



## Independent Auditor's Report

To the Members of M/s Siti Faction Digital Private Limited

### Report on the Financial Statements

1. We have audited the accompanying standalone financial statements of M/s Siti Faction Digital Private Limited, "The Company", which comprises the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit. 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. The standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.
4. 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.

5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the



auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the 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.

6. 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

7. 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 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)

8. The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2016 and 31 March 2015 in accordance with {Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports to the shareholders of the Company dated May 5, 2016 and May 21, 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

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

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

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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

CHARTERED ACCOUNTANTS  
An ISO 9001: 2008 Certified Co.

- c. The financial statements dealt with by this report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (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 as on 31 March 2017 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 May 10, 2017 as per Annexure 1 expressed Unqualified Opinion.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) the Company does not have any pending litigations which would impact its standalone financial position;
  - ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv) The company, as detailed in Note 2.11 to the financial statements, has made requisite disclosures in these financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the company

For AAAM & CO.  
CHARTERED ACCOUNTANTS  
FRN: 08113C

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



Place: NOIDA

Date: 10/05/2017

**“Annexure 1” to the Independent Auditor’s Report of even date to the members of Siti Faction Digital Private 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 Siti Faction Digital Private 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.



### **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**

  
**(CA RAHUL GUPTA)  
PARTNER  
M NO. 419625**



**Date: 10/05/2017**

**Place: NOIDA**

**M/S SITI FACTION DIGITAL PRIVATE 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;	YES
	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	<i>(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;</i>	Rs. 1,08,523 towards Swachh Bharat Cess, and Rs. 66,51,629/- towards Entertainment Tax
	<i>(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).</i>	NA



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

(CA RAHUL GUPTA, AC

PARTNER

M.NO.-419625



DATE: 10/05/2017

PLACE: NOIDA

**SITI FACTION DIGITAL PVT. LTD.**  
**Balance Sheet as at March 31, 2017**

	Notes	March 31, 2017 ` millions	March 31, 2016 ` millions	April 1, 2015 ` millions
<b>A. Assets</b>				
<b>1. Non-current assets</b>				
<b>Fixed assets</b>				
(a) Property, plant and equipment	3	36.87	43.84	51.35
(b) Capital work-in-progress	3	19.07	19.07	19.07
(c) Other intangible assets		-	-	-
(d) Intangible assets under development		-	-	-
(e) Financial assets		-	-	-
(i) Deferred Tax	4	0.44	-	-
(f) Other non-current assets		-	-	-
<b>Sub-total of Non-current assets</b>		<b>56.38</b>	<b>62.91</b>	<b>70.42</b>
<b>2. Current assets</b>				
(a) Inventories		-	-	-
(b) Financial assets		-	-	-
(i) Trade receivables	5	107.89	88.66	67.76
(ii) Cash and bank balances	6	25.67	23.31	16.15
(iii) Others	7	-	0.34	0.10
(c) Current tax assets		-	-	-
(d) Other current assets	8	0.00	-	-
<b>Sub-total of Current assets</b>		<b>133.55</b>	<b>112.31</b>	<b>84.01</b>
<b>Total assets</b>		<b>189.94</b>	<b>175.22</b>	<b>154.44</b>
<b>B. Equity and liabilities</b>				
<b>Equity</b>				
(a) Equity share capital	9	0.10	0.10	0.10
(b) Other equity	10	(13.03)	(11.77)	(12.10)
<b>Sub-total - Equity</b>		<b>(12.93)</b>	<b>(11.67)</b>	<b>(12.00)</b>
<b>Liabilities</b>				
<b>1. Non-current liabilities</b>				
(a) Financial liabilities		-	-	-
(b) Provisions		-	-	-
(c) Deferred tax liability (net)	11	-	1.04	0.65
(d) Other non-current liabilities	12	0.78	0.43	2.07
<b>Sub-total - Non-current liabilities</b>		<b>0.78</b>	<b>1.47</b>	<b>2.72</b>
<b>2. Current liabilities</b>				
(a) Financial liabilities		-	-	-
(i) Trade payables	13	186.17	161.50	129.64
(b) Other current liabilities	14	15.73	23.67	33.68
(c) Provisions	15	0.17	0.26	0.39
<b>Sub-total of current liabilities</b>		<b>202.08</b>	<b>185.43</b>	<b>163.71</b>
<b>Total equity and liabilities</b>		<b>189.94</b>	<b>175.22</b>	<b>154.44</b>

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: 08413C

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

For and on behalf of the Board of Directors of  
SITI Faction Digital Pvt. Ltd.

Brijesh Goel  
(Din-07197357)  
Director

Jyoti Dabas  
(Din-06377522)  
Director

Place : Noida  
Date : 10-May-2017



**SITI FACTION DIGITAL PVT. LTD.**

Statement of Profit and Loss for the year ended March 31, 2017

	Notes	March 31, 2017 ` millions	March 31, 2016 ` millions
<b>Revenue</b>			
Revenue from operations	16	44.63	61.35
Other income	17	0.14	0.11
<b>Total revenue</b>		<b>44.77</b>	<b>61.46</b>
<b>Expenses</b>			
Cost of materials consumed		-	-
Purchases of traded goods		-	-
Carriage sharing, pay channel and related costs	18	7.98	24.98
Employee benefits expense	19	2.34	2.19
Finance costs	20	5.00	0.00
Depreciation and amortisation expenses	21	8.91	8.72
Other expenses	22	23.28	24.74
<b>Total expenses</b>		<b>47.50</b>	<b>60.64</b>
<b>Loss before prior period expenses</b>		<b>(2.74)</b>	<b>0.82</b>
Prior period expenses		-	-
<b>Profit (Loss) before tax</b>		<b>(2.74)</b>	<b>0.82</b>
<b>Tax Expenses</b>			
Current Tax		-	0.11
Deferred Tax		(1.48)	0.39
<b>Profit (Loss) after tax</b>		<b>(1.26)</b>	<b>0.33</b>
Profit (Loss) per share after tax (₹)	23		
Basic		(125.66)	32.82
Diluted		(125.66)	32.82
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  
SITI Faction Digital Pvt. Ltd.

  
Brijesh Goel  
(Din-07197357)  
Director

Jyoti Dabas  
(Din-06377522)  
Director

Place : Noida

Date : 10-May-2017

**M/S SITI FACTION DIGITAL PRIVATE LIMITED.**

Cash flow statement for the year ended March 31,2017

	March 31, 2017	March 31, 2016
	` millions	` millions
<b>Cash flow from operating Activities</b>		
Profit Before tax from continuing operations	(2.74)	0.82
<b>Non Cash adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation/Amortisation on continuing operations	8.91	8.72
<b>Operating Profits before working capital changes</b>	<b>6.18</b>	<b>9.55</b>
<b>Movement in working capital:</b>		
Increase/(Decrease) in trade payables	24.67	31.86
Increase/(Decrease) in other non current liabilities	0.35	(1.64)
Increase/(Decrease) in other current liabilities	(7.66)	(10.26)
Decrease/(Increase) in trade receivables	(19.23)	(20.90)
Decrease/(Increase) in short terms loans and advances & Other current assets	-	(0.24)
<b>Cash generated from/(used) in operations</b>	<b>(1.87)</b>	<b>(1.18)</b>
Direct tax paid(net of refunds)	-	-
<b>Net Cash flow from/(used) in operating activities (A)</b>	<b>4.31</b>	<b>8.36</b>
<b>Cash Flow from investing activities</b>		
Purchase of fixed assets, including CWIP and capital advances	(1.95)	(1.21)
Proceeds of non current investments		
Long-term loans and advances		
<b>Net Cash flow from/(used) in investing activities (B)</b>	<b>(1.95)</b>	<b>(1.21)</b>
<b>Cash Flow from Financing activities (C)</b>		
Proceeds from issuance of equity share capital		
Proceeds from issuance of OCD		
<b>Net Cash flow from/(used) in Financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net Increase/(Decrease) in cash and cash equivalent (A+B+C)</b>	<b>2.36</b>	<b>7.15</b>
Effect of exchange difference in cash and cash equivalents held in foreign currency		
Cash and cash equivalent at the beginning of the year	23.31	16.15
<b>Cash and cash equivalent at the end of the year</b>	<b>25.67</b>	<b>23.30</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.01	4.22
With Bank-on current account	24.11	17.86
In deposit account (with maturity upto three months)	1.54	1.22
<b>Total Cash and cash equivalent(Note 6)</b>	<b>25.67</b>	<b>23.31</b>

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  
SITI Faction Digital Pvt. Ltd.

  
Brijesh Goel  
(Din-07197357)  
Director

Jyoti Dabas  
(Din-06377522)  
Director

## **NOTE -1 : SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDING 31<sup>st</sup> MARCH, 2017**

### **1.1 CORPORATE INFORMATION:**

SITI Faction Digital Private Limited (hereinafter referred to as the 'Company') is registered in New Delhi, India. The Company is a Multiple Service Operator (MSO) engaged in distribution of television channels through analogue and digital cable distribution network, primary internet and allied services.

### **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 ESTIMATES:**

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. Carriage Income receivable from SCNL is not recognized as revenue and no effect of Carriage sharing, pay channel and related costs payable to SCNL is given in the books of accounts.

### **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.

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

## **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.

## **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.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

## **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.

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v.	Amount remitted in Foreign Currency	-	NIL
vi.	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 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016, the denomination wise SBNs and other notes is given below:

Particulars	SBNs*	Other Denomination Notes	Total
Closing Cash in Hand as on 8 <sup>th</sup> November 2016	Rs. 9,28,000	Rs. 7620	Rs. 9,35,620
(+) Permitted Receipts	NIL	Rs. 45,920	Rs. 45,920
(-) Permitted Payments	NIL	NIL	NIL
(-) Amount deposited in Bank	(Rs. 9,28,000)	(Rs. 45,220)	(Rs. 9,73,220)
Closing Cash in Hand as on 30 <sup>th</sup> December 2016	NIL	Rs. 8,320	Rs. 8,320

*\*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 8<sup>th</sup> November 2016.*

For A A A M & CO.,  
CHARTERED ACCOUNTANTS  
FRN: 081136

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

For & on Behalf of the Board  
SITI FACTION DIGITAL PRIVATE LIMITED

  
MR. BRIJESH GOEL  
Director  
DIN No. 07197357

MS. JYOTI DABAS  
Director  
DIN No. 06377522

Date: 10/05/2017  
Place: NOIDA

**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**

<b><u>SL. NO.</u></b>	<b><u>PARTICULARS</u></b>	<b><u>F/Y 2016-17</u></b>	<b><u>F/Y 2015-16</u></b>
<b>1.</b>	<b>AUDIT FEES</b>	<b>Rs. 40,000/-</b>	<b>Rs. 30,000/-</b>

**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
Siticable Broadband South Limited, Bengaluru	Fellow Subsidiary
Master Channel Community Network Pvt. Ltd., Vijayawada	Fellow Subsidiary
Siti Vision Digital Media Private Limited, Delhi	Fellow Subsidiary
SitiJind Digital Media Communications Private Limited, Delhi	Fellow Subsidiary
Siti Jai MaaDurge Communications Private Limited, Delhi	Fellow Subsidiary
Siti Bhatia Network Entertainment Private Limited, Chhattisgarh	Fellow Subsidiary
Siti Krishna Digital Media Private Limited	Fellow Subsidiary
SitiJony Digital Cable Network Private Limited	Fellow Subsidiary
Siti Guntur Digital Network Private Limited	Fellow Subsidiary
Siti Global Private Limited	Fellow Subsidiary
SitiSagar Digital Cable Network Private Limited (formerly known as Panchsheel Digital Communication Network Private Limited)	Fellow Subsidiary
SitiKarnal Digital Media Private Limited	Fellow Subsidiary
Siti Broadband Services Private Limited	Fellow Subsidiary
SitiMaurya 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 (formerly known as Bargachh Digital Communication Network Private Limited)	Fellow Subsidiary
Siti Prime Uttaranchal Communication Private Limited	Fellow Subsidiary
SitiSaistar Digital Media Pvt. Ltd. (formerly known as SaistarDigitalmedia Private Limited)	Fellow Subsidiary
Variety Entertainment Private Limited	Fellow Subsidiary

**Other Related Parties:**

Mr. Anil Kumar Malhotra	-	Director
Mr. Manish	-	Director
Ms. JyotiDabas	-	Director
Mr. Brijesh Goyal	-	Director
Mr. Nikesh Goyal	-	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	Sale of goods and services	Purchase of goods and services	Amount owed by related parties	Amount owed to related parties
<b>Holding Company</b>					
SitiNetwork Limited	March 31, 2017	-	19,48,667.00	-	11,04,88,651
	March 31, 2016	-	8,66,36,852.95	-	10,54,46,853

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	(12,56,588)	3,28,237*
Number of Equity Shares	10,000	10,000
Nominal Value of Equity Shares	10	10
<b>Basic Earnings per Share</b>	<b>(125.66)</b>	<b>32.82</b>

\*The figures for F.Y. 2015-16 have been regrouped according to Ind AS disclosure requirements.

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



SITI FACTION DIGITAL PVT. LTD.  
 NOTES TO BALANCE SHEET AS ON MARCH 31, 2017

Note 3 : PROPERTY, PLANT & EQUIPMENT

	Plant and equipment	Furniture and fixtures	Set top boxes	Total	Capital Work in Progress
<b>Year ended 31 March 2016</b>					
Gross Carrying Amount				72.18	19.07
Deemed cost as at April 2015	13.06	0.45	58.67		
Additions	0.59	-	0.62	1.21	
Disposals				-	
Closing Gross Carrying Amount	13.66	0.45	59.28	73.39	19.07
<b>Accumulated Depreciation</b>					
Opening Accumulated Depreciation	3.18	0.10	17.54	20.83	
Depreciation charge during the year	1.33	0.03	7.37	8.72	
Disposals				-	
Closing Accumulated Depreciation	4.51	0.13	24.91	29.55	
<b>Net Carrying Amount</b>	9.15	0.32	34.37	43.84	19.07
<b>Year ended 31 March 2017</b>					
Gross Carrying Amount				73.39	19.07
Opening Gross Carrying Amount	13.66	0.45	59.28		
Additions	0.23	-	1.72	1.95	
Disposals				-	
Closing Gross Carrying Amount	13.89	0.45	61.00	75.34	19.07
<b>Accumulated Depreciation and Impairment</b>					
Opening Accumulated Depreciation	4.51	0.13	24.91	29.55	
Depreciation charge during the year	1.38	0.03	7.51	8.91	
Disposals				-	
Closing Accumulated Depreciation and Impairment	5.89	0.16	32.42	38.47	
<b>Net Carrying Amount</b>	8.00	0.29	28.58	36.87	19.07

