

**Independent Auditor's Report**  
**To the Members of Indinet Service Pvt. Limited**

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Indinet Service Pvt. Limited ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

**Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, 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) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

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**

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 thereunder.

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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone 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 standalone financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity 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 section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
  - (e) on the basis of the written representations received from the directors as on 31.03.2017 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) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (g) with respect to 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 has disclosed the impact of pending litigation on its financial position in its standalone financial statements- Refer Note: 24 to the Standalone Financial Statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. the company, as detailed in Note No.33 to the Financial Statements, has made requisite disclosures as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on the audit procedures performed and taking into considerations the information and explanations given to us, in our opinion, these disclosures are in accordance with the books of accounts maintained by the company.

**For A.K. TEKRIWAL & CO.**

*Chartered Accountants*

Firm's registration number: 322352E

**A.K. Tekriwal**

*Partner*

Membership number:056362

Kolkata

\_\_\_\_\_, 2017

## **Annexure - A to the Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

- (i) The Company does not have any fixed assets. Hence paragraphs 3(i)(a),3(i)(b) and 3(i)(c) of the order are not applicable to the company under review.
- (ii) The Company does not have inventories. Hence paragraphs 3(ii)of the Order are not applicable to the company under review.
- (iii) The company has not granted any loan, secured or unsecured, to companies, Firms, Limited Liability Partnerships or other parties covered in register u/s 189 of the Companies Act, 2013. Hence paragraphs 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable to the company under review.
- (iv) In our opinion and according to the information and explanations given to us, the provisions of section 185 and 186 of the Act, with respect to the loans, investments, Guarantees and Security are not applicable to the company under review.
- (v) The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. Accordingly the provisions of clause 3(v) of the order are not applicable to the Company.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for the products and services of the Company. Accordingly, the provisions of the clause 3(vi) of the Order are not applicable.
- (vii) (a) In our opinion and according to the information and explanations given to us, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duly of excise, value added tax, cess and other material statutory dues as applicable with the appropriate authorities.  
(b) According to the information and explanations given to us and the records of the company examined by us, there are no disputed liability outstanding as at 31<sup>st</sup> March 2017.
- (viii) On the basis of the records examined by us and the information and explanations given to us, the company has not taken any loans or borrowings from the banks or financial institutions. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The company has not raised any money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, no term loans have been taken by the Company during the year. Accordingly, the provisions of the clause 3(ix) are not applicable.
- (x) According to the information and explanations given to us, no fraud by the company or on the Company by it's officers or employees has been noticed or reported during the year.
- (xi) On the basis of the records examined by us and the information and explanations given to us, the Company has not paid any managerial remuneration. Accordingly, the Provisions of the clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the company is not a Nidhi company. Therefore, paragraph 3(xii) of the order is not applicable to the Company.

- (xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 & 188 of the Act as applicable. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with relevant rules.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore Paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Therefore, 3(xvi) of the order is not applicable.

**For A. K Tekriwal & Co.**

*Chartered Accountants*

Firm's registration number: 322352E

**A.K. Tekriwal**

*Partner*

Membership number: 056362

Kolkata

\_\_\_\_\_, 2017

## **Annexure - B to the Auditors' Report**

### **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 Indinet Service Private Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone 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 standalone Ind AS 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of 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 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.K. TEKRIWAL & CO.**

*Chartered Accountants*

Firm's Registration Number: 322352E

**A.K. Tekriwal**

*Partner*

Membership Number: 056362

Kolkata

\_\_\_\_\_, 2017

**INDINET SERVICE PRIVATE LIMITED**

Balance Sheet as at March 31, 2017

(₹) '000s

	Notes	March 31, 2017	March 31, 2016
<b>A. Assets</b>			
<b>1. Non-current assets</b>			
(a) Other intangible assets	5	3,031	-
(b) Financial assets			
(i) Other Financial Assets	6	25	-
(c) Deferred Tax assets (Net)	7	182	35
<b>Sub-total of Non-current assets</b>		<b>3,238</b>	<b>35</b>
<b>2. Current assets</b>			
(a) Financial assets			
(i) Trade receivables	8	20,701	-
(ii) Cash and Cash equivalents	9	61,054	79
(iii) Others	10	30,746	-
(b) Other current assets	11	194	25
<b>Sub-total of Current assets</b>		<b>112,696</b>	<b>103</b>
<b>Total assets</b>		<b>115,934</b>	<b>138</b>
<b>B. Equity and liabilities</b>			
<b>1. Equity</b>			
(a) Equity share capital	12	100	100
(b) Other equity	13	645	(78)
<b>Sub-total - Equity</b>		<b>745</b>	<b>22</b>
<b>2. Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14	32,556	104
(ii) Trade payables	15	69,426	10
(b) Other current liabilities	16	13,066	1
(c) Current Tax liabilities (net)	17	141	-
<b>Sub-total of current liabilities</b>		<b>115,189</b>	<b>116</b>
<b>Total equity and liabilities</b>		<b>115,934</b>	<b>138</b>

