AAAM & CO
CHARTERED ACCOUNTANTS
An ISO 9001: 2008 Certified Co.

Independent Auditor's Report

To the Members of Siticable Broadband South Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Siticable Broadband South Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and planand perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.

AAAM & CO. NOIDA CHARTERED ACCOUNTANT

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

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a trueand fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2017 and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter(s)

9. The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2016 and April 01, 2015 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports to the shareholders of the Company dated May 10, 2016 and May 26, 2015 respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order,2016 ('the Order') issued by the Central Government of India interms of Section 143(11) of the Act, we give in the Annexure 1a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. Further to our comments in Annexure 1, as required by Section 143(3) of the Act, we report that:

   a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

AAAM & CO. NOIDA CHARTERED ACCOUNTANT

c) the standalone financial statements dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;

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

f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 10 May 2017 as per Annexure 2 expressed unqualified opinion; and

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

   i. the Company did not have any impact of pending litigations on its financial position in its Ind AS 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 betransferred to the Investor Education and Protection Fund by the Company;

   iv. The Company has provided requisite disclosures in the Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016, on the basis of information available with the Company. Based on audit procedures, and relying on management's representation, we report that disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management Refer Note- 2.9 to the standalone Ind AS financial statements.

For A A A M & CO.,
Chartered Accountants
Firm's Registration No.: 08113C

(CA RAHUL GUPTA, ACA)
Partner
Membership No.: 419625

Place: New Delhi
Date: 10.05.2017

"Annexure 1" to the Independent Auditor's Report of even date to the members of Siticable Broadband South Limited, on the standalone financial statements for the year ended 31 March 2017

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

1. In conjunction with our audit of the standalone financial statements of Siticable Broadband South Limited ("the Company") as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on "the Internal Control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (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 on Audit of Internal Financial Controls Over Financial Reporting (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 a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

   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.

M & CO. NOIDA CHARTERED ACCOUNTANT

Meaning of Internal Financial Controls over Financial Reporting

4. 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

5. 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

6. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For A A A M & CO.
CHARTERED ACCOUNTANTS
FRN NO. 08113C

A A A M & CO. NOIDA CHARTERED ACCOUNTANT

(CA RAHUL GUPTA, ACA)
PARTNER
M NO. 419625

Date: 10/05/2017
Place: NOIDA

M/S SITICABLE BROADBAND SOUTH LIMITED

Annexure "1a" to the Auditors Report

The Annexure referred to in our report to the members of the Company for the year ended on 31st March, 2017, we report that:

I	Whether the Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	YES
	Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	NA
	Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	NA
II	Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account;	NA
III	Whether the Company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so:	NO
	Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest;	NA
	Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	NA
	If the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	NA
IV	In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	NA
V	In case, the Company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	NA
VI	Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained.	NA
VII	(a) Whether the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;	YES
	(b) Where dues of Income Tax or Sales Tax or Service Tax or duty of Customs or duty of Excise or Value Added Tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).	NA

A A M & CO. NOIDA CHARTERED ACCOUNTANT

VIII	Whether the Company has defaulted in repayment of loans or borrowing to a Financial Institution, Bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to Banks, Financial Institutions, and Government, Lender wise details to be provided).	NO
IX	Whether money is raised by way of initial public offer or further public offer (including debt instruments) and Term Loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;	NA
X	Whether any fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;	NO
XI	Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013? If not, state the amount involved and steps taken by the company for securing refund of the same;	NA
XII	Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	NA
XIII	Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	YES
XIV	Whether the Company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;	NA
XV	Whether the Company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;	NA
XVI	Whether the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	NA

As per our report of even date

For A A A M &CO.
CHARTERED ACCOUNTANTS
FRN : 08113C

A A A M & CO. ★ NOIDA ★ CHARTERED ACCOUNTANT

(CA RAHUL GUPTA, ACA)
PARTNER
M.NO. - 419625

DATE: 10/05/2017
PLACE: NOIDA

SITICABLE BROADBAND SOUTH LIMITED

Balance Sheet as at March 31, 2017

	Notes	March 31, 2017 ` millions	March 31, 2016 ` millions	April 1, 2015 ` millions
A. Assets				
1. Non-current assets				
Fixed assets				
(a) Property, plant and equipment	3	0.03	0.03	0.03
(b) Capital work-in-progress	3	16.48	-	-
(c) Other intangible assets	4	37.86	-	-
(d) Intangible assets under development	4		-	-
(e) Financial assets				
(i) Investments	5	3.50	-	-
(ii) Loans	6	0.14	0.14	0.05
(f) Other non-current assets		-	-	-
Sub-total of Non-current assets		**58.01**	**0.17**	**0.08**
2. Current assets				
(a) Inventories		-	-	-
(b) Financial assets				
(i) Cash and bank balances	7	0.05	0.73	0.08
(ii) Loans	8	27.62	28.53	15.55
(c) Current tax assets				
(d) Other current assets	9	0.01	-	-
Sub-total of Current assets		**27.67**	**29.26**	**15.63**
Total assets		**85.68**	**29.43**	**15.71**
B. Equity and liabilities				
Equity				
(a) Equity share capital	10	2.33	2.33	2.33
(b) Other equity	11	(18.63)	(13.92)	(9.34)
Sub-total - Equity		**(16.31)**	**(11.60)**	**(7.01)**
Liabilities				
1. Non-current liabilities				
(a) Financial liabilities		-	-	-
(b) Provisions		-	-	-
(c) Deferred tax liability (net)		-	-	-
(d) Other non-current liabilities		-	-	-
Sub-total - Non-current liabilities		**-**	**-**	**-**
2. Current liabilities				
(a) Financial liabilities				
(i) Trade payables	12	-	0.61	0.39
(ii) Other financial liabilities	13	0.60	-	-
(b) Other current liabilities	14	99.95	39.66	21.92
(c) Provisions	15	1.45	0.76	0.41
Sub-total of current liabilities		**101.99**	**41.03**	**22.72**
Total equity and liabilities		**85.68**	**29.43**	**15.71**
Summary of significant accounting policies	1-2.			

The accompanying notes are an integral part of these financial statements.

This is the balance sheet referred to in our report of even date.

For A A A M & Co
Chartered Accountants
FRN: 08113C

(CA Rahul Gupta, ACA)
Partner
M.No-419625

Place : Noida
Date : 10-May-2017

For and on behalf of the Board of Directors of
Siticable Broadband South Ltd

Brijesh Goel
(Din-07197357)
Director

Sandeep Kumar Jain
(Din-00011667)
Director

SITICABLE BROADBAND SOUTH LIMITED
Statement of Profit and Loss for the year ended March 31, 2017

	Notes	March 31, 2017 ` millions	March 31, 2016 ` millions
Revenue			
Revenue from operations		-	-
Other income	16	-	0.03
Total revenue		**-**	**0.03**
Expenses			
Cost of materials consumed		-	-
Purchases of traded goods		-	-
Carriage sharing, pay channel and related costs		-	-
Employee benefits expense	17	0.82	0.84
Finance costs	18	0.00	0.00
Depreciation and amortisation expenses		-	-
Other expenses	19	3.89	3.77
Total expenses		**4.71**	**4.61**
Loss before prior period expenses		**(4.71)**	**(4.58)**
Prior period expenses		-	-
Loss before and after tax		**(4.71)**	**(4.58)**
Loss per share after tax (`)	20		
Basic		(471.03)	(458.22)
Diluted		(471.03)	(458.22)
Summary of significant accounting policies	1-2.		

The accompanying notes are an integral part of these financial statements.

This is the statement of profit and loss referred to in our report of even date

For A A A M & Co
Chartered Accountants
FRN: 08113C

(CA Rahul Gupta, ACA)
Partner
M.No-419625

For and on behalf of the Board of Directors of
Siticable Broadband South Ltd

Brijesh Goel
(Din-07197357)
Director

Sandeep Kumar Jain
(Din-00011667)
Director

Place : Noida
Date : 10-May-2017

SITICABLE BROADBAND SOUTH LIMITED

Cash flow statement for the year ended March 31,2017

Cash flow from operating Activities		31-Mar-17	31-Mar-16
		Amount in ` millions	Amount in ` millions
Profit after tax from continuing operations		(4.71)	(4.58)
Non Cash adjustment to reconcile profit before tax to net cash flows			
Depreciation/Amortisation on continuing operations		-	-
Operating Profits before working capital changes		**(4.71)**	**(4.58)**
Movement in working capital:			
Increase/(Decrease) in trade payables		(0.61)	0.21
Increase/(Decrease) in other current liabilities		61.57	18.09
Decrease/(Increase) in trade receivables		-	-
Decrease/(Increase) in short terms loans and advances & Other current assets		0.91	(12.99)
Cash generated from/(used) in operations		57.16	0.74
Direct tax paid(net of refunds)			
Net Cash flow from/(used) in operating activities (A)		**57.16**	**0.74**
Cash Flow from investing activities			
Purchase of fixed assets, including CWIP and capital advances		(54.34)	-
Proceeds of non current investments		(3.50)	-
Long-term loans and advances		-	(0.09)
Net Cash flow from/(used) in investing activities (B)		**(57.84)**	**(0.09)**
Cash Flow from Financing activities (C)			
Proceeds from issuance of equity share capital		-	
Proceeds from issuance of OCD			
Net Cash flow from/(used) in Financing activities (C)		-	-
Net Increase/(Decrease) in cash and cash equivalent (A+B+C)		(0.68)	0.65
Effect of exchange difference in cash and cash equivalents held in foreign currency		-	-
Cash and cash equivalent at the beginning of the year		0.73	0.08
Cash and cash equivalent at the end of the year		**0.05**	**0.73**
Components of cash and cash equivalents			
Cash on hand			
With Bank-on current account		0.05	0.73
Total Cash and cash equivalent(Note 7)		**0.05**	**0.73**

For A A A M & Co
Chartered Accountants
FRN: 08113C

AAAM & CO. NOIDA CHARTERED ACCOUNTANT

(CA Rahul Gupta, ACA)
Partner
M.No-419625

Place : Noida
Date : 10-May-2017

Directors of
Siticable Broadband South Ltd

Brijesh Goel	**Sandeep Kumar Jai**
Director	**Director**
(Din-07197357)	**(DIN-00011667)**

NOTE –1 :SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDING31st MARCH, 2017

1.1 CORPORATE INFORMATION:

SITI Cable Broadband South Limited (hereinafter referred to as the 'Company') is registered in Bengaluru, Karnataka, and is a wholly owned subsidiary of SITI Networks Limited (hereinafter referred to as the 'Parent Company'). The Company is in the business of providing cable TV services to the end consumers.

