

Mittal Nirbhay & Company

Chartered Accountants

36, 2nd Floor, Gola Market
Behind Golcha Cinema, Daryanganj
New Delhi - 110002
Mob- 9899729200

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SKYNET CABLE NETWORK PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of "SKYNET Cable Network Private Limited" ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

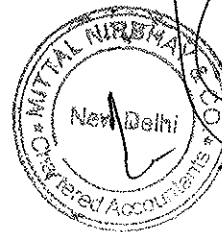
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,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



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give a statement on the matters specified in paragraphs 3 and 4 of the Order, refer "**Annexure A**"
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**"
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

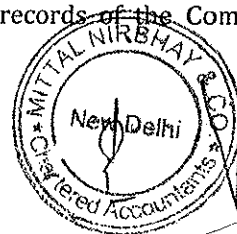
For Mittal Nirbhay & Co.
Chartered Accountants
Firm Registration No. : 013097C



Kamal Kumar
Partner
M.No. -502549
Place - New Delhi
Date -28/05/2016

"ANNEXURE A" REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SKYNET CABLE NETWORK PRIVATE LIMITED

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, these fixed assets have been physically verified by the management at reasonable intervals during the year. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company does not have immovable properties. Thus, paragraph 3(i)(c) of the order is not applicable.
- (ii) The company is a service company, primarily providing services in cable industry. Accordingly it does not hold any physical inventory. Thus, paragraph 3(ii) of the order is not applicable.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of accounts, forms & Registers, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act 2013. Thus, paragraph 3(iii)(a), (b) & (c) of the order is not applicable.
- (iv) According to the information and explanations given to us and on the basis of our examination of the books of accounts, forms and registers, the Company has not granted loans, made investments, given guarantees and security. Thus, paragraph 3(iv) of the order is not applicable.
- (v) The Company has not accepted deposits. Thus, paragraph 3(v) of the order is not applicable.
- (vi) As per information & explanation given to us, the reporting requirements with regard to maintenance of cost records by the company as prescribed under section 148(1) of the Act are not applicable for any of the services rendered by the company.
- (vii) (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally 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 extent applicable, to the appropriate authorities. According to the information and explanations given to us, there were no outstanding statutory dues as on 31st of March, 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and records of the company examined by us, there are no amounts payable in respect of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any disputes.
- (viii) According to the information and explanations given to us and records of the company examined by us, the company has not raised loan or borrowings from financial institution, bank, government and debenture holders. Thus, paragraph 3(viii) of the order is not applicable.
- (ix) According to the information and explanations given to us and records of the company examined by us, the company has not raised moneys from public offer or further public offer (including debt instruments) and term loans. Thus, paragraph 3(ix) of the order is not applicable.
- (x) During the course of our examination of the books and records of the Company and according to the

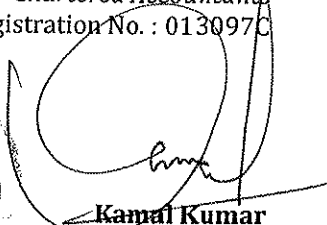


information and explanations given to us & on the basis of written representations obtained, we have neither come across any instance of material fraud on or by the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of any such case by the Management.

- (xi) According to the information and explanations given to us and records of the company examined by us, the 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.
- (xii) The company is not Nidhi company. Thus, paragraph 3(xii) of the order is not applicable.
- (xiii) According to the information and explanations given to us, written representations obtained and records of the company examined by us, all transactions with the related parties are in compliance with section 177 and section 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements etc., as required by the relevant applicable accounting standards.
- (xiv) The company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Thus, paragraph 3(xiv) of the order is not applicable.
- (xv) According to the information and explanations given to us, written representations obtained, forms filed, registers & other records of the company examined by us, the company has not entered into any non-cash transactions with directors or persons connected with him. Thus, paragraph 3(xiv) of the order is not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Mittal Nirbhay & Co.
Chartered Accountants
Firm Registration No. : 013097C




Kamal Kumar
Partner
M.No. -502549
Place - New Delhi
Date -28/05/2016

"ANNEXURE B" REFERRED TO IN PARAGRAPH 2 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SKYNET CABLE NETWORK PRIVATE LIMITED

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

We have audited the internal financial controls over financial reporting of **SKYNET CABLE NETWORK PRIVATE LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI").

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

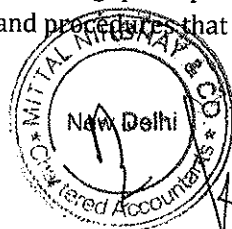
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that



- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For Mittal Nirbhay & Co.
Chartered Accountants
Firm Registration No. : 013097C



A handwritten signature in black ink, appearing to read "Kamal Kumar".

Kamal Kumar
Partner
M.No. -502549
Place - New Delhi
Date -28/05/2016

SKYNET CABLE NETWORK PRIVATE LIMITED (CIN-U74140DL2011PTC228312)

Balance Sheet as at March 31,		Note	2016	2015
EQUITY AND LIABILITIES				
SHAREHOLDERS' FUNDS				
Share Capital		2.1	8,150,000	8,150,000
Reserves and Surplus		2.2	(2,593,673)	(1,506,611)
			<u>5,556,327</u>	<u>6,643,389</u>
CURRENT LIABILITIES				
Trade payables		2.3	3,407,991	3,407,991
Other current liabilities		2.4	1,157,188	1,101,462
			<u>4,565,179</u>	<u>4,509,453</u>
	Total		<u><u>10,121,506</u></u>	<u><u>11,152,842</u></u>
ASSETS				
NON-CURRENT ASSETS				
Fixed assets				
Tangible assets		2.5	5,389,776	6,421,040
Long-Term Loans and Advances		2.6	4,256,252	4,256,252
			<u>9,646,028</u>	<u>10,677,292</u>
CURRENT ASSETS				
Cash and cash equivalents		2.7	6,019	6,019
Short-Term Loans and Advances		2.8	469,459	469,531
			<u>475,478</u>	<u>475,550</u>
	Total		<u><u>10,121,506</u></u>	<u><u>11,152,842</u></u>
Significant Accounting Policies		1		
Notes on Financial Statements		2		

As per our attached report of even date

For Mittal Nirbhay & Company

FRN No. 013097C

Chartered Accountants

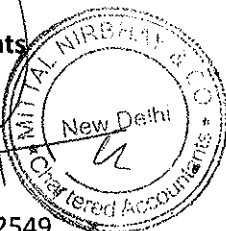
Kamal Kumar

Partner

Membership No. : 502549

Place: New Delhi

Date: 28/05/2016



For and on behalf of the Board of Directors

Signature of Raju Prasad

Director

DIN: 06585221

Signature of S. Khanna

Director

DIN: 07013310

SKYNET CABLE NETWORK PRIVATE LIMITED (CIN-U74140DL2011PTC228312)

Statement of Profit and Loss for the Year ended March 31,	Note	2016	2015
Other Income	2.9	-	3,279,601
Total Revenue		-	3,279,601
Expenses			
Operating cost	2.10	-	3,279,600
Depreciation and amortization expense	2.5	1,031,264	1,031,264
Other expenses	2.11	55,798	287,243
Total Expenses		1,087,062	4,598,107
PROFIT BEFORE TAX		(1,087,062)	(1,318,506)
Tax expense:			
Current tax		-	-
Tax Provision of Earlier Year		-	-
Deferred tax		-	-
PROFIT AFTER TAX		(1,087,062)	(1,318,506)
EARNING PER EQUITY SHARE	2.12		
Equity shares of par value 10/- each			
Basic		(1.33)	(1.90)
Diluted		(1.33)	(1.90)
Weighted Average Number of Equity Shares used in calculating earning per share			
Basic		815,000	693,699
Diluted		815,000	693,699
Significant Accounting Policies	1		
Notes on Financial Statements	2		

As per our attached report of even date

For Mittal Nirbhay & Company

FRN No. 013097C

Chartered Accountants

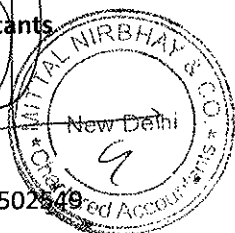
Kamal Kumar

Partner

Membership No. : 502549

Place: New Delhi

Date: 28/05/2016



For and on behalf of the Board of Directors

Rajiv Philip
Director
DIN: 06585221

Sankar
Director
DIN: 07013310

SKYNET CABLE NETWORK PRIVATE LIMITED (CIN-U74140DL2011PTC228312)

CASH FLOW STATEMENT FOR THE YEAR ENDED March 31,

2016

2015

	(Rs.)	(Rs.)
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax	(1,087,062)	(1,318,506)
Adjustments for:		
Depreciation/Amortization	1,031,264	1,031,264
Operating profit before working capital changes	<u>(55,798)</u>	<u>(287,242)</u>
Adjustments for changes in working capital		
(Increase) / Decrease in Trade Receivables	-	-
(Increase) / Decrease in Loans, Advances & Other Current Assets	72	(1,263)
Increase /(Decrease) in Liabilities & Provisions	55,726	197,655
Cash generated from operations	<u>-</u>	<u>(90,850)</u>
Taxes paid / received	-	-
Net Cash from Operating Activities	<u>-</u>	<u>(90,850)</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	-
Net Cash used in Investing Activities	<u>-</u>	<u>-</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash from Financing Activities		
Share Application Money Pending For Allotment	-	-
	<u>-</u>	<u>-</u>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	-	(90,850)
Cash and Cash Equivalents at the beginning of the period	<u>6,019</u>	<u>96,869</u>
Cash and Cash Equivalents at the end of the period	<u>6,019</u>	<u>6,019</u>
Cash and Cash Equivalents at the end of the period comprise of:		
Cash on Hand	-	-
Balances with Banks in Current Accounts	6,019	6,019
	<u>6,019</u>	<u>6,019</u>

Note : The above Cash Flow Statement has been prepared under the indirect method set out in AS-3 issued by the Central Government under the Companies (Accounting Standards) Rule 2006.

As per our attached report of even date

For and on behalf of the Board of Directors

For Mittal Nirbhay & Company

FRN No. 013097C

Chartered Accountants

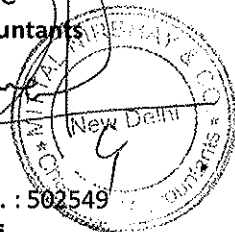
Kamal Kumar

Partner

Membership No. : 502549

Place: New Delhi

Date: 29/05/2016



Rajendra Prasad
Director
DIN: 06585221

S. K. Choudhary
Director
DIN: 07013310

SKYNET CABLE NETWORK PRIVATE LIMITED (CIN-U74140DL2011PTC228312)

Company Overview

BACKGROUND AND OPERATIONS

Skynet Cable Network Private Limited is a Company incorporated in India on December 5, 2011. The Company is primarily engaged in providing cable television distribution and other related services. It is a subsidiary of Amogh Broadband Services Pvt. Ltd.

1 Significant accounting policies

1.01 Basis of preparation

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation as more fully described in Note 1.06.

1.02 Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the results of operations during the reporting period. Examples of such estimates include estimates of income taxes, employment retirement benefit plans, provision for doubtful debts and advances and estimated useful life of fixed assets. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

1.03 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company, the revenue can be reliably measured and as per the management's assessment no significant uncertainty exists regarding realisation of the consideration.

i) Service Revenue

Income from services is recognised upon completion of services as per the term of contract. Period based services are accrued and recognised pro-rata over the contractual period.

Service revenue comprises of income from subscription, placement of channels, advertisement revenue and other services. These are recognised to the extent the amount is billable.

Revenue billed but not recognised at the end of the year has been disclosed as deferred revenue under current liabilities.

1.04 Expenditure

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities.

1.05 Fixed assets

i) Tangible Assets

Fixed assets are stated at the cost of acquisition including incidental costs related to acquisition and installation less accumulated depreciation. The actual cost capitalized includes material cost, freight, installation costs, duties and taxes, finance charges and other incidental expenses incurred during the construction / installation stage.

Fixed Assets acquired during business acquisitions are accounted for at the fair market value of the assets.

Fixed assets under construction and cost of assets not ready for use before the year-end, are disclosed as capital work in progress.

ii) Intangible Assets

Intangible assets acquired in a business acquisition are recorded at fair value basis determined by the management of the Company. Other Intangible Assets are stated at cost.

1.06 Depreciation / Amortization

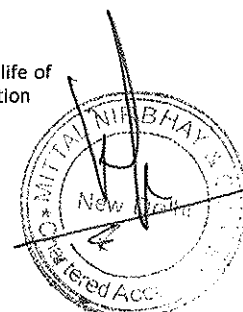
Depreciation on fixed assets except leasehold improvements is provided on the straight-line method over their estimated useful lives, as determined by the management, at the rates which are equal to or higher than the rates prescribed under Schedule II of the Companies Act, 2013. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year. The management's estimate of the useful life of the various fixed assets is as follows:

Head End Equipments	10 Years	Furniture & Fixtures	6 Years
Distribution Equipments - Underground	15 Years	Set top Boxes	8 Years
Distribution Equipments	6 Years	Computers	3 Years
Office Equipments	5 Years	Vehicles	6 Years

Intangible assets are amortized on a straight line method over their estimated useful lives. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

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SKYNET CABLE NETWORK PRIVATE LIMITED (CIN-U74140DL2011PTC228312)

Fixed assets acquired through acquisition of business purchase are depreciated over remaining useful life of 5 years as estimated by an approved valuer.

Leasehold improvements are amortised over the lower of the useful life or the period of the lease.

For these class of assets based on internal assessment carried out by technical team , the management believes that the useful lives as given above best represent the period over which management expects to use these assets . Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

1.07 Investments

Trade investments are the investments made to enhance the company's business interests. Investments are either classified as long term or current investments, based on management's intention at the time of purchase. Long-term investments are stated at cost and provision is made to recognise any decline, other than temporary, determined separately for each investment. Current investments are stated at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

**1.08 Leases
Operating leases**

Lease payments under an operating lease are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

1.09 Taxation

Income tax expenses comprise current tax and deferred tax charge or credit (reflecting the tax effects of the timing differences between the accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed for the appropriateness of their carrying values at each balance sheet date.

1.10 Borrowing Costs

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalized as part of cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

1.11 Earnings per share

In determining earnings per share, the company considers the net profit after tax and includes the post tax effect of any extra ordinary /exceptional item. Basic earning per share is computed using the weighted average number of equity shares outstanding during the year. Diluted earning per share is computed using the weighted average number of equity shares outstanding during the year and dilutive equity equivalent shares outstanding at the year end, except where the results would be anti dilutive.

1.12 Impairment of assets

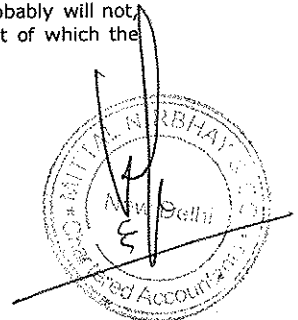
Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price, and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

1.13 Provisions and Contingent liabilities

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. A disclosure of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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SKYNET CABLE NETWORK PRIVATE LIMITED (CIN-U74140DL2011PTC228312)

2. NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2016

2.1 SHARE CAPITAL

Particulars	As at March 31,	
	2016	2015
Authorised		
Equity Share Capital		
900,000 (100,000) Equity Shares of Rs. 10/- each	9,000,000	9,000,000
Issued, Subscribed and Paid up		
815,000 (10,000) Equity Shares of Rs. 10/- each, fully paid up	8,150,000	8,150,000
	8,150,000	8,150,000

a) The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2016 and March 31, 2015 is set out below:

Particulars	March 31, 2016		March 31, 2015	
	No of shares	Amount	No of shares	Amount
Numbers of shares at the Begning	10,000	100,000	10,000	100,000
Add: Shares issued during the year	805,000	8,050,000	805,000	8,050,000
Numbers of shares at the end	815,000	8,150,000	815,000	8,150,000

b) Shares held by holding/ultimate holding company and/or their subsidiaries/associates

Particulars	March 31, 2016		March 31, 2015	
	No of shares	Amount	No of shares	Amount
Amogh Broadband Services Pvt Ltd (Holding Company)	815,000	8,150,000	815,000	8,150,000

c) Number of Shares held by each shareholder having more than 5% shares:

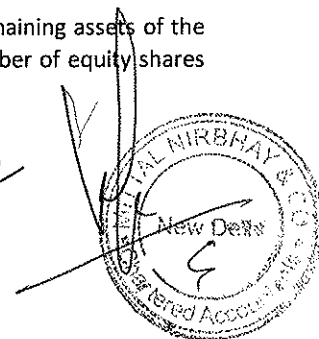
Particulars	March 31, 2016		March 31, 2015	
	No of shares	% Holding	No of shares	% Holding
Amogh Broadband Services Pvt. Ltd.	815,000	100.00%	815,000	100.00%

d) The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. Equity Shareholders are eligible to dividend proposed by the Board of Directors as approved by Shareholders in the ensuing Annual General Meeting.

e) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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2.2 RESERVES AND SURPLUS

Particulars	As at March 31, 2016	As at March 31, 2015
Surplus- Opening Balance	(1,506,611)	(188,105)
Add: Net profit after tax transferred from Statement of Profit and loss	(1,087,062)	(1,318,506)
Surplus- Closing Balance	(2,593,673)	(1,506,611)
Total	(2,593,673)	(1,506,611)

2.3 TRADE PAYABLES

Particulars	As at March 31, 2016	As at March 31, 2015
Other payables	3,407,991	3,407,991
Total	3,407,991	3,407,991

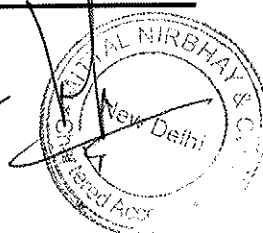
The Company has not received intimation from suppliers regarding the status under Micro Small and Medium Enterprises Development Act, 2006 and based on the information available with the Company there are no dues to Micro, Small and Medium Enterprises Development Act, 2006.

2.4 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2016	As at March 31, 2015
Advances received from clients	18,200	74,951
Statutory Payables	329,235	329,235
Other payables	809,753	697,276
Total	1,157,188	1,101,462

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SKYNET CABLE NETWORK PRIVATE LIMITED (CIN-U74140DL2011PTC228312)
2.5 FIXED ASSETS

	Gross Block			Depreciation			Net Block			
	Opening 1 April 2015	Additions	Sales/Adjustments	As at March 31, 2016	Opening 1 April 2015	For the Year	Asset charged to opening reserve	Up to March 31, 2016	As at March 31, 2016	As at March 31, 2015
Plant and Machinery	8,250,100	-	-	8,250,100	1,829,060	1,031,264	-	2,860,324	5,389,776	6,421,040
Grand Total	8,250,100	-	-	8,250,100	1,829,060	1,031,264	-	2,860,324	5,389,776	6,421,040
Previous Year	-	8,250,100	-	8,250,100	-	797,796	-	797,796	6,421,040	-

(Rs.)

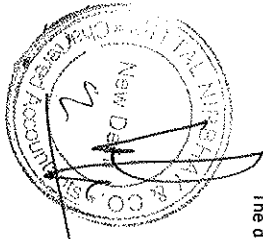
Pursuant to "AS28 - Impairment of Assets" issued by the Central Government under the Companies (Accounting Standards) Rule 2006 for determining impairment in carrying amount

During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company has revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. Further, assets individually costing Rs. 5,000/- or less that were depreciated fully in the year of purchase are now depreciated based on the useful life considered by the Company for the respective category of assets. The details of previously applied depreciation method, rates / useful life are as follows:

Asset	Previous depreciation rate./useful life	Revised useful life based on SLM
Computers	18.67% / ~6	3 years
Office Equipment	10% / ~10 years	5 years

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets where the remaining useful life of the asset was determined to be NIL as on April 1, 2014, and has adjusted an amount of Rs. Nil without considering tax effect against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus

The depreciation expense in the Statement of Profit and Loss for the year is higher by Rs. Nil consequent to the change in the useful life of the assets.



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2.6 LONG TERM LOANS & ADVANCES

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured considered good		
Security deposits *	4,256,252	4,256,252
Total	4,256,252	4,256,252

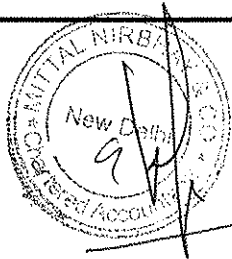
*(Includes Fixed Deposit of Rs. 15,000/- with Syndicate Bank pledged with Entertainment Tax Department)

2.7 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2016	As at March 31, 2016
Balances with banks		
In Current Accounts	6,019	6,019
Total	6,019	6,019

2.8 SHORT- TERM LOANS AND ADVANCES

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, Considered good		
Prepaid Expenses	491	1,263
Service Tax Receivable	468,968	468,268
Total	469,459	469,531



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2.9 OTHER INCOME

Particulars	As at March 31, 2016	As at March 31, 2015
Excess Provision Written Back	-	3,279,601
Total	-	3,279,601

2.10 OPERATING COST

Particulars	As at March 31, 2016	As at March 31, 2015
Infrastructure & Technical Support Fee	-	3,279,600
Total	-	3,279,600

2.11 OTHER EXPENSES

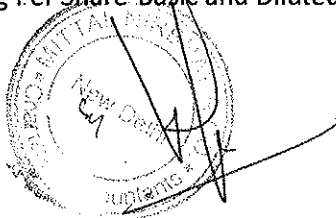
Particulars	As at March 31, 2016	As at March 31, 2015
Payment to Auditor	5,000	12,000
Rates & Taxes	20,000	262,418
Legal & Professional Charges	29,500	12,750
Insurance Expenses	1,263	47
Miscellaneous expenses	35	28
Total	55,798	287,243

2.11.1 PAYMENT TO AUDITOR

Particulars	As at March 31, 2016	As at March 31, 2015
For Statutory Audit	5,000	12,000
Total	5,000	12,000

2.12 Earning Per Share

Particulars	As at March 31, 2016	As at March 31, 2016
Opening Number of Equity Shares	10,000	-
Closing Number of Equity Shares	815,000	8,150,000
Weighted Average Number of Equity Shares	815,000	8,150,000
Net Profit for the year (Rs.)	(1,087,062)	(1,318,506)
Nominal Value of the share (Rs.)	10.00	10.00
Earning Per Share-Basic and Diluted (Rs.)	(1.33)	(0.16)



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SKYNET CABLE NETWORK PRIVATE LIMITED (CIN-U74140DL2011PTC228312)

2.13 Related Party Transactions

i) In accordance with the requirements of Accounting Standard – 18 on Related Party Disclosures, the names of the related parties where control exists and with whom transactions have taken place during the year and description of relationships as identified and certified by the management are given below:

a) Holding Company

DEN Networks Limited (formerly known as DEN Digital Entertainment Networks Ltd)
Amogh Broadband Services Pvt Ltd

ii) The following transactions were carried out during the period with the related parties in the ordinary course of business

Particulars	Holding Company		Total
	DEN Networks Ltd	Amogh Broadband Services Pvt Ltd	
Excess Provision Written Back	-	-	-
	(3,279,601)	-	(3,279,601)
Infrastructure and Technical Support Services-Sub	-	-	-
	-	(3,279,600)	(3,279,600)
Closing Balances			
Other Current Liability	736,314	3,356,999	4,093,313
	(662,037)	(3,356,999)	(4,019,036)

(Previous Year Figures are shown in Bracket)

**Figures net of Service Tax*

2.14 The Company is providing cable television network and allied services and hence has only one reportable segment. The operations of the Company are located in India.

2.15 Certain Debit/Credit balances included in Trade Receivables, Trade Payables, Short/Long Term Loans and Advances & Other Current Liabilities are pending for confirmation and consequential reconciliation

2.16 Previous year figures have been regrouped/reclassified wherever considered necessary, to make them comparable with current year figures.

2.17 All figures are in Indian rupees



For and on behalf of the Board of Directors

Bijur Prasad
Director
Place: New Delhi
DIN: 06585221

S. Khanna
Director
Place: New Delhi
DIN: 07013310