## SITI FACTION DIGITAL PVT. LTD.

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

3 Tangible assets					(` millions)
Gross block	Plant and equipment	Furniture and fixtures	Set top boxes	Total	
Balance as at April 1, 2015	13.06	0.45	58.67	72.18	
Additions	0.59	-	0.62	1.21	
Disposal	-	-	-	-	
<b>Balance as at March 31, 2016</b>	<b>13.66</b>	<b>0.45</b>	<b>59.28</b>	<b>73.39</b>	
Additions	0.23	-	1.72	1.95	
Disposal	-	-	-	-	
<b>Balance as at March 31, 2017</b>	<b>13.89</b>	<b>0.45</b>	<b>61.00</b>	<b>75.34</b>	
<b>Accumulated depreciation</b>					
Balance as at April 1, 2015	3.18	0.10	17.54	20.83	
Charge for the year	1.33	0.03	7.37	8.72	
Reversal on disposal of assets	-	-	-	-	
<b>Balance as at March 31, 2016</b>	<b>4.51</b>	<b>0.13</b>	<b>24.91</b>	<b>29.55</b>	
Charge for the year	1.38	0.03	7.51	8.91	
Reversal on disposal of assets	-	-	-	-	
<b>Balance as at March 31, 2017</b>	<b>5.89</b>	<b>0.16</b>	<b>32.42</b>	<b>38.47</b>	
<b>Net block</b>					
<b>Balance as at March 31, 2016</b>	<b>9.15</b>	<b>0.32</b>	<b>34.37</b>	<b>43.84</b>	
<b>Balance as at March 31, 2017</b>	<b>8.00</b>	<b>0.29</b>	<b>28.58</b>	<b>36.87</b>	

## SITI FACTION DIGITAL PVT. LTD.

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

4	Deffered Tax Assets	March 31, 2017 ` millions	March 31, 2016 ` millions	April 1, 2015 ` millions
	Deffered Tax Asset	0.44	-	-
		<b>0.44</b>	<b>-</b>	<b>-</b>
5	Trade receivables	March 31, 2017 ` millions	March 31, 2016 ` millions	April 1, 2015 ` millions
	Unsecured, considered good	107.89	88.66	67.76
	Unsecured, considered doubtful	-	-	-
		107.89	88.66	67.76
	Less: Provision for doubtful debts	-	-	-
		107.89	88.66	67.76
	<b>Other receivables</b>			
	Unsecured, considered good	-	-	-
		<b>107.89</b>	<b>88.66</b>	<b>67.76</b>
6	Cash and bank balances	March 31, 2017 ` millions	March 31, 2016 ` millions	April 1, 2015 ` millions
	<b>Cash and cash equivalents</b>			
	Cash on hand	0.01	4.22	4.12
	Balances with banks			
	On current accounts	24.11	17.86	10.81
	In deposit account (with maturity upto three months)	1.54	1.22	1.22
		<b>25.67</b>	<b>23.31</b>	<b>16.15</b>
7	Others - unbilled revenue and interest accrued on fixed deposits	March 31, 2017 ` millions	March 31, 2016 ` millions	April 1, 2015 ` millions
	Interest accrued and not due on fixed deposits	-	0.34	0.10
	Unbilled revenue	-	-	-
		-	<b>0.34</b>	<b>0.10</b>
8	Other Current Assets	March 31, 2017 ` millions	March 31, 2016 ` millions	April 1, 2015 ` millions
	Advance tax	0.00250	-	-
		<b>0.00</b>	<b>-</b>	<b>-</b>
9	Share capital	March 31, 2017 ` millions	March 31, 2016 ` millions	April 1, 2015 ` millions
	<b>Authorised share capital</b>			
	10,000 (Previous year: 10,000) equity shares of Rs. 10/- each	0.10	0.10	-
	<b>Total authorised capital</b>	<b>0.10</b>	<b>0.10</b>	<b>-</b>
	<b>Issued share capital</b>			
	10,000 (Previous year 10,000) equity shares of Rs. 10/- each	0.10	0.10	-
	<b>Total issued capital</b>	<b>0.10</b>	<b>0.10</b>	<b>-</b>
	<b>Subscribed and fully paid up capital</b>			
	10,000 (Previous year 10,000) equity shares of Rs. 10/- each	0.10	0.10	0.10
	<b>Total paid up capital</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>
		<b>0.10</b>	<b>0.10</b>	<b>0.10</b>
10	Other Equity	March 31, 2017 ` millions	March 31, 2016 ` millions	April 1, 2015 ` millions
	<b>Statement of profit and loss</b>			
	Balance at the beginning of the year	(11.77)	(12.10)	(8.17)
	Other Comprehensive Income	-	-	(4.37)
	Add: Profit/ (Loss) for the year	(1.26)	0.33	0.45
	Balance at the end of the year	<b>(13.03)</b>	<b>(11.77)</b>	<b>(12.10)</b>
		<b>(13.03)</b>	<b>(11.77)</b>	<b>(12.10)</b>

11 Deferred tax liability (net)	March 31, 2017 ` millions	March 31, 2016 ` millions	April 1, 2015 ` millions
Deferred Tax Liability	-	1.04	0.65
	-	<b>1.04</b>	<b>0.65</b>

  

12 Other Non Current liabilities	March 31, 2017 ` millions	March 31, 2016 ` millions	April 1, 2015 ` millions
Others	0.78	0.43	2.07
	<b>0.78</b>	<b>0.43</b>	<b>2.07</b>

  

13 Trade payables	March 31, 2017 ` millions	March 31, 2016 ` millions	April 1, 2015 ` millions
- Total outstanding dues of micro enterprises and small enterprises; and	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	186.17	161.50	129.64
	<b>186.17</b>	<b>161.50</b>	<b>129.64</b>

  

14 Other Current Liabilities	March 31, 2017 ` millions	March 31, 2016 ` millions	April 1, 2015 ` millions
Advances from customers	-	-	-
Payable for statutory liabilities	11.45	21.80	31.37
Others	4.28	1.87	2.30
	<b>15.73</b>	<b>23.67</b>	<b>33.68</b>