Summary of significant accounting policies 3

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.K. Tekriwal & Co.  
Chartered Accountants  
(Firm Registration No. - 322352 E)

For Indinet Service Private Limited  
(U74900WB2015PTC207490)

A.K Tekriwal  
Partner  
Membership No.-056362

Souvick Chatterjee  
Director  
DIN-03354504

Atul Kumar Singh  
Director  
DIN-07195221

Place - Kolkata  
Date - 19<sup>th</sup> May 2017

**INDINET SERVICE PRIVATE LIMITED**

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

(₹) '000s

	Notes	March 31, 2017	March 31, 2016
<b>Revenue</b>			
Revenue from operations	18	445,853	-
Other income	19	1,208	-
<b>Total revenue</b>		<b>447,061</b>	<b>-</b>
<b>Expenses</b>			
Operational Expenses	20	431,411	50
Finance costs	21	352	-
Amortisation expenses	22	119	-
Other expenses	23	14,134	62
<b>Total expenses</b>		<b>446,016</b>	<b>112</b>
<b>Profit/(Loss) before Exceptional Items &amp; Tax</b>		<b>1,045</b>	<b>(112)</b>
Exceptional Items		-	-
<b>Profit/(Loss) before tax</b>		<b>1,045</b>	<b>(112)</b>
<b>X Tax Expenses</b>	26	<b>323</b>	<b>(35)</b>
(a) Current Tax		471	-
(b) Deferred Tax		(148)	(35)
<b>XI Profit /(Loss) for the year</b>		<b>722</b>	<b>(78)</b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the year</b>		<b>722</b>	<b>(78)</b>
<b>Earning Per Share</b>			
Basic (₹)	25	72.22	(7.76)
Diluted (₹)		72.22	(7.76)

Summary of significant accounting policies 3

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.K. Tekriwal & Co.  
Chartered Accountants  
(Firm Registration No. - 322352 E)

**For Indinet Service Private Limited**  
**(U74900WB2015PTC207490)**

A.K Tekriwal  
Partner  
Membership No.-056362

Souvick Chatterjee  
Director  
DIN-03354504

Atul Kumar Singh  
Director  
DIN-07195221

Place - Kolkata  
Date - 19<sup>th</sup> May 2017



**INDINET SERVICE PRIVATE LIMITED**

**Cash Flow Statement for year ended 31<sup>st</sup> March 2017**

PARTICULARS	₹ 000s	
	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit before taxation	1,045	(112)
Adjustment for :-		
Amortisation of Intangible assets	119	-
Provision for doubtful Debt & Advance	604	-
Interest Paid & Borrowing cost	352	-
Interest on Fixed Deposit/ IT Refund / Others	(1,208)	-
<b>Operating profit before working capital changes</b>	<b>912</b>	<b>(112)</b>
<b>Change in working capital</b>		
Increase/(Decrease) in Trade payables	69,416	10
Increase/(Decrease) in other current liabilities	13,065	1
Decrease/ ( Increase) in Trade receivable	(21,305)	-
Decrease/ ( Increase) in long-term financial assets	(25)	-
Decrease/ ( Increase) in short-term loans and advances given	-	(25)
Decrease/ ( Increase) in Other Current Financial Assets	(30,746)	-
Decrease/ ( Increase) in other current assets	(169)	-
<b>Cash Generation from Operating Activities before exceptional item</b>	<b>31,147</b>	<b>(125)</b>
Exceptional Item	-	-
<b>Cash Generation from Operating Activities after exceptional item</b>	<b>31,147</b>	<b>(125)</b>
Income Tax Paid ( including TDS)	(329)	-
<b>Net Cash Generation from operating Activities</b>	<b>30,818</b>	<b>(125)</b>
<b>B. Cashflow From Investing Activities:</b>		
Purchase of Fixed Assets/ CWIP/Including Capital Advance	(3,150)	-
Interest	1,208	-
Investment in FD/Term Deposit (Including Interest accrued)	(22,088)	-
<b>Net Cash deployed in Investing Activities</b>	<b>(24,029)</b>	<b>-</b>
<b>C- Cashflow From Financing Activities:</b>		
Borrowings Taken/Repayment	32,451	104
Issue of Equity Share	-	100
<b>Net Cash Generation from Financing Activities</b>	<b>32,099</b>	<b>204</b>
<b>Net Increase/(decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>38,888</b>	<b>79</b>
<b>Cash &amp; Cash Equivalent at the beginning of the year</b>	<b>79</b>	<b>-</b>
<b>Cash &amp; Cash Equivalent at the end of the year</b>	<b>38,967</b>	<b>79</b>
<b>Cash &amp; Cash Equivalent include</b>	<b>As on 31<sup>st</sup> March 17</b>	<b>As on 31<sup>st</sup> March 16</b>
Cash Balance	3,710	-
Bank Balance	10,001	79
Cheque in Hand	25,256	-
Cash & Cash Equivalent Reported	<b>38,967</b>	<b>79</b>

Notes: Previous years' figures are regrouped wherever necessary.

