May, 2016.





Annexure –A to the Independent Auditor's Report of even date to the members of Indian Cable Net Co. Ltd., on the standalone financial statements for the year ended 31<sup>st</sup> March, 2016

- i) (a) The Company is generally maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The company has a regular program of physical verification of it's fixed assets (other than set top boxes installed at subscribers' premises and those in transit or lying with the distributors/cable operators and distribution equipments comprising overhead and underground cables and other equipments, physical verification of which is not feasible due the nature and location of these assets), under which, fixed assets are verified in a phased manner, which in our opinion, is reasonable having regard to the size of the company and the nature of it's assets. No material discrepancies were noticed on such verification. According to the information and explanations given to us, the existence of set top boxes installed at subscriber premises is considered on the basis of the 'active user' status of the set top box.
- (c) The Title Deeds of Immovable properties are held in the name of the company.
- ii) Physical verification of inventory *except Set top Boxes including smart cards with local cable operators and Direct Subscribers* has been conducted by the Management at reasonable intervals. No material discrepancies were noticed in the physical stock as compared with the book records.
- iii) The company has not granted any loan, secured or unsecured, to companies, Firms, Limited Liability Partnerships or other parties covered in register 189 of the Companies Act, 2013. Hence paragraphs 3(iii) (a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with wherever applicable.
- v) The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. Accordingly the provisions of clause 3(v) of the order are not applicable to the Company.
- vi) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for the products and services of the Company. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- vii)(a) In our opinion and according to the information and explanations given to us, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable with the appropriate authorities.





(b) According to the information and explanations given to us and the records of the Company examined by us, there are following disputed liability outstanding as on 31<sup>st</sup> March 2016:

| Name of the Statute                                     | Nature of Dues    | Amount (₹)       | Period to which the amount relates | Forum where dispute is pending                              |
|---|-------------------|------------------|------------------------------------|---|
| West Bengal Entertainment cum Amusement Tax Act, 1982   | Amusement Tax     | ₹ 6132 Thousands | Financial Year 2007-08 to 2009-10  | Commissioner of Agricultural Income Tax, West Bengal.       |
| West Bengal Entertainment cum Amusement Tax Act, 1982   | Amusement Tax     | ₹ 7957 Thousands | Financial Year 2013-14             | Asst. Commissioner of Agricultural Income Tax, West Bengal. |
| Finance Act, 1994                                       | Service Tax       | ₹ 9085 Thousands | Financial Year 2006-07 to 2011-12  | Commissioner (Appeals-I) / Central Excise/Kolkata           |
| Income Tax Act, 1961                                    | Income Tax        | ₹ 35 Thousands   | Financial Year 2006-07             | DCIT Cir-2(1)/Kolkata                                       |
| Income Tax Act, 1961                                    | Income Tax        | ₹ 124 Thousands  | Financial Year 2009-10             | DCIT Cir-2(1)/Kolkata                                       |
| Income Tax Act, 1961                                    | Income Tax        | ₹ 59 Thousands   | Financial Year 2010-11             | DCIT Cir-2(1)/Kolkata                                       |
| Income Tax Act, 1961                                    | Income Tax        | ₹ 425 Thousands  | Financial Year 2012-13             | DCIT Cir-2(1)/Kolkata                                       |
| The W.B.Tax on Entry of Goods into Local Area Act, 2012 | Entry Tax         | ₹ 4835 Thousands | Financial Year 2012-13             | Calcutta High Court (Refer Note No. 30)                     |
| U.P. Entertainments and Betting Tax Act, 1979           | Entertainment Tax | ₹ 2632 Thousands | Upto May'2015                      | Allahabad High Court  |

- viii) On the basis of the records examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. There were no dues of loans or borrowings from any Financial Institution, Government or debenture holders.
- ix) The company has not raised any money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purpose for which they were obtained.
- x) According to the information and explanations given to us, no fraud by the company or on the Company by it's officers or employees has been noticed or reported during the year.
- xi) On the basis of the records examined by us and the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to Companies Act.





A. K. TEKRIWAL & CO.  
CHARTERED ACCOUNTANTS

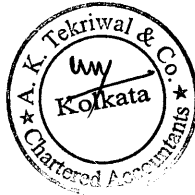
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34, Chittaranjan Avenue, 2nd Floor  
Room No. 7, Kolkata - 700 012  
Ph : 2212-0050, 4007-3563  
E-mail : aktekriwalandco@gmail.com  
Website : www.aktandco.com

- xii) In our opinion, the company is not a nidhi company. Therefore, paragraph 3(xii) of the order is not applicable to the Company.
- viii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 & 188 of the Act as applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2011.
- ix) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore Paragraph 3(xiv) of the Order is not applicable.
- x) On the basis of the records examined by us and the information and explanations given to us the company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, paragraph 3(xv) of the Order is not applicable.
- xi) In our opinion the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, paragraph 3(xvi) of the Order is not applicable.

For A.K.Tekriwal & Co.  
*Chartered Accountants*  
Firm's Registration No.:322352E

*Au r*

A.K.Tekriwal  
*Partner*  
Membership Number: 056362



Kolkata  
9<sup>th</sup> May, 2016.



Annexure -B to the Independent Auditor's Report of even date to the members of Indian Cable Net Co. Ltd., on the standalone financial statements for the year ended 31<sup>st</sup> March, 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Indian Cable Net Company Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.





**A. K. TEKRIWAL & CO.**  
CHARTERED ACCOUNTANTS

Jabakusum House  
34, Chittaranjan Avenue, 2nd Floor  
Room No. 7, Kolkata - 700 012  
Ph : 2212-0050, 4007-3563  
E-mail : aktekriwalandco@gmail.com  
Website : www.aktandco.com

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For A.K.Tekriwal & Co.

*Chartered Accountants*

Firm's Registration No.:322352E

A.K.Tekriwal  
*Partner*

Membership Number: 056362



Kolkata

9<sup>th</sup> May, 2016.

**INDIAN CABLE NET COMPANY LIMITED**

| Balance Sheet As on 31 <sup>st</sup> March 2016 |              |                           |                             |
|---|--------------|---------------------------|-----------------------------|
| (₹) 000s  |              |                           |                             |
| Particulars                                     | Notes        | 31 <sup>st</sup> Mar 2016 | 31 <sup>st</sup> March 2015 |
| <b>I. Equity and Liabilities</b>                |              |                           |                             |
| <b>(1) Shareholders' Fund</b>                   |              |                           |                             |
| (a) Share Capital                               | 4            | 865,538                   | 865,538                     |
| (b) Reserves and Surplus                        | 5            | 2,438,995                 | 2,342,928                   |
|   |              | <b>3,304,533</b>          | <b>3,208,466</b>            |
| <b>(2) Non-Current Liabilities</b>              |              |                           |                             |
| (a) Long Term Borrowings                        | 6            | 1,125,242                 | 541,476                     |
| (b) Deferred Tax Liability (net)                | 7            | 112,453                   | 84,012                      |
| (c) Other Long Term Liabilities                 | 8            | -                         | 2,667                       |
| (d) Long Term Provisions                        | 9            | 8,895                     | 7,536                       |
|   |              | <b>1,246,590</b>          | <b>635,691</b>              |
| <b>(3) Current Liabilities</b>                  |              |                           |                             |
| (a) Short Term Borrowings                       | 11           | 3,000                     | 3,000                       |
| (b) Trade Payables                              | 12           | 415,192                   | 471,552                     |
| (c) Other Current Liabilities                   | 13           | 1,409,674                 | 957,666                     |
| (d) Short Term Provisions                       | 9            | 9,032                     | 7,805                       |
|   |              | <b>1,836,898</b>          | <b>1,440,022</b>            |
|   | <b>Total</b> | <b>6,388,021</b>          | <b>5,284,180</b>            |
| <b>II. Assets</b>                               |              |                           |                             |
| <b>(1) Non-Current Assets</b>                   |              |                           |                             |
| <b>(a) Fixed Assets</b>                         |              |                           |                             |
| (i) Tangible Assets                             | 10           | 1,498,976                 | 1,281,474                   |
| (ii) Intangible Assets                          |              | 1,700,027                 | 1,882,053                   |
| (iii) Capital Work-In-Progress                  |              | 1,290,879                 | 557,510                     |
| (b) Non-Current investments                     | 14           | 117,900                   | 50,240                      |
| (c) Long Term Loans and Advances                | 15           | 175,480                   | 175,597                     |
| (d) Other Non-Current Assets                    | 16           | 843                       | 891                         |
|   |              | <b>4,784,106</b>          | <b>3,947,765</b>            |
| <b>(2) Current Assets</b>                       |              |                           |                             |
| (a) Inventories                                 | 17           | 47,855                    | 36,740                      |
| (b) Trade Receivables                           | 18           | 802,632                   | 652,971                     |
| (c) Cash and Bank balances                      | 19           | 633,599                   | 238,341                     |
| (d) Short-Term Loans and Advances               | 15           | 119,829                   | 408,363                     |
|   |              | <b>1,603,915</b>          | <b>1,336,415</b>            |
|   | <b>Total</b> | <b>6,388,021</b>          | <b>5,284,180</b>            |

Summary of Significant accounting policies and notes to financial statement

1 To 48

Balance Sheet referred in our report of even date.

For A.K. Tekriwal & Co.

Chartered Accountants

(Firm Registration No. - 322352)

A.K. Tekriwal

Partner

Membership No.-056362

Place - Kolkata

Date - 9th May 2016



For Indian Cable Net Co Ltd

Surendra Kumar Agarwal  
Director

Anil Kumar Jain  
Director

S. Roy Chaudhury  
C.E.O

Atul Kumar Singh  
V.P. (F & A)

Laxman Singh Kaira  
Company Secretary

**INDIAN CABLE NET COMPANY LIMITED**

**Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2016**

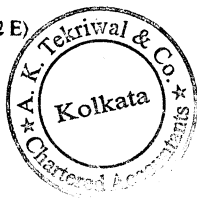
| (₹) 000s   |            |                  |                  |
|--|------------|------------------|------------------|
| Particulars  | Notes      | 31st Mar 2016    | 31st March 2015  |
| I. Revenue from Operations   | 20         | 3,008,981        | 2,605,161        |
| II. Other Income   | 21         | 47,094           | 118,836          |
| <b>III. Total Revenue (I+II)</b>   |            | <b>3,056,075</b> | <b>2,723,997</b> |
| <b>IV Expenses</b>   |            |                  |                  |
| Purchase of Traded Goods   | 22         | 361,302          | 38,987           |
| Decrease/(Increase) in inventories of traded goods                               | 23         | 774              | 55               |
| Operating Expenses   | 24         | 1,546,148        | 1,558,276        |
| Employees Benefit expenses   | 25         | 92,476           | 100,860          |
| Finance Cost   | 26         | 14,998           | 9,013            |
| Depreciation and Amortisation Cost   | 27         | 465,565          | 451,604          |
| Other Expenses   | 28         | 429,110          | 309,348          |
|  |            | <b>2,910,374</b> | <b>2,468,142</b> |
| <b>V. Profit/(Loss) before exceptional items and extraordinary items and tax</b> | (III-IV)   | <b>145,701</b>   | <b>255,855</b>   |
| VI Exceptional items   |            | -                | -                |
| <b>VII. Profit/(Loss) before extraordinary items and tax</b>                     | (V-VI)     | <b>145,701</b>   | <b>255,855</b>   |
| VIII Extraordinary items   |            | -                | -                |
| <b>IX. Profit/(Loss) before tax</b>  | (VII-VIII) | <b>145,701</b>   | <b>255,855</b>   |
| <b>X Tax Expenses</b>  |            |                  |                  |
| (a) Current Tax  |            | 49,641           | 130,262          |
| (-) MAT credit entitlement   |            | (41,827)         | (72,716)         |
| (b) Deferred Tax   |            | (19,384)         | (42,820)         |
| (c) Short / (Excess) Provision for earlier years                                 |            | 28,441           | 90,959           |
|  |            | (1,243)          | 9,408            |
| <b>XI Profit / (Loss) for the year</b>   | (IX-X)     | <b>96,060</b>    | <b>125,593</b>   |
| <b>Earning per Share: (₹) [Nominal value of ₹ 10/-]</b>                          | 35         |                  |                  |
| (1) Basic  |            | 1.11             | 8.67             |
| (2) Diluted  |            | 1.11             | 8.67             |

Summary of Significant accounting policies and notes to financial statement 1 To 48

Statement of Profit & Loss referred in our report of even date.