  

15 Provisions	March 31, 2017 ` millions	March 31, 2016 ` millions	April 1, 2015 ` millions
Provision for income tax	0.17	0.26	0.39
	<b>0.17</b>	<b>0.26</b>	<b>0.39</b>

## SITI FACTION DIGITAL PVT. LTD.

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

	March 31, 2017 ` millions	March 31, 2016 ` millions	April 01, 2015 ` millions
<b>16 Revenue from operations</b>			
Sale of services			
Subscription income	40.99	58.58	3,626.76
Activation and Set top boxes pairing charges	3.64	2.77	293.04
	<b>44.63</b>	<b>61.35</b>	<b>5,991.55</b>
<b>17 Other income</b>			
Interest income on			
Bank deposits	-	-	58.85
Others	-	0.11	6.66
Other non-operating income	0.14	-	4.21
	<b>0.14</b>	<b>0.11</b>	<b>141.61</b>
<b>18 Carriage sharing, pay channel and related costs</b>			
Carriage sharing, pay channel and related costs	7.98	24.98	262.27
	<b>7.98</b>	<b>24.98</b>	<b>294.82</b>
<b>19 Employee benefits expense</b>			
Salaries, allowances and bonus	2.24	2.10	316.96
Staff welfare expenses	0.10	0.10	29.78
	<b>2.34</b>	<b>2.19</b>	<b>365.06</b>
<b>20 Finance costs</b>			
Bank charges	5.00	0.00	201.30
	<b>5.00</b>	<b>0.00</b>	<b>1,197.87</b>
<b>21 Depreciation and amortisation expenses</b>			
Depreciation of tangible assets (Refer note 12)	8.91	8.72	675.14
Amortisation of intangible assets (Refer note 13)	-	-	68.24
	<b>8.91</b>	<b>8.72</b>	<b>743.38</b>
<b>22 Other expenses</b>			
Rent	0.72	0.72	75.78
Rates and taxes	-	0.29	11.08
Communication expenses	0.04	0.04	12.70
Repairs and maintenance			
- Others	0.02	-	8.03
Electricity and water charges	0.12	0.12	26.51
Legal, professional and consultancy charges	0.09	0.01	48.78
Printing and stationery	0.06	0.06	4.18
Auditors' remuneration*	0.04	0.03	7.32
Other operational cost	22.04	18.09	385.74
Business and sales promotion	0.06	0.06	18.09
Miscellaneous expenses	0.10	5.33	29.13
	<b>23.28</b>	<b>24.74</b>	<b>1,379.98</b>
*Auditors' remuneration as an auditor	0.04	0.03	3.80
	<b>0.04</b>	<b>0.03</b>	<b>7.32</b>
<b>23 Earnings per share</b>			
	March 31, 2017	March 31, 2016	April 01, 2015

**SITI FACTION DIGITAL PVT. LTD.**

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

	millions	millions	millions
Profit (Loss) attributable to equity shareholders	(1.26)	0.33	(1,177.57)
Number of weighted average equity shares:			
Basic	10,000	10,000	61,79,52,314
Diluted	10,000	10,000	61,79,52,314
Nominal value of per equity share (₹)	10	10	1
Profit (Loss) per share after tax (₹)			
Basic	(125.66)	32.82	(1.91)
Diluted	(125.66)	32.82	(1.91)



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**SITI FACTION DIGITAL PVT. LTD.**
**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	` millions	
		March 31, 2017	
		FVTPL	amortised cos
<b>Financial assets</b>			
Deferred Tax	4		0.44
Bank deposits		-	-
Amount recoverable		-	-
Interest accrued and not due on fixed deposits		-	-
Security deposits		-	-
Investment (Non- current, financial assets)		-	-
Unbilled revenues		-	-
Trade receivables	5	-	107.89
Investment (Current, financial assets)		-	-
Cash and cash equivalents	6	-	25.67
<b>Total financial assets</b>		<b>-</b>	<b>133.55</b>
<b>Financial liabilities</b>			
Borrowings (non-current,financial liabilities)		-	-
Borrowings (current,financial liabilities)		-	-
Payables for purchase of property,plant and equipment		-	-
Security deposits received from customer		-	-
Trade payables	13	-	186.17
Other financial liabilities (current)		-	-
<b>Total financial liabilities</b>		<b>-</b>	<b>186.17</b>

	NOTES	` millions	
		March 31, 2016	
		FVTPL	amortised cos
<b>Financial assets</b>			
Deferred Tax		-	-
Bank deposits		-	-
Amount recoverable		-	-
Interest accrued and not due on fixed deposits	7	-	0.34
Security deposits		-	-
Investment (Non- current, financial assets)		-	-
Unbilled revenues		-	-
Trade receivables	5	-	88.66
Investment (Current, financial assets)		-	-
Cash and cash equivalents	6	-	23.31
<b>Total financial assets</b>		<b>-</b>	<b>112.31</b>
<b>Financial liabilities</b>			
Borrowings (non-current,financial liabilities)		-	-
Payables for purchase of property,plant and equipment		-	-
Security deposits		-	-
Trade payables	13	-	161.50
Other financial liabilities (current)		-	-
<b>Total financial liabilities</b>		<b>-</b>	<b>161.50</b>

	NOTES	` millions	
		April 01, 2015	
		FVTPL	amortised Cos
<b>Financial assets</b>			
Bank deposits		-	-
Amount recoverable		-	-
Interest accrued and not due on fixed deposits	7	-	0.10
Security deposits		-	-
Investment (Non- current, financial assets)		-	-
Unbilled revenues		-	-
Trade receivables	5	-	67.76
Investment (Current, financial assets)		-	-
Cash and cash equivalents	6	-	16.15
<b>Total financial assets</b>		<b>-</b>	<b>84.01</b>
<b>Financial liabilities</b>			
Borrowings (non-current,financial liabilities)		-	-
Borrowings (current,financial liabilities)		-	-
Payables for purchase of property,plant and equipment		-	-
Security deposits		-	-
Trade payables	13	-	129.64
Other financial liabilities (current)		-	-
<b>Total financial liabilities</b>		<b>-</b>	<b>129.64</b>

**B. Financial instruments measured at fair value**

**SITI FACTION DIGITAL PVT. LTD.**
**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017**

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:

<b>March 31, 2017</b>	<b>Date of Valuation</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial assets</b>				
Mutual funds	At March 31, 201	-	-	-
Investment in optionally convertible debentures	At March 31, 201	-	-	-

<b>March 31, 2016</b>	<b>Date of Valuation</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial assets</b>				
Mutual funds	At March 31, 201	-	-	-
Investment in optionally convertible debentures	At March 31, 201	-	-	-

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

**Valuation technique to determine fair value**
**Optionally fully convertible debentures (Level 3)**

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

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

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

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

<b>Significant unobservable input</b>	<b>Estimate of the input</b>	<b>Sensitivity of the fair value measurement to input</b>

**C. Fair value of financial assets and liabilities measured at amortised cost**

	<b>March 31, 2017</b>		<b>March 31, 2016</b>	
	<b>Carrying Amount</b>	<b>Fair Value</b>	<b>Carrying Amount</b>	<b>Fair Value</b>
<b>Financial assets</b>				
Bank deposits	-	-	-	-
Amount recoverable	-	-	-	-
Interest accrued and not due on fixed deposits	-	-	0.34	0.34
Security deposits	-	-	-	-
Investment (Non- current, financial assets)	-	-	-	-
Unbilled revenue	-	-	-	-
Trade receivables	107.89	107.89	88.66	88.66
Cash and cash equivalents	25.67	25.67	23.31	23.31
<b>Total financial assets</b>	<b>133.56</b>	<b>133.56</b>	<b>112.30</b>	<b>112.30</b>
<b>Financial liabilities</b>				
Borrowings (non-current,financial liabilities)	-	-	-	-
Borrowings (current,financial liabilities)	-	-	-	-
Payables for purchase of property,plant and equipment	-	-	-	-
Security deposits	-	-	-	-
Trade payables	186.17	186.17	161.50	161.50
Other financial liabilities (current)	-	-	-	-
<b>Total financial liabilities</b>	<b>186.16</b>	<b>186.16</b>	<b>161.50</b>	<b>161.50</b>

in million  
April 01, 2015



**SITI FACTION DIGITAL PVT. LTD.****Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017**

	<b>Carrying Amount</b>	<b>Fair Value</b>
<b>Financial assets</b>		
Bank deposits	-	-
Amount recoverable	-	-
Interest accrued and not due on fixed deposits	0.10	0.10
Security deposits	-	-
Investment (Non- current, financial assets)	-	-
Unbilled revenue	-	-
Trade receivables	67.76	67.76
Cash and cash equivalents	16.15	16.15
<b>Total financial assets</b>	<b>84.01</b>	<b>84.01</b>
<b>Financial liabilities</b>		
Borrowings (non-current,financial liabilities)	-	-
Borrowings (current,financial liabilities)	-	-
Payables for purchase of property,plant and equipment	-	-
Security deposits	-	-
Trade payables	129.64	129.64
Other financial liabilities (current)	-	-
<b>Total financial liabilities</b>	<b>129.64</b>	<b>129.64</b>

**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 previous GAAP

Investment in equity instruments carried at FVTPL or FVTOCI.

Impairment of financial assets based on expected credit loss model.

**Classification and measurement of financial assets and liabilities**

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

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

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

- a) The effects of the retrospective application or retrospective restatement are not determinable;
- b) The retrospective application or restatement requires assumptions about what management's intent would have been in that period; The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

**C: Reconciliations between previous GAAP and Ind AS**

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

**SITI FACTION DIGITAL PVT. LTD.**
**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017**
**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
<b>ASSETS</b>				
<b>Non-current assets</b>				
a)Property, Plant and Equipment	3	51.35	-	51.35
b)Capital work-in-progress	3	19.07	-	19.07
c)Intangibles assets		-	-	-
d)Intangibles assets under Development		-	-	-
e)Financial Assets				
i)Trade receivable		-	-	-
ii) Investments		-	-	-
iii) Others	4	-	-	-
f)Other non-current assets		-	-	-
		<b>70.42</b>	<b>-</b>	<b>70.42</b>
Current assets				
a)Inventories		-	-	-
b)Financial Assets				
i)Trade receivable	5	67.76	-	67.76
ii)Cash and cash equivalents	6	16.15	-	16.15
iii)Investments		-	-	-
iv)Others	7	0.10	-	0.10
c)Other current assets		-	-	-
		<b>84.01</b>	<b>-</b>	<b>84.01</b>
		<b>154.44</b>	<b>-</b>	<b>154.44</b>
in million				
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a)Equity Share Capital	9	0.10	-	0.10
b)Other Equity	10	(7.73)	(4.37)	(12.10)
		<b>(7.63)</b>	<b>(4.37)</b>	<b>(12.00)</b>
<b>LIABILITIES</b>				
Non-current liabilities				
a)Financial liabilities				
i)Borrowings		-	-	-
ii)Other financial liabilities		-	-	-
b) Provisions		-	-	-
c) Deferred Tax liabilities	11	0.65	-	0.65
c)Other non-current liabilities	12	-	2.07	2.07
		<b>0.65</b>	<b>2.07</b>	<b>2.72</b>
Current liabilities				
a)Financial liabilities				
i)Borrowings		-	-	-
ii)Trade payables		-	-	-
iii)Other financial liabilities	13	129.64	-	129.64
b)Provisions	15	0.39	-	0.39
c)Other current liabilities	14	31.38	2.30	33.68
<b>Total current liabilities</b>		<b>161.41</b>	<b>2.30</b>	<b>163.71</b>
		<b>162.06</b>	<b>4.37</b>	<b>166.43</b>
<b>Total equity and liabilities</b>		<b>154.44</b>	<b>(0.00)</b>	<b>154.44</b>

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

		in million		
		Previous GAAP	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
a)Property, Plant and Equipment	3	43.84	-	43.84
b)Capital work-in-progress	3	19.07	-	19.07
c)Intangibles assets		-	-	-
d)Intangibles assets under Development		-	-	-
d)Financial Assets				
i)Trade receivable		-	-	-
ii) Investments		-	-	-
iii) Others		-	-	-
e)Other non current assets		-	-	-
		<b>62.91</b>	<b>-</b>	<b>62.91</b>
Current assets				
a)Inventories		-	-	-
<b>b)Financial Assets</b>				
i)Trade receivable	5	88.66	-	88.66
ii)Cash and cash equivalents	6	23.31	-	23.31
iii)Investments		-	-	-

**SITI FACTION DIGITAL PVT. LTD.**
**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017**

iv)Others	7	0.34	-	0.34
c)Other current assets		-	-	-
		<b>112.31</b>	-	<b>112.31</b>
		<b>175.22</b>		<b>175.22</b>

Previous GAAP	Adjustments	Ind AS
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**EQUITY AND LIABILITIES**
**Equity**

a)Equity Share Capital	9	0.10	-	0.10
b)Other Equity	10	(11.77)	-	(11.77)
		<b>(11.67)</b>	-	<b>(11.67)</b>

**LIABILITIES**

## Non-current liabilities

a)Financial Liabilities				
i)Borrowings		-	-	-
ii)Other Financial Liabilities		-	-	-
b) Provisions		-	-	-
c) Deferred Tax liability(net)	11	1.04	-	1.04
c)Other non current liabilities	12	0.43	-	0.43
		<b>1.47</b>	-	<b>1.47</b>

## Current liabilities

a)Financial Liabilities				
i)Borrowings		-	-	-
ii)Trade payables	13	161.50	-	161.50
iii)Other Financial Liabilities		-	-	-
b)Provisions	15	0.26	-	0.26
c)Other current liabilities	14	23.67	-	23.67
<b>Total current liabilities</b>		<b>185.43</b>	-	<b>185.43</b>
		<b>186.89</b>	-	<b>186.89</b>

**Total equity and liabilities**

		<b>175.22</b>	-	<b>175.22</b>
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**Reconciliation of total comprehensive income for the year ended March 31, 2016.**

		in million		
		Previous GAAP	Adjustments	Ind AS

**Income**

Revenues from operations	16	61.35	-	61.35
Other income	17	0.11	-	0.11
<b>Total Income</b>		<b>61.46</b>	-	<b>61.46</b>

**Expenses**

Purchase of traded goods		-	-	-
Carriage sharing, pay channel and related costs	18	24.98	-	24.98
Employee benefits expense	19	2.19	-	2.19
Finance costs	20	5.52	-	5.52
Depreciation and amortisation of non-financial assets	21	8.72	-	8.72
Other expenses	22	19.22	-	19.22
<b>Total Expenses</b>		<b>60.64</b>	-	<b>60.64</b>

**Profit before exceptional item and tax**

Prior period items		-	-	-
<b>Profit/(Loss) before tax</b>		<b>0.82</b>	-	<b>0.82</b>

**Other Comprehensive Income**

Items that will not be reclassified to profit or loss in subsequent periods

Remeasurement of defined benefit liability		-	-	-
<b>Total comprehensive income</b>		<b>0.82</b>	-	<b>0.82</b>