1.2 BASIS OF PREPARATION:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.
For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).
These financial statements are the first financial statements of the Company under Ind AS.

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

1.3 USE OF ESTIMASTES:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future periods.

Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

1.4 RECOGNITION OF REVENUE:

Revenue is recognised when it is probable that the economic benefits will flow to the Company and it can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable net of rebates and taxes. The Company applies the revenue recognition criteria to each separately identifiable component of the sales transaction. Subscription income is recognised on completion of services and when no significant uncertainty exists regarding the amount of consideration that will be derived.
However, during the current period, the company does not have any revenue from operations.

1.5 RECOGNITION OF INCOME AND EXPENSE:

Items of income and expenditure are recognized on accrual basis.

1.6 PLANT, PROPERTY AND EQUIPMENT

Plant, properties and equipments are carried at the cost of acquisition or construction less accumulated depreciation. The cost includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets.

Depreciation / amortization on plant, properties and equipments is provided at rates computed on the basis of useful life of assets as specified in Schedule II of the Companies Act, 2013 except in case of intangible assets and leasehold improvements on which depreciation is provided at rate as mentioned below which in view of the management represents the useful life of assets. Assets costing less than Rs 5,000 each, are depreciated in full excluding residual value as per Schedule II, in year of purchase.

Asset category	Rate of depreciation/ amortization
Intangible assets	Straight Line Method
Leasehold improvements	Over the lease term or useful life whichever is lower

However, during the current year no depreciation has been provided on tangible assets as the remaining carrying amount is equal to the 5% of the original cost.

1.7 INVESTMENTS:

Non-current investments are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment.

However, the company does not have any investments during the current year.

1.8 INVENTORIES:

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

However, the company does not have any inventory during the current year.

1.9 INCOME TAXES:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

During the current year, the company has incurred losses and hence there is no tax liability.

1.10 EVENTS OCCURRING AFTER BALANCE SHEET DATE:

Events occurring after balance sheet date which affect the financial position to a material extent are taken into cognizance, if any.

1.11 PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES:

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent Liabilities are generally not provided for in the accounts are shown separately under notes to the accounts if any.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

NOTE – 2: EXPLANATORY/ CLARIFICATORY NOTES:

2.1 No dividend has been proposed by the Directors of the Company due to nominal profits of the company.

2.2 Balances of sundry creditors and debtors are subject to confirmation from the respective parties.

2.3 In the opinion of the Board, current assets, loans & advances have a value in the ordinary course of business at least equal to that stated in Balance Sheet.

2.4 **Auditors Remuneration:2016-17**

SL. NO.	PARTICULARS	F/Y 2016-17	F/Y 2015-16
1.	AUDIT FEES	Rs. 35,500/-	Rs. 35,500/-

2.5 **RELATED PARTY DISCLOSURES:-**

Names of related parties:

Siti Networks Limited (formerly Siti Cable Network Limited)	Holding Company
Wire And Wireless Tisai Satellite Limited, Mumbai	Fellow Subsidiary
Indian Cable Net Company Limited, Kolkata	Fellow Subsidiary
Central Bombay Cable Network Limited, Delhi	Fellow Subsidiary
Siti Faction Digital Private Limited, Delhi	Fellow Subsidiary
Master Channel Community Network Pvt. Ltd., Vijayawada	Fellow Subsidiary
Siti Vision Digital Media Private Limited, Delhi	Fellow Subsidiary
Siti Jind Digital Media Communications Private Limited, Delhi	Fellow Subsidiary
Siti Jai Maa Durge Communications Private Limited, Delhi	Fellow Subsidiary
Siti Bhatia Network Entertainment Private Limited, Chhattisgarh	Fellow Subsidiary
Siti Krishna Digital Media Private Limited	Fellow Subsidiary
Siti Jony Digital Cable Network Private Limited	Fellow Subsidiary
Siti Guntur Digital Network Private Limited	Fellow Subsidiary
Siti Global Private Limited	Fellow Subsidiary
Siti Sagar Digital Cable Network Private Limited (formerly known as Panchsheel Digital Communication Network Private Limited)	Fellow Subsidiary
Siti Karnal Digital Media Private Limited	Fellow Subsidiary
Siti Broadband Services Private Limited	Fellow Subsidiary
Siti Maurya Cable Net Private Limited	Fellow Subsidiary
Indinet Service Private Limited	Fellow Subsidiary
Axom Communications & Cable Private Limited	Fellow Subsidiary

Siti Siri Digital Network Pvt. Ltd.	Fellow Subsidiary
Siti Godaari Digital Services Private Limited (formely known as Bargachh Digital Communication Network Private Limited)	Fellow Subsidiary
Siti Prime Uttaranchal Communication Private Limited	Fellow Subsidiary
Siti Saistar Digital Media Pvt. Ltd. (formerly known as SaistarDigitalmedia Private Limited)	Fellow Subsidiary
Variety Entertainment Private Limited	Fellow Subsidiary

Other Related Parties:

Mr. Sandeep Kumar Jain - Director
Mr. Dinesh ShyamsundarKanodia - Director
Mr. VikasSomani - Director
Mr. Brijesh Goyal - Director
Mr. Ratan Deep Sharma - Director