Cash Flow Statement referred in our report of even date.

For A.K. Tekriwal & Co.  
Chartered Accountants  
(Firm Registration No. - 322352 E)

For Indinet Service Private Limited  
(U74900WB2015PTC207490)

A.K Tekriwal  
Partner  
Membership No.-056362

Souvick Chatterjee  
Director  
DIN-03354504

Atul Kumar Singh  
Director  
DIN-07195221

Place - Kolkata  
Date - 19<sup>th</sup> May 2017

## INDINET SERVICE PRIVATE LIMITED

### Note No.4

#### Notes to financial statements for the year ended 31<sup>st</sup> March 2017

##### **First time adoption of Ind-AS**

These standalone financial statements for the year ended March 31 2017 have been prepared in accordance with Ind-AS. For the purpose of transition to Ind-AS the company has followed the guidance prescribed in Ind-AS 101-First time adoption of Indian Accounting Standard, with April 1, 2015 as the transition date and IGAAP as the previous GAAP.

The transition to Ind-AS has resulted in changes in the presentaion of the financial statements, disclosures in the note there to and accounting policies and principals. The accounting policies set out in Note no.3 have been applied in preparing the standalone financial statements for the year ended March 31, 2017 and the comprative information.

##### **Reconciliation of Total Equity as at 31 March, 2017**

Reconciliation of Balance Sheet, statement of Profit and Loss and Cash flow:

There is no reconciliation items between Balance Sheet, Statement of Profit and Loss and its prepared under IGAAP and those prepared under IND AS.

##### **Statement of Change in Equity for the year ended 31st March 2017**

	Equity Share Capital	Other Equity		Total Equity Attributable to Equity Holder's of the Company
		Retained Earning	Total Other Equity	
(₹) 000s				
<b>Balance at 19th Aug 2015</b>				
<b>Increase in Share Capital on Account of Fresh Issue</b>	100			100
Profit for the year		(78)	(78)	(78)
Other Comprehensive Income		-	-	-
Total Comprehensive Income for the year		(78)	(78)	(78)
<b>Balance at March 2016</b>	100	(78)	(78)	22
<b>Balance at 1 April 2016</b>	100	(78)	(78)	22
<b>Changes in Equity Share Capital</b>				-
Profit for the year		722	722	722
Other Comprehensive Income		-	-	-
Total Comprehensive Income for the year		722	722	722
<b>Balance at 31 March 2017</b>	100	645	645	745

Changes in equity referred to in our report of even date.

For A.K. Tekriwal & Co.  
Chartered Accountants  
(Firm Registration No. - 322352 E)

**For Indinet Service Private Limited**  
**(U74900WB2015PTC207490)**

A.K Tekriwal  
Partner  
Membership No.-056362

Souvick Chatterjee  
Director  
DIN-03354504

Atul Kumar Singh  
Director  
DIN-07195221

Place - Kolkata  
Date - 19<sup>th</sup> May, 2017

## INDINET SERVICE PRIVATE LIMITED

Note : 5

### Notes to financial statements for the year ended 31<sup>st</sup> March 2017

#### **1 Corporate Information**

Indinet Service Pvt Ltd. ('the company' or 'INDINET') was incorporated on 19<sup>th</sup> August, 2015 with its registered office in Kolkata, West Bengal. INDI NET is a Subsidiary of Indian Cable Net Company Ltd.

#### **2 Basis of preparation**

The financial statements have been prepared and presented under the historical cost convention ( with the exceptions of certain Assets and Liabilities that are required to be carried at Fair Value as per Ind AS ) on the accrual basis of accounting following generally accepted accounting principles in India (GAAP) and comply with the Indian Accounting Standards (Ind AS ) as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with relevant rules of the Companies (Accounts) Rules, 2014 read with companies (Indian Accounting Standard) Rules, 2015 and the provisions of the Act (to the extent notified). The transition from previous GAAP (i.e., IGAAP) to Ind AS has been accounted for in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards", with April 01, 2015 as the transition. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, unless otherwise mentioned, and are explained below-

#### **3 Summary of Significant Accounting Policies**

##### **(a) Use of estimates and Critical accounting judgements**

The preparation of financial statements in conformity with Indian Accounting Standard (Ind AS) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities on the date of the financial statements and reported amounts of Income and Expenses during the period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current or future periods. The most significant techniques for estimation are described in the accounting policies below. Critical accounting judgments and the key sources of estimation or uncertainty in applying the Company's accounting policies arise in relation to the following and also in relation to other accounting policies as stated elsewhere:

**(i) Property, Plant and Equipment:** Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Leasehold Land is amortised over the period of useful life. Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is transferred to Statement of Profit and Loss.