For A.K. Tekriwal & Co.  
Chartered Accountants  
(Firm Registration No. - 322352 E)

*A.K. Tekriwal*  
A.K Tekriwal  
Partner  
Membership No.-056362



Place - Kolkata  
Date - 9th May 2016

For Indian Cable Net Co Ltd

*Surendra Kumar Agarwal*  
Surendra Kumar Agarwal  
Director

*Anil Kumar Jain*  
Anil Kumar Jain  
Director

*S. Roy Chaudhury*  
S. Roy Chaudhury  
C.E.O

*Atul Kumar Singh*  
Atul Kumar Singh  
V.P.(F & A)

*Laxman Singh Kaira*  
Laxman Singh Kaira  
Company Secretary

**INDIAN CABLE NET COMPANY LIMITED**

Cash Flow Statement for year ended 31<sup>st</sup> March 2016

| PARTICULARS  | ₹ '000s                      |                            |
|--|------------------------------|----------------------------|
|  | 31st Mar 2016                | 31st March 2015            |
| <b>A. Cash Flow from Operating Activities:</b>                           |                              |                            |
| Net Profit before taxation, exceptional item & prior period items        | 145,701                      | 255,855                    |
| Adjustment for :-  |                              |                            |
| Depreciation   | 465,565                      | 451,604                    |
| Loss on sale/disposal/decapitalisation of Fixed Assets                   |                              | 208                        |
| Provision for Retirement Benefit   | 1,910                        | 4,088                      |
| Provision for STBs Churn   | 681                          | 740                        |
| Liability no longer required written back ( Net )                        | (19,102)                     | (45,171)                   |
| Provision for doubtful Debt & Advance -                                  | 50,399                       | 90,318                     |
| Unrealised Foreign Exchange (Gain)/Loss                                  | (2,353)                      | 34                         |
| Interest Paid & Borrowing cost   | 14,998                       | 9,013                      |
| Provision for Proposed Dividend  |                              | (6)                        |
| Interest on Fixed Deposit/ IT Refund / Others                            | (5,972)                      | (6,243)                    |
| <b>Operating profit before working capital changes</b>                   | <b>651,828</b>               | <b>760,439</b>             |
| Change in working capital  |                              |                            |
| Increase/(Decrease) in Short-term Advances taken from related party      |                              |                            |
| Increase/(Decrease) in Trade payables                                    | (56,359)                     | (14,017)                   |
| Increase/(Decrease) in other current liabilities                         | 625,163                      | (869,814)                  |
| Increase/(Decrease) in other long-term liabilities                       | (2,667)                      | (178)                      |
| Decrease/ ( Increase) in Trade receivable                                | (200,060)                    | (375,923)                  |
| Decrease/ ( Increase) in Inventories                                     | (11,115)                     | (36,010)                   |
| Decrease/ ( Increase) in long-term loans and advances given              | 31,591                       | 8,377                      |
| Decrease/ ( Increase) in short-term loans and advances given             | 288,534                      | 34,822                     |
| Decrease/ ( Increase) in other current assets                            | 0                            | 57,111                     |
| Decrease/ ( Increase) in other non-current assets                        | 47                           | (5,669)                    |
| <b>Cash Generation from Operating Activities before exceptional item</b> | <b>1,326,962</b>             | <b>(440,861)</b>           |
| Exceptional item   |                              |                            |
| <b>Cash Generation from Operating Activities after exceptional item</b>  | <b>1,326,962</b>             | <b>(440,861)</b>           |
| Net Prior Period Adjustment  |                              |                            |
| <b>Cash Generation from Operating Activities after Prior Period Item</b> | <b>1,326,962</b>             | <b>(440,861)</b>           |
| Income Tax Paid ( including TDS)   | (52,673)                     | (69,812)                   |
| <b>Net Cash Generation from operating Activities</b>                     | <b>1,274,289</b>             | <b>(510,674)</b>           |
| <b>B. Cashflow From Investing Activities:</b>                            |                              |                            |
| Purchase of Fixed Assets/ CWIP/Including Capital Adv                     | (1,234,410)                  | (337,403)                  |
| Sale of Fixed Assets/Decapitalisation                                    |                              | 479                        |
| Investment in Subsidiaries   | (67,660)                     | (30,060)                   |
| Interest Income  | 5,972                        | 6,243                      |
| Investment in FD/Term Deposit  | (9,873)                      | (38,362)                   |
| <b>Net Cash deployed in Investing Activities</b>                         | <b>(1,305,972)</b>           | <b>(399,103)</b>           |
| <b>C. Cashflow From Financing Activities:</b>                            |                              |                            |
| Interest Paid  | (14,998)                     | (9,013)                    |
| Borrowings Taken / (Repayment)   | 432,066                      | 227,933                    |
| Issue of Equity Share  |                              | 750,000                    |
| <b>Net Cash Generation from Financing Activities</b>                     | <b>417,068</b>               | <b>968,920</b>             |
| <b>Net Increase/(decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>    | <b>385,385</b>               | <b>59,143</b>              |
| <b>Cash &amp; Cash Equivalent at the beginning of the year</b>           | <b>199,858</b>               | <b>140,715</b>             |
| <b>Cash &amp; Cash Equivalent at the end of the year</b>                 | <b>585,243</b>               | <b>199,858</b>             |
| <b>Cash &amp; Cash Equivalent include</b>                                | <b>As on 31st March 2016</b> | <b>As on 31st March 15</b> |
| Cash Balance   | 6,742                        | 3,456                      |
| Bank Balance   | 30,249                       | 18,152                     |
| Cheque in Hand   | 543,261                      | 160,212                    |
| Deposits - Free Maturity within 3 months                                 | 4,991                        | 18,037                     |
| <b>Cash &amp; Cash Equivalent Reported</b>                               | <b>585,243</b>               | <b>199,858</b>             |

Notes: Previous years' figures are regrouped wherever necessary.

Cash Flow Statement referred in our report of even date.

For A.K. Tekriwal & Co.  
Chartered Accountants  
(Firm Registration No. - 372852 E)

A.K. Tekriwal  
Partner  
Membership No.-056362

Place - Kolkata  
Date - 9th May 2016



For Indian Cable Net Co Ltd

*(Signature)*  
Anand Kumar Agarwal  
Director

*(Signature)*  
Anil Kumar Jain  
Director

S. Roy Chaudhury  
CEO

*(Signature)*  
Anil Kumar Singh  
V.P. (P & A)

*(Signature)*  
Laxman Singh Karna  
Company Secretary



## INDIAN CABLE NET COMPANY LIMITED

### Notes to financial statements for the year ended 31<sup>st</sup> March 2016

#### 1 Corporate Information

Indian Cable Net Co. Ltd. (the company' or ICNCL) was incorporated on 6th December, 1995 and is engaged in the business of distribution of television channels through analogue and digital cable distribution network, broadband services and other related services.

ICNCL is a Subsidiary of Siti Cable Network Ltd.

#### 2 Basis of preparation

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting following generally accepted accounting principles in India (GAAP) and comply with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Act (to the extent notified).

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, unless otherwise mentioned, and are explained below:-

#### 3 Summary of Significant Accounting Policies

##### a) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current or future periods.

##### b) Fixed Assets and Depreciation

###### (i) Tangible Fixed assets and Capital Work in progress

Tangible Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Capital Work in progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

###### (ii) Intangible Assets

Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

###### (iii) Depreciation and Amortisation

Depreciation on tangible assets is provided on straight line method over the useful lives of assets estimated by the Management. Depreciation for assets purchased / sold during the period is proportionately charged. Leasehold land is amortized over the effective period of lease. Intangible assets are amortised over their respective individual estimated useful lives on straight line basis, commencing from the date the asset is available to the company for its use. The details of estimated life for each category of asset are as follows:

| Asset                                   | Estimated useful life based on SLM | Residual Value (As % of Original Cost) |
|---|------------------------------------|--|
| Buildings                               | 60 years                           | 5%                                     |
| Computers and Data Processing Equipment | 3 years                            | 5%                                     |
| Plant and Machinery                     | 8 years                            | 5%                                     |
| Set Top Boxes                           | 8 years                            | 0%                                     |
| VC Card                                 | 6 years                            | 0%                                     |
| Furniture and Fixtures                  | 10 years                           | 5%                                     |
| Vehicles                                | 8 years                            | 5%                                     |
| Studio Equipments                       | 13 years                           | 5%                                     |
| Office Equipments                       | 5 years                            | 5%                                     |
| Network Assets                          | 10 years                           | 0%                                     |
| Goodwill                                | 10 years                           | 0%                                     |

##### e) Leases

###### Where the company is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

###### Where the company is the lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on monthly rental basis, wherever applicable over the lease term.



*Agarwal*  
*Sharma*

# INDIAN CABLE NET COMPANY LIMITED

## Notes to financial statements for the year ended 31<sup>st</sup> March 2016

### d) Impairment of Assets

The Carrying amount of the fixed assets and capital work in progress are reviewed at each balance sheet date in accordance with Accounting Standard-28 on "Impairment of Assets" prescribed by the Companies (Accounting Standard) rules, 2006, to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amounts are estimated at each reporting date and impairment loss is recognized whenever carrying amount of an assets or cash generating unit of which it is a part exceeds the corresponding recoverable amount. Impairment losses are recognized in the profit and loss account. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognized.

### e) Borrowing Costs

Interest and other costs incurred by the Company in connection with the borrowing of funds are recognized as an expense in the period in which they are incurred, unless the borrowings are used for acquiring qualifying assets and activities that are necessary to prepare the qualifying assets for its intended use.

### f) Inventories

Inventories are valued as follows-

Stock in trade & Stores and spares valued at cost on weighted average method 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.

### g) Revenue Recognition

Revenue is recognized to the extent the company considers it realizable and financial benefit of the same shall flow to the company

#### (i) Subscription Income from Cable Service

Subscription Income from Cable Service (net of applicable taxes and duties) are recognized on accrual basis from the date of commencement of supply at the signal injection points(s) of the customers as per schedule of rates.