2.6 Transactions entered into by the Company with its holding company during the relevant Financial Year are as under:

- **Sale/ purchase of goods and services**

	Year ended	Amount Received	Amount Paid	Amount owed by related parties	Amount owed to related parties
Holding Company					
Siti Cable Network Limited	March 31, 2017	6,20,70,982	17,87,202	-	9,99,41,574
	March 31, 2016	2,98,20,592	1,20,51,731	-	3,96,57,794
Fellow Subsidiary					
Siti Broadband Services Pvt Ltd	March 31, 2017	4,01,034	-	-	4,01,034
	March 31, 2016	3,00,000	3,00,000	-	-

2.7 The basic earnings per share ("EPS") is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year.

Particulars	31-March-2017	31-March-2016
Profit/(Loss) after Tax	**(47,10,300)**	**(45,82,200)**
Number of Equity Shares	10,000	10,000
Nominal Value of Equity Shares	10	10
Basics Earnings per Share	**(471.03)**	**(458.22)**

2.8 Other disclosures are made as under :

i. Value of Import on CIF Basis - NIL
ii. Expenses in Foreign Currency - NIL
iii. Amount remitted in Foreign Currency - NIL
iv. Earnings in Foreign Currency - NIL

2.9 As required by the MCA notification G.S.R. 308(E) dated 30.03.2017, the details of **Specified Bank Notes (SBN)** held and transacted during the period from 8th November 2016 to 30th December 2016, the denomination wise SBNs and other notes is given below:

Particulars	**SBNs***	**Other Denomination Notes**	**Total**
Closing Cash in Hand as on 8th November 2016	NIL	NIL	**NIL**
(+) Permitted Receipts	NIL	NIL	**NIL**
(-) Permitted Payments	NIL	NIL	**NIL**
(-) Amount deposited in Bank	NIL	NIL	**NIL**
Closing Cash in Hand as on 30th December 2016	NIL	NIL	**NIL**

**For the purposes of this clause, the term Specified Bank Notes shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8th November 2016.*

For AAA M & CO.,
CHARTERED ACCOUNTANTS
FRN: 08113C

(CA RAHUL GUPTA, ACA)
Partner
M.No.419625

For & on Behalf of the Board
SITICABLE BROADBAND SOUTH LIMITED

MR. BRIJESH GOEL
Director
DIN No. 07197357

MR. SANDEEP KUMAR JAIN
Director
DIN No. 00011667

Date: 10/05/2017
Place: NOIDA

2.10 The breakup of year end deferred tax assets and liabilities into major components of the respective balance is as

` in million

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Deferred tax liabilities			
Timing difference in depreciation and amortisation of property, plant and	-	-	-
Gross deferred tax liabilities	-	-	-
Deferred tax assets			
Provision for doubtful debts	-	-	-
Gross deferred tax assets	-	-	-
Net deferred tax liability/(assets)	-	-	-

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom:

	March 31, 2017		March 31, 2016	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Deductible temporary differences	-	-	-	-
Brought forward losses	-	-	-	-

3 **Tangible assets** (` millions)

Gross block	Plant and equipment	Total
Balance as at April 1, 2015	0.65	0.65
Additions		-
Disposal		-
Balance as at March 31, 2016	**0.65**	**0.65**
Additions	-	-
Disposal	-	-
Balance as at March 31, 2016	**0.65**	**0.65**
Accumulated depreciation		
Balance as at April 1, 2015	0.62	0.62
Charge for the year		-
Reversal on disposal of assets		-
Balance as at March 31, 2016	**0.62**	**0.62**
Charge for the year		-
Reversal on disposal of assets		-
Balance as at March 31, 2017	**0.62**	**0.62**
Net block		
Balance as at March 31, 2016	**0.03**	**0.03**
Balance as at March 31, 2017	**0.03**	**0.03**

4 Intangible assets (` millions)

Gross block	Goodwill	Total
Balance as at April 1, 2015		-
Additions		-
Balance as at March 31, 2016	**-**	**-**
Additions	37.86	37.86
Balance as at March 31, 2017	**37.86**	**37.86**
Accumulated amortisation		
Balance as at April 1, 2015		-
Charge for the year		-
Balance as at March 31, 2016	**-**	**-**
Charge for the year	-	-
Balance as at March 31, 2017	**-**	**-**
Net block		
Balance as at March 31, 2016	**-**	**-**
Balance as at March 31, 2017	**37.86**	**37.86**

SITICABLE BROADBAND SOUTH LIMITED

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

36 Fair value measurements

A. Financial instruments by category

	NOTES	March 31, 2017	` millions
		FVTPL	ɩmortised cos
Financial assets			
Bank deposits		-	0.14
Amount recoverable	8	-	27.62
Interest accrued and not due on fixed deposits		-	-
Security deposits	6	-	
Investment (Non- current, financial assets)	5	-	
Unbilled revenues		-	-
Trade receivables		-	-
Investment (Current, financial assets)		-	-
Cash and cash equivalents	7	-	0.05
Total financial assets		**-**	**27.67**
Financial liabilities			
Borrowings (non-current,financial liabilities)		-	-
Borrowings (current,financial liabilities)		-	-
Payables for purchase of property,plant and equipment		-	-
Security deposits received from customer		-	-
Trade payables		-	-
Other financial liabilities (current)	13	-	0.60
Total financial liabilities		**-**	**0.60**