**(ii) Intangible Asset:** License Fees are included in the Balance sheet as an Intangible asset where they are clearly linked to long term economic benefits for the Company. In this case they are measured initially at purchase cost and then amortised on a straight-line basis over their estimated useful lives. Intangible assets with definite useful lives acquired in a business combination (Goodwill) are reported at cost less accumulated amortisation and accumulated impairment losses.

**(iii) Provisioning:** The Provisioning is made of the present obligation which arises due to the past events, which is expected to result in an outflow of resources embodying economic benefits. The provisioning is made in respect of Expenses and Current tax in compliance with Ind AS: 37

##### **(b) Property, Plant and Equipment and Depreciation**

Property, Plant and Equipment is recognised at cost less accumulated depreciation or impairment losses if any, incurred to bring the asset to the present condition and location. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. The items of spare parts, stand-by equipments and servicing equipments that satisfy the definition and recognition criteria of Property, Plant and Equipment is classified under Capital work in progress. Capital Work in progress comprises of the cost of fixed assets that are not put to use at the reporting date.

##### **(c) Intangible Asset**

Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

<u>Asset</u>	<u>Estimated useful life based on SLM</u>
License	20 Years

##### **(d) Leases**

###### **Where the Company is a lessor**

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in Property, Plant and Equipment. Lease income on an operating lease is recognized in the statement of profit and loss on monthly rental basis, wherever applicable over the lease term.

## INDINET SERVICE PRIVATE LIMITED

Note : 5

### Notes to financial statements for the year ended 31<sup>st</sup> March 2017

#### Where the Company is a lessee

The assets where significantly all the risks and rewards is passed to the lessee is classified as Finance lease and the amortised over the useful life of the said leased asset. In case of operating lease the lease rental is treated as an expense.

#### (e) Depreciation on Tangible Assets

Depreciation on tangible assets is provided on straight line method over the useful lives of assets estimated by the Management. Depreciation for assets purchased / sold during the period is proportionately charged. Leasehold land is amortized over the effective period of lease. Intangible assets are amortised over their respective individual estimated useful lives on straight line basis, commencing from the date the asset is available to the company for its use.

#### (f) Impairment of Assets

The Carrying amount of the fixed assets are reviewed at each balance sheet date in accordance with Indian Accounting Standard-36 on "Impairment of Assets" prescribed by the Companies (Accounting Standard) rules, 2015, to determine whether there is any indication of impairment. Impairment test is performed for an individual asset, unless asset does not generate cash flows that are largely independent. Otherwise the assets are tested for Cash Generating Units (CGUs). An Impairment loss is recognised in the Statement of Profit and Loss if the assets or CGU's carrying amount exceeds the greater of Fair value less cost or Value in use. Reversal of Impairment are recognised (except Goodwill) through Statement of Profit and Loss except those routed through reserves.

#### (g) Borrowing Costs

Borrowing Costs are the interest or the other cost which the entity incurs in connection with the borrowing of the funds. These include interest expense calculated using the Effective interest method as per Ind AS 109, Finance charges of Finance lease as per Ind AS 17. Borrowing cost which are directly attributable to the acquisition, construction or production of a "Qualifying Asset" are included in the cost of the asset when it is probable that they will result in the future economic benefit to the entity and its cost can be measured reliably.

#### (h) Taxation

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the reporting period. Taxable profit differs from net profit as reported in the Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period.

#### (i) Inventories

Inventories are valued as follows :

Stock in trade & Stores and spares valued at cost on weighted average method or at net realisable value whichever is lower.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

#### (j) Revenue Recognition

Revenue is recognized to the extent the company considers it realizable and financial benefit of the same shall flow to the company.

#### (k) Earnings Per Share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Company did not have any potentially dilutive securities in any of the periods presented.

#### (l) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term deposits including the Bank Overdraft

## INDINET SERVICE PRIVATE LIMITED

### Note : 5

#### Notes to financial statements for the year ended 31<sup>st</sup> March 2017

##### (m) Provisions

Provisions are recognised in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date. When appropriate, provisions are measured on a discounted basis.

