

Independent Auditor's Report

To

The Shareholders

M/S SKYNET CABLE NETWORK PRIVATE LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of the **M/S SKYNET CABLE NETWORK PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies

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M/S SKYNET CABLE NETWORK PRIVATE LIMITED

used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements together with the notes thereon 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:

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
and

(ii) in the case of the Statement of Profit and Loss of the loss for the year ended on that date;

Report on other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") and amended thereafter, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 is not applicable to the Company.

As required by section 227(3) of the Act, we report that:

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

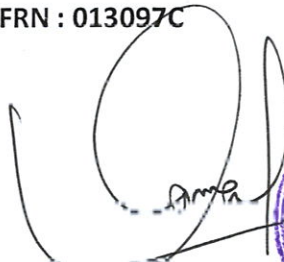



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M/S SKYNET CABLE NETWORK PRIVATE LIMITED

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss Account comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (e) As per information and explanation given to us the Central Government has, till date, not prescribed any cess payable under section 441A of the Companies Act, 1956;
- (f) On the basis of the written representation received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.

For Mittal Nirbhay & Co.
Chartered Accountants
FRN : 013097C

(Kamal Kumar)
Partner
Membership No. 502549

Place : Delhi
Date : 02/09/2013

SKYNET CABLE NETWORK PRIVATE LIMITED

Balance Sheet as at March 31, 2013

Note

2013

2012

EQUITY AND LIABILITIES

SHAREHOLDERS' FUNDS

Share capital	2.1	1,00,000	1,00,000
Reserves and surplus	2.2	(10,000)	(5,000)
		<u>90,000</u>	<u>95,000</u>

CURRENT LIABILITIES

Other current liabilities	2.3	60,992	55,992
		<u>60,992</u>	<u>55,992</u>
		<u><u>1,50,992</u></u>	<u><u>1,50,992</u></u>

ASSETS

CURRENT ASSETS

Cash and cash equivalents	2.4	1,00,000	1,00,000
Other current assets	2.5	50,992	50,992
		<u>1,50,992</u>	<u>1,50,992</u>
		<u><u>1,50,992</u></u>	<u><u>1,50,992</u></u>

Significant Accounting Policies	1
Notes On Financial Statements	2

As per our report of even date attached

For and on behalf of the Board of Directors

For Mittal Nirbhay & Company

Chartered Accountants

(Firm Registration No.: 013097C)

Kamal Kumar
Partner
Membership No. 502549



Place:
Date:

Baiju Philip

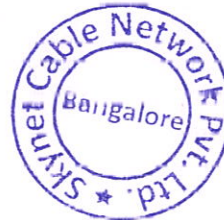
Baiju Philip
Director
DIN : 06585221

Place:
Date:

Mani Vikash

Mani Vikash
Director
DIN : 03599532

Place:
Date:



SKYNET CABLE NETWORK PRIVATE LIMITED

Statement of Profit and Loss for the Year ended March 31, 2013

	Note	2013	2012
Revenue from operations		-	-
Total Revenue		-	-
Expenses			
Other expenses	2.6	5,000	5,000
Total Expenses		5,000	5,000
PROFIT/(LOSS) BEFORE TAX		(5,000)	(5,000)
Tax expense:			
Current tax		-	-
Deferred tax		-	-
PROFIT/(LOSS) AFTER TAX		(5,000)	(5,000)
Basic EPS	2.7	(0.50)	(1.55)
Significant Accounting Policies	1		
Notes on Financial Statements	2		

As per our report of even date attached

For and on behalf of the Board of Directors

For Mittal Nirbhay & Company

Chartered Accountants

(Firm Registration No: 013097C)

Kamal Kumar

Partner

Membership No. 502549



Baiju Philip

Baiju Philip

Director

DIN : 06585221

Mani Vikash

Mani Vikash

Director

DIN : 03599532

Place:

Date:

Place:

Date:

Place:

Date:



SKYNET CABLE NETWORK PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	For the Year Ended March 31, 2013 (Rs.)	For the Year Ended March 31, 2012 (Rs.)
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax	(5,000)	(5,000)
Adjustments for:		
Non Cash Items	-	-
Operating profit/(loss) before working capital changes	(5,000)	(5,000)
Adjustments for changes in working capital		
Increase/(Decrease) in Liabilities	5,000	55,992
Cash generated from operations	-	50,992
Taxes paid / received	-	-
Net Cash from Operating Activities	-	50,992
B CASH FLOW FROM INVESTING ACTIVITIES		
Net Cash used in Investing Activities	-	-
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	1,00,000
Preliminary Expenses	-	(50,992)
Net Cash from financing Activities	-	49,008
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	-	1,00,000
Cash and Cash Equivalents at the beginning of the period	1,00,000	-
Cash and Cash Equivalents at the end of the period	1,00,000	1,00,000
Cash and Cash Equivalents at the end of the period comprise of:		
Cash on Hand	-	-
Cheques on hand	1,00,000	1,00,000
	1,00,000	1,00,000

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 report of even date attached

For Mittal Nirbhay & Company

Chartered Accountants

(Firm Registration No. 013097C)

Kamal Kumar
Partner
Membership No. 502549



Place:

Date:

For and on behalf of the Board of Directors

Baiju Philip
Director
DIN : 06585221

Place:

Date:

Mani Vikash
Director
DIN : 03599532

Place:

Date:



SKYNET CABLE NETWORK PRIVATE LIMITED
NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013

BACKGROUND AND OPERATIONS

Skynet Cable Network Private limited (hereinafter referred to as 'the Company') was incorporated as on 5th December 2011 to engage in providing cable television distribution and other related services. The company has not started its operation during the year.

1 Significant accounting policies

1.1 Basis of preparation

The financial statements are prepared and presented under the historical cost convention, in accordance with the Indian Generally Accepted Accounting Principles ("GAAP"), the applicable accounting standards notified u/s 211(3C) of the Companies Act, 1956 and the other relevant provisions of the Companies Act, 1956. The Financial Statements have been prepared as per the revised Schedule VI notified under the Companies Act 1956. The Financial Statement is prepared for the period from 1st April 2012 to 31st March 2013.

1.2 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.

1.3 Revenue recognition

No business operations were carried out by the company during the year, hence no revenue recognised.

1.4 Expenditure

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

1.5 Fixed assets

No fixed has been acquired during the year.

1.6 Depreciation /Amortization

Since there is no fixed assets, depreciation is not provided for.

1.7 Leases

Operating leases

Lease payments under an operating lease are recognised as an expense in the profit and loss account on a straight line basis over the lease term.

1.8 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.

1.9 Retirement benefits

Since there are no employees, retirement benefits are not provided for.



1.10 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.

1.11 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.

1.12 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.



SKYNET CABLE NETWORK PRIVATE LIMITED
 NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013

2.1 SHARE CAPITAL

Particulars	March 31,2013	March 31,2012
Authorised		
Equity Share Capital	1,00,000	1,00,000
1,00,000 Equity Shares of Rs. 10/- each		
Issued, Subscribed and Paid-up		
1,00,000 Equity Shares of Rs. 10/- each	1,00,000	1,00,000
	<u>1,00,000</u>	<u>1,00,000</u>

a) The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2013 and as at March 31, 2012 is set out below:

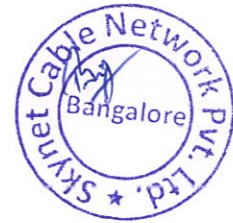
Particulars	March 31,2013		March 31,2012	
	No of shares	Amount	No of shares	Amount
Opening Numbers of shares	10,000	1,00,000	-	-
Add: Shares issued during the year	-	-	10,000	1,00,000
Numbers of shares at the end	<u>10,000</u>	<u>1,00,000</u>	<u>10,000</u>	<u>1,00,000</u>

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

Particulars	March 31,2013		March 31,2012	
	No of shares	% Holding	No of shares	% Holding
Mani Vikash	-	0%	5,000	50%
Deepak Pandit	5,000	50%	5,000	50%
Ashok Kumar	5,000	50%	-	0%

c) 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.

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.