		March 31, 2016	` millions
		FVTPL	ɩmortised cos
Financial assets			
Bank deposits		-	
Amount recoverable	8	-	29.15
Interest accrued and not due on fixed deposits		-	-
Security deposits	6	-	0.14
Investment (Non- current, financial assets)		-	-
Unbilled revenues		-	-
Trade receivables		-	-
Investment (Current, financial assets)		-	-
Cash and cash equivalents	7	-	0.73
Total financial assets		**-**	**30.00**
Financial liabilities			
Borrowings (non-current,financial liabilities)		-	-
Payables for purchase of property,plant and equipment		-	-
Security deposits		-	-
Trade payables	12	-	0.61
Other financial liabilities (current)		-	-
Total financial liabilities		**-**	**0.61**

		April 01, 2015	` millions
		FVTPL	ɩmortised Cos
Financial assets			
Bank deposits			
Amount recoverable	8		15.55
Interest accrued and not due on fixed deposits			-
Security deposits			-
Investment (Non- current, financial assets)			-
Unbilled revenues			-
Trade receivables			-
Investment (Current, financial assets)			-
Cash and cash equivalents	7		0.08
Total financial assets		**-**	**15.63**
Financial liabilities			
Borrowings (non-current,financial liabilities)		-	-
Borrowings (current,financial liabilities)		-	-
Payables for purchase of property,plant and equipment		-	-
Security deposits		-	-
Trade payables	12	-	0.39
Other financial liabilities (current)		-	-
Total financial liabilities		**-**	**0.39**

B. Financial instruments measured at fair value

The following tables present financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
or indirectly (i.e. derived from prices); and
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
The level within which the financial asset or liability is classified is determined based on the lowest level of significant input
The financial assets measured at fair value in the statement of financial position are grouped into the fair value hierarchy as on March 31, 2017, March 31, 2016 and April 01, 2015 as follows:

March 31, 2017	**Date of Valuation**	**Level 1**	**Level 2**	**Level 3**
Financial assets				
Mutual funds	At March 31, 201	-	-	-
Invesment in optionally convertible debentures	At March 31, 201	-	-	-

March 31, 2016	**Date of Valuation**	**Level 1**	**Level 2**	**Level 3**
Financial assets				
Mutual funds	At March 31, 201	-	-	-
Invesment in optionally convertible debentures	At March 31, 201	-	-	-

April 01, 2015	**Date of Valuation**	**Level 1**	**Level 2**	**Level 3**
Financial assets				
Mutual funds	At March 31, 201	-	-	-

Valution technique to determine fair value

Optionally fully convertible debentures (Level 3)

The valuation of optionally fully convertible debentures has been done using the discounted cash flow method by discounting the investee Companies free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows are discounted by weighted average cost of capital comprising of debt and equity. The risk free rate of 7.14% is considered on the 10 year zero coupon government bond.

There have been no transfer between level 1 and level 2 during the year ended March 31, 2017, March 31, 2016 and April 01, 2015.

The following table presents the changes in level 3 items for the periods ended 31 March 2017 and 31 March 2016:

Particulars	**Amount in millions**
As at April 01, 2015	-
Acquired during the year	-
As at March 31, 2016	-
Additions during the year	-
Gains recognised in statement of profit and loss	-
As at March 31, 2017	-

Significant unobservable input	**Estimate of the input**	**Sensitivity of the fair value measurement to input**

C. Fair value of financial assets and liabilities measured at amortised cost ` in million

	March 31, 2017		**March 31, 2016**	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial assets				
Bank deposits	0.14	0.14	-	-
Amount recoverable	27.62	27.62	29.15	29.15
Interest accrued and not due on fixed deposits	-	-	-	-
Security deposits	-	-	0.14	0.14
Investment (Non- current, financial assets)	-	-	-	-
Unbilled revenue	-	-	-	-
Trade receivables	-	-	-	-
Cash and cash equivalents	0.05	0.05	0.73	0.73
Total financial assets	**27.80**	**27.80**	**30.01**	**30.01**
Financial liabilities		-		
Borrowings (non-current,financial liabilities)	-	-	-	-
Borrowings (current,financial liabilities)	-	-	-	-
Payables for purchase of property,plant and equipment	-	-	-	-
Security deposits	-	-	-	-
Trade payables	-	-	0.61	0.61
Other financial liabilities (current)	0.60	0.60	-	-
Total financial liabilities	**0.60**	**0.60**	**0.61**	**0.61**

` in million

	April 01, 2015	
	Carrying Amount	**Fair Value**
Financial assets		
Bank deposits		

Amount recoverable	15.55	15.55
Interest accrued and not due on fixed deposits	-	-
Security deposits	-	-
Investment (Non- current, financial assets)	-	-
Unbilled revenue	-	-
Trade receivables	-	-
Cash and cash equivalents	0.08	0.08
Total financial assets	**15.63**	**15.63**
Financial liabilities		
Borrowings (non-current,financial liabilities)	-	-
Borrowings (current,financial liabilities)	-	-
Payables for purchase of property,plant and equipment	-	-
Security deposits	-	-
Trade payables	0.39	0.39
Other financial liabilities (current)	-	-
Total financial liabilities	**0.39**	**0.39**

47 First time adoption of Ind AS

Transition to Ind AS

These are the Company's first consolidated financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS standalone balance sheet at April 01, 2015 (the date of transition). In preparing its opening Ind AS standalone balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows is set out in the following tables and notes

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from

Use of deemed cost for investments in subsidiaries, jointly controlled entities and associates

The balance of the investment in subsidiaries and joint controlled entities at the date of transition to Ind AS, determined in accordance with the previous GAAP as the deemed cost of the investment at initial recognition.