Constructive obligation is an obligation that derives from an entity's actions where:

(a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and

(b) as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

##### (n) Segment Reporting

The company is an internet service provider providing, Broadband Services and Other Related services which is considered as the only reportable segment. The company's operations are based in India.

INDINET SERVICE PRIVATE LIMITED

Notes to financial statements for the year ended 31<sup>st</sup> March 2017

(₹) '000s

	March 31, 2017	March 31, 2016
<b>6 Other Non Current Financial Assets</b>		
<b>Security deposits</b>		
Unsecured, considered good	25	-
	<u>25</u>	<u>-</u>
<b>7 Deferred Tax Assets (net)</b>		
<b>Deferred tax liability</b>		
Impact of difference between amortization of Intangible Assets charged for the financial reporting and as per Income Tax provisions	12	-
Gross deferred tax liability	<u>12</u>	<u>-</u>
<b>Deferred tax asset</b>		
Carry Forward of IT Loss	-	25
Other disallowances	194	10
Gross deferred tax asset	<u>194</u>	<u>35</u>
<b>Net deferred tax asset/ (liabilities)</b>	<u>182</u>	<u>35</u>
<b>8 Trade receivables</b>		
Unsecured, considered good	20,701	-
Unsecured, considered doubtful	604	-
	<u>21,305</u>	<u>-</u>
Less: Provision for doubtful debts	604	-
	<u>20,701</u>	<u>-</u>
<b>9 Cash and cash equivalents</b>		
Cash on hand	3,710	-
Cheques on hand	25,256	-
Balances with banks		
On current accounts	10,001	79
In deposit account (with maturity upto twelve months)	22,088	-
(Deposits with Bank are held as Margin Money deposit against guarantee)		
	<u>61,054</u>	<u>79</u>
<b>10 Other Current Financial Assets</b>		
Unbilled revenue	30,746	-
	<u>30,746</u>	<u>-</u>
<b>11 Other current assets</b>		
Advance to Vendors	102	17
Balances with statutory authorities	55	7
Prepaid Expenses	37	-
	<u>194</u>	<u>25</u>
<b>12 Share capital</b>		
<b>Authorised share capital</b>		
10,000 Equity Shares of ₹ 10/- each	100	100
<b>Total authorised capital</b>	<u>100</u>	<u>100</u>
<b>Issued share capital</b>		
10,000 (Previous year 10,000) equity shares of ₹ 10 each	100	100
<b>Total issued capital</b>	<u>100</u>	<u>100</u>
<b>Subscribed and fully paid up capital</b>		
10,000 (Previous year 10,000) equity shares of ₹ 10 each	100	100
<b>Total paid up capital</b>	<u>100</u>	<u>100</u>

**INDINET SERVICE PRIVATE LIMITED**

Notes to financial statements for the year ended 31<sup>st</sup> March 2017

Reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2017 and March 31, 2016 are set out below

**(i) Equity Shares**

	31-Mar-17		31-Mar-16	
	Nos	(₹) '000s	Nos	(₹) '000s
At the beginning of the period	10,000	100	-	-
Issued during the period – in pursuance of scheme of amalgamation	-	-	-	-
Issued during the period – other			10,000	100
<b>Outstanding at the end of the period</b>	<b>10,000</b>	<b>100</b>	<b>10,000</b>	<b>100</b>

**Terms & rights attached to equity shares**

The company has only one class of equity shares having par value of ₹ 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.

Out of Equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

Particulars	31-Mar-17		31-Mar-16	
	Nos	(₹) '000s	Nos	(₹) '000s
Equity Shares	-	-	-	-
Holding Company -Indian Cable Net Company Ltd (Including 2 Shares held through Nominees)	10	100	10	100
<b>Outstanding at the end of the period</b>	<b>10</b>	<b>100</b>	<b>10</b>	<b>100</b>

**Details of share holder holding more than 5% share as at March 31, 2017 and March 31, 2016**

Name of Shareholder	Equity Shares		Equity Shares	
	As at 31st March 2017		As at 31st March 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Indian Cable Net Company Limited, Holding Company (Including 2 Shares held through Nominees)	10000	100%	10000	100%

**March 31, 2017    March 31, 2016**

**13 Other Equity**

Balance at the beginning of the year	(78)	-
Add: Profit(loss) for the year	722	(78)
Balance at the end of the year	<b>645</b>	<b>(78)</b>

**14 Current borrowings**

Unsecured		
From Holding Company	32,556	104
	<b>32,556</b>	<b>104</b>

**15 Trade payables**

- Total outstanding dues of creditors other than micro, small and medium enterprises	69,426	10
	<b>69,426</b>	<b>10</b>

**16 Other Current Liabilities**

Advances from customers	5,345	-
Payable for statutory liabilities	7,721	1
	<b>13,066</b>	<b>1</b>