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

		in million		
		Notes to first time adoption	March 31, 2016	April 01, 2015

Total equity (shareholder's funds) as per previous GAAP			(11.67)	(7.63)
<b>Adjustments:</b>				
Optionally fully convertible debentures classified as equity			-	-
Redeemable preference shares transferred to liability			-	-
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			-	(4.37)
Effects of prior period items			-	-
Other			-	-
<b>Total adjustments</b>			-	<b>(4.37)</b>
<b>Total equity as per Ind AS</b>			<b>(11.67)</b>	<b>(12.00)</b>

## SITI FACTION DIGITAL PVT. LTD.

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

#### Reconciliation of total comprehensive income for the year ended 31 March 2016

	Notes to first time adoption	in million 31 March 2016
<b>Net loss after tax as reported under previous GAAP for March 31, 2016</b>		<b>0.33</b>
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		-
Re-measurement of employee benefit obligation to other comprehensive income.		-
Effects of prior period items		-
Other		-
<b>Net loss after tax as reported under Ind AS for March 31, 2016</b>		<b>0.33</b>
Other comprehensive income after tax		-
<b>Total comprehensive income</b>		<b>0.33</b>

#### 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 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 according to the substance of the contractual arrangement rather than its actual form and the definitions of financial liability and an equity instrument. Accordingly the company has classified optionally convertible debentures and redeemable preference shares from liability to equity.

#### Note 7: Deferred tax

Retained earnings has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to

#### 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.

**SITI FACTION DIGITAL PVT. LTD.**

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

**A. Credit risk**

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

**Credit risk management**

**Credit risk rating**

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

A: Low credit risk on financial reporting date

B: High credit risk

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

Asset group	Basis of categorisation	Provision for expected credit loss
Low credit risk	Investment, Cash and cash equivalents, trade receivable	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.

Credit rating	Particulars	in million		
		March 31, 2016	March 31, 2015	April 01, 2015
A: Low credit risk	Investment, Cash and cash equivalents and other financial assets except security deposits and amount recoverable	133.55	112.31	84.01
B: High credit risk	Trade receivables, security deposits and amount recoverable	107.89	88.66	67.76

**Credit risk exposure**

**Provision for expected credit losses**

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

Expected credit loss for trade receivables under simplified approach

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

As at March 31, 2016		Estimated gross carrying amount at default	Expected credit losses	in million Carrying amount net of impairment provision
Particular				
Trade receivables		88.66	-	88.66
As at April 01, 2015		Estimated gross carrying amount at default	Expected credit losses	in million Carrying amount net of impairment provision
Particular				
Trade receivables		67.76	-	67.76
Reconciliation of loss allowance provision - Trade receivable, security deposit and				
<b>Loss allowance on April 01, 2015</b>				
Changes in loss allowance				
<b>Loss allowance on March 31, 2016</b>				
Changes in loss allowance				
<b>Loss allowance on March 31, 2017</b>				

**Concentration of trade receivables**

The Company has widespread customers and there is no concentration of trade receivables.

Contractual maturities of financial liabilities	in million		
	Less than one year	One to two years	More than two years
<b>March 31, 2017</b>			
<b>Non-derivatives</b>			
Borrowings (non-current, financial liabilities)	-	-	-
Borrowings (current, financial liabilities)	-	-	-
Other financial liabilities	-	-	-
Trade payables	186.17	-	-
<b>Total non-derivative liabilities</b>	<b>186.17</b>	-	-
<b>March 31, 2016</b>			

**SITI FACTION DIGITAL PVT. LTD.**

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

**Non-derivatives**

Borrowings (non-current,financial liabilities)	-	-	-
Borrowings (current,financial liabilities)	-	-	-
Other financial liabilities	-	-	-
Trade payables	161.50		
<b>Total non-derivative liabilities</b>	<b>161.50</b>	<b>-</b>	<b>-</b>

**April 01, 2015**

**Non-derivatives**

Borrowings (non-current,financial liabilities)	-	-	-
Borrowings (current,financial liabilities)	-	-	-
Other financial liabilities	-	-	-
Trade payables	129.64		
<b>Total non-derivative liabilities</b>	<b>129.64</b>	<b>-</b>	<b>-</b>

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:

	<b>SBN</b>	<b>Other denomination notes</b>	<b>Total</b>
Closing cash on hand as on November 08, 2016	0.93	0.01	0.94
(+)Amount withdrawn from banks	-	-	-
(+) Permitted receipts	NIL	0.05	0.05
(-) Permitted payments	NIL	NIL	NIL
(-) Amount deposited in banks	(0.93)	(0.05)	(0.97)
<b>Closing cash on hand as on December 30, 2016</b>	<b>NIL</b>	<b>0.01</b>	<b>0.01</b>

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

<b>Tax Expense</b>	<b>March 31, 2017</b>	<b>in million April 01, 2016</b>
The major components of income tax for the year are as under:		
<b>Income tax related to items recognised directly in the</b>		
Current tax - current year	-	0.11
Deferred tax charge / (benefit)	(1.48)	0.39
<b>Total</b>	<b>(1.48)</b>	<b>0.50</b>
Effective tax rate	54.08%	60.21%
<b>A reconciliation of the income tax expense applicable to the profit before income tax</b>		
Loss before tax	(2.74)	0.82
Effective tax rate	30.90%	30.90%
Tax at statutory income tax rate	0	0.25
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	(1.48)	0.24
<b>Tax expense recognised in the statement of profit and loss</b>	<b>(1.48)</b>	<b>0.50</b>