Exchange differences on long-term foreign currency monetary items

Under previous GAAP, the company applied paragraph 46A of AS 11 whereby exchange differences arising from translation of long-term foreign currency monetary items were capitalized/deferred. On transition to Ind AS first time adopter is permitted to continue policy adopted for accounting for such exchange differences recognised in the previous GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. The Company has opted for this exemption and continued its previous GAAP policy for accounting of exchange differences on long-term foreign currency monetary items recognized in the previous GAAP financial statements for the year ended March 31, 2016.

Under previous GAAP foreign exchange gain/loss on long term foreign currency monetary items recognized upto March 31, 2016 has been deferred/capitalized. Such exchange differences arising on translation/settlement of long-term foreign currency monetary items and pertaining to the acquisition of a depreciable asset are amortised over the remaining useful lives of the assets.

From accounting periods commencing on or after April 01, 2016, exchange differences arising on translation/ settlement of long-term foreign currency monetary items, acquired post April 01, 2016, pertaining to the acquisition of a depreciable asset are charged to the statement of profit and loss.

B: Ind AS mandatory exceptions

Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective

Ind AS estimates as at April 01, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under

Investment in equity instruments carried at FVTPL or FVTOCI.

Impairment of financial assets based on expected credit loss model.

Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well

Applying a requirement is impracticable when an entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

a) The effects of the retrospective application or retrospective restatement are not determinable;

b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period;

The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

C: Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of previous GAAP and Ind AS impact for Balance Sheet (April 01, 2015)

` in million

	Note reference	Previous GAAP	IND AS Adjustments	Ind AS

SITICABLE BROADBAND SOUTH LIMITED

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

ASSETS				
Non-current assets				
a)Property, Plant and Equipment	3	0.03	-	0.03
b)Capital work-in-progress			-	-
c)Intangibles assets			-	-
d)Intangibles assets under Development		-	-	-
e)Financial Assets				
i)Trade receivable		-	-	-
ii) Investments		-	-	-
iii) Loans	6	0.05	-	0.05
f)Other non-current assets			-	-
		0.08	**-**	**0.08**
Current assets				
a)Inventories		-	-	-
b)Financial Assets		-	-	-
i)Trade receivable		-	-	-
ii)Cash and cash equivalents	7	0.08	-	0.08
iii)Investments		-	-	-
iv)Loans	8	15.55	-	15.55
c)Other current assets		-	-	-
		15.63	**-**	**15.63**
		15.71	**-**	**15.71**

` in million

EQUITY AND LIABILITIES		**Previous GAAP**	**Adjustments**	**Ind AS**
Equity				
a)Equity Share Capital	10	2.33	-	2.33
b)Other Equity	11	(9.34)	-	(9.34)
		(7.01)	**-**	**(7.01)**
LIABILITIES				
Non-current liabilities				
a)Financial liabilities				
i)Borrowings		-	-	-
ii)Other financial liabilities		-	-	-
b) Provisions		-	-	-
c)Other non-current liabilities		-	-	-
		-	**-**	**-**
Current liabilities				
a)Financial liabilities				
i)Borrowings		-	-	-
ii)Trade payables	12	0.39	-	0.39
iii)Other financial liabilities	13	-	-	-
b)Provisions	15	0.41	-	0.41
c)Other current liabilities	14	21.92	-	21.92
Total current liabilities		**22.72**	**-**	**22.72**
		22.72	**-**	**22.72**
Total equity and liabilities		**15.71**	**-**	**15.71**

Reconciliation of previous GAAP and IndAS impact for Balance Sheet (March 31, 2016)

` in million

		Previous GAAP	**Adjustments**	**Ind AS**
ASSETS				
Non-current assets				
a)Property, Plant and Equipment	3	0.03	-	0.03
b)Capital work-in-progress		-	-	-
c)Intangibles assets		-	-	-
d)Intangibles assets under Development		-	-	-
d)Financial Assets			-	
i)Trade receivable		-	-	-
ii) Investments		-	-	-
iii) Others	6	0.14	-	0.14
e)Other non current assets		-	-	-
		0.17	**-**	**0.17**
Current assets				
a)Inventories		-	-	-
b)Financial Assets		-	-	-
i)Trade receivable		-	-	-
ii)Cash and cash equivalents	7	0.73	-	0.73
iii)Investments		-	-	0.01
iv)Others	8	28.53	-	28.53
c)Other current assets		-	-	-
		29.26	**-**	**29.26**
		29.43	**-**	**29.43**

SITICABLE BROADBAND SOUTH LIMITED

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

		Previous GAAP	Adjustments	Ind AS
EQUITY AND LIABILITIES				
Equity				
a)Equity Share Capital	10	2.33	-	2.33
b)Other Equity	11	(13.92)	-	(13.92)
		(11.60)	**-**	**(11.60)**
LIABILITIES				
Non-current liabilities				
a)Financial Liabilities				
i)Borrowings		-	-	-
ii)Other Financial Liabilities		-	-	-
b) Provisions		-	-	-
c)Other non current liabilities		-	-	-
		-	**-**	**-**
Current liabilities				
a)Financial Liabilities				
i)Borrowings			-	-
ii)Trade payables	12	0.61	-	0.61
iii)Other Financial Liabilities			-	-
b)Provisions	15	0.76	-	0.76
c)Other current liabilities	14	39.66	-	39.66
Total current liabilities		**41.03**	**-**	**41.03**
		41.03	**-**	**41.03**
Total equity and liabilities		**29.43**	**-**	**29.43**

Reconciliation of total comprehensive income for the year ended March 31, 2016. **` in million**

		Previous GAAP	Adjustments	Ind AS
Income				
Revenues from operations		-	-	-
Other income		-	-	-
Total Income		**-**	**-**	**-**
Expenses				
Purchase of traded goods		-	-	-
Carriage sharing, pay channel and related costs		-	-	-
Employee benefits expense	17	0.82	-	0.82
Finance costs		0.00	-	0.00
Depreciation and amortisation of non-financial assets		-	-	-
Other expenses	19	3.89	-	3.89
Total Expenses		**4.71**	**-**	**4.71**
Profit before exceptional item and tax		**(4.71)**	**-**	**(4.71)**
Prior period items		-	-	-
Profit/(Loss) before tax		**(4.71)**	**-**	**(4.71)**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss in subsequent periods				
Remeasurement of defined benefit liability		-	-	-
Total comprehensive income		**(4.71)**	**-**	**(4.71)**

Reconciliation of total equity as at March 31, 2016 and April 01, 2015 **` in million**

	Notes to first time adoption	Iarch 31, 201	April 01, 2015
Total equity (shareholder's funds) as per previous GAAP		**(11.60)**	**(7.01)**
Adjustments:			
Optionally fully convertible debentures classified to equity		-	-
Redeemable preference shares transferred to liability		-	-
Effect of recognising interest expense on long term borrowings and advances as per effective interest method		-	-
Effect of provision for expected credit loss		-	-
Measurement of financial assets at fair value through profit and loss		-	-
Effect of recognition of activation and set top boxes pairing charges		-	-
Effects of prior period items		-	-
Other		-	-
Total adjustments		**-**	**-**
Total equity as per Ind AS		**(11.60)**	**(7.01)**

Reconciliation of total comprehensive income for the year ended 31 March 2016 **` in million**

	Notes to first time adoption	31 March 2016
Net loss after tax as reported under previous GAAP for March 31, 2016		**(4.58)**
Effect of recognising interest expense on long term borrowings and advances as per effective interest method		-

Measurement of financial assets and financial liabilities at amortise cost	-
Effect of provision for expected credit loss	-
Measurement of financial asset at fair value through profit and loss	-
Effect of recognition of activation and set top boxes pairing charges	-
Remeasurement of employee benefit obligation to other comprehensive income	-
Effects of prior period items	-
Other	-
Net loss after tax as reported under Ind AS for March 31, 2016	**(4.58)**
Other comprehensive income after tax	-
Total comprehensive income	**(4.58)**

Note 1: Interest Free Advances and Security Deposits
Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits and advances under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised according to the nature of the respective deposit or advance.

Note 2(a): Trade Receivables
As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. IND-AS 109 requires entities to recognise loss allowances on at an amount equal to the lifetime expected credit loss or the 12 month expected credit loss based on the increase in the credit risk of the borrower. Lifetime expected credit losses are required to be estimated based on the present value of all expected cash shortfalls over the remaining life of the financial instrument. Lifetime expected credit losses are an expected present value measure of losses that arise if a borrower defaults on their obligation throughout the life of the financial instrument. They are the weighted average credit losses with the probability of default as the weight.
Note 2(b): Trade Receivables
In the financial year 2015-16, the Company has sold certain number of set-top boxes on deferred credit terms. The revenue is recognised on the basis of the fair value of the transaction entered.

Note 3: Fair valuation of investments
Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS,

Note 4: Borrowings and advances
Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Further, long term advances are initially recognised at fair value by applying the effective interest method. Under previous GAAP, these transaction cost on long term borrowings were amortised over the term of the borrowings.

Note 5: Deferred Revenue
Under the previous GAAP, upfront amount charged as activation was being taken to Revenue. Under IND AS, company has deferred the activation income over the customer relationship period of 4 years and carried the deferred portion on the transition date under deferred

Note 6: Convertible Instruments
Under IND AS 109, a financial instrument should be classified by the issuer upon initial recognition as a financial liability or an equity instrument accroding to the substance of the contractual arrangement rather than its actual form and the definations of financial liability and an equity instrument. Accordingly the company has classified optinally convertible debentures and redeemable preference shares from liability to equity.

Note 7: Deferred tax
Retained earnings has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to

Note 8: Remeasurements of post-employment benefit obligations
Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the loss for the year

Note 9: Retained Earnings
Retained earnings as at April 01, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

Note 10: Other comprehensive income
Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. Comprehensive income related recognition, measurement and disclosures did not exist under previous GAAP.

48 Financial risk management objectives and policies

Financial risk management
The Company is exposed to various risks in relation to financial instruments.The main types of risks are credit risk, liquidity risk and market risk.
The Company's risk management is coordinated in close co-operation with the board of directors, and focuses on securing Company's short to medium term cash flows.

A. Credit risk
Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due to the Company causing financial loss. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

SITICABLE BROADBAND SOUTH LIMITED

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

Credit risk management

Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk on financial reporting date

B: High credit risk

The Company provides for expected credit loss based on the following:

Asset group	Basis of categorisation	Provision for expected credit loss
Low credit risk	Investment, Cash and cash equivalents, trade receivable and other financial assets	12 month expected credit loss
High credit risk	Trade receivables, security deposits and amount recoverable	Life time expected credit loss or fully provided for

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

` in million

Credit rating	Particulars	March 31, 201	March 31, 201	April 01, 2015
A: Low credit risk	Investment, Cash and cash equivalents and other financial assets except security deposits and amount recoverable	31.30	30.01	15.63
B: High credit risk	Trade receivables, security deposits and amount recoverable	27.76	29.03	15.55

Credit risk exposure

Provision for expected credit losses

The Company provides for 12 month expected credit losses for following financial assets.

For the purpose of computation of expected credit loss, the Company has analysed the trend of provisions for doubtful debts created in earlier years. The average rate of provision has been computed based on the adjusted sales (excluding those where the Company does not have any historical provision) and provision for doubtful debtors created against those sales. Further, the Company has analysed expected credit loss seperately for carriage revenue customer and other than carriage revenue customer primarily because the characterstics and historical losses trend was different in these two streams. As per this methodology, the Company has determined the expected credit loss as 15.5% for customers other than carriage and 5.5% for carriage customers.

Particular	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	-	-	-
Security deposits	-	-	-
Advances recoverable	27.62	-	27.62

As at March 31, 2016

` in million

Particular	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	-	-	-
Security deposits	0.14	-	0.14
Advances recoverable	29.15	-	29.15

As at April 01, 2015

` in million

Particular	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	-	-	-
Security deposits	-	-	-

Advances recoverable			15.55	-	15.55
Reconciliation of loss allowance provision – Trade receivable, security deposit and accounts receivable					
Loss allowance on April 01, 2015					**-**
Changes in loss allowance					-
Loss allowance on March 31, 2016					**-**
Changes in loss allowance					-

B.Liquidity risk

asis of expected cash flows. Short term liquidity requirements comprises mainly of trade payables and employee dues arising during norma

The Company had access to the following undrawn borrowing facilities at the end of the reporti

	March 31, 201	March 31, 201	April 01, 2015
			` in million
Floating rate			
- Expiring within one year (bank overdraft and other facilities)	1,888.55	750.00	540.90
- Expiring beyond one year (bank loans)	**-**	**-**	**-**

(ii) Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

` in million

Contractual maturities of financial liabilities	**Less than one year**	**One to two years**	**More than two years**
March 31, 2017			
Non-derivatives			
Borrowings (non-current,financial liabilities)	-	-	-
Borrowings (current,financial liabilities)	-	-	-
Other financial liabilities	0.60		-
Trade payables	-	-	-
Total non-derivative liabilities	**0.60**	**-**	**-**
March 31, 2016			
Non-derivatives			
Borrowings (non-current,financial liabilities)	-	-	-
Borrowings (current,financial liabilities)	-	-	-
Other financial liabilities	-	-	-
Trade payables	0.61		-
Total non-derivative liabilities	**0.61**	**-**	**-**
April 01, 2015			
Non-derivatives			
Borrowings (non-current,financial liabilities)	-	-	-
Borrowings (current,financial liabilities)	-	-	-
Other financial liabilities	-	-	-
Trade payables	0.39		-
Total non-derivative liabilities	**0.39**	**-**	**-**

50 Disclosure on Specified Bank Notes (SBN's)

As required by Ministry of Corporate Affairs notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise details of SBN and other notes is given below:

	SBN	**Other denomination notes**	**Total**
Closing cash on hand as on November 08, 2016	-	-	-
(+)Amount withdrawn from banks	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in banks	-	-	-
Closing cash on hand as on December 30, 2016	**-**	**-**	**-**

*Represents amount directly deposited by certain customers/bank collection service agents in bank accounts of the Company.

Tax Expense		
The major components of income tax for the year are as under:		` in million
	March 31, 2017	**April 01, 2016**
Income tax related to items recognised directly in the statement of profit and loss		

SITICABLE BROADBAND SOUTH LIMITED

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

Current tax - current year			
Deferred tax charge / (benefit)			
Total		**-**	**-**
Effective tax rate			0.0%
A reconciliation of the income tax expense applicable to the profit before income tax at statutory rate to the income tax expense at the Company’s effective income tax rate for the year ended 31 March, 2017 and 31 March, 2016 is as follows:			
Loss before tax			(4.58)
Effective tax rate		30.9%	30.9%
Tax at statutory income tax rate		-	0
Tax effect on non-deductible expenses			
Additional allowances for tax purposes			
Effect of tax on group companies incurring losses			
Effect of tax rate difference of subsidiaries			
Other permanent difference			-
Tax expense recognised in the statement of profit and loss		**-**	**-**
		-	-
		-	-