**17 Current Tax liabilities (net)**

<b>Current tax liabilities</b>		
Provision for tax	471	-
<b>Current tax assets</b>		
Advance tax	329	-
	<b>141</b>	<b>-</b>

**INDINET SERVICE PRIVATE LIMITED**Notes to financial statements for the year ended 31<sup>st</sup> March 2017

(₹) '000s

**18 Revenue from operations****Sale of services**

Subscription Income - Internet

<b>March 31, 2017</b>	<b>March 31, 2016</b>
445,853	-
<b>445,853</b>	<b>-</b>

**19 Other income**

Interest income on

Bank deposits

1,208	-
<b>1,208</b>	<b>-</b>

**20 Operational Expenses**

Licence Fee

Bandwidth Cost

Other Operational Expenses

Commission Charges and Incentives

35,681	50
101,471	-
78,245	-
216,014	-
<b>431,411</b>	<b>50</b>

**21 Finance costs**

Bank charges

Other Borrowing Cost

141	-
211	-
<b>352</b>	<b>-</b>

**22 Amortisation expenses**

Amortisation of intangible assets

119	-
<b>119</b>	<b>-</b>

**23 Other expenses**

Rent

Rates and taxes

Communication expenses

Repairs and maintenance

- Network

Electricity and water charges

Legal, professional and consultancy charges

Printing and stationery

Auditors' remuneration

Provision for doubtful debts

Miscellaneous expenses

Interest On Statutory Dues

42	-
1,268	-
27	-
10,459	-
295	-
63	17
564	-
230	5
604	-
350	40
233	-
<b>14,134</b>	<b>62</b>



**INDINET SERVICE PRIVATE LIMITED**Notes to financial statements for the year ended 31<sup>st</sup> March 2017**24 Contingent liabilities and commitments (to the extent not provided for)**

(₹) '000s

Particulars	As at 31 March 2017	As at 31 March 2016
-------------	------------------------	------------------------

**(i) Contingent Liabilities**

Guarantees

21,000

-

21,000

-

**25 Earnings per share**

(₹)

**March 31, 2017**    **March 31, 2016**

Profit / (Loss) attributable to equity shareholders

722,248

(77,630)

Number of weighted average equity shares

Basic

10,000

10,000

Diluted

10,000

10,000

Nominal value of per equity share (₹)

10

10

Earning per share after tax (₹)

Basic

72.22

(7.76)

Diluted

72.22

(7.76)

**INDINET SERVICE PRIVATE LIMITED**  
**NOTES TO BALANCE SHEET AS ON MARCH 31, 2017**

**Note 26: Tax Expenses**

The major components of Income Tax for the year are as under:

	(₹) 000s	
	Mar-17	Mar-16
Income tax related to items recognised directly in the statement of profit and loss		
Current tax - current year	471	-
-earlier years	-	-
Deferred tax charge / (benefit)	(148)	(35)
Total	323	(35)
Effective tax rate	30.90%	30.90%

A reconciliation of the income tax expense applicable to the profit before income tax at statutory rate to the income tax expense at the Company's effective income tax rate for the year ended 31 March, 2017 and 31 March, 2016 is as follows:

	Mar-17	Mar-16
Profit before tax	1045	-112
Income tax		
Statutory income tax rate of 30.90% on profit	323	-
Tax effect on non-deductible expenses	224	-
Additional allowances for tax purposes	(76)	-
Others / Deferred Tax effect	(148)	(35)
Effect of exempt income and income tax at lower rates	-	-
Tax effect for earlier years	-	-
Tax expense recognised in the statement of profit and loss	323	(35)
	-	-

Deferred tax recognised in statement of other comprehensive income

For the year ended 31 March	Mar-17	Mar-16
Employee retirement benefits obligation	-	-

The applicable tax rate is the standard effective corporate income tax rate in India. The tax rate is 30.9% (30.9%) for the year ended 31 March, 2017. Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. For analysis of the deferred tax balances (after offset) for financial reporting purposes refer note #

The Company does not have any temporary differences in respect of unutilised tax losses.

Deferred tax recognised in statement of profit and loss

For the year ended 31 March	Mar-17	Mar-16
Employee retirement benefits obligation	-	-
Allowances for credit losses	-	-
Depreciation and amortisation	12	-
Other disallowances	(159)	(35)
Total	(148)	(35)

Reconciliation of deferred tax assets / (liabilities) net:	Mar-17	Mar-16
Opening balance	35	-
Deferred tax (charge)/credit recognised in		
-Statement of profit and loss	148	35
-Recognised in other comprehensive income	-	-
Total	182	35

## INDINET SERVICE PRIVATE LIMITED

### Notes to financial statements for the year ended 31<sup>st</sup> March 2017

27 The Company has not received intimation from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosures relating to amount unpaid as on 31<sup>st</sup> Mar 2017 together with interest paid or payable under this Act have not been given.

28 Payment to Auditors (accrued) (Including Service Tax)

PARTICULARS	As on 31 <sup>st</sup> March 2017	As on 31 <sup>st</sup> March 2016
Audit Fees	100,000	5,725
Limited review Fees	30,150	-
Other Services	74,498	5,725
	<b>204,648</b>	<b>11,450</b>

29 There is no amount due to any Small Scale Industrial Undertakings as at March 31, 2017.

30 Balances of Loans & Advances, Trade Receivables, Trade Payables, and other assets & liabilities are subject to confirmation.

31 In the opinion of the Board of Directors the current assets, loans and advances shown in the Balance Sheet as on 31<sup>st</sup> Mar' 2017 are considered good and fully recoverable, except otherwise stated and provision for all known liabilities has been made in the accounts.

32 Previous years have been regrouped/reclassified wherever necessary to correspond with current year classification/disclosure.

### 33 Related Party Disclosure

#### a. Holding Company

- Indian Cable Net Company Limited

#### b. Fellow Subsidiary Company

- Siti Maurya Cable Net Pvt. Ltd
- Axom Cable and Communications Private Limited

#### Transactions with related parties.

(₹) '000s

Particulars	Indian Cable Net Co. Ltd.	
	FY 16-17	FY 15-16
Expense paid by	47,877	(4)
Expenses paid on behalf of		
Payment for purchase of material and services	(86,202)	
Purchase of material & Services	86,202	
Equity Acquisition		
Expenses Reimbursed to		
Sales of service and materials		
Expenses Reimbursed by		
Payment received for sales of services/other recoveries		
Equity Contribution in Cash		
Advance Refund to/given	(15,425)	
Assets Taken over by		
Liabilities Taken over by		
Advance Taken		(100)
<b>Outstanding at the end of year</b>	<b>32,556</b>	<b>(104)</b>

## INDINET SERVICE PRIVATE LIMITED

### Notes to financial statements for the year ended 31<sup>st</sup> March 2017

#### 34 Fair value measurements

There have been no transfers among Level 1, Level 2 and Level 3 during the period. The Company does not have any investments, derivative financial assets and liabilities. Hence, Level 1 and Level 2 hierarchy is not applicable.

#### Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2017:

A. Financial instruments by category	₹ ('000)					
	March 31, 2017			March 31, 2016		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets (Non Current &amp; Current)</b>						
Bank deposits	-	-	22,088	-	-	-
Security deposits	-	-	25	-	-	-
Unbilled revenues	-	-	30,746	-	-	-
Trade receivables	-	-	20,701	-	-	-
Cash and cash equivalents	-	-	38,967	-	-	79
<b>Total financial assets</b>	-	-	<b>112,527</b>	-	-	<b>79</b>
<b>Financial liabilities (Non Current &amp; Current)</b>						
Borrowings (current, financial liabilities)	-	-	32,556	-	-	104
Trade payables	-	-	69,426	-	-	10
<b>Total financial liabilities</b>	-	-	<b>101,982</b>	-	-	<b>115</b>

\*\*The Company has not disclosed the fair values for financial instruments such as cash & cash equivalents, short term trade receivables, short term trade payables because their carrying amounts are a reasonable approximation of fair value.

#### 35 Financial risk management objectives and policies

##### Financial risk management

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

##### 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	Trade receivables	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.

## INDINET SERVICE PRIVATE LIMITED

### Notes to financial statements for the year ended 31<sup>st</sup> March 2017

Credit rating	Particulars	₹ ('000)	
		March 31, 2017	March 31, 2016
Low credit risk	Trade receivables	20,701	-

#### Concentration of trade receivables

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

#### Credit risk exposure

##### Provision for expected credit losses

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

For the purpose of computation of expected credit loss, the Company has analysed the trend of provisions for doubtful debts created in earlier years. The average rate of provision has been computed based on the adjusted sales (excluding those where the Company does not have any historical provision) and provision for doubtful debtors created against those sales.