In pursuance of the regulation of Telecom Regulatory Authority of India (TRAI), the company has implemented Digital Addressable (DAS) in the notified areas and accordingly subscription charges have been accounted in terms of said regulation.

#### (ii) Income From Activation Of Services

Income from activation of digital cable services is recognised at the time of issue of Set Top Boxes to the Local Cable Operators and is net of Activation Fee Refunded on Returned Set Top Boxes.

#### (iii) Income from Broadband Services

Income from broadband services (net of applicable taxes and duties) is recognised on time proportion basis.

#### (iv) Carriage Income

Carriage Income is recognized on accrual basis as evenly accruing over the term of the contract of carriage. However, where the formal agreements are yet to be executed, the income from Carriage Services is deferred till the time the said agreements are formally executed.

#### (v) Other Services

i) Income from insertion of advertisements is recognized on accrual basis from the date(s) of insertion of advertisements based on the terms specified in the release orders.

ii) Income from rendering technical services is recognized on accrual basis

iii) Income from dark fiber leasing is recognized on accrual basis as per terms of the respective contracts.

#### (vi) Lease Income

Lease income from supply of set top boxes is recognised on accrual basis as per terms of agreement of lease.

#### (vii) Sales of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. 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.

### h) Foreign Currency Transaction

Transaction in foreign currency is recorded at the rate of exchange prevailing on the transaction date(s). Transaction remaining unsettled, other than those contracts covered under forward exchange contracts, is translated at the rate prevailing at the end of the financial year. The exchange rate difference arising therefrom are adjusted in the Statement of Profit & Loss except in respect of fixed assets, where the exchange difference is adjusted to the carrying amount of the respective asset.

### i) Retirement and other employee benefits

The company's obligations towards various employee benefits have been recognized as follows:

#### (a) Short term benefits

i) Cost of accumulating compensated absences that are expected to be availed within a period of 12 months from the period end are recognized when the employees render the service that increases their entitlement to future compensated absences. Cost is computed based on past trends and is not discounted.

ii) Cost of non-accumulating compensated absences is recognized when absences occur. Costs of other short term employee benefits are recognized on accrual basis based on the terms of employment contract and other relevant compensation policies followed by the Company



*M. Agarwal*

*M. Agarwal*

*K. K. Chatterjee*

## INDIAN CABLE NET COMPANY LIMITED

Notes to financial statements for the year ended 31<sup>st</sup> March 2016

- (b) **Post employment benefit**
- i) Monthly contributions to Provident funds which are defined contribution schemes are charged to Profit and Loss Account and deposited with the Provident Fund authorities on a monthly basis.
- ii) In respect of gratuity which is in the nature of non contributory defined benefit plan, is administered by the Trustees. Trustees of the scheme have entrusted the administration of the related fund to the Life Insurance Corporation of India (LIC). The Company provides gratuity benefit through annual contributions to a fund managed by LIC. Under this plan settlement obligation remains with the company, although LIC administers the plan and determines the contribution premium required to be paid by the company. The annual charge to the P&L is determined by the actuarial valuation done by the certified actuarial valuer appointed by the company. The contribution to the fund with LIC is debited to the provision for gratuity which is created by the difference between the balance in the fund with LIC and the amount of fund required at the end of a relevant period as determined by external actuarial valuation.
- (c) **Other Long term benefits**
- Cost of a long term benefit by way of accumulating compensated absence that are expected to be availed after a period of 12 months from the period end are recognized when the employees render the service that increases their entitlement to future compensated absences. Such cost is recognized based on actual valuation of related obligation on the reporting date. Actuarial gains and losses for the period are recognized in the profit and loss account as income or expense.
- (d) **Termination benefit**
- Cost of termination benefit is recognized only when the company has a present obligation as a result of a past event, it is probable that outflow of resources will be required to settle such obligation and the amount of the obligation can be reliably estimated.
- j) **Taxation**
- Tax expense comprises current and deferred tax. Current Income Tax expense is determined and provided in the accounts at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act 1961.
- Deferred tax is recognized subject to the consideration of prudence, on timing difference, being the difference between taxable incomes and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets in respect of unabsorbed depreciation and carry forward losses are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- k) **Earnings Per Share**
- Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except where the results would be anti dilutive.
- l) **Provisions**
- A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.
- Where the company expects some or all of a provision to be reimbursed, for example under an Insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.
- m) **Contingent liabilities**
- A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.
- n) **Cash and cash equivalents**
- Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.
- o) **Segment Reporting**
- The company is a Multi System Operator providing Cable Television Network Services, Broadband Services and Other Related services which is considered as the only reportable segment. The company's operations are based in India.



*A. K. Tekriwal*

*A. K. Tekriwal*

**INDIAN CABLE NET COMPANY LIMITED**

Notes to financial statements for the year ended 31<sup>st</sup> Mar 2016

**4. Shares Capital**

| Particulars  | 31-Mar-16      | 31-Mar-15      |
|--|----------------|----------------|
|  | (₹) 000s       | (₹) 000s       |
| <b>Authorized Share Capital</b>  |                |                |
| 88,010,000 Equity Shares of ₹ 10/- each  | 880,100        | 880,100        |
| 15270 Preference Shares of ₹ 100/- each  | 1,527          | 1,527          |
| <b>Issued, Subscribed and Fully Paid-Up Share Capital</b>  |                |                |
| 8,64,01,070 Equity Shares of ₹ 10/- each   | 864,011        | 864,011        |
| (Out of above 313,10,000 Nos of equity shares of ₹ 10/- each allotted for consideration other than cash in pursuant to the scheme of amalgamation  |                |                |
| 15270 Preference Shares of ₹100/- each<br>(15270 Nos of 6 % Non Cumulative Redeemable Preference Shares of ₹100/- allotted for consideration other than cash in pursuant to the scheme of amalgamation.) | 1,527          | 1,527          |
| <b>Total issued, subscribed and fully paid-up share capital</b>  | <b>865,538</b> | <b>865,538</b> |

Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule III to the Companies Act, 2013

**(i) Equity Shares**

|   | 31-Mar-16         |                | 31-Mar-15         |                |
|---|-------------------|----------------|-------------------|----------------|
|   | Nos               | Rs. 000s       | Nos               | Rs. 000s       |
| At the beginning of the period                                    | 86,401,070        | 864,011        | 10,091,070        | 100,911        |
| Issued during the period – in pursuance of scheme of amalgamation | -                 | -              | 31,310,000        | 313,100        |
| Issued during the period – other                                  | -                 | -              | 45,000,000        | 450,000        |
| <b>Outstanding at the end of the year</b>                         | <b>86,401,070</b> | <b>864,011</b> | <b>86,401,070</b> | <b>864,011</b> |

**(ii) Preference Shares**

| Particulars   | 31-Mar-16     |              | 31-Mar-15        |                 |
|---|---------------|--------------|------------------|-----------------|
|   | Nos           | Rs. 000      | Nos              | Rs. 000         |
| Outstanding at the beginning of the year                      | 15,270        | 1,527        | -                | -               |
| Issued during the year in pursuance of scheme of Amalgamation | -             | -            | 15,270           | 1,527           |
| <b>Outstanding at the end of the year</b>                     | <b>15,270</b> | <b>1,527</b> | <b>15,270.00</b> | <b>1,527.00</b> |

**Terms & rights attached to Preference Shares**

The 6% Non-cumulative Redeemable Preference Shares shall be redeemed at Par on 10.02.2023.

Disclosure pursuant to Note no. 6(A)(e) of Part I of Schedule III to the Companies Act, 2013

**Terms & rights attached to equity shares**

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity 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.

Disclosure pursuant to Note no. 6(A)(f) of Part I of Schedule III to the Companies Act, 2013

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

| Particulars   | 31-Mar-16 |          | 31 <sup>st</sup> March 2015 |          |
|---|-----------|----------|-----------------------------|----------|
|   | Nos.      | (₹) 000s | Nos.                        | (₹) 000s |
| <b>Equity Shares</b>  |           |          |                             |          |
| Holding Company -Siti Cable Network Limited                         | 51831000  | 518,310  | 51831000                    | 518,310  |
| Subsidiary of Holding Company- Central Bombay Cable Network Limited | 30000     | 300      | 30000                       | 300      |



Handwritten signatures and initials, including 'A. K. Tekriwal' and 'A. K. Tekriwal'.

**INDIAN CABLE NET COMPANY LIMITED**

Notes to financial statements for the year ended 31<sup>st</sup> Mar 2016

Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule III to the Companies Act, 2013 (if more than 5%)

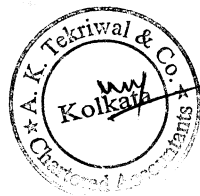
| Name of Shareholder                         | Equity Shares                   |              |                                   |              |
|---|---------------------------------|--------------|-----------------------------------|--------------|
|   | As at 31 <sup>st</sup> Mar 2016 |              | As at 31 <sup>st</sup> March 2015 |              |
|   | No. of Shares                   | % of Holding | No. of Shares                     | % of Holding |
| Siti Cable Network Limited, Holding Company | 51831000                        | 59.99        | 51831000                          | 59.99        |
| Anurag Chirimar                             | 5236357                         | 6.06         | 5236357                           | 6.06         |
| Sunil Nihalani                              | 5454347                         | 6.31         | 5454347                           | 6.31         |
| Suresh Sethiya                              | 5451007                         | 6.31         | 5451007                           | 6.31         |
| Tinkari Dutta                               | 5244586                         | 6.07         | 5244586                           | 6.07         |
| Zafar Iqbal                                 | 5225596                         | 6.05         | 5225596                           | 6.05         |
| Surendra Kumar Agarwal                      | 5219377                         | 6.04         | 5219377                           | 6.04         |

**5. Reserves & Surplus**

| Particulars   | 31-Mar-16        |          | 31-Mar-15        |          |
|---|------------------|----------|------------------|----------|
|   | (₹) 000s         | (₹) 000s | (₹) 000s         | (₹) 000s |
| <b>Securities premium account</b>   |                  |          |                  |          |
| Balance as per the last financial statements  | 1,896,798        |          | 96,798           |          |
| Add: Addition on share issued during the year   |                  |          | 1,800,000        |          |
| <b>Closing Balance</b>  | <b>1,896,798</b> |          | <b>1,896,798</b> |          |
| <b>Surplus/ (deficit) in the statement of profit and loss</b>   |                  |          |                  |          |
| Balance as per last financial statements  | 446,131          |          | 346,560          |          |
| Less: Transitional Depreciation adjusted as per Schedule - II of The Companies Act 2013, net of deferred tax of Rs. 13,397 thousands) |                  |          | (26,017)         |          |
| Add : Profit for the year   | 96,060           |          | 125,593          |          |
| Less: Proposed Dividend / Reversal (incd Corporate Dividend Tax) on 6 % Non Cumulative Redemable Preference Shares                    | 6                |          | (6)              |          |
| <b>Net surplus in the statement of profit and loss</b>  | <b>542,197</b>   |          | <b>446,131</b>   |          |
| <b>Total reserves and surplus</b>   | <b>2,438,995</b> |          | <b>2,342,928</b> |          |

**6. Long-term borrowings**

| Particulars  | 31-Mar-16        |          | 31-Mar-15      |          |
|--|------------------|----------|----------------|----------|
|  | (₹) 000s         | (₹) 000s | (₹) 000s       | (₹) 000s |
| <b>Secured Loan</b>  |                  |          |                |          |
| - From Banks   | 622,342          |          | 38,576         |          |
| Buyer's credit through Kotak Mahindra 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 mortgage on its land and building under construction at Plot No.- XI/4, Block- EP & GP, Sector-V, Salt Lake, Kolkata-700091, pledge of fixed deposit, held in the name of the company and personal guarantee of the directors) |                  |          |                |          |
| (The facility is repayable on expiry of 36 / 24 months from 1st drawdown date)   |                  |          |                |          |
| <b>Unsecured Loan</b>  |                  |          |                |          |
| <b>Loans and Advances From Related Parties</b>   |                  |          |                |          |
| Holding company, Siti Cable Network Limited  | 502,900          |          | 502,900        |          |
| (Repayable on demand after three years (PY One year) from the Balance Sheet date)  |                  |          |                |          |
|  | <b>1,125,242</b> |          | <b>541,476</b> |          |



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**INDIAN CABLE NET COMPANY LIMITED**

Notes to financial statements for the year ended 31<sup>st</sup> Mar 2016

**7. Deferred tax asset/(liabilities) (net)**

|   | 31-Mar-16        | 31-Mar-15       |
|---|------------------|-----------------|
|   | (₹) 000s         | (₹) 000s        |
| <b>Deferred tax liability</b>   |                  |                 |
| Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting      | 186,293          | 143,325         |
| <b>Gross deferred tax liability</b>   | <u>186,293</u>   | <u>143,325</u>  |
| <b>Deferred tax asset</b>   |                  |                 |
| Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis | 849              | 229             |
| Provision for doubtful debts and advances   | 71,010           | 59,084          |
| Other disallowances   | 1,981            | -               |
| <b>Gross deferred tax asset</b>   | <u>73,840</u>    | <u>59,313</u>   |
| <b>Net deferred tax asset/(liabilities)</b>   | <u>(112,453)</u> | <u>(84,012)</u> |

**8. Other long-term liabilities**

|                        | 31-Mar-16 | 31-Mar-15    |
|------------------------|-----------|--------------|
|                        | (₹) 000s  | (₹) 000s     |
| <b>Particulars</b>     |           |              |
| Others                 | -         | 2,667        |
| Advance from customers | -         | <u>2,667</u> |

**9. Provisions**

| Particulars  | Non- Current |              | Current      |              |
|--|--------------|--------------|--------------|--------------|
|  | 31-Mar-16    | 31-Mar-15    | 31-Mar-16    | 31-Mar-15    |
|  | (₹) 000s     | (₹) 000s     | (₹) 000s     | (₹) 000s     |
| <b>Provision for employee benefits</b>   |              |              |              |              |
| Gratuities   | 3,622        | 2,904        | 764          | 292          |
| Leave Encashment   | 5,273        | 4,632        | 720          | 641          |
|  | <u>8,895</u> | <u>7,536</u> | <u>1,484</u> | <u>933</u>   |
| <b>Other provisions</b>  |              |              |              |              |
| Provision for Churn STBs   | -            | -            | 7,548        | 6,866        |
| Provision for Proposed Dividend (incl. Corporate Dividend tax) on 6 % Non Cumulative Redemable Preference Shares | -            | -            | -            | 6            |
|  | -            | -            | <u>7,548</u> | <u>6,872</u> |
|  | <u>8,895</u> | <u>7,536</u> | <u>9,032</u> | <u>7,805</u> |

**11. Short-term borrowings**

|   | 31-Mar-16    | 31-Mar-15    |
|---|--------------|--------------|
|   | (₹) 000s     | (₹) 000s     |
| <b>Particulars</b>                          |              |              |
| <b>Other Loans and Advances (Unsecured)</b> |              |              |
| From a Body Corporate                       | 3,000        | 3,000        |
|   | <u>3,000</u> | <u>3,000</u> |

**12. Trade payables**

|                    | 31-Mar-16      | 31-Mar-15      |
|--------------------|----------------|----------------|
|                    | (₹) 000s       | (₹) 000s       |
| <b>Particulars</b> |                |                |
| Trade payables     | 415,192        | 471,552        |
|                    | <u>415,192</u> | <u>471,552</u> |



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**INDIAN CABLE NET COMPANY LIMITED**  
**Notes to Financial Statements for the year ended 31st March 2016**

**10. Fixed Assets**

| Particulars                             | Cost Price |           |          |                       | Accumulated Depreciation |                                |                        |                       | Net Book Value |           |                       |          |
|---|------------|-----------|----------|-----------------------|--------------------------|--------------------------------|------------------------|-----------------------|----------------|-----------|-----------------------|----------|
|   | Opening    | Additions | Disposal | Other Adjustments (A) | Opening                  | Provision charged for the year | Adjusted Book Reserves | Other Adjustments (A) | Opening        | Provision | Other Adjustments (A) | Closing  |
| <b>Fixed Assets (Net Book Value)</b>    |            |           |          |                       |                          |                                |                        |                       |                |           |                       |          |
| <b>Land</b>                             | 156        |           |          |                       |                          |                                |                        |                       | 27             |           |                       | 129      |
| <b>Buildings</b>                        | 440,056    |           |          |                       |                          |                                |                        |                       | 256,590        |           |                       | 183,466  |
| <b>Plant and Equipment</b>              | 86,573     |           |          |                       |                          |                                |                        |                       | 5,673          |           |                       | 80,900   |
| <b>Vehicle</b>                          | 5,722      |           |          |                       |                          |                                |                        |                       | 1,222          |           |                       | 4,500    |
| <b>Office Equipment</b>                 | 8,247      |           |          |                       |                          |                                |                        |                       | 3,207          |           |                       | 5,040    |
| <b>Computer</b>                         | 20,009     |           |          |                       |                          |                                |                        |                       | 17,800         |           |                       | 2,209    |
| <b>Set Top Box</b>                      | 1,05,112   |           |          |                       |                          |                                |                        |                       | 405,546        |           |                       | 404,490  |
| <b>Total</b>                            | 6,37,716   |           |          |                       |                          |                                |                        |                       | 6,37,716       |           |                       | 6,37,716 |
| <b>Intangible Assets (Under Lease)</b>  |            |           |          |                       |                          |                                |                        |                       |                |           |                       |          |
| <b>Landmark (Land)</b>                  | 4,910      |           |          |                       |                          |                                |                        |                       | 1,105          |           |                       | 3,805    |
| <b>Set Top Box under Lease</b>          | 142,304    |           |          |                       |                          |                                |                        |                       | 37,882         |           |                       | 104,422  |
| <b>Total</b>                            | 147,214    |           |          |                       |                          |                                |                        |                       | 38,987         |           |                       | 108,227  |
| <b>Intangible Assets</b>                | 1,47,214   |           |          |                       |                          |                                |                        |                       | 38,987         |           |                       | 1,08,227 |
| <b>Distribution Network Assets</b>      |            |           |          |                       |                          |                                |                        |                       |                |           |                       |          |
| <b>Government of Andhra Pradesh</b>     | 1,57,783   |           |          |                       |                          |                                |                        |                       | 1,57,783       |           |                       | 0        |
| <b>VC Cable</b>                         | 42,129     |           |          |                       |                          |                                |                        |                       | 42,133         |           |                       | 0        |
| <b>Software</b>                         | 18,561     |           |          |                       |                          |                                |                        |                       | 21,280         |           |                       | 0        |
| <b>Total</b>                            | 2,18,473   |           |          |                       |                          |                                |                        |                       | 2,21,196       |           |                       | 0        |
| <b>Capital Work In Progress</b>         |            |           |          |                       |                          |                                |                        |                       |                |           |                       |          |
| <b>For Top Boxes &amp; VC</b>           | 30,576     |           |          |                       |                          |                                |                        |                       | 68,013         |           |                       | 37,437   |
| <b>Working under construction</b>       | 210,556    |           |          |                       |                          |                                |                        |                       | 489,497        |           |                       | 278,940  |
| <b>Total</b>                            | 241,132    |           |          |                       |                          |                                |                        |                       | 557,510        |           |                       | 316,377  |
| <b>Grand Total</b>                      | 4,78,598   |           |          |                       |                          |                                |                        |                       | 6,93,226       |           |                       | 3,62,221 |
| <b>Landmark Assets (Net Book Value)</b> |            |           |          |                       |                          |                                |                        |                       |                |           |                       |          |
| <b>Plant and Equipment</b>              | 156        |           |          |                       |                          |                                |                        |                       | 27             |           |                       | 129      |
| <b>Buildings</b>                        | 512,725    |           |          |                       |                          |                                |                        |                       | 256,590        |           |                       | 256,135  |
| <b>Plant and Equipment</b>              | 17,448     |           |          |                       |                          |                                |                        |                       | 7,683          |           |                       | 9,765    |
| <b>Vehicle</b>                          | 6,003      |           |          |                       |                          |                                |                        |                       | 1,222          |           |                       | 4,781    |
| <b>Office Equipment</b>                 | 8,247      |           |          |                       |                          |                                |                        |                       | 3,207          |           |                       | 5,040    |
| <b>Computer</b>                         | 24,679     |           |          |                       |                          |                                |                        |                       | 17,800         |           |                       | 6,879    |
| <b>Set Top Box</b>                      | 1,297,341  |           |          |                       |                          |                                |                        |                       | 405,546        |           |                       | 891,795  |
| <b>Total</b>                            | 1,884,299  |           |          |                       |                          |                                |                        |                       | 912,502        |           |                       | 971,797  |
| <b>Intangible Assets (Under Lease)</b>  |            |           |          |                       |                          |                                |                        |                       |                |           |                       |          |
| <b>Landmark (Land)</b>                  | 4,910      |           |          |                       |                          |                                |                        |                       | 1,105          |           |                       | 3,805    |
| <b>Set Top Box under Lease</b>          | 142,304    |           |          |                       |                          |                                |                        |                       | 37,882         |           |                       | 104,422  |
| <b>Total</b>                            | 147,214    |           |          |                       |                          |                                |                        |                       | 38,987         |           |                       | 108,227  |
| <b>Intangible Assets</b>                | 1,47,214   |           |          |                       |                          |                                |                        |                       | 38,987         |           |                       | 1,08,227 |
| <b>Distribution Network Assets</b>      |            |           |          |                       |                          |                                |                        |                       |                |           |                       |          |
| <b>Government of Andhra Pradesh</b>     | 1,57,783   |           |          |                       |                          |                                |                        |                       | 1,57,783       |           |                       | 0        |
| <b>VC Cable</b>                         | 42,129     |           |          |                       |                          |                                |                        |                       | 42,133         |           |                       | 0        |
| <b>Software</b>                         | 18,561     |           |          |                       |                          |                                |                        |                       | 21,280         |           |                       | 0        |
| <b>Total</b>                            | 2,18,473   |           |          |                       |                          |                                |                        |                       | 2,21,196       |           |                       | 0        |
| <b>Capital Work In Progress</b>         |            |           |          |                       |                          |                                |                        |                       |                |           |                       |          |
| <b>For Top Boxes &amp; VC</b>           | 30,576     |           |          |                       |                          |                                |                        |                       | 68,013         |           |                       | 37,437   |
| <b>Working under construction</b>       | 210,556    |           |          |                       |                          |                                |                        |                       | 489,497        |           |                       | 278,940  |
| <b>Total</b>                            | 241,132    |           |          |                       |                          |                                |                        |                       | 557,510        |           |                       | 316,377  |
| <b>Grand Total</b>                      | 4,78,598   |           |          |                       |                          |                                |                        |                       | 6,93,226       |           |                       | 3,62,221 |

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**INDIAN CABLE NET COMPANY LIMITED**

Notes to financial statements for the year ended 31<sup>st</sup> Mar 2016

**13. Other current liabilities**

|  | 31-Mar-16        | 31-Mar-15      |
|--|------------------|----------------|
| <b>Particulars</b>                           |                  |                |
|  | (₹) 000s         | (₹) 000s       |
| <b>Other Liabilities</b>                     |                  |                |
| Unearned Income                              | 10,831           | 5,877          |
| <b>Others</b>                                |                  |                |
| Advances from customers                      | 30,212           | 11,782         |
| Interest free deposits from Customers        | 53,242           | 24,536         |
| Payable for Capital Goods                    | 692,197          | 506,061        |
| Payable for Contractual Liabilities          | 2,668            | 1,682          |
| Temporary Overdraft                          | 543,926          | 136,045        |
| Interest Accrued But Not Due ( Liabilities ) | 1,462            | 633            |
| Statutory Liabilities                        | 56,365           | 98,227         |
| Current Maturities of Long Term Liabilities  | 18,770           | 172,824        |
|  | <u>1,409,674</u> | <u>957,666</u> |

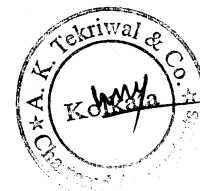
**14. Non Current Investment**

|   | 31-Mar-16      | 31-Mar-15     |
|---|----------------|---------------|
|   | (₹) 000s       | (₹) 000s      |
| <b>Investment in Subsidiary (Unquoted, Trade)</b>   |                |               |
| 4523016 Nos (PY '3521016 Nos.) of Equity Share of Siti Maurya Cable net Pvt Ltd ( FV Rs. 10/-)  | 80,300         | 50,240        |
| 10000 Nos (PY 'NIL) of Equity Share of Indinet Services Pvt Ltd ( FV Rs. 10/-)                  | 100            | -             |
| 125000 Nos (PY 'NIL) of Equity Share of Axom Communications and Cable TV Pvt Ltd ( FV Rs. 10/-) | 37,500         | -             |
|   | <u>117,900</u> | <u>50,240</u> |

**15. Loans and Advances (Refer Note - 42)**

| Particulars                                       | Non-current    |                | Current        |                |
|---|----------------|----------------|----------------|----------------|
|   | 31-Mar-16      | 31-Mar-15      | 31-Mar-16      | 31-Mar-15      |
|   | (₹) 000s       | (₹) 000s       | (₹) 000s       | (₹) 000s       |
| <b>a. Security Deposits</b>                       |                |                |                |                |
| Unsecured, considered good                        | 13,749         | 7,601          | -              | 50             |
| <b>b. Loans and advances to related parties**</b> |                |                |                |                |
| Unsecured, considered good                        | -              | -              | 12,640         | 44,614         |
| Doubtful  | -              | -              | 93             | 924            |
| Less: Provision for doubtful loans and advances   | -              | -              | (93)           | (924)          |
| <b>c. Other loans and advances</b>                |                |                |                |                |
| Unsecured, considered good                        |                |                |                |                |
| Prepaid Expenses                                  | -              | -              | 8,574          | 4,549          |
| Mat Credit Entitlement                            | 62,205         | 42,820         | -              | -              |
| Advance Income Tax ( Net of Provisions)           | 80,127         | 57,794         | -              | -              |
| Balances with Statutory / Govt authorities-       |                |                |                |                |
| - Income Tax Refundable                           | 5,982          | 16,225         | -              | -              |
| - Amusement Tax Authority                         | 650            | 650            | -              | -              |
| - Service tax authority                           | -              | -              | 68,891         | 41,740         |
| - Sales tax authority                             | 11,436         | 7,601          | -              | -              |
| Loan & Advance to Staff                           | 766            | 433            | 3,163          | 2,499          |
| Advance to other                                  | -              | 38,698         | -              | 300,000        |
| Advance to Suppliers                              | 565            | 3,774          | 26,561         | 14,911         |
| Doubtful Advances to Suppliers                    | -              | -              | -              | 735            |
| Less: Provision for doubtful advances             | -              | -              | -              | (735)          |
|   | <u>175,480</u> | <u>175,597</u> | <u>119,829</u> | <u>408,363</u> |

*M. Agarwal*  
*Shri Singh*





**INDIAN CABLE NET COMPANY LIMITED**

Notes to financial statements for the year ended 31<sup>st</sup> Mar 2016

| Particulars  | 31-Mar-16     | 31-Mar-15     |
|--|---------------|---------------|
|  | (₹) 000s      | (₹) 000s      |
| ** Private Company in which director/s is/are a member/s   |               |               |
| Axom Communications & Cable Pvt. Ltd. (Subsidiary Company) | 12535         | 12535         |
| Siti Singhbhum Cable Network Co P.Ltd                      | 93            | 76            |
| Siti Royal Heritage Communications Pvt Ltd                 | -             | 848           |
| Indinet Service Private Limited (Subsidiary Company)       | 104           | -             |
| Siti Maurya Cable Net Pvt. Ltd. (Subsidiary Company)       | -             | -             |
| <b>Total</b>   | <b>12,733</b> | <b>45,838</b> |

**16. Other Assets**

| Particulars                 | Non-current |           | Current   |           |
|-----------------------------|-------------|-----------|-----------|-----------|
|                             | 31-Mar-16   | 31-Mar-15 | 31-Mar-16 | 31-Mar-15 |
|                             | (₹) 000s    | (₹) 000s  | (₹) 000s  | (₹) 000s  |
| Non - Current Bank Balances | 843         | 891       | -         | -         |
|                             | 843         | 891       | -         | 0         |
|                             | 843         | 891       | -         | 0         |

**17. Inventories (valued at lower of cost and net realizable value)**

| Stores and spares | 31-Mar-16 | 31-Mar-15 |
|-------------------|-----------|-----------|
|                   | (₹) 000s  | (₹) 000s  |
|                   | 47,855    | 36,740    |
|                   | 47,855    | 36,740    |

**18. Trade receivables**

(refer Note No. 42)

| Particulars  | 31-Mar-16 | 31-Mar-15 |
|--|-----------|-----------|
|  | (₹) 000s  | (₹) 000s  |
| Trade receivables outstanding for a period exceeding six months from the date they are due for payment |           |           |
| Secured, considered good   |           |           |
| Unsecured, considered good   |           |           |
| Unsecured, considered doubtful   | 64,955    | 74,389    |
| Less: Provision for doubtful debts   | 209,777   | 158,049   |
|  | (209,777) | (158,049) |
|  | 64,955    | 74,389    |
| Other Receivables  |           |           |
| Secured, considered good   |           |           |
| Unsecured, considered good   |           |           |
| Unsecured, considered doubtful   | 737,677   | 578,582   |
| Less: Provision for doubtful debts   | 4,901     | 5,398     |
|  | (4,901)   | (5,398)   |
|  | 737,677   | 578,582   |
|  | 802,632   | 652,971   |
|  | 802,632   | 652,971   |

**Trade Receivables includes-**

| Trade Receivables includes-   | 31-Mar-16 | 31-Mar-15 |
|---|-----------|-----------|
|   | (₹) 000s  | (₹) 000s  |
| <b>Due from Subsidiary Company</b>                                    |           |           |
| Siti Maurya Cable Net Pvt. Ltd.                                       |           |           |
| Axom Communications & Cable Pvt. Ltd.                                 | 148,095   | 49,771    |
| <b>Due from Private Company in which director/s is/are a member/s</b> |           |           |
| Siti Darshan Cable Net Co. Private Limited                            | 21,641    | 18,458    |
| Smart Vinimay Private Limited   | 13,631    | 14,593    |
| Siti Royal Heritage Cable Net Co. Private Limited                     | 1,364     | 417       |
| Siti Vision Digital Media Private Limited                             | 3,699     | 2,749     |
|   | 1,986     | -         |

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**INDIAN CABLE NET COMPANY LIMITED**  
**Notes to financial statements for the year ended 31<sup>st</sup> Mar 2016**  
**19. Cash and bank balances**

| Particulars  | Non-current           |                       | Current               |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
|  | 31-Mar-16<br>(₹) 000s | 31-Mar-15<br>(₹) 000s | 31-Mar-16<br>(₹) 000s | 31-Mar-15<br>(₹) 000s |
| Cash and cash equivalents  |                       |                       | 30,249                | 18,152                |
| Balances with banks:   |                       |                       | 4,991                 | 18,037                |
| - On current accounts  |                       |                       | 543,261               | 160,212               |
| - Deposits with original maturity of less than three months                      |                       |                       | 6,742                 | 3,456                 |
| Cheques/ drafts on hand  |                       |                       | 585,243               | 199,858               |
| Cash in hand   |                       |                       |                       |                       |
| Other bank balances  |                       |                       | 48,356                | 38,483                |
| - Deposits with original maturity for more than 3 months but less than 12 months | 843                   | 891                   |                       |                       |
| - Margin money deposit (pledge against bank guarantees)                          | 843                   | 891                   | 48,356                | 38,483                |
|  | (843)                 | (891)                 |                       |                       |
| Amount disclosed under non-current assets  |                       |                       | 631,399               | 238,241               |

**20. Revenue from operations**

| Particulars  | FY 2015-16 | FY 2014-15 |
|--|------------|------------|
|  | (₹) 000s   | (₹) 000s   |
| Revenue from operations                              | 381,224    | 40,662     |
| Sale of products (net of returns)<br>STBs and Others | 381,224    | 40,662     |
| Sale of services                                     | 1,418,425  | 1,466,638  |
| Subscription Income                                  | -          | 1,628      |
| Income from Internet Services                        | 233,324    | 98,344     |
| Activation Charges                                   | 665,735    | 720,733    |
| Carriage Income                                      | 2,317,483  | 2,287,343  |
| Other operating revenue                              | 53,393     | 53,597     |
| Income from Leasing & Network Maintenance            | 118,427    | 179,175    |
| Other Networking Income                              | 113,141    | 29,155     |
| Advertisement Income                                 | 25,313     | 15,229     |
| Miscellaneous Income                                 | 310,274    | 277,155    |
|  | 3,008,981  | 2,605,161  |

**21. Other Income**

| Particulars                          | FY 2015-16 | FY 2014-15 |
|--------------------------------------|------------|------------|
|                                      | (₹) 000s   | (₹) 000s   |
| Interest on                          | 4,783      | 3,524      |
| Bank deposits                        | 1,189      | 2,719      |
| Income Tax Refund                    | 5,582      | -          |
| Interest on Other                    | 735        | -          |
| Provisions no longer required w/back | 18,367     | 45,171     |
| Liabilities Written back (Net)       | 14,990     | 64,683     |
| Business Support Income              | 741        | 709        |
| Realisation of Scrap Sales           | 707        | 2,031      |
| Miscellaneous Income                 | 47,894     | 118,836    |



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*Ali*

**INDIAN CABLE NET COMPANY LIMITED**

Notes to financial statements for the year ended 31<sup>st</sup> Mar 2016

**22. Purchase of Traded Goods**

|                | FY 2015-16     | FY 2014-15    |
|----------------|----------------|---------------|
| Particulars    | (₹) 000s       | (₹) 000s      |
| STBs and Other | 361,302        | 38,987        |
|                | <u>361,302</u> | <u>38,987</u> |

**23. (Increase)/ decrease in inventories**

|   | FY 2015-16 | FY 2014-15 |
|---|------------|------------|
|   | (₹) 000s   | (₹) 000s   |
| Inventories at the beginning of the year - Traded goods | 1,140      | 1,195      |
| Inventories at the end of the year - Traded goods       | 366        | 1,140      |
| (Increase)/decrease                                     | <u>774</u> | <u>55</u>  |

**24. Operating Expenses**

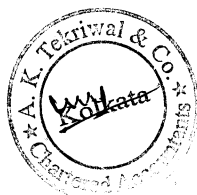
|                                      | FY 2015-16       | FY 2014-15       |
|--------------------------------------|------------------|------------------|
| Particulars                          | (₹) 000s         | (₹) 000s         |
| Management Charges                   | 150,750          | -                |
| Pay channel Expenses                 | 658,191          | 774,644          |
| Carriage Sharing Charges             | 28,565           | 73,015           |
| Lease Rental & Right to Usage Charge | 51,498           | 44,086           |
| Bandwidth Cost                       | 16,556           | 14,256           |
| Program Production Expenses          | 16,051           | 8,625            |
| Other Operational Expenses           | 52,263           | 36,431           |
| Commission Charges and Incentives    | 572,274          | 607,220          |
|                                      | <u>1,546,148</u> | <u>1,558,276</u> |

**25. Employee benefits expenses**

|                                 | FY 2015-16    | FY 2014-15     |
|---------------------------------|---------------|----------------|
| Particulars                     | (₹) 000s      | (₹) 000s       |
| (a) Salaries and incentives     | 77,242        | 80,758         |
| (b) Contributions to -          |               |                |
| (i) Provident fund              | 4,051         | 4,268          |
| (ii) ESI fund                   | 433           | 670            |
| (iii) LWF fund                  | 3             | 3              |
| (c) Gratuity fund contributions | 1,818         | 4,616          |
| (d) Staff welfare expenses      | 8,930         | 10,545         |
|                                 | <u>92,476</u> | <u>100,860</u> |

**26. Finance costs**

|  | FY 2015-16    | FY 2014-15   |
|--|---------------|--------------|
| Particulars                                | (₹) 000s      | (₹) 000s     |
| Interest on late payment of Statutory Dues | 6,226         | 4,343        |
| Interest to Banks                          | 3,236         | 633          |
| Other Borrowing Cost & Bank Charges        | 5,536         | 4,037        |
|  | <u>14,998</u> | <u>9,013</u> |



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# INDIAN CABLE NET COMPANY LIMITED

Notes to financial statements for the year ended 31<sup>st</sup> Mar 2016

## 27. Depreciation and amortization expense

| Particulars   | FY 2015-16     | FY 2014-15     |
|---|----------------|----------------|
|   | (₹) 000s       | (₹) 000s       |
| Depreciation of tangible assets (Refer Note No. - 10)   | 238,682        | 231,514        |
| Amortization of intangible assets (Refer Note No. - 10) | 226,883        | 220,090        |
|   | <u>465,565</u> | <u>451,604</u> |

## 28. Other expenses

| Particulars  | FY 2015-16     | FY 2014-15     |
|--|----------------|----------------|
|  | (₹) 000s       | (₹) 000s       |
| Rent   | 15,763         | 14,389         |
| Rates and Taxes                                    | 3,335          | 944            |
| Communication Expenses                             | 7,584          | 4,793          |
| Repairs and Maintenance                            |                |                |
| - Plant & Machinery                                | 25,810         | 30,359         |
| - Others   | 9,920          | 7,743          |
| Electricity Expenses & Water Charges               | 13,422         | 15,929         |
| Legal, Professional and Consultancy Charges        | 31,630         | 24,610         |
| Printing and Stationeries                          | 1,724          | 1,615          |
| Service Charges                                    | 56,733         | 43,667         |
| Travelling and Conveyance Expenses                 | 17,862         | 13,923         |
| Foreign Exchange Fluctuation loss (net)            | 9,269          | 9,640          |
| Vehicle Expenses                                   | 13,606         | 15,584         |
| Insurance expenses                                 | 214            | 189            |
| Miscellaneous Expenses                             | 9,050          | 6,965          |
| Loss on Sale / Discard / Write off of Assets (net) | 458            | 9,507          |
| Bad Debts Written Off                              | 10,651         | -              |
| Provision for Churn STBs                           | 681            | 740            |
| Advertisement and Publicity Expenses               | 4,235          | 2,932          |
| Rebate and Discount                                | 138,356        | -              |
| Bank charges                                       | 1,725          | 399            |
| Provision for Doubtful Advances                    | 119            | 924            |
| Provision for Doubtful Debts                       | 50,280         | 89,394         |
| Business and Sales Promotion                       | 6,684          | 15,104         |
|  | <u>429,110</u> | <u>309,348</u> |

## 29. Contingent liabilities and commitments (to the extent not provided for)

| Particulars  | As at 31 Mar 2016 | As at 31 March 2015 |
|--|-------------------|---------------------|
|  | (₹) 000s          | (₹) 000s            |
| <b>(i) Contingent Liabilities</b>  |                   |                     |
| (a) Claims against the company not acknowledged as debt #  | 41,512            | 68,658              |
| (b) Guarantees ##  | 666               | 666                 |
| (c) Other money for which the company is contingently liable                                       | -                 | 2,489               |
|  | <u>42,179</u>     | <u>71,814</u>       |
| <b>(ii) Commitments</b>  |                   |                     |
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for | 103,784           | 381,691             |
|  | <u>103,784</u>    | <u>381,691</u>      |
|  | <u>145,963</u>    | <u>453,505</u>      |



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## INDIAN CABLE NET COMPANY LIMITED

### Notes to financial statements for the year ended 31<sup>st</sup> Mar 2016

# Include ₹5,483 (PY ₹ 6132) thousand towards amusement tax demand against the company for financial year 2007-08 to 2009-10. The company has filed appeal with Commissioner of Agricultural Income Tax, West Bengal. These demands are raised for the difference in amount which is 5% on amount billed by the company on cable operator towards monthly subscription during a financial year and amount of collection received in respect of the same during the said period.

# Include ₹NIL (PY ₹41700) thousand towards demand against the company for the financial year 2011-12 arising from the order of Sr. Joint Commissioner, Commercial Taxes, West Bengal passed in the course of special audit conducted in respect of F.Y. 2011-12. The company has filed appeal with the additional commissioner of sales tax.

# Including ₹ 9085 (PY ₹ 9085) thousand towards Service Tax demand relating to the F.Y. 2006-07 to 2011-12. The said demand has been raised in respect of rental of set top boxes and reversal of service tax on adjustment of dishonored cheques. For ₹. 8920 thousands company has preferred appeal with Commissioner of Service Tax (A), and for ₹.165 thousands reply for showcase has been filed with Additional Commissioner of Service Tax. The Company has been advised that no service tax is leviable on afforsaid transactions.

# Including ₹ 3600 (PY ₹NIL) thousand towards interest & penalty demand against late payment of amusement tax during FY 2013-14. Total demand against Interest & Penalty is of ₹4357 & ₹3600 respectively. Provision taken in books amounting to ₹. 4357 thousand against Interest.

# Includes ₹ 20084 (PY ₹11741) thousand on account of entry tax on import of STB and other networking materials into west bengal. The west Bengal government levied entry tax vide 'West Bengal Tax on entry of goods into local areas Act 2012'. The operation of the Act was w.e.f. 1st Apr-2012. The validity of the this levy has been challenged by the company in the Honorable Calcutta High Court by a writ petition, on the belief that the levy is unconstitutional and is thus unsustainable. The company is hopeful of getting a favourable order.

# Includes ₹629 (PY NIL) thousand against a money suit filed by M/s Ten Dot Net Cable Pvt. Ltd. for recovery of alleged dues against a work contract allegedly done for the company.

# Includes ₹ 2632 (PY ₹ NIL) on account of demand received from District Magistrate Noida for Entertainment Tax on activation / installation charges of STB's in UP

## For counter bank guarantees in respect of outstanding bank guarantees & FD pledged ₹ 666 thousands (PY ₹ 666 thousands)

In addition, the company is subject to legal proceeding and claims, which have arisen in the ordinary course of business. The company's management does not reasonably expect that there legal action, when ultimately concluded and determined, will have a material and adverse effect on the company's result of operation or financial conditions.



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**INDIAN CABLE NET COMPANY LIMITED**

**Notes to financial statements for the year ended 31<sup>st</sup> Mar 2016**

30. During the year, the Digital Addressable System ("DAS") has become operational in phase-3 notified areas in terms of mandate of Government Of India (GOI) w.e.f. 1st Jan 2016. During the year, the company has earned ₹ 157211 thousand from activation of digital cable TV service in DAS-3. However, the subscription billing in the DAS-3 area continues to be on Analogue basis in the transitional period.

31. The Company has not received intimation from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosures relating to amount unpaid as on 31st Mar 2016 together with interest paid or payable under this Act have not been given.

32. Value of Imports calculated on CIF basis

|                    | 31-Mar-16<br>(₹) 000s | 31-Mar-15<br>(₹) 000s |
|--------------------|-----------------------|-----------------------|
| <b>Particulars</b> |                       |                       |
| Consumables        | 5,615                 | 2,976                 |
| Capital Goods      | 942,243               | 53,711                |
|                    | <u>947,858</u>        | <u>56,688</u>         |

33. Expenditure in foreign currency

|                            | 31-Mar-16<br>(₹) 000s | 31-Mar-15<br>(₹) 000s |
|----------------------------|-----------------------|-----------------------|
| <b>Particulars</b>         |                       |                       |
| Interest                   | 1,440                 | 633                   |
| Annual Maintenance Charges | 6,992                 | 4,976                 |
| Licence Fees               | 586                   | 645                   |
| Travelling & Conveyance    | 47                    | 228                   |
|                            | <u>9,066</u>          | <u>6,482</u>          |

34. At the year end, unhedged foreign currency exposures are as follows:

| Particulars                   | As on 31/03/2016<br>(In 000s) |                     | As on 31/3/2015<br>(In 000s) |                     |
|-------------------------------|-------------------------------|---------------------|------------------------------|---------------------|
|                               | In ₹                          | In Foreign Currency | In ₹                         | In Foreign Currency |
| Advance to Vendor (in USD)    | 19,133                        | 289                 | 3,686                        | 59                  |
| Advance to Employees (in Yen) | -                             | -                   | 101                          | 10                  |
| Buyer's Credit (in USD)       | 642,574                       | 9,699               | 212,033                      | 3,383               |
| Payable to Vendor (in USD)    | 251,367                       | 3,794               | -                            | -                   |

35. Earning Per Share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

|   | 31-Mar-16<br>(₹) 000s | 31-Mar-15<br>(₹) 000s |
|---|-----------------------|-----------------------|
| Total operations for the year before prior period                   | 96,060                | 125,593               |
| Profit/ (loss) after tax after prior period items                   | <u>96,060</u>         | <u>125,593</u>        |
| Add/(less): Prior Period Items                                      |                       |                       |
| Net profit/ (loss) before prior period for calculation of basic EPS | 96,060                | 125,593               |
| Net profit before prior period items as above                       | <u>96,060</u>         | <u>125,593</u>        |
| Net profit/ (loss) for calculation of diluted EPS                   |                       |                       |
| Total operations for the year after prior period                    | 96,060                | 125,593               |
| Profit/ (loss) after tax after prior period items                   | <u>96,060</u>         | <u>125,593</u>        |
| Net profit for calculation of basic EPS                             | 96,060                | 125,593               |
| Net profit as above after prior period items                        | <u>96,060</u>         | <u>125,593</u>        |
| Net profit/ (loss) for calculation of diluted EPS                   |                       |                       |



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Weighted average number of equity shares in calculating basic EPS  
 Weighted average number of eq. shares in calculating diluted EPS

| No.(000s) | No.(000s) |
|-----------|-----------|
| 86,401    | 14,482    |
| 86,401    | 14,482    |

Earnings Per Share in INR (Nominal Value per equity shares ₹ 10/-)

| <b>Before Prior Period Items</b> |      |      |
|----------------------------------|------|------|
| Basic Earning Per Share          | 1.11 | 8.67 |
| Diluted Earning Per Share        | 1.11 | 8.67 |
| <b>After Prior Period Items</b>  |      |      |
| Basic Earning Per Share          | 1.11 | 8.67 |
| Diluted Earning Per Share        | 1.11 | 8.67 |

36. (i) The detail of employee benefit for the period in respect of gratuity which is funded defined benefit plan is as under:  
 a. Component of employer expense

| PARTICULARS                                       | ₹ 000s              |                       |
|---|---------------------|-----------------------|
|   | As on 31st Mar 2016 | As on 31st March 2015 |
| Current Service Cost                              | 1,611               | 1,423                 |
| Interest on defined benefit obligation            | 623                 | 403                   |
| Expected Return on plan assets                    | (417)               | (257)                 |
| Net Accrual losses/(gains) recognized in the year | 283                 | 955                   |
| Past Service Cost                                 | -                   | -                     |
| Total Included in employer benefit                | 2,100               | 2,523                 |
| Actual Return on plan assets                      | 417                 | 257                   |

b. Net Asset / (Liability) recognized in the balance sheet as at 31st March 2016

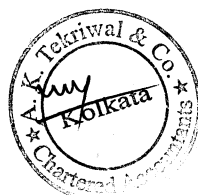
| PARTICULARS                        | ₹ 000s              |                       |
|------------------------------------|---------------------|-----------------------|
|                                    | As on 31st Mar 2016 | As on 31st March 2015 |
| Present Value of Funded Obligation | 9,931               | 7,791                 |
| Fair Value of Plan Assets          | 5,545               | 4,595                 |
| Net Liability                      | 4,386               | 3,196                 |
| Amount in Balance Sheet            |                     |                       |
| Liability                          | 4,386               | 3,196                 |
| Assets                             |                     |                       |
| Net Liability                      | 4,386               | 3,196                 |

c. Reconciliation of Benefit Obligation & Plan Assets for the Period ended:

| PARTICULARS                                 | ₹ 000s              |                       |
|---|---------------------|-----------------------|
|   | As on 31st Mar 2016 | As on 31st March 2015 |
| <b>Change in Defined Benefit Obligation</b> |                     |                       |
| Opening Defined Benefit Obligation          | 7,791               | 5,033                 |
| Current Service Cost                        | 1,611               | 1,423                 |
| Interest Cost                               | 623                 | 403                   |
| Actuarial Losses / (Gain)                   | (63)                | 955                   |
| Past Service Cost                           | -                   | -                     |
| Benefits Paid                               | (30)                | (22)                  |
| Closing Defined Benefit Obligation          | 9,931               | 7,791                 |
| <b>Change in Fair Value of Assets</b>       |                     |                       |
| Opening Fair Value of Plan Assets           | 4,595               | 3,463                 |
| Fund converted old scheme                   | 282                 | -                     |
| Expected Return on Plan Assets              | 417                 | 257                   |
| Actuarial Gain / (Losses)                   | (346)               | -                     |
| Contribution by Employer                    | 628                 | 897                   |
| Benefits Paid                               | (30)                | (22)                  |
| Closing Fair Value on Plan Assets           | 5,545               | 4,595                 |
| Expected Employer Contribution Next Year    | 700                 | 900                   |

d. Asset Information of Plan Assets

| Category of Assets   | As on 31st Mar 2016 | As on 31st March 2015 |
|----------------------|---------------------|-----------------------|
| Insurer Managed Fund | 100%                | 100%                  |



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*L. K. Singh*

*M. J.*

(ii) The Defined Benefit Obligation of compensated absence in respect of Privilege Leave is ₹5,998 thousand (P.Y ₹5,272 thousand).

(iii) Actuarial Assumptions

| Category of Assets                | As on 31st Mar 2016 | As on 31st March 2015 |
|-----------------------------------|---------------------|-----------------------|
| Discount Rate (p.a.)              | 8.00%               | 8.00%                 |
| Expected rate of return on Assets | 8.00%               | 8.75%                 |
| Salary Escalation Rate (p.a.)     | 8.00%               | 8.00%                 |

- a Discount Rate is based on the prevailing market yield of Indian Government Securities' as the balance sheet as date for expected term of obligation.
- b Expected rate of return on plan assets is based on our expectation of the average long term rate of return expected on investment of the fund during the estimated term of obligations.
- c Salary Escalation rate is based on estimates of future salary increases taking into consideration of inflation, seniority, promotion and other relevant factors.

37. 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 Company's income from cable TV services. The 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 Company in the books of accounts

38. The Company has given Set Top Boxes under Operating Lease, particulars of which as required under AS -19 are disclosed here under:  
Set Top Boxes given under operating leases are capitalized at an amount equal to cost arrived on weighted average method and the rental income, wherever applicable, is recognised on equal monthly rental billed to subscriber.

| Assets Given on Lease  |                       | (₹) 000s              |  |
|--|-----------------------|-----------------------|--|
|  | As on 31st March 2016 | As on 31st March 2015 |  |
| Lease Payment for the Year   |                       |                       |  |
| Minimum Lease Payment Not later than 1 year                        | 30,002                | 30,002                |  |
| Minimum Lease Payment Later than 1 year but not later than 5 years | 30,002                | 30,002                |  |
| Minimum Lease Payment Later than 5 years                           | 12,639                | 42,641                |  |
|  | -                     | -                     |  |

| (ii)                  |                                  |                     |                 |                                | (₹) 000s |        |
|-----------------------|----------------------------------|---------------------|-----------------|--------------------------------|----------|--------|
| Gross Carrying Amount | Depreciation charged to P/L (CY) | Net Carrying Amount | Impairment Loss | Revenue Recognized in P/L (CY) |          |        |
| 142,305               | 17,527                           | 104,951             |                 |                                |          | 30,002 |

(iii) Significant leasing arrangements

- a. No covenant for contingent rent
- b. The company has leased out Set Top Boxes. The Lease period is 4.5 years after which the lessee has option to buy the same at mutually agreed terminal value. In cases where the lease period is indeterminate there is no specific covenant for termination of the lease.
- c. No restrictive covenants relating to dividend, additional debt and further leasing

39. Payment to Auditors (accrued) (Excluding Service Tax)

| PARTICULARS     |                     | (₹) '000              |  |
|-----------------|---------------------|-----------------------|--|
|                 | As on 31st Mar 2016 | As on 31st March 2015 |  |
| Audit Fees      | 435                 | 350                   |  |
| Tax Audit Fees  | 83                  | 75                    |  |
| Taxation Matter | 348                 | 444                   |  |
| Other Services  | 262                 | 155                   |  |
| Reimbursements  | 20                  | 6                     |  |
|                 | 1,148               | 1,030                 |  |



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40. There is no amount due to any Small Scale Industrial Undertakings as at March 31, 2016.
41. The Company has been using SMS software (ZT system) provided by Siti Cable Network Limited (SCNL). No provision for expenses has been made in the books for the said services received from SCNL since the Company does not foresee any liability in this regard.
42. Balances of Loans & Advances, Trade Receivables, Trade Payables, and other assets & liabilities are subject to confirmation.
43. The Company has constituted Corporate Social Responsibility (CSR) Committee to prescribe CSR policies and its implementation as per the section 135 of Companies Act, 2013. The CSR policy has been approved by the Committee and the Board of Directors and the same is already uploaded in the Company's website. The total amount to be spent under the CSR for the F.Y. 2015-16 is to the extent of ₹ 38.31 lakhs (previous year ₹ 23.25 lakhs). However, the company have spent ₹ 2 Lakhs.
44. In the opinion of the Board of Directors the current assets, loans and advances shown in the Balance Sheet as on 31st Mar' 2016 are considered good and fully recoverable, except otherwise stated and provision for all known liabilities has been made in the accounts.
45. During the year under review the Company has acquired 50% of the Equity Shares Capital of Axom Communications & Cable TV Pvt. Ltd. (Axom) for a total consideration of Rs. 37500 thousand. The Company has simultaneously acquired control over the composition of the Board of Directors of Axom. By virtue of the above acquisition Axom has become a subsidiary of the company w.e.f 31st March 2016.
46. In terms of the order dated 28th April 2015 of TDSAT in Appeal Nos. 1(C) of 2014, 2(C) of 2014, 3(C) of 2014, 4(C) of 2014, 5(C) of 2014 and 6(C) of 2014 have passed order to set aside the amendments in the 'Principal Tariff Order'. The Supreme Court also upheld the judgment passed by the TDSAT on the amendments to 'Principal Tariff Order' by order dated 4th August 2015. With reference to the said order the Company has reduced content cost by an amount of Rs. 4.96 Crores on cost payable to STAR INDIA PVT. LTD. & TAJ TELEVISION INDIA PVT. LTD. The amount has been credited to pay channel expenses under Schedule No. 24 "Operating Expenses" of Notes to Accounts.

47. **Related Party Disclosure**

List of parties where control Exists

- a. **Holding Company**
  - Siti Cable Network Limited
- b. **Fellow Subsidiary Companies**
  - Siticable Broadband South Limited
  - Central Bombay Cable Network Limited
  - Wire & Wireless Tisai Satellite Pvt Ltd
  - Master Channel Community Network Pvt. Ltd
  - Siti Jai Maa Durgee Communications Pvt. Ltd
  - Siti Bhatia Network Entertainment P.Ltd.
  - Siti Krishna Digital Media Pvt. Ltd.
  - Sid Jony Digital Cable Network Pvt. Ltd.
  - Siti Guntur Digital Network Pvt. Ltd.
  - Siti Faction Digital Pvt.Ltd.
  - Siti Jind Digital Media Communications Pvt. Ltd
  - Siti Global Pvt. Ltd.
  - Siti Broadband Services Pvt. Ltd.
  - Siti Kranal Digital Media Network Pvt. Ltd.
  - Siri Digital Network Pvt. Ltd.
  - Siti Chhattisgarh Multimedia Pvt. Ltd.
  - Siti Vision Digital Media Private Limited
- c. **Subsidiary Company -**
  - Siti Maurya Cable Net Pvt. Ltd
  - Indinet Service Pvt. Ltd (W.E.F 19 Aug 2015)
  - Axom Communications & Cable Pvt. Ltd (W.E.F 31 Mar 2016)
- d. **Entities with Common Control**
  - Siti Darshan Cable Net Co. Private Limited
  - Siti Royal Heritage Cable Net Co. Private Limited
  - Sid Singbhum Cable Net Company Pvt. Ltd.
- e. **Entities with Significant Influence**
  - Calcutta Communication LLP
  - Purvi Communications LLP



*Approved*  
*A. K. Tewari*

*M. S.*

7. Entities in which Directors Interested

- Smart Vinimay Private Limited
- Statt Solution Private Limited
- Gurukripa Comlink Private Limited
- Haridwar Traders Private Limited
- Maxpro Tracon Private Limited

g. Key Managerial Personnel

- Mr. Soumen Roy Choudhury
- Mr. Laxman Singh Khaira

Manager  
Company Secretary

Transactions with related parties.

(₹) 000s

| Particulars   | Siti Cable Network Limited |             | Siti Darshan Cable Net Co. (P) Ltd. |          | Siti Royal Heritage Cable Net (P) Ltd. |          |
|---|----------------------------|-------------|-------------------------------------|----------|--|----------|
|   | FY 15-16                   | FY 14-15    | FY 15-16                            | FY 14-15 | FY 15-16                               | FY 14-15 |
| Expense paid by   | (3,969)                    | 8,605       | (4)                                 | 32       |  |          |
| Expenses paid on behalf of                              | 296                        | -           | 5,560                               | (4,770)  | 102                                    | (525)    |
| Payment for purchase of material and services           | 401,528                    | (19,195)    |                                     |          |  |          |
| Purchase of material & Services                         | (308,861)                  | 72,031      |                                     |          |  |          |
| Expenses Reimbursed to                                  |                            |             |                                     |          |  |          |
| Sales of service and materials                          | 103,134                    | (161,012)   | 36,469                              | (36,152) |  | (1,069)  |
| Expenses Reimbursed by                                  | (221)                      | 2,850       | (5,556)                             | 5,073    |  | 121      |
| Equity Contribution                                     |                            | (750,000)   |                                     |          |  |          |
| Payment received for sales of services/other recoveries | (103,134)                  | 153,470     | (37,431)                            | 29,664   |  | 1,135    |
| Advances refunded to/ given                             |                            |             |                                     |          |  |          |
| Liabilities Taken over by                               |                            | 223,465     |                                     |          |  |          |
| Assets Taken over by                                    |                            | (43,430)    |                                     |          |  |          |
| Outstanding at the end of                               | (1,016,320)                | (1,105,092) | 13,631                              | 14,593   | 3,699                                  | 3,597    |

Transactions with related parties.

(₹) 000s

| Particulars   | Calcutta Communication LLP |          | Parvi Communications LLP |          | Siti Vision Digital Media Pvt Ltd |          |
|---|----------------------------|----------|--------------------------|----------|-----------------------------------|----------|
|   | FY 15-16                   | FY 14-15 | FY 15-16                 | FY 14-15 | FY 15-16                          | FY 14-15 |
| Expense paid by   |                            |          |                          |          |                                   |          |
| Expenses paid on behalf of                              |                            |          | 178                      |          |                                   |          |
| Payment for purchase of material and services           |                            |          |                          |          |                                   |          |
| Purchase of material & Services                         |                            |          |                          |          |                                   |          |
| Equity Acquisition                                      |                            |          |                          |          |                                   |          |
| Expenses Reimbursed to                                  |                            |          |                          |          |                                   |          |
| Sales of service and materials                          |                            |          |                          |          | 1,986                             |          |
| Expenses Reimbursed by                                  |                            |          | (178)                    |          |                                   |          |
| Payment received for sales of services/other recoveries |                            |          |                          |          |                                   |          |
| Equity Contribution in Cash                             |                            |          |                          |          |                                   |          |
| Advances refunded to/ given                             |                            |          |                          |          |                                   |          |
| Assets Taken over by                                    |                            | (295)    |                          | (40)     |                                   |          |
| Outstanding at the end of year                          | (295)                      | (295)    | (40)                     | (40)     | 1,986                             | -        |



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(₹) 000s

## Transactions with related parties.

| Particulars   | Smart Vinimay Private limited |          | Siti Maurya Cable Net Pvt. Ltd. |           | Siti Singhbhum Cable Net Co. (P) Ltd. |          |
|---|-------------------------------|----------|---------------------------------|-----------|---------------------------------------|----------|
|   | FY 15-16                      | FY 14-15 | FY 15-16                        | FY 14-15  | FY 15-16                              | FY 14-15 |
| Expense paid by   |                               |          |                                 | 5         |                                       |          |
| Expenses paid on behalf of                              |                               |          | 65,825                          | (1,958)   | 17                                    | (26)     |
| Payment for purchase of material and services           | 227                           | (103)    |                                 | (7,034)   |                                       |          |
| Purchase of material & Services                         | (1,975)                       | 282      |                                 | 79,039    |                                       |          |
| Equity Acquisition                                      |                               |          | (30,060)                        | 30,060    |                                       |          |
| Expenses Reimbursed to                                  |                               |          |                                 |           |                                       |          |
| Sales of service and materials                          | 4,500                         | (638)    | 253,373                         | (164,098) |                                       |          |
| Expenses Reimbursed by                                  |                               |          | (65,825)                        | 235       |                                       |          |
| Payment received for sales of services/other recoveries | (1,806)                       | 63       | (156,968)                       | 49,259    |                                       |          |
| Equity Contribution in Cash                             |                               |          |                                 |           |                                       |          |
| Advances refunded to/ given                             |                               |          |                                 |           |                                       |          |
| Outstanding at the end of year                          | 1,340                         | 395      | 148,095                         | 81,850    | 93                                    | 76       |

## Transactions with related parties.

(₹) 000s

(₹) 000s

(₹) 000s

| Particulars   | Indinet Service Pvt Ltd |          | Statt Solution Pvt Ltd |          | Gurukripa Comlink Pvt Ltd |          |
|---|-------------------------|----------|------------------------|----------|---------------------------|----------|
|   | FY 15-16                | FY 14-15 | FY 15-16               | FY 14-15 | FY 15-16                  | FY 14-15 |
| Expense paid by   |                         |          |                        |          |                           |          |
| Expenses paid on behalf of                              | 4                       |          |                        |          |                           |          |
| Payment for purchase of material and services           |                         |          | (184)                  |          | (172)                     |          |
| Purchase of material & Services                         |                         |          | 184                    |          | 172                       |          |
| Equity Acquisition                                      | (100)                   |          |                        |          |                           |          |
| Expenses Reimbursed to                                  |                         |          |                        |          |                           |          |
| Sales of service and materials                          |                         |          |                        |          |                           |          |
| Expenses Reimbursed by                                  |                         |          |                        |          |                           |          |
| Payment received for sales of services/other recoveries |                         |          |                        |          |                           |          |
| Equity Contribution in Cash                             | 100                     |          |                        |          |                           |          |
| Advance Refund to/given                                 |                         |          |                        |          |                           |          |
| Assets Taken over by                                    |                         |          |                        |          |                           |          |
| Advance Refund to/given                                 | 100                     |          |                        |          |                           |          |
| Outstanding at the end of year                          | 104                     |          |                        |          |                           |          |



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Transactions with related parties.

(₹) 000s

(₹) 000s

| Particulars   | Haridwar Traders Pvt Ltd |          | Maxpro Tracon Pvt Ltd |          | Std Broadband Services Pvt Ltd |          |
|---|--------------------------|----------|-----------------------|----------|--------------------------------|----------|
|   | FY 15-16                 | FY 14-15 | FY 15-16              | FY 14-15 | FY 15-16                       | FY 14-15 |
| Expense paid by   |                          |          |                       |          |                                |          |
| Expenses paid on behalf of                              |                          |          |                       |          |                                |          |
| Payment for purchase of material and services           |                          |          |                       |          |                                |          |
| Purchase of material & Services                         |                          |          |                       |          |                                |          |
| Equity Acquisition                                      |                          |          |                       |          |                                |          |
| Expenses Reimbursed to                                  |                          |          |                       |          |                                |          |
| Sales of service and materials                          |                          |          |                       |          | 84,766                         |          |
| Expenses Reimbursed by                                  |                          |          |                       |          |                                |          |
| Payment received for sales of services/other recoveries |                          |          |                       |          | (105,713)                      |          |
| Equity Contribution in Cash                             |                          |          |                       |          |                                |          |
| Advance Refund to/given                                 | (20,000)                 |          | (15,000)              |          |                                |          |
| Assets Taken over by                                    |                          |          |                       |          |                                |          |
| Advance Refund to/given                                 | 20,000                   |          | 15,000                |          |                                |          |
| Outstanding at the end of year                          |                          |          |                       |          | (20,947)                       |          |

Transactions with related parties.

(₹) 000s

| Particulars   | Axom Communications & Cable Pvt. Ltd. |          |
|---|---------------------------------------|----------|
|   | FY 15-16                              | FY 14-15 |
| Expense paid by   |                                       |          |
| Expenses paid on behalf of                              |                                       |          |
| Payment for purchase of material and services           |                                       |          |
| Purchase of material & Services                         |                                       |          |
| Equity Acquisition                                      |                                       |          |
| Expenses Reimbursed to                                  |                                       |          |
| Sales of service and materials                          | 106,156                               |          |
| Expenses Reimbursed by                                  |                                       |          |
| Payment received for sales of services/other recoveries | (101,783)                             |          |
| Equity Contribution in Cash                             |                                       |          |
| Advance Refund to/given                                 |                                       |          |
| Assets Taken over by                                    |                                       |          |
| Advance Refund to/given                                 |                                       |          |
| Outstanding at the end of year                          | 34,176                                |          |



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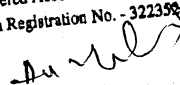
b. Transaction with key managerial persons

| Remuneration paid to manager | (₹) 000s |         |
|------------------------------|----------|---------|
|                              | FY15-16  | FY14-15 |
|                              | 3132     | 3012    |

48 Previous year's figures have been regrouped and/or rearranged wherever necessary and are not strictly comparable with the current years figures in view of the accounting effect of amalgamation in the current year.

Notes to accounts referred in our report of even date.

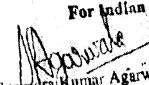
For A.K. Tekriwal & Co.  
Chartered Accountants  
(Firm Registration No. - 322358-E)

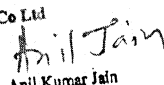
  
A.K. Tekriwal  
Partner  
Membership No.-056362



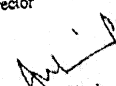
Place - Kolkata  
Date - 9th May 2016

For Indian Cable Net Co Ltd

  
Surendra Kumar Agarwal  
Director

  
Anil Kumar Jain  
Director

S. Roy Chaudhury  
C.E.O

  
Atul Kumar Singh  
V.P.(F & A)

  
Laxman Singh Kaira  
Company Secretary