SKYNET CABLE NETWORK PRIVATE LIMITED
 NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013

2.2 RESERVES & SURPLUS

Particulars	March 31,2013	March 31,2012
Surplus/(deficit) in statement of profit and loss		
Profit & Loss Account - Opening Balance	(5,000)	-
Add: Net profit/(loss) after tax transferred from Statement of Profit & Loss	(5,000)	(5,000)
Profit & Loss Account - Closing Balance	<u>(10,000)</u>	<u>(5,000)</u>

2.3 OTHER CURRENT LIABILITIES

Particulars	March 31,2013	March 31,2012
Others payable:		
Audit fees payable	10,000	5,000
Preliminary expenses payable	50,992	50,992
	<u>60,992</u>	<u>55,992</u>

2.4 CASH AND CASH EQUIVALENTS

Particulars	March 31,2013	March 31,2012
Cheques on hand	1,00,000	1,00,000
	<u>1,00,000</u>	<u>1,00,000</u>

2.5 OTHER CURRENT ASSETS

Particulars	March 31,2013	March 31,2012
<i>Unsecured, considered good</i>		
Miscellaneous Expenditure (to the extent not written off or adjusted)	50,992	50,992
	<u>50,992</u>	<u>50,992</u>

2.6 OTHER EXPENSES

Particulars	March 31,2013	March 31,2012
Payment to auditors		
-as statutory audit fees	5,000	5,000
	<u>5,000</u>	<u>5,000</u>



SKYNET CABLE NETWORK PRIVATE LIMITED
NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013

2.7 EARNING PER SHARE

Particulars	March 31,2013	March 31,2012
Opening No. of Equity Shares	10,000	-
Closing No. of Equity Shares	10,000	10,000
Weighted Average No. of Equity Shares	10,000	3,233
Net Profit for the year (Rs.)	(5,000)	(5,000)
Nominal Value of the share (Rs.)	10/-	10/-
Earning per share - Basic (Rs.)	(0.50)	(1.55)

2.8 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:

a) Key Management Personnel (KMPs)

Mani Vikash*
 Deepak Pandit*
 Tarik Abdulla Malik**
 Mahendra Nath Upadhyay**
 Mani Vikash
 Baiju Philip

*These persons ceased to be Key Management Personnel of the company w.e.f. 10.08.2012.

**These persons ceased to be Key Management Personnel of the company w.e.f. 06.05.2013.

b) Person having substantial interest

Ashok Kumar

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

Name of the transacting related party	Nature of the transaction	Amount of Transaction (Year 2013)	Amount of Transaction (Year 2012)
Deepak Pandit	Equity contribution	-	50,000
Mani Vikash	Equity contribution	-	50,000

2.9 As per information available with the management, the balance due to enterprises covered under the MSMED Act, 2006 is Rs. NIL and no interest has been paid or is payable under the terms of the MSMED Act, 2006 .

2.10 Sundry Creditors and other payables as at the Balance Sheet date in view of management represent bonafide sums payable by the company against the services / sum received, which would be paid in due course of time. The balances however are subject to confirmation from respective parties.

2.11 Certain Debit/Credit balances included in the Trade payables, other Current Assets and other Current Liabilities are pending for confirmation and consequential reconciliation.

2.12 CIF value of Import & Foreign Exchange Earning/Outgo :- Nil

2.13 The company is an SMC as defined in General Instructions in respect of Accounting Standard notified under companies act 1956. Accordingly the company has complied with the Accounting Standards as applicable to SMC.



SKYNET CABLE NETWORK PRIVATE LIMITED
NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013

2.14 Contingent Liabilities not provided for :- NIL

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

2.16 No business operations were carried out by the company during the year.

As per our report of even date attached

For Mittal Nirbhay & Company

Chartered Accountants

(Firm Registration No.: 013097C)

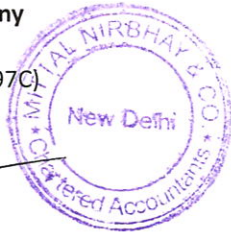

Kamal Kumar

Partner


Membership No. 502549

Place:

Date:



For and on behalf of the Board of Directors of
SKYNET CABLE NETWORK PRIVATE LIMITED


Baiju Philip

Director

DIN : 06585221

Place:

Date:


Mani Vikash

Director

DIN : 03599532

Place:

Date:

