



## Independent Auditor's Report

To the Members of Indian Cable Net Company Limited

Report on the Audit of the Standalone Financial Statements

### Qualified Opinion

1. We have audited the accompanying standalone financial statements of Indian Cable Net Company Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2020, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Basis for Qualified Opinion

3. The Company's 'Revenue from Operations' include broadcasters' share in subscription income from pay channels, which has correspondingly been presented as an expense which is not in accordance with the requirements of Ind AS-115, 'Revenue from contract with customers'. Had the Management disclosed the same on net basis, the 'Revenue from Operations' and the 'Pay Channel, carriage sharing and related cost' each would have been lower by ₹ 18137 Lakhs for the year ended 31st March 2020 and the loss would have remained the same as currently reported.
4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
6. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Provisioning for Expected Credit Loss ('ECL')	We have performed the following procedures for assessment of sufficiency of the provisioning for ECL:





<p>Trade receivables comprise a significant portion of the current financial assets of the Company. As at March 31, 2020 trade receivables aggregate ₹ 7177 Lakhs (net of provision for expected credit losses of ₹ 3764 Lakhs).</p> <p>In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.</p> <p>Since the Company has revenue streams which are dissimilar, the management has identified different classes of trade receivables basis the customer profile and nature of service provided or item sold. The management regularly assesses each class of trade receivables for recoverability. Provision for ECL is created by the management considering the recovery trends noted for the respective class, adjusted for forward looking estimates. Additional provision is created for the receivables specifically identified as doubtful or non-recoverable.</p> <p>Estimation of the rates at which provision for ECL is to be created for each revenue stream, involve significant degree of judgment and estimate and is therefore considered a key audit matter.</p>	<p>— Obtained the aging of trade receivables and discussed the key receivable balances, considering if any correspondence is available to establish the management's assessment of recoverability of such dues.</p> <ul style="list-style-type: none"><li>• Analysis of the methodology used to determine the provision amount for the current year.</li><li>• Assessing key ratios which include collection periods and days outstanding.</li><li>• Tested subsequent settlement of trade receivables after the balance sheet date on a sample basis,</li></ul>
<p><b>Evaluation of uncertain tax positions</b></p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p><i>Refer Note 44 to the Standalone Financial Statements</i></p>	<p>We obtained details of completed tax assessments and demands for the year ended March 31, 2020 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2019 to evaluate whether any change was required to management's position on these uncertainties.</p>

#### Information other than the Financial Statements and Auditor's Report thereon

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.





Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management for the Standalone Financial Statements**

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.
9. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
10. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.





- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements

13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

16. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of section 197 read with Schedule V to the Act.
17. 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 I statement on the matters specified in paragraphs 3 and 4 of the Order.





**A. K. BHALOTIA & CO.**  
CHARTERED ACCOUNTANTS

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18. Further to our comments in Annexure I, as required by section 143(3) of the Act, we report that:

- a) We have sought and except for the effect of the matter described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) Except for the effect of the matter described in the Basis for Qualified Opinion section, 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 standalone financial statements dealt with by this report are in agreement with the books of account;
- d) Except for the effect of the matter described in the Basis for Qualified Opinion section, in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;
- f) We have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report as per Annexure-II expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company, as detailed in note 44 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020;

For A. K. Bhalotia & Co.  
Chartered Accountants  
Firm's Registration No.: 329475E

*Ashish Bhalotia*  
(A. K. Bhalotia)  
Proprietor  
Membership No.: 065860  
UDIN: 20065860AAAAAS6303



Place: Kolkata  
Date: 27/06/2020



## **Annexure - I to the Independent Auditor's Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31<sup>st</sup> March 2020, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The company has a regular program of physical verification of its fixed assets (other than set top boxes installed at subscribers' premises and those in transit or lying with the distributors/cable operators and distribution equipments comprising overhead and underground cables and other equipments, physical verification of which is not feasible due the nature and location of these assets), under which, fixed assets are verified in a phased manner, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification. According to the information and explanations given to us, the existence of set top boxes installed at subscriber premises is considered on the basis of the 'active user' status of the set top box.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) Physical verification of inventory except Set Top Boxes including smart cards with local cable operators and Direct Subscribers has been conducted by the Management at reasonable intervals. No material discrepancies were noticed in the physical stock as compared with the book records.
- (iii) The company has not granted any loan, secured or unsecured, to companies, Firms, Limited Liability Partnerships or other parties covered in register 189 of the Companies Act, 2013. Hence paragraphs 3(iii) (a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, in respect of Loans, Investments, Guarantees and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with wherever applicable.
- (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 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. We have broadly reviewed the books of accounts maintained by the company in this connection and are of the opinion that the prima facie the records have been maintained. We have not however made a detailed examination of the records with the view to determine whether they are accurate and complete.
- (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, goods and services tax, duty of customs, duty 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 following disputed liability Outstanding as on 31<sup>st</sup> March 2020:

Name of the statute	Nature of dues	Amount (₹ In Lakhs)	Amount paid under Protest (₹ In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	86.54	6.49	F.Y. 2014-15	Commissioner of CGST & CX, Kolkata (Appeals-1)
Finance Act, 1994	Service tax	67.93	5.09	F.Y. 2012-13 to F.Y. 2016-17	Commissioner Central Excise (Appeal)- Gautambuddha Nagar, UP
West Bengal VAT Act	VAT	407.89	-	F.Y. 2015-16	West Bengal Taxation Tribunal
CST Act	CST	7.75	-	F.Y. 2015-16	Calcutta High Court
The W.B. Tax on Entry of Goods into Local Area Act, 2012	Entry Tax and Interest	405.68	36.94	F.Y. 2012-2013 to 2017-18	Calcutta High Court
Entertainment Tax	Entertainment tax	87.21	-	Till May 2015	Allahabad High Court
Jharkhand VAT Act	Jharkhand VAT	55.99	50.67	F.Y. 2015-16	Commissioner of Commercial Taxes, Ranchi, Jharkhand
Income Tax Act, 1961	Income Tax	289.12	-	A. Y. 2016-2017	Commissioner (Appeals)
Income Tax Act, 1961	Income Tax	218.65	218.33	A. Y. 2017-2018	Commissioner (Appeals)
Customs Act, 1962	Custom Duty	6670.79	20.00	F.Y. 2015-16 to 2017-18	Additional Director General (Adjudication), Directorate of Revenue Intelligence, Delhi / High Court, Delhi

- (viii) On the basis of the records examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. There were no dues of loans or borrowings from any Financial Institution, Government or debenture holders.
- (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, the term loans have been applied by the Company during the year for the purpose for which they were obtained.
- (x) According to the information and explanations given to us, no fraud by the company or on the





**A. K. BHALOTIA & CO.**  
CHARTERED ACCOUNTANTS

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Company by it's officers or employees has been noticed or reported during the year.

- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (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. Bhalotia & Co.  
Chartered Accountants  
Firm's Registration No.: 329475E

*Ashish Bhalotia*

(A.K. Bhalotia)  
Proprietor  
Membership No.: 065860  
UDIN : 20065860AAAAAS6303



Place: Kolkata  
Date: 27/06/2020





## Annexure II

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

1. In conjunction with our audit of the standalone financial statements of Indian Cable Net Company Limited ("the Company") as of and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting (IFCoFR) of the company as of that date.

### **Management's Responsibility for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on 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 ("the Guidance Note") 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility for the Audit of the Internal Financial Controls**

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ("ICAI") prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.





### **Meaning of Internal Financial Controls over Financial Reporting**

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include 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**

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

### **Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2020, based on 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

For A. K. Bhalotia & Co.  
Chartered Accountants  
Firm's Registration No.: 329475E

*Ashish Bhalotia*  
(A. K. Bhalotia)  
Proprietor  
Membership No.: 065860  
UDIN: 20065860AAAAAS6303



Place: Kolkata

Date: 27/06/2020

**INDIAN CABLE NET COMPANY LIMITED**
**Balance Sheet as at March 31, 2020**

(₹) in Lakhs

	Notes	Mar 31, 2020	Mar 31, 2019
<b>A. Assets</b>			
<b>1. Non-current assets</b>			
(a) Property, plant and equipment	4	35,227	38,726
(b) Capital work-in-progress	4	1,690	3,896
(c) Investment Property	5	6,607	6,585
(d) Goodwill	6	2,107	2,107
(e) Other intangible assets	6	7,054	8,991
(f) Financial assets			
(i) Investments	7	1,862	1,792
(ii) Other Financial Assets	8	270	315
(g) Other non-current assets	9	405	260
<b>Sub-total of Non-current assets</b>		<b>55,223</b>	<b>62,672</b>
<b>2. Current assets</b>			
(a) Inventories	10	77	102
(b) Financial assets			
(i) Trade receivables	11	7,177	9,851
(iii) Cash and cash equivalents	12	11,401	1,263
(iii) Bank Balances other (iii) above	13	0	2
(iv) Loans	14	(0)	125
(v) Other Financial Assets	15	410	1,025
(c) Current tax assets	16	970	868
(d) Other current assets	17	1,303	6,277
<b>Sub-total of Current assets</b>		<b>21,339</b>	<b>19,514</b>
<b>Total assets</b>		<b>76,562</b>	<b>82,185</b>
<b>B. Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	18	8,640	8,640
(b) Other equity	19	33,434	34,290
<b>Sub-total - Equity</b>		<b>42,074</b>	<b>42,930</b>
<b>Liabilities</b>			
<b>1. Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	14,584	18,755
(ii) Other financial liabilities	21	1,442	1,324
(b) Provisions	22	395	292
(c) Deferred tax liability (net)	23	790	2,007
(d) Other non-current liabilities	24	140	150
<b>Sub-total - Non-current liabilities</b>		<b>17,351</b>	<b>22,528</b>
<b>2. Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	25	-	716
(ii) Trade payables	26		
outstanding dues of creditors for micro enterprises and small enterprises		93	-
outstanding dues of creditors- others		9,325	7,366
(iii) Other financial liabilities	27	5,578	6,889
(b) Other current liabilities	28	2,124	1,742
(c) Provisions	29	17	13
<b>Sub-total of current liabilities</b>		<b>17,137</b>	<b>16,727</b>
<b>Total equity and liabilities</b>		<b>76,562</b>	<b>82,185</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. Bhalotia & Co.  
 Chartered Accountants  
 (Firm Registration No. - 329475E)

 For Indian Cable Net Co Ltd  
 (U92132WB1995PLC075754)

 A.K Bhalotia  
 Proprietor  
 Membership No.-065860

 Sd/-  
 Surendra Kumar Agarwala  
 Director  
 DIN-00569816

 Sd/-  
 Suresh Kumar Sethiya  
 Director  
 DIN-00349098

 Place - Kolkata  
 Date - 27.06.2020

 Sd/-  
 Laxman Singh Kaira  
 Company Secretary

 Sd/-  
 Atul Kumar Singh  
 C.F.O

**INDIAN CABLE NET COMPANY LIMITED**  
**Statement of Profit and Loss for the year ended Mar 31, 2020**

(₹) in Lakhs

	Notes	Mar 31, 2020	March 31, 2019
<b>Revenue</b>			
Revenue from operations	30	42,780	35,405
Other income	31	1,223	1,510
<b>Total revenue</b>		<b>44,003</b>	<b>36,914</b>
<b>Expenses</b>			
Cost of materials consumed	32	34	110
Cost/Purchase of Goods Sold	33	1,100	1,881
Pay channel and related costs	34	25,210	16,865
Employee benefits expense	35	1,847	1,534
Finance costs	36	2,129	1,336
Depreciation and amortisation expenses	37	8,337	8,531
Other expenses	38	5,241	5,290
<b>Total expenses</b>		<b>43,898</b>	<b>35,548</b>
<b>Profit/(Loss) before exceptional items</b>		<b>106</b>	<b>1,366</b>
Exceptional items (Refer Note no : 61)		1,963	-
<b>Profit/(Loss) before tax</b>		<b>(1,857)</b>	<b>1,366</b>
<b>Tax Expenses</b>		<b>(1,047)</b>	<b>772</b>
<b>(a) Current Tax</b>			
For Current Year		170	720
For Earlier Year		-	183
<b>(b) Deferred Tax</b>		(1,217)	(131)
<b>Profit/(Loss) for the year</b>		<b>(810)</b>	<b>595</b>
<b>Other Comprehensive Income</b>	39	<b>(46)</b>	<b>(7)</b>
<b>Total Comprehensive Income for the year</b>		<b>(856)</b>	<b>588</b>
<b>Earning Per Share (₹)</b>	40		
Basic		(0.94)	0.69
Diluted		(0.94)	0.69
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. Bhalotia & Co.  
Chartered Accountants  
(Firm Registration No. - 329475E)

**For Indian Cable Net Co Ltd**  
**(U92132WB1995PLC075754)**

A.K Bhalotia  
Proprietor  
Membership No.-065860

Sd/-  
Surendra Kumar Agarwala  
Director  
DIN-00569816

Sd/-  
Suresh Kumar Sethiya  
Director  
DIN-00349098

Place - Kolkata  
Date - 27.06.2020

Sd/-  
Laxman Singh Kaira  
Company Secretary

Sd/-  
Atul Kumar Singh  
C.F.O

**INDIAN CABLE NET COMPANY LIMITED**

**Cash Flow Statement for year ended 31<sup>st</sup> March 2020**

PARTICULARS	₹ in Lakhs	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
<b>A. Cash Flow from Operating Activities:</b>		
<b>Net Profit before tax</b>	<b>106</b>	<b>1,366</b>
Adjustment for :-		
Depreciation	8,337	8,531
Loss on sale/disposal/decapitalisation of Fixed Assets	17	58
Loss/(Profit) on sale of Investments	(259)	(5)
Bad Debts written off (Net of Provisions)	0	73
Provision for Retirement Benefit and Compensated	22	31
Provision for STBs Churn	23	49
Liability no longer required written back ( Net )	(209)	(211)
Provision for doubtful Debt & Advance -	603	750
Unrealised Foreign Exchange (Gain)/Loss	(70)	(98)
Interest Paid & Borrowing cost	2,129	1,336
Interest on Fixed Deposit/ IT Refund / Others	(111)	(153)
<b>Operating profit before working capital changes</b>	<b>10,587</b>	<b>11,728</b>
<b>Change in working capital</b>		
Increase/(Decrease) in Trade payables	2,261	(895)
Increase/(Decrease) in other current liabilities	382	147
Increase/(Decrease) in other non current liabilities	(10)	150
Increase/(Decrease) in other current financial liabilities	(2,389)	(5,504)
Increase/(Decrease) in other non current financial liabilities	68	949
Decrease/(Increase) in Trade receivable	2,070	(1,803)
Decrease/(Increase) in Inventories	25	2,343
Decrease/(Increase) in current advances	125	(0)
Decrease/(Increase) in Other Non Current Financial Assets	44	(30)
Decrease/(Increase) in Other Current Financial Assets	614	(736)
Decrease/(Increase) in other current assets	(143)	(35)
Decrease/(Increase) in other non- current assets	(405)	-
Decrease/(Increase) Fair Value adjustments of Investment	(70)	(336)
<b>Cash Generation from Operating Activities before exceptional item</b>	<b>13,161</b>	<b>5,977</b>
Exceptional Item	(1,963)	-
<b>Cash Generation from Operating Activities after exceptional item</b>	<b>11,199</b>	<b>5,977</b>
Net Prior Period Adjustment	-	-
<b>Cash Generation from Operating Activities after Prior Period Item</b>	<b>11,199</b>	<b>5,977</b>
Income Tax Paid ( including TDS)	(257)	(484)
FBT Paid	-	-
<b>Net Cash Generation from operating Activities</b>	<b>10,941</b>	<b>5,493</b>
<b>B. Cashflow From Investing Activities:</b>		
Purchase of Property, Plant and Equipment/Intangible Assets /CWIP/Investmen Property/Capital Advance	(598)	(12,063)
Realisation of Capital Advance given	5,377	
Sale of Property, Plant and Equipment	36	83
Investment in Mutual Fund	(18,300)	(1,301)
Sale of Mutual Fund	18,560	1,306
Interest on Fixed Deposit/ IT Refund / Others	111	153
Investment in FD/Term Deposit	2	2,651
<b>Net Cash deployed in Investing Activities</b>	<b>5,187</b>	<b>(9,170)</b>
<b>C- Cashflow From Financing Activities:</b>		
Interest Paid	(2,129)	(1,336)
Borrowings Taken / (Repayment) **	(3,812)	2,879
Redemption of Preference Share Capital		(15)
Principial repayment of Lease Liabilities	(50)	
<b>Net Cash Generation from Financing Activities</b>	<b>(5,991)</b>	<b>1,527</b>
<b>Net Increase/(decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>10,137</b>	<b>(2,150)</b>
<b>Cash &amp; Cash Equivalent at the beginning of the year</b>	<b>1,263</b>	<b>3,413</b>
<b>Cash &amp; Cash Equivalent at the end of the year</b>	<b>11,401</b>	<b>1,263</b>
<b>Cash &amp; Cash Equivalent include</b>	<b>As on 31<sup>st</sup> Mar 2020</b>	<b>As on 31<sup>st</sup> Mar 2019</b>
Cash Balance	5,021	1,228
Bank Balance	3,725	35
Deposits - Free Maturity within 3 months	2,654	-
Cash & Cash Equivalent Reported	<b>11,401</b>	<b>1,263</b>

<b>Changes in liability from financing activities</b>	<b>As at</b>				<b>As at</b>
Particulars	<b>31 March 2019</b>	<b>Cash flows (Net)</b>	<b>The effect of changes in foreign exchange rates;</b>	<b>other changes</b>	<b>31 March 2020</b>
Borrowings - Non current*	22,045	(3,095)			18,950
Borrowings - Current	716	(716)			-

\* Including Other Financial Liabilities:

Current maturities of long-term borrowings	3,249				4,200
Current maturities of finance lease obligations					
Interest accrued and not due on borrowings	42				165

Notes: Previous years' figures are regrouped wherever necessary.

Cash Flow Statement referred in our report of even date.

For A.K. Bhalotia & Co.  
Chartered Accountants  
(Firm Registration No. - 329475E)

**For Indian Cable Net Co Ltd**  
**(U92132WB1995PLC075754)**

A.K Bhalotia  
Proprietor  
Membership No.-065860

Sd/-  
Surendra Kumar Agarwala  
Director  
DIN-00569816

Sd/-  
Suresh Kumar Sethiya  
Director  
DIN-00349098

Place - Kolkata  
Date - 27.06.2020

Sd/-  
Laxman Singh Kaira  
Company Secretary

Sd/-  
Atul Kumar Sin  
C.F.O

# **INDIAN CABLE NET COMPANY LIMITED**

## **Notes to financial statements for the year ended 31<sup>st</sup> March 2020**

### **1 Corporate Information**

Indian Cable Net Co. Ltd. ( 'the company' or 'ICNCL') was incorporated on 6th December, 1995 and is engaged in the business of distribution of television channels through analogue and digital cable distribution network, and other related services.

ICNCL is a Subsidiary of Siti Networks Ltd. (Formerly Siti Cable Network Ltd) with its registered office in Kolkata, West Bengal.

### **2 Basis of preparation**

#### **(a) Statement of Compliance**

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS ) as prescribed by Ministry of Corporate Affairs pursuant to 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 as amended from time to time.

#### **(b) Basis of Measurement**

The financial statements have been prepared on historical cost basis, except for following :

- a) Financial assets and liabilities (including derivative instruments) that is measured at Fair value/ Amortised cost;
- b) Non-current assets held for sale – measured at the lower of the carrying amounts and fair value less cost to sell;
- c) Defined benefit plans – plan assets measured at fair value;

#### **(c) Functional and Presentation Currency**

The Financial Statements have been presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in INR has been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated.

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 & 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/deemed 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.

##### **(ii) Intangible Asset**

Network Assets, Software and VC Cards 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.

##### **(iii) Revenue Recognition**

The Carriage, Marketing and Placement income is recognised in the Statement of Profit & Loss on the basis of contract with the Broadcasters. Since this is a continuous service, therefore in few cases the Income is recognised following the trend of past basis in the absence of agreement pending renewal.

##### **(iv) Claims, Provisions and Contingent Liabilities**

The Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

##### **(v) Uncertainties relating to the global health pandemic from COVID-19 :**

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and investment in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

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

##### **(i) Recognition and Measurement**

Property, Plant and Equipment is recognised at cost/deemed 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 cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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.

Set top boxes are treated as part of Capital Work In Progress till at the end of the month of activation, after which the same are depreciated.

## **INDIAN CABLE NET COMPANY LIMITED**

### **Notes to financial statements for the year ended 31<sup>st</sup> March 2020**

#### **(ii) 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. The details of estimated life for each category of asset are as follows:

<b><u>Asset</u></b>	<b><u>Estimated useful life based on SLM</u></b>
Buildings	60 years
Computers and Data Processing Equipment	3 years
Plant and Machinery	8 /15 years
Set Top Boxes	8 years
Furniture and Fixtures	10 years
Vehicles	8 years
Studio Equipments	13 years
Office Equipments	5 years
Softwares which are an integral part of Property, Plant and Equipment	6 years

#### **(iii) Disposal of Assets**

An item of property, plant and equipment is derecognized 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 determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

#### **(iv) Reclassification to Investment Property**

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

#### **(c) Intangible Assets**

##### **Goodwill**

Goodwill acquired on business combination is impaired as per Ind AS

**Other Intangible Assets** acquired through purchase/on business combination 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.

The estimated useful lives are as follows

<b><u>Asset</u></b>	<b><u>Estimated useful life based on SLM</u></b>
Network Assets	10 years
Software and VC Cards	6 years

#### **(d) Investment Property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The management believes a period of 60 years as representing the best estimate of the period over which investment properties (which are quite similar) are expected to be used. Accordingly, the Company depreciates investment properties over a period of 60 years on a straight-line basis.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from the use and no future economic benefit is expected from their disposal. The net difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The company has obtained valuation report for the Fair Valuation of Investment Property.

#### **(e) Investment in subsidiaries, joint ventures and associates**

Subsidiaries are entities over which the company has control. The company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the company has significant influence. Significant influence is the power to participate in the financial and operating policy decision of the investee but has no control or joint control over those policies.

The Company's investments in its subsidiaries, joint ventures and associates are accounted at cost and reviewed for impairment at each reporting date.

#### **(f) Investment in equity instruments**

The company measures its equity investments other than in subsidiary, associates and joint ventures at fair through Profit and Loss account.

#### **(g) Non-current assets (or disposal groups) held for sale and discontinued operations**

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of the carrying amount and the fair value less cost to sell.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Non-current assets (or disposal group) classified as held for sale are presented separately in the balance sheet. Any profit or loss arising from the sale or remeasurement of discontinued operations is presented as part of a single line item in statement of profit and loss.



## **INDIAN CABLE NET COMPANY LIMITED**

### **Notes to financial statements for the year ended 31<sup>st</sup> March 2020**

#### **(h) Impairment of Assets**

##### **(i) Financial Assets**

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

##### **(ii) Non-Financial 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 (Indian Accounting Standard) rules as amended from time to time, 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.

#### **(i) 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.

##### ***Where the Company is a lessee***

The Company's lease asset classes primarily consist of leases for premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset, (2) the Company has right to receive substantial economic benefits from use of the asset throughout the period of the lease and (3) the Company has the right to direct the use of the asset throughout the period of use. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised. ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

#### **(j) Inventories**

Inventories are valued as follows-

Stock in trade & Stores and spares are 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.

#### **(k) Revenue Recognition**

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

##### **(i) Subscription Income from Cable Service**

Subscription Income from Cable Service (net of applicable taxes and duties) are recognized on accrual basis from the date of commencement of supply at the signal injection points(s) of the customers as per schedule of rates.

The company had adopted and implemented the Telecommunications (Broadcasting & Cable) Services (Eight Addressable Systems) Tariff Order 2017 w.e.f. 1st day of February 2019. The company has complied with the various provisions of Tariff Order regarding declaration of network capacity fees, manner of offering of channels to subscribers, migration of existing customers into new regime and performance of other regulatory compliances. The execution of agreement between the vendors and the company in compliance of the new regulations is under process.

The management is of the opinion that the impact on the financial statements is transitional in nature and believe that the implementation of Tariff Order 2017 would have positive impact on the financial statement of future years.

##### **(ii) Income From Activation Of Services**

The Company has adopted Ind As 115 with effect from 01 April 2018 and accordingly these financial results are prepared in accordance with recognition and measurement principals laid down in Ind AS 115 "Revenue from Contracts with Customers". In pursuance of the same, Income from activation of digital cable services is recognised as revenue over the initial contract period.

##### **(iii) Carriage, Marketing & Placement Income**

Carriage, Marketing and Placement Income is recognized on accrual basis over the terms of related agreement/ negotiations provided that there is no significant uncertainty regarding the realisable amount of consideration.

##### **(iv) Other Services**

i) Income from insertion of advertisements is recognized on accrual basis from the date(s) of insertion of advertisements based on the terms specified in the release orders.

ii) Income from rendering technical services is recognized on accrual basis

iii) Income from fiber leasing is recognized on accrual basis as per terms of the respective contracts.

## **INDIAN CABLE NET COMPANY LIMITED**

### **Notes to financial statements for the year ended 31<sup>st</sup> March 2020**

(v) **Lease Income**

Lease income from supply of set top boxes is recognised on accrual basis as per terms of agreement of lease.

Rental Income from Investment Property is recognised as per the respective lease agreements.

(vi) **Sales of goods**

Revenue from sale of goods is recognized when no significant uncertainties exist regarding the amount of consideration that will be derived and risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects Goods and Service Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Revenue from High sea Sales are being recognised on transfer of title of goods to the customers.

(l) **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. 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.

(m) **Foreign Currency Transaction**

Transaction in foreign currency is recorded at the rate of exchange prevailing on the transaction date (s). Transaction remaining unsettled, is translated at the rate prevailing at the end of the financial year. The exchange rate difference arising there-from are adjusted in the Statement of Profit & Loss.

Effective April 01, 2018 the company has adopted Appendix B to Ind AS-21- Foreign currency transaction and advance consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in foreign currency. The effect on account of adoption of this amendment was insignificant.

(n) **Cash Flow Hedge**

A Cash Flow Hedge is used when an entity is looking to eliminate or reduce the exposure that arises from changes in the cash flows of a financial asset or liability (or other eligible exposure) due to changes in a particular risk. The accounting of derivative instruments is made on commitment date rather than on settlement date. The Cash flow hedge is marked to market on the reporting date and the Cash flow hedge reserve is shown under Other Equity. The effective portion of Cash flow hedge is transferred to Other Comprehensive Income and the ineffective portion is transferred to Statement of Profit and Loss account.

(o) **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) **Recognition and initial measurement**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. The transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Profit or Loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through Profit and Loss are immediately recognised in the Statement of Profit and Loss.

**Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

**Compound Financial Instruments**

Separation of instrument into its liability and Equity component is made at the time of Initial recognition. The fair value of liability component establishes its initial carrying amount which is then deducted from the fair value of the instrument as a whole to arrive at the residual amount being recognised as the equity component. The fair value of the liability component at the initial recognition is the Present value of the contractual stream of future cash flow discounted at the market rate of Interest that would have been applied to the instrument of comparable credit quality with substantially the same cash flow.

(ii) **Classification and subsequent measurement**

**Financial Assets**

*Financial assets carried at amortised cost*

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

*Financial assets at fair value through other comprehensive income*

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

*Financial assets at fair value through profit or loss*

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**Financial liabilities**

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

## **INDIAN CABLE NET COMPANY LIMITED**

### **Notes to financial statements for the year ended 31<sup>st</sup> March 2020**

#### **(iii) Derecognition of Financial Liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

#### **(iv) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

#### **(p) Retirement benefit costs**

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme. For defined benefit retirement schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognised immediately in other comprehensive income. The service cost, net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

#### **(q) 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.

#### **(r) Cash and cash equivalents**

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

#### **(s) Provisions and Contingent Liabilities**

##### **(i) General**

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.

##### **(ii) Contingent Liabilities**

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### **(t) 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.

#### **(u) Segment Reporting**

The company is a Multi System Operator providing Cable Television Network Services and Other Related services which is considered as the only reportable segment. The company's operations are based in India.

**INDIAN CABLE NET COMPANY LIMITED**  
**NOTES TO BALANCE SHEET AS ON MARCH 31, 2020**

**Note 4 : PROPERTY, PLANT & EQUIPMENT & CAPITAL WORK IN PROGRESS**

(₹) in Lakhs

Particulars	Lease Hold Land	Building	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Vehicles	Set top boxes	Set top boxes (Under Lease)	Right of Use Assets	Total
<b>Year ended 31 March 2019</b>											
Gross Carrying Amount as on 01 April 2018	4,697	3,438	10,982	489	174	1,323	173	33,905	1,423		56,603
Additions		100	2,201	17	16	93	4	3,484			5,914
Disposals			(193)			(41)					(234)
<b>Closing Gross Carrying Amount</b>	<b>4,697</b>	<b>3,537</b>	<b>12,990</b>	<b>505</b>	<b>189</b>	<b>1,375</b>	<b>177</b>	<b>37,389</b>	<b>1,423</b>	-	<b>62,283</b>
Opening Accumulated Depreciation	206	27	4,594	366	100	145	39	11,341	901		17,718
Depreciation charge during the year	68	55	1,014	75	21	126	20	4,379	175		5,933
Disposals			(57)			(35)	-				(93)
<b>Closing Accumulated Depreciation</b>	<b>273</b>	<b>82</b>	<b>5,550</b>	<b>441</b>	<b>122</b>	<b>236</b>	<b>59</b>	<b>15,719</b>	<b>1,076</b>	-	<b>23,558</b>
<b>Net Carrying Amount as on 31 March 2019</b>	<b>4,424</b>	<b>3,455</b>	<b>7,440</b>	<b>65</b>	<b>68</b>	<b>1,139</b>	<b>118</b>	<b>21,670</b>	<b>347</b>	-	<b>38,726</b>
<b>Year ended 31 March 2020</b>											
Opening Gross Carrying Amount as on 01 April 2019	4,697	3,537	12,990	505	189	1,375	177	37,389	1,423	-	62,283
Additions		-	535	16	81	301	19	1,848		172	2,972
Disposals			-			-	(6)	(1,019)			(1,025)
Transfer to Investment property		(132)									(132)
<b>Closing Gross Carrying Amount</b>	<b>4,697</b>	<b>3,405</b>	<b>13,525</b>	<b>521</b>	<b>270</b>	<b>1,676</b>	<b>190</b>	<b>38,219</b>	<b>1,423</b>	<b>172</b>	<b>64,099</b>
Opening Accumulated Depreciation	273	82	5,550	441	122	236	59	15,719	1,076	-	23,558
Depreciation charge during the year	68	57	1,130	34	27	145	22	4,574	175	59	6,290
Disposals			-			-	(3)	(969)			(972)
Transfer to Investment property		(3)									(3)
<b>Closing Accumulated Depreciation and Impairment</b>	<b>341</b>	<b>135</b>	<b>6,680</b>	<b>475</b>	<b>148</b>	<b>381</b>	<b>78</b>	<b>19,324</b>	<b>1,251</b>	<b>59</b>	<b>28,872</b>
<b>Net Carrying Amount as on 31 March 2020</b>	<b>4,356</b>	<b>3,270</b>	<b>6,845</b>	<b>47</b>	<b>122</b>	<b>1,296</b>	<b>112</b>	<b>18,894</b>	<b>172</b>	<b>113</b>	<b>35,227</b>

Note (a) : CWIP Rs 1690 , consists - Set Top Boxes Rs 1155 (PY Rs 3061) Lakhs, Building (Development) - Rs 46 (PY 194) lakhs, Headend Rs nil (PY 64) lakhs and Networking material Rs 490 (PY 577) lakhs

Note (b): Refer note no.64 for information on property, plant and equipment pledged as securities by the Company.

**INDIAN CABLE NET COMPANY LIMITED**  
**NOTES TO BALANCE SHEET AS ON March 31, 2020**

**Note 5 : INVESTMENT PROPERTY**

(C) in Lakhs

PARTICULARS	BUILDING
<b>Year ended 31 March 2019</b>	
Gross Carrying Amount as on 01 April 2018	-
Additions	6,745
<b>Closing Gross Carrying Amount</b>	<b>6,745</b>
Opening Accumulated Depreciation	53
Depreciation for the year	107
<b>Closing Accumulated Depreciation</b>	<b>160</b>
<b>Closing Net Carrying Amount as on 31 March 2019</b>	<b>6,585</b>
<b>Year ended 31 March 2020</b>	
Gross Carrying Amount as on 01 April 2019	6,745
Additions	-
Transfer from Property, plant & equipment	132
<b>Closing Gross Carrying Amount</b>	<b>6,877</b>
Opening Accumulated Depreciation	160
Depreciation charge for the year	107
Transfer from Property, plant & equipment	3
<b>Closing Accumulated Depreciation</b>	<b>270</b>
<b>Closing Net Carrying Amount as on 31 March 2020</b>	<b>6,607</b>

**Notes:**

**1. Information regarding income and expenditure of Investment Property**

Particulars	For the year ended	For the year ended
	31-Mar-20	31-Mar-19
Rental income derived from investment properties	517	229
Direct operating expenses that Generated rental income	-	-
Direct operating expenses that did not Generated rental income	-	-

2. The management has determined that the investment property consists of Building - based on the nature, characteristics and risks of each property. The Company's investment property consist of a portion of its building situated at Kolkata on the basis of present / intended use.

3. Refer note no.64 for information on investment property pledged as securities by the Company.

4. The Fair value of Investment Property as on 31 March 2020 was ` 15963 lakhs and ( ` 15716 lakhs) as assessed by independent valuer

**INDIAN CABLE NET COMPANY LIMITED**  
**NOTES TO BALANCE SHEET AS ON MARCH 31, 2020**

**Note 6 : GOODWILL & OTHER INTANGIBLE ASSETS**

(C) in Lakhs

PARTICULARS	GOODWILL	OTHER INTANGIBLE ASEETS				TOTAL OTHER INTANGIBLE ASSETS
		DISTRIBUTION NETWORK ASSETS	VC CARDS	SOFTWARE		
<b><u>Year ended 31 March 2019</u></b>						
Gross Carrying Amount as on 01 April 2018	4,213	15,371	2,956	823		19,150
Additions	-	-	17	-		17
<b>Closing Gross Carrying Amount</b>	<b>4,213</b>	<b>15,371</b>	<b>2,973</b>	<b>823</b>		<b>19,167</b>
Opening Accumulated Depreciation	1,685	6,148	1,628	329		8,105
Amortisation for the year	421	1,537	404	130		2,071
<b>Closing Accumulated Amortisation</b>	<b>2,107</b>	<b>7,685</b>	<b>2,032</b>	<b>459</b>		<b>10,176</b>
<b>Closing Net Carrying Amount as on 31 March 2019</b>	<b>2,107</b>	<b>7,685</b>	<b>941</b>	<b>365</b>		<b>8,991</b>
<b><u>Year ended 31 March 2020</u></b>						
Gross Carrying Amount as on 01 April 2019	4,213	15,371	2,973	823		19,167
Additions	-	-	5	-		5
Disposal			(7)			(7)
<b>Closing Gross Carrying Amount</b>	<b>4,213</b>	<b>15,371</b>	<b>2,971</b>	<b>823</b>		<b>19,165</b>
Opening Accumulated Amortisation	2,107	7,685	2,032	459		10,176
Additions						-
Amortisation charge for the year	-	1,537	288	115		1,940
Disposals			(5)			(5)
<b>Closing Accumulated Amortisation</b>	<b>2,107</b>	<b>9,222</b>	<b>2,314</b>	<b>574</b>		<b>12,111</b>
<b>Closing Net Carrying Amount as on 31 March 2020</b>	<b>2,107</b>	<b>6,148</b>	<b>657</b>	<b>249</b>		<b>7,054</b>

**INDIAN CABLE NET COMPANY LIMITED****Notes to financial statements for the year ended 31st March 2020**

	` in Lakhs	
	Mar 31, 2020	March 31, 2019
<b>7 Non-current investments (Trade, unquoted)</b>		
<b>Long term investments</b>		
<b>Investment in equity instruments-subsidiaries</b> <b>(Valued at cost unless stated otherwise)</b>		
4523016 Nos (PY 4523016 Nos) of Equity Share of Siti Maurya Cable net Pvt Ltd ( FV ` 10/-)	803	803
10000 Nos (PY 10000 Nos) of Equity Share of Indinet Service Pvt Ltd ( FV ` 10/-)	1	1
<b>Investment in equity instruments-others (Valued at FVTPL)</b>		
125000 Nos (PY 125000 Nos) of Equity Share of Axom Communications & Cable Pvt Ltd ( FV ` 10/-)	1,058	988
Aggregate amount of unquoted investments	<b>1,862</b>	<b>1,792</b>
<b>8 Other Non Current Financial Assets</b>		
Security deposits - Unsecured, considered good	116	164
Margin money deposit (pledged) with statutory authorities	154	151
	<b>270</b>	<b>315</b>
<b>9 Others- Non Current Assets</b>		
Capital Advances	-	260
Balances with Statutory Authority	405	-
	<b>405</b>	<b>260</b>
<b>10 Inventories</b>		
Stores and spares	77	102
	<b>77</b>	<b>102</b>
<b>11 Trade receivables</b>		
Unsecured, considered good	7,177	9,851
Unsecured, considered doubtful	3,764	2,496
	10,941	12,348
Less: Provision for Expected Credit Loss	3,764	2,496
	7,177	9,851
<b>Other receivables</b>		
Unsecured, considered good		
	<b>7,177</b>	<b>9,851</b>

**Trade Receivables includes-**

Debts due by Firms/Private companies in which directors/ other officers are interested as partner/director/member

Siti Maurya Cable Net Pvt. Ltd.(subsidiary company)	794	1,375
Indinet Service Pvt Ltd (subsidiary company)	13	67
Siti Darshan Cable Net Co. Private Limited	432	352
Smart Vinimay Private Limited	15	15
Siti Royal Heritage Cable Net Co. Private Limited	11	10
Siti Vision Digital Media Private Limited	20	20
Axom Communications & Cable Pvt. Ltd.	438	552
Kolkata Entertainment Services LLP	8	8
Kolkata Media Service Pvt Ltd	1	3
Maxpro Tracon Pvt Ltd	2	1
Smart Cable and Broadband Services	2	3
Victor Mediia Private Limited	3	3
Victor Distributors	9	9

**INDIAN CABLE NET COMPANY LIMITED****Notes to financial statements for the year ended 31st March 2020**

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>12 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash in hand (Includes Cheque In Hand ` 4905 Lakh (CY) ` 1000 Lakh (PY) and wallet balance/POS Balance ` 94 Lakh (CY) and ` 174 Lakh (PY))	5,021	1,228
In current accounts	3,725	35
In deposit account (with maturity upto three months)	2,654	-
	<b>11,401</b>	<b>1,263</b>
<b>13 Other Bank Balances</b>		
In deposit account (with maturity upto twelve months)*	0	2
	<b>0</b>	<b>2</b>
*Pledged with bank against borrowings	-	-
<b>14 Loans</b>		
Advances to Group Companies unsecured, considered good	-	125
Considered Doubtful	2	2
Less: Provision for doubtful advances	(2)	(2)
	<b>(0)</b>	<b>125</b>
<b>15 Other Current Financial Assets</b>		
Receivable against Redemption of Current Investment	-	263
Interest accrued and not due on fixed deposits `9563 (PY `591)	0	0
Unbilled revenue	410	762
	<b>410</b>	<b>1,025</b>
<b>16 Current Tax Assets (net)</b>		
<b>Current tax liabilities</b>		
Provision for tax	1,468	1,476
<b>Current tax assets</b>		
Advance tax	2,438	2,343
	<b>970</b>	<b>868</b>
<b>17 Other current assets</b>		
Advance to Vendor	422	5,358
Advance to Related Parties	90	90
Balances with statutory authorities	626	712
Prepaid Expenses	165	116
	<b>1,303</b>	<b>6,277</b>
<b>18 Share capital</b>		
<b>Authorised share capital</b>		
87,857,300 Equity Shares of ` 10/- each	8,786	8,786
30540 Preference Shares of ` 100/- each	31	31
<b>Total authorised capital</b>	<b>8,816</b>	<b>8,816</b>
<b>Issued share capital</b>		
8,64,01,070 Equity Shares of ` 10/- each	8,640	8,640
(Out of above 313,10,000 Nos of equity shares of ` 10/- each allotted for consideration other than cash in pursuant to the scheme of amalgamation)		
<b>Total issued capital</b>	<b>8,640</b>	<b>8,640</b>
<b>Subscribed and fully paid up capital</b>		
8,64,01,070 Equity Shares of ` 10/- each	8,640	8,640
<b>Total paid up capital</b>	<b>8,640</b>	<b>8,640</b>



**INDIAN CABLE NET COMPANY LIMITED****Notes to financial statements for the year ended 31st March 2020**

Reconciliation of the number of shares outstanding and the amount of share capital as at Mar 31,2020 and March 31, 2019 are set out below

**(i)Equity Shares**

	31-Mar-20		31-Mar-19	
	Nos	` in Lakhs	N	` in Lakhs
At the beginning of the period	864,01,070	8,640	864,01,070	8,640
Outstanding at the end of the year	<b>864,01,070</b>	<b>8,640</b>	<b>864,01,070</b>	<b>8,640</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-20		31-Mar-19	
	Nos	` in Lakhs	N	` in Lakhs
<b>Equity Shares</b>				
Holding Company -Siti Cable Network Limited	518,31,000	5,183	518,31,000	5,183
Subsidiary of Holding Company- Central Bombay Cable Network Limited	30,000	3	30,000	3

**Details of share holder holding more than 5% share as at March 31, 2020 and March 31, 2019**

Name of Shareholder	Equity Shares			
	As at 31 <sup>st</sup> March 2020		As at 31 <sup>st</sup> March 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Siti Cable Network Limited, Holding Company	518,31,000	59.99	518,31,000	59.99
Anurag Chirimar	52,36,357	6.06	52,36,357	6.06
Sunil Nihalani	54,54,347	6.31	54,54,347	6.31
Suresh Sethiya	54,51,007	6.31	54,51,007	6.31
Tinkari Dutta	52,44,586	6.07	52,44,586	6.07
Zafar Iqbal	52,25,596	6.05	52,25,596	6.05
Surendra Kumar Agarwal	52,19,377	6.04	52,19,377	6.04

		` in Lakhs	
		Mar 31, 2020	March 31, 2019

**19 Other Equity**

Securities premium account		
Balance at the beginning of the year	18,968	18,968
Balance at the end of the year	<b>18,968</b>	<b>18,968</b>

**Surplus / Deficit in the Statement of profit and loss**

Balance at the beginning of the year	15,322	11,441
Add: Profit(Loss) for the year	(810)	595
Other Comprehensive Income	(46)	-7
Redemption of Preference Shares	-	27
Impact of Deferred Activation Income pursuant to adoption of INDAS- 115	-	3,711
Change in Provision for Income Tax on Deferred Activation Income	-	-601
Change in Provision for Deferred Tax on Deferred Activation Income	-	-120
Fair Value adjustment of Investment on derecognition of subsidiary	-	277
Balance at the end of the year	<b>14,466</b>	<b>15,322</b>
	<b>33,434</b>	<b>34,290</b>

**INDIAN CABLE NET COMPANY LIMITED****Notes to financial statements for the year ended 31st March 2020****20 Non Current Financial Liabilities****Borrowings**

` in Lakhs

Mar 31, 2020	Mar 31, 2019
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**(a) Term loans from banks (Secured)****Term loans**

Term loan from Bank of Baroda carrying interest @11.20% p.a. subject to change from time to time, repayable in 6 monthly installment/ 9 quarterly installments, secured by the first and exclusive equitable mortgage land and building at Plot No.- XI/4, Block- EP & GP, Sector-V, Salt Lake, Kolkata-700091, pