



# MAHESH UDHWANI & ASSOCIATES

CHARTERED ACCOUNTANTS

3rd Floor, Satyam Building,  
Opp. Old Vuda Office, Fatehgunj,  
Vadodara - 390 024. Ph. : 2785858  
Website : www.maheshudhwani.com

## INDEPENDENT AUDITORS' REPORT

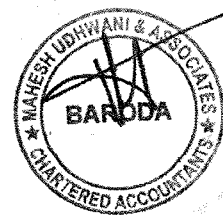
To The Members of Saistar Digital Media Private Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of **Saistar Digital Media Private Limited**, ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 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 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

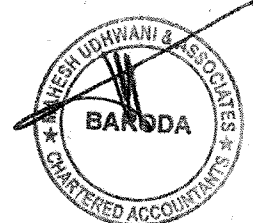
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss 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 paragraph 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid 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 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
- g. With respect to 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 does not have any pending litigations which would impact its financial position of its 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.

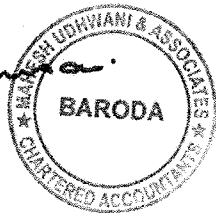
**For Mahesh udhwani and Associates**  
**Chartered Accountants**  
**(Firm Reg. No: 129738W)**

*M. A. Udhwa.*

**Mahesh Udhwani**  
**Partner**  
**M.No. 047328**

**Place of Signature: Vadodara**

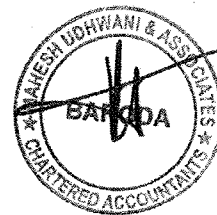
**Date : 07/05/2016**



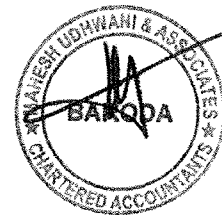
## ANNEXURE - A TO THE AUDITOR'S REPORT

The Annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31<sup>st</sup> March 2016, we report that:

- (i)(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals, which in our opinion is reasonable having regard to the size of the company and nature of the fixed assets. No material discrepancy has been noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties are held in the name of the Company.
- (ii) There is no inventory; and hence, the related paragraphs of CARO 2016 are not applicable
- (iii) During the year, the Company has not given any loan secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Hence clause (iii) (a), (b) & (c) of paragraph 3 of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provision of Section 185 and 186 of the Act, with respect to the loans and investment made.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit and hence the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted are not applicable to the Company. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi) The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act for any of the services rendered by the Company.




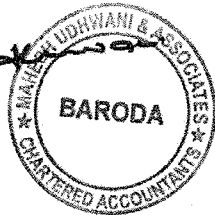
- (vii) In respect of Statutory dues:
- (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at 31st March, 2016 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute.
- (viii) The Company does not have any defaults in any loans or borrowings from any financial institution, banks, government or debenture holders during the year under audit.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) Based on the audit procedures performed and representation obtained from management we report that, no case of fraud on or by the Company has been noticed or reported for the year under audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.



- (xiv) The Company has issued and allotted 23,13,00,000, 0.01% unsecured optionally convertible debentures having face value of Rs.1 each. For such allotment, the Company is in under process to follow provisions of the Companies Act, 2013.  
According to the information and explanations given to us, the funds so raised have been utilized for the specified purpose.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Mahesh udhwani and Associate**  
**Chartered Accountants**  
**(Firm Reg. No: 129738W)**

  
**Mahesh Udhwani**  
**Partner**  
**M.No. 047328**  
**Place: Vadodara**  
**Date : 07/05/2016**



## ANNEXURE - B TO THE AUDITOR'S REPORT

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

In conjunction with our audit of the financial statements of Saistar Digital Media Pvt Ltd as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company of as of that date.

### Management's Responsibility for Internal Financial Controls

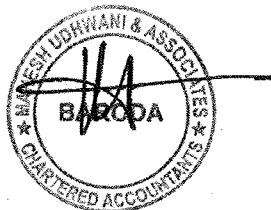
The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the IFCoFR criteria established by the Company considering the essential components of internal financial controls stated in the Guidance Note on Audit of Internal Financial Controls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

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing ('Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.



## Meaning of Internal Financial Controls over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

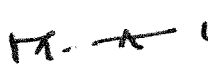
## Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the IFCoFR criteria established by the Company considering the essential components of internal financial controls stated in the Guidance Note issued by the ICAI.

**For Mahesh Udhwani & Associates,**

Chartered Accountants

(Firm Regd.No.129738W)

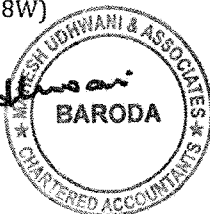
  
**Mahesh Udhwani**

Partner

Membership No.047328

Place: Vadodara

Date : 07/05/2016





**SAISTAR DIGITAL MEDIA PVT LTD**  
REG. OFFICE : 15, BARODA PEOPLE SOCIETY, SARABHAI CHAR RASTA, ALKAPURI, BARODA-07.

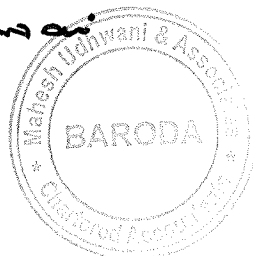
<b>Balance Sheet as at March 31st, 2016</b>				
<b>(Amount in Rs.)</b>				
	Particulars	Note	As at March 31, 2016	As at March 31, 2015
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholder's funds:</b>			
(a)	Share Capital	1	100,000	100,000
(b)	Reserves and surplus	2	(10,930,227)	1,743,841
(c)	Money received against share warrants			
<b>2</b>	<b>Share application money pending for allotment</b>		-	-
<b>3</b>	<b>Non - Current liabilities:</b>			
(a)	Long - term borrowings	3	246,918,167	40,441
(b)	Deferred tax liabilities (Net)	4	-	8,789
(c)	Long - term provisions			
<b>4</b>	<b>Current liabilities</b>			
(a)	Trade payables	5	42,574,277	5,042,746
(b)	Other current liabilities	6	8,709,628	1,372,779
(c)	Short - term provisions	7	59,093	922,711
	<b>Total</b>		<b>287,430,938</b>	<b>9,231,307</b>
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non - current assets:</b>			
(a)	Fixed assets			
(i)	Tangible assets	8	208,097,828	3,580,553
(ii)	Intangible assets			338,693
(b)	Non - current investments			
(c)	Deferred tax assets (Net)	4	5,663,295	-
(d)	Long-term loans and advances	9	7,966,000	110,000
<b>2</b>	<b>Current assets:</b>			
(a)	Current investments			
(b)	Trade receivables	10	32,094,063	1,441,759
(c)	Cash and cash equivalents	11	3,529,760	2,595,203
(d)	Short-term loans and advances	12	30,079,992	1,165,099
	<b>Total</b>		<b>287,430,938</b>	<b>9,231,307</b>
	Significant accounting policies	I		
	Notes to accounts	18		

The notes are an integral part of these financial statements.  
As per our attached report of even date

**For and on behalf of the Board of Directors**

**For Mahesh Udhwani & Associates,**  
Chartered Accountants  
(Firm Regd.No.129738W)

**M. Udhwani**  
Partner  
Membership No.047328  
Place: Vadodara  
Date : 07/05/2016



*M. Pandey*

**(Director)**  
DIN :

*N. J. Pandey*

**(Director)**  
DIN :

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2016**

(Amount in Rs.)

Sr. No.	Particulars	Note No.	For the year ended 31 March, 2016	For the year ended 31 March, 2015
<b>A</b>	<b>CONTINUING OPERATIONS</b>			
1	Revenue from operations (net)	13	96,194,670	16,732,087
2	Other income	14	33,326	36
<b>2</b>	<b>Total revenue (1)</b>		<b>96,227,997</b>	<b>16,732,123</b>
<b>3</b>	<b>Expenses</b>			
	(a) Employee benefits expense	15	4,040,949	1,957,360
	(b) Depreciation and amortisation expense	16	3,863,683	355,307
	(c) Other expenses	17	106,679,622	12,988,755
	<b>Total expenses</b>		<b>114,584,254</b>	<b>15,301,422</b>
<b>4</b>	<b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		<b>(18,356,257)</b>	<b>1,430,701</b>
<b>5</b>	<b>Exceptional items</b>			
<b>6</b>	<b>Profit before extraordinary items and tax (4 ± 5)</b>		<b>(18,356,257)</b>	<b>1,430,701</b>
<b>7</b>	<b>Extraordinary items</b>			
<b>8</b>	<b>Profit / (Loss) before tax (6 ± 7)</b>		<b>(18,356,257)</b>	<b>1,430,701</b>
<b>9</b>	<b>Tax expense:</b>			
	(a) Net current tax expense		-	69,297
	(b) Deferred tax Liability/ (Asset)	04	(5,672,084)	8,338
<b>10</b>	<b>Profit from continuing operations (8 ± 9)</b>		<b>(12,684,174)</b>	<b>1,353,066</b>
<b>B</b>	<b>TOTAL OPERATIONS</b>			
<b>11</b>	<b>Profit / (Loss) for the year</b>		<b>(12,684,174)</b>	<b>1,353,066</b>
<b>12</b>	<b>Earning per Equity Share:</b>			
	Face value per Share		10	10
	No. of Shares		10,000	10,000
	Basic EPS		(1,268.42)	135.31
	Diluted EPS		(1,268.42)	135.31
	Significant accounting policies	I		
	Notes to accounts	18		

In terms of our report attached.

**For Mahesh Udhvani & Associates**

Chartered Accountants

(Firm Regd.No.129738W)

*M. A. Udhvani*  
**Mahesh Udhvani**

Partner

Membership No.047328

Place: Vadodara

Date : 07/05/2016



*M. J. Pandya*  
**(Director)**

DIN :

*N. J. Pandya*  
**(Director)**

DIN :

**SAISTAR DIGITAL MEDIA PVT LTD**

**Cash Flow Statement for the year ended on March 31, 2016**

Particulars		Current Year 31.3.2016	Last Year 31.3.2015
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit / Loss Before Tax & Extra Ordinary Items:		<b>(18,356,257)</b>	<b>1,430,701</b>
<b>Adjustments For:</b>			
Depreciation & Amortisation Expense		3,863,683	355,307
Interest Income		(26,322)	-
<b>Operating Profit Before Working Capital Changes</b>	<b>i.</b>	<b>(14,518,896)</b>	<b>1,786,008</b>
<b>Adjustments For:</b>			
Trade Receivables		(30,652,304)	1,281,309
Short-Term Loans and Advances		(28,914,893)	(975,715)
Trade Payables		37,531,531	1,990,926
Other Current Liabilities		7,336,849	662,243
Short Term Provisions		(863,618)	554,031
<b>Cash Generated From Operations</b>	<b>ii.</b>	<b>(15,562,436)</b>	<b>3,512,795</b>
Income Tax Paid	<b>i+ii</b>	<b>(30,081,332)</b>	<b>5,298,803</b>
		-	69,297
		<b>(30,081,332)</b>	<b>5,298,803</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>			
Addition to Fixed Assets		(208,032,158)	(4,162,099)
Interest Income		26,322	-
Fixed Deposits		(7,526,321)	-
Security Deposits		(329,679.00)	-
<b>Net Cash From Investing Activities</b>	<b>(B)</b>	<b>(215,861,836)</b>	<b>(4,162,099)</b>
<b>C) CASH FLOW FINANCING ACTIVITIES</b>			
Increase in Long term Borrowings		246,877,726	(30,559)
<b>Net Cash From Financing Activities</b>	<b>(C)</b>	<b>246,877,726</b>	<b>(30,559)</b>
<b>Increase in Cash and Cash Equivalents (A)+(B)+(C)</b>	<b>(D)</b>	<b>934,558</b>	<b>1,036,848</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>(E)</b>	<b>2,595,203</b>	<b>1,558,355</b>
<b>Cash and Cash Equivalents at the End of the Year (D) +(E)</b>		<b>3,529,760</b>	<b>2,595,203</b>
<b>Components of Cash and Cash Equivalents:</b>			
Cash on Hand		35,038	548,201
Other Bank Balances		3,494,722	2,047,002
		<b>3,529,760</b>	<b>2,595,203</b>

As per our Report of even date attached

For Mahesh Udhwani & Associates,

Chartered Accountants

(Firm Regd.No.129738W)

For & on behalf of the Board

*M. A. Udhwani*

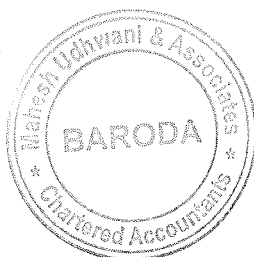
**Mahesh Udhwani**

Partner

Membership No.047328

Place: Vadodara

Date : 07/05/2016



*M. J. Pandya*

**(Director)**

DIN :

*N. J. Pandya*

**(Director)**

DIN :

**NOTE : I SIGNIFICANT ACCOUNTING POLICIES**

**1 Basis of accounting and preparation of financial statements**

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 ('the Act'), and the accounting principles generally accepted in India and comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

**2 Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize.

**3 Change in accounting Policy**

During the year, the company has changed its method of providing depreciation on fixed assets from the written down value to the straight line method. Management believes that this change will result in more appropriate presentation of financial statement. Also Management has work out the impact of the same on the Financial Statements and according to them the same is not material.

**4 Fixed Assets**

Fixed Assets are stated at cost of acquisitions less depreciation and impairment losses if any. Cost of acquisitions comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use. The depreciation on Fixed Assets are provided as specified in Companies Act, 2013 under Straight line Value method on Pro-rata basis.

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

**5 Depreciation & Amortisation**

Depreciation is provided using the Straight Line Method as per the useful life as estimated by the Management on the basis of nature of business.

Assets	Useful Life (in Years)
Computers	3
Building	60
Plant and Machinery	8
Office Equipments	5
Electrical Equipment	8
Studio Equipment	13
Set-Top-Boxes	8
Furniture and fixtures	10

ii Preliminary expenses are amortised during the year.

**6 Taxes on Income  
Current Tax**

The provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.



**Deferred tax**

Deferred tax assets and liabilities are recognized on timing differences, being the differences between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods using tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets, other than on unabsorbed depreciation and carried forward losses, are recognised only if there is reasonable certainty that they will be realised in the future. Deferred tax assets in respect of unabsorbed depreciation and carry forward losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such losses. Deferred Tax assets are reviewed at each balance sheet date for their realisability.

**7 Revenue recognition**

Revenue is recognized in accounts on accrual basis except with those having significant uncertainties. Interest Income is recognised on accrual basis.

**8 Employee benefits**

Short term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the related services are rendered.

Other long term employee benefits & Retirement benefits are recognized as an expense in the statement of profit and loss for the year in which the employee has rendered services.

**9 Impairment of Assets**

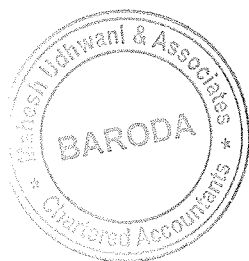
The carrying amounts of assets are reviewed at each balance sheet date. Impairment of Assets is recognised when there is an indication of Impairment and on such indication the recoverable amount of the assets is estimated and if such estimation is less than its carrying amount, the carrying amount is reduced to its recoverable amount.

**10 Earning Per Share:**

The Basic earning per share is computed by dividing the net profit or loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earning per share comprises the weighted average number of shares considered for deriving basic earning share, and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti dilutive.

**11 Provisions**

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



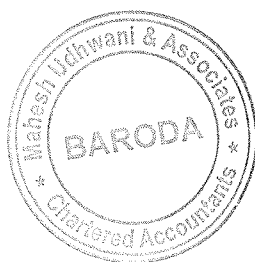
(Amount in Rs.)

1	Particulars	As at March 31, 2016	As at March 31, 2015
	<b>Share Capital:</b>		
	<b>Authorised share capital</b> 10000 Equity shares of Rs. 10/- each.	1,000,000	1,000,000
		-	-
		-	-
	<b>Issued, subscribed and fully paid up capital:</b> 10000 Equity shares of Rs. 10/- each.	100,000	100,000
		-	-
	<b>Total</b>	<b>100,000</b>	<b>100,000</b>

1.1	Reconciliation of number of shares	As at March 31, 2016	As at March 31, 2015
	<b>Equity shares</b>		
	Balance at the beginning of the year No. of shares (Nil)	10,000	-
	<b>Add:</b> Additions to share capital on account of fresh issue	-	10,000
	<b>Balance at the end of the year 10000 Equity shares of Rs. 10/- each</b>	<b>10,000</b>	<b>10,000</b>

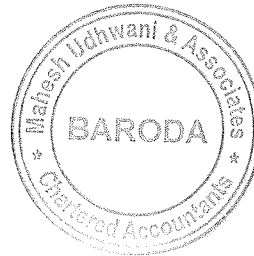
## 1.2 Details of share held by shareholders holding more than 5% of the aggregate shares in the company

Name of the shareholders	As at March 31, 2016		As at	
	Number of shares	Percentage of share holding	Number of shares	Percentage of share holding
Siti Cable Network Limited	5,100	51%	0	0
Raju Raisinghania	3,600	36%	0	0
Jayesh Thakorlal Pandya	1,300	13%	2,500.00	25%
Nira Jayesh Pandya	-	-	7,500.00	75%
<b>Total</b>	<b>10,000</b>	<b>100%</b>	<b>10,000</b>	<b>100%</b>



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

2 Reserve and surplus	As at March 31, 2016	As at March 31, 2015
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Balance at the beginning of the year	1,774,160	421,095
Add: Profit for the year	(12,684,174)	1,353,065
Less: Transferred to:		
General reserve		-
Other (give details)		
- Prilliminary Exp (To the Extent not written	(20,213)	(30,319)
		-
Balance at the end of the year	(10,930,227)	1,743,841
<b>Total</b>	<b>(10,930,227)</b>	<b>1,743,841</b>



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

3 Long term borrowings	As at March 31, 2016	As at March 31, 2015
(a) Debentures * 23,13,00,000 (Previous Year : NIL) 0.01% unsecured optionally convertible debentures having face value of Rs.1 each	231,300,000	-
(b) Term Loans Secured - From Bank Indusind Bank	15,618,167	-
(c) Loans and advances from related parties Unsecured Nira Jayesh Pandya	-	40,441
<b>Total</b>	<b>246,918,167</b>	<b>40,441</b>

\* Notes:

(i) 0.01% unsecured optionally convertible debentures having face value of Rs.1 each were allotted on 31st March,2016. The OCDs shall carry an interest @ 0.01% p.a., which shall be cumulative and payable only at the time of conversion and/or redemption.

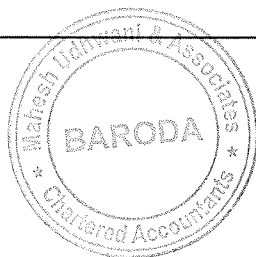
(ii) Each OCDs shall be converted into such number of equity shares / preference shares of the face value of Rs.10/- (Rupees Ten Only) each calculated at fair market value as on date of issue of OCDs

(iii) OCDs are non-marketable i.e. they are not capable of being sold on a recognized stock exchange in or outside India. The Company does not intend to and shall not list OCDs on any recognized stock exchange in or outside India.

iv) Allottee shall, at its option and at any time, be entitled to convert OCDs within a period of 20 years from the date of allotment by giving a 15 days' notice of its intention of conversion of OCDs into equity shares / preference shares. If the Allottee does not exercise its right of conversion of OCDs into Equity Shares/ Preference Shares, the OCDs shall be redeemed by the Company on completion of 20 years. The Allottee would have right to redeem OCDs before 20 years

v) If the Equity Shares allotted as a result of conversion of OCDs shall rank pari - passu in all respects with the existing Equity Shares at the time of each conversion of the Company.

4 Differed Tax Assets / Liabilities	As at March 31, 2016	As at March 31, 2015
Deferred tax liabilities (Net)		8,789
Deferred tax Assets (Net)	5,663,295	
<b>Total</b>	<b>5,663,295</b>	<b>8,789</b>





5 Trade payables	As at March 31, 2016	As at March 31, 2015
Ayush Add Com Pvt Ltd	-	252,256
Indusind Media & Distribution Pvt Ltd	-	1,646,171
MSM Discovery Communication	-	28,750
MSM Multiscreen Media	-	11,556
MSM TV Today Network	-	192
Star India Pvt. Ltd.	-	224,766
Taj Television India Pvt Ltd	-	30,285
Turner International India	-	3,779
Sundry Creditors - Capex	30,513,916	2,844,990
Sundry Creditors - Expenses	35,255	-
Sundry Creditors - Leaseline	10,440,812	-
Sundry Creditors - Pay Channel	1,584,294	-
<b>Total</b>	<b>42,574,277</b>	<b>5,042,746</b>

6 Other current liabilities	As at March 31, 2016	As at March 31, 2015
(i) Payables on purchase of fixed assets		
(ii) Advances from customers	-	252,261
(iii) Service Tax Payable	58,465	865,229
(iv) TDS Payable	8,280,453	251,059
(v) Professional Tax Payable	17,810	3,220
(vi) Income Tax Payable	-	1,010
(vii) Swachh Bharat cess	352,900	-
<b>Total</b>	<b>8,709,628</b>	<b>1,372,779</b>

7 Short term provisions	As at March 31, 2016	As at March 31, 2015
(i) Provision for tax	-	67,701
(ii) Provision for Expenses	29,093	639,413
(iii) Provision for Salary Expenses	-	155,597
(iv) Provision for Director's Remuneration	-	30,000
(v) Provision for Auditor's Fees	30,000	30,000
<b>Total</b>	<b>59,093</b>	<b>922,711</b>

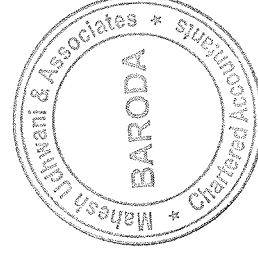


**Depreciation schedule as per companies act, 2013**

8 Fixed assets

Particulars	Gross Block (At cost)				Depreciation/Amortisation			(Amount in rupees)		
	As at April 1, 2015	Additions during the year	Deductions during the year	As at March 31, 2016	Up to April 1, 2015	For the year	Deductions during the year	Up to March 31, 2016	As at March 31, 2016	As at March 31, 2015
<b>Tangible assets</b>										
Plant & machinery	1,966,082	16,264,840	-	18,230,922	114,026	1,349,787	-	1,463,813	16,767,109	1,852,056
Set Top Box		140,560,544	-	140,560,544		1,816,784	-	1,816,784	138,743,760	
Electrical Fitting	46,640		46,640		5,187		5,187			41,453
Furniture & Fixture	1,793,237	5,083,407	-	6,876,644	182,747	489,106	-	671,853	6,204,791	1,610,490
LED TV	30,000		30,000		10,604		10,604			19,396
Computer	66,100	2,092,447	66,100	2,092,447	23,309	193,857	23,309	193,857	1,898,590	42,791
Printer	7,500		7,500		2,284		2,284			5,216
Office Equipment	11,620	52,653	-	64,273	2,469	4,043	-	6,512	57,761	9,151
Capital WIP		44,425,817	-	44,425,817					44,425,817	
<b>Total Tangible</b>	<b>3,921,179</b>	<b>208,479,708</b>	<b>150,240</b>	<b>212,250,647</b>	<b>340,626</b>	<b>3,853,577</b>	<b>41,384</b>	<b>4,152,819</b>	<b>208,097,828</b>	<b>3,580,553</b>
<b>Intangible assets</b>										
Network Purchase	350,000	-	350,000	-	11,307	-	11,307	-	-	338,693.00
<b>Total assets</b>	<b>4,271,179</b>	<b>208,479,708</b>	<b>500,240</b>	<b>212,250,647</b>	<b>351,933</b>	<b>3,853,577</b>	<b>52,691</b>	<b>4,152,819</b>	<b>208,097,828</b>	<b>3,919,246</b>

Note : The Depreciation Method has been changed from WDV to SLM in current year for the assets as shown in Opening as on 01.04.2015. The Effect of the same being not material.



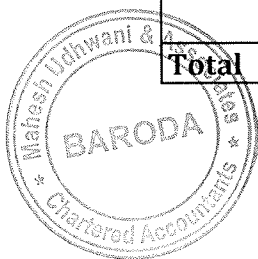
**Notes to the financial statements for the year ended 31st March,2016**

<b>9 Long term loans and advances</b>		<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
(i)	Deposit with Broadcaster	153,800	-
(ii)	Deposit with Electricity Department	140,879	-
(iii)	Fixed Deposit	7,526,321	-
(iv)	Security Deposit Rent	100,000	110,000
(v)	Deposit with Sales Tax	45,000	-
<b>Total</b>		<b>7,966,000</b>	<b>110,000</b>

<b>10 Trade Receivable</b>		<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
(i)	Outstanding from customers	-	454,305
(ii)	Outstanding from cable operators	-	203,302
(iii)	Big Magic Ltd	72,911	410,689
(iv)	MSM Discovery	-	40,944
(v)	Nidra Hospitality Pvt Ltd	-	269,598
(vi)	Star India Pvt Ltd	-	62,922
(vii)	Sundry Debtors for STB	32,018,950	-
(viii)	Sundry Debtors for Advertisement	2,202	-
<b>Total</b>		<b>32,094,063</b>	<b>1,441,759</b>

<b>11 Cash and Cash Equivalent</b>		<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
(i)	Cash Balance	35,038	548,201.00
(ii)	Bank Balance		
	State Bank of India	284,627	636,154
	Indusind Bank	3,210,095	1,410,848
<b>Total</b>		<b>3,529,760</b>	<b>2,595,203</b>

<b>12 Short term loans and advances</b>		<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
(i)	Service Tax credit receivable	12,185,555	-
(ii)	CENVAT	9,816,231	-
(iii)	TDS Receivable	455,106	197,958
(iv)	Advance Tax	200,000	200,000
(v)	Unbilled Income	-	3,224
(vi)	Star Marketing - Inter adjustment	-	385,521
(vii)	Advance Recoverable in Cash Or in Kind	7,423,100	-
(viii)	<u>Advances to Employees</u>		
	Dharmesh Mali	-	25,000
	Dipak Siyal	-	24,000
(x)	<u>Advances to Creditors</u>		
	Vijay Infotech Solution	-	5,000
	Rudraksha Technology Pvt Ltd	-	300,000
	TV 18 Broadcast Ltd	-	16,277
	U TV Entertainment Television	-	8,119
<b>Total</b>		<b>30,079,992</b>	<b>1,165,099</b>

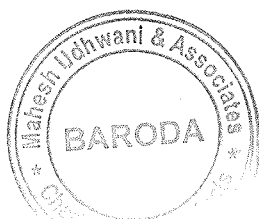


13	Sl. No.	Revenue from Operations	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	(a)	<b>Revenue from Services Comprises :</b>		
	(i)	Advertisement Income	160,000	-
	(ii)	Broadcasting Services	2,356,459	2,305,294
	(iii)	Cable operator Services	23,098,212	14,426,793
	(iv)	Activation Income	70,580,000	-
		<b>Total</b>	<b>96,194,670</b>	<b>16,732,087</b>

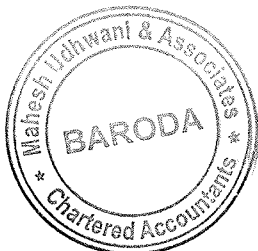
14	Sl. No.	Other Income	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	(a)	Bank Interest - FD	26,322	
	(b)	kasar & Discount	7,005	36
		<b>Total</b>	<b>33,326</b>	<b>36</b>

15	Sl. No.	Employee Benefits Expenses	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	(a)	Salaries	3,306,306	1,557,138
	(b)	Diwali Bonus and Gift Expenses	206,947	148,221
	(c)	Tavelling and Conveyance	505,383	232,566
	(d)	Staff Welfare Expenses	22,313	19,435
		<b>Total</b>	<b>4,040,949</b>	<b>1,957,360</b>

16	Sl. No.	Depreciation and Amortization Expenses	For the year ended 31 March, 2016	For the year ended 31 March, 2015
		<b>Details of Depreciation and Amortization Expenses</b>		
	(i)	Depreciation as per Companies Act	3,853,577	345,201
	(ii)	Preliminary Expenses (To the extent written off)	10,106	10,106
		<b>Total</b>	<b>3,863,683</b>	<b>355,307</b>



Sl. No.	Other Expenses:	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	<b><u>Other Expenses:</u></b>		
	Auditors Remuneration	30,000	30,000
	Finance cost	26,239	15,662
	Bad Debts Written Off	-	336,466
	Cost of Software expenses	2,927	8,755
	Director's Remuneration	450,000	360,000
	Electricity Expenses	870,277	150,321
	Entertainment Tax	144,236	452,658
	Fiber Lease Rent	6,142,257	248,725
	Freight & Cartage Charges	180,576	-
	House Keeping Charges	108,521	-
	Input Swacch Bharat Cess @0.5%	478,507	-
	Interest on Professional Tax	-	477
	Interest on Service Tax	171,335	14,375
	Interest on TDS	34,355	27,639
	IT Consultancy Service	550,000	100,000
	Labour Expenses	24,520	-
	Legal Expense	-	127,230
	Management Fees	80,000,000	-
	MG Commission Expenses	3,158,118	861,999
	Miscellaneous Expenses	4,221	600
	Office & Administration Expenses	163,749	33,701
	Pay Channel Subscription Expenses	5,708,510	3,853,616
	Postage & Courier charges	49,769	5,059
	Printing & Stationery charges	37,287	22,400
	Legal & Professional fees	337,002	430,000
	Professional Tax Paid	-	2,000
	Rates & Taxes	96,024	3,130
	Rent	641,700	309,900
	<i>Repairs &amp; Maintenance of:</i>		
	Plant & Machinery	294,624	-
	Others	140,032	88,832
	Royalties fees	6,542,527	5,409,965
	Security Service Charges	108,710	-
	Telephone & Mobile Expenses	102,379	18,899
	Tea & Coffe Expenses	20,120	-
	Transport Expenses	61,100	52,345
	T Series License Fees	-	24,000
	<b>Total</b>	<b>106,679,622</b>	<b>12,988,755</b>



**Note : 18 NOTES ON ACCOUNTS**

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

	31st March, 2016	31st March, 2015
Deferred tax liability on account of difference between book value of depreciable assets as per books of account and written down value as per Income Tax	3,300,340	8,789
Deferred tax assets on account of current year Loss	8,972,423	-
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>5,672,084</b>	<b>(8,789)</b>

**2 Earning per share:**

	31st March, 2016	31st March, 2015
a) Profit / (Loss) after Tax	(12,684,174)	1,353,066
b) Weighted average No. of Ordinary Shares		
Basic	10,000	10,000
Diluted		
c) Nominal Value of Ordinary Share	10	10
d) Earning per Ordinary share considering:		
Basic	(1,268)	135
Diluted		

**3 Auditor's Remuneration (Including Legal & professional Charges)**

Particulars	31st March, 2016	31st March, 2015
Audit fees	30,000	30,000

**4 Related Parties Disclosure:****List of Parties where control exists****i Holding Company**

Siti Cable Network Limited

**ii Key Managerial Personnel**

Raju Raisinghania  
Jayesh Thakorlal Pandya  
Nira Pandya

**iii Transactions with Holding Company**

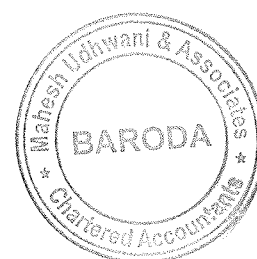
Particulars	31st March, 2016	31st March, 2015
Purchase-Set Top Boxes	180,213,600	-
Purchase-Material	70,912	-
Management Charges	80,000,000	-
Allotment of 23,13,00,000, 0.01% unsecured optionally convertible debentures having face value of Rs.1 each [Refer Note no.3 (a)]	231,300,000	-

**iv Transactions with Key Managerial Personnel**

Particulars	31st March, 2016	31st March, 2015
Remuneration	450,000	360,000.00

**v Balance Outstanding as on 31.03.2016:****Sundry Creditors for Holding Company**

Particulars	31st March, 2016	31st March, 2015
Purchase-Set Top Boxes	13,600	-
Purchase-Material	70,912	-



5 Other Particulars	31st March, 2016	31st March, 2015
Earnings in Foreign Exchange	Nil	Nil
CIF Value of Imports	Nil	Nil
Expenditure in Foreign Currency	Nil	Nil

- 6 During the year the company has initiated ground work and STB seeding under Digital Addressable cable TV System (DAS) in Gujarat areas in accordance with TRAI mandate for phase III cities. Since the TRAI is yet to notify the mandatory date of digitalisation company is continuing subscription billing as per Analogue system.
- Since Digitalisation work for DAS is still under process, the Set top boxes issued in these areas has been considered as Capital work in progress, accordingly the STB activation charges against such set top boxes have been considered as income received in advance.
- 7 Figures for the previous year have been regrouped / rearranged / recast whenever necessary to confirm for comparison purpose.
- 8 In the opinion of the Board of Directors the current assets , loan & advances shown in the Balance Sheet as at 31.03.2016 are considered good and fully recoverable , except other wise stated and provision for all known liabilities is made in the accounts.
- 9 Sundry Creditors, Sundry Debtors, Unsecured Loans, Expenses Recoverable/payable & other loans & Advances are subject to confirmation and reconciliation from parties.
- 10 Information required as per the Micro, Small and Medium Enterprises Development Act, 2006 small Scale Industries.  
The Company has identified Micro, Small and Medium Enterprises on the basis of information available. As at March 31, 2016 there are no dues to Micro, Small and Medium Enterprises that are reportable under the MSMED Act, 2006.
- 11 Figures have been rounded off to the nearest rupee.
- 12 Notes form an integral part of the accounts and have been duly authenticated.

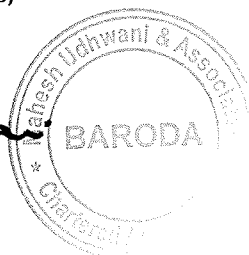
As per our Report of even date


For and on behalf of the Board

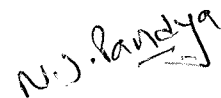
For Mahesh Udhwani & Associates,  
Chartered Accountants  
(Firm Regd.No.129738W)



**Mahesh Udhwani**  
Partner  
Membership No.047328  
Place: Vadodara  
Date : 07/05/2016



  
(Director)  
DIN :

  
(Director)  
DIN :