Expected credit loss for trade receivables under simplified approach  
as at March 31, 2017

Ageing	₹ ('000)		
	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	21,305	604	20,701

as at March 31, 2016

Ageing	₹ ('000)		
	Estimated gross carrying amount	Expected credit losses	Carrying amount net of Impairment provision
Trade receivables	-	-	-

Reconciliation of loss allowance provision – Trade receivables

	₹ ('000)
Loss allowance on March 31, 2016	-
Changes in loss allowance	604
Loss allowance on March 31, 2017	604

#### B.Liquidity risk

Liquidity risk is the risk that suitable sources of funding for the Company's business activities may not be available.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. Short term liquidity requirements comprises mainly of trade payables and employee dues arising during normal course of business as on each balance sheet date. Long- term liquidity requirement is assessed by the management on periodical basis and is managed through internal accruals and through funding commitments from shareholders. As at each statement of financial position date, the Company's liabilities having contractual maturities (including interest payments where applicable) are summarised as follows:

##### (ii) Maturities of financial liabilities

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

Contractual maturities of financial liabilities	₹ ('000)					
	March 31, 2017			March 31, 2016		
	Less than one year	One to two years	More than two years	Less than one year	One to two years	More than two years
Non-derivatives						
Borrowings (current, financial liabilities)	32,556	-	-	104	-	-
Trade payables	69,426	-	-	10	-	-
<b>Total non-derivative liabilities</b>	<b>101,982</b>	<b>-</b>	<b>-</b>	<b>115</b>	<b>-</b>	<b>-</b>

## INDINET SERVICE PRIVATE LIMITED

### Notes to financial statements for the year ended 31<sup>st</sup> March 2017

#### C. Market Risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company is not exposed to such risk as Company does not have any borrowings, foreign currency transactions and does not have any derivative transactions.

#### 36 Capital management

##### Risk Management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Company's policy is to use current and non-current borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of the gearing ratio which is net debt divided by total capital (equity plus net debt). The Company is not subject to any externally imposed capital requirements. Net debt are non-current and current borrowings as reduced by cash and cash equivalents, other bank balances and current investments. Equity comprises all components including other comprehensive income.

Particulars	₹ ('000)	
	March 31, 2017	March 31, 2016
Cash and cash equivalents (refer note 9)	61,054	79
<b>Total cash (A)</b>	<b>61,054</b>	<b>79</b>
Borrowings (current, financial liabilities) (refer note 14)	32,556	104
<b>Total borrowing (B)</b>	<b>32,556</b>	<b>104</b>
<b>Net debt (C=B-A)</b>	<b>(28,499)</b>	<b>26</b>
Total equity	745	22
<b>Total capital (equity + net debts) (D)</b>	<b>(27,754)</b>	<b>48</b>
<b>Gearing ratio (C/D)</b>	<b>103%</b>	<b>53%</b>

\*\*The Company was incorporated on 19.08.2015, therefore the figures as on 01.04.2015 are not available.

#### 37 SPECIFIED BANK NOTES (SBN) HELD AND TRANSACTED DURING THE PERIOD FROM NOVEMBER 8, 2016 TO DECEMBER 30, 2016

During the year, the Company had specified bank notes or other denomination note as defined in the MCA 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 SBNs and other notes as per the notification is given below:

Particulars	(In ₹ '000s)		
	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	12,092	3	12,095
(+) Permitted receipts	-	8,091	8,091
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	12,092	6,081	18,173
Closing cash in hand as on 30.12.2016			<b>2,013</b>

\* 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 the 8th November, 2016.

#### Notes to accounts referred in our report of even date.

For A.K. Tekriwal & Co.  
Chartered Accountants  
(Firm Registration No. - 322352 E)

For Indinet Service Private Limited  
(U74900WB2015PTC207490)

A.K. Tekriwal  
Partner  
Membership No.-056362

Souvick Chatterjee  
Director  
DIN-03354504

Atul Kumar Singh  
Director  
DIN-07195221

Place - Kolkata  
Date - 19<sup>th</sup> May 2017

**INDINET SERVICE PRIVATE LIMITED**  
**NOTES TO BALANCE SHEET AS ON MARCH 31, 2017**

**Note 5 :INTANGIBLE ASSETS**

(₹) 000s

	LICENCES	TOTAL
<b>Year ended 31 March 2016</b>		
Gross Carrying Amount as on 19 Aug 2015 (Date of Incorporation)	-	-
Additions	-	-
ClosingGross Carrying Amount	-	-
<b>Accumulated Depreciation</b>	-	-
Amortisation for the year	-	-
<b>Closing Accumulated Amortisation</b>	-	-
<b>Closing Net Carrying Amount 31 March 2016</b>	-	-
<b>Year ended 31 March 2017</b>		
<b>Gross Carrying Amount</b>	-	-
<b>Opening Gross Carrying Amount</b>	-	-
Additions	3,150	3,150
<b>Closing Gross Carrying Amount</b>	<b>3,150</b>	<b>3,150</b>
<b>Accumulated amortisation and impairment</b>	-	-
<b>Opening Accumulated Amortisation</b>	-	-
Amortisation charge for the year	119	119
<b>Closing Accumulated Amortisation and Impairment</b>	<b>119</b>	<b>119</b>
<b>Closing Net Carrying Amount 31 March 2017</b>	<b>3,031</b>	<b>3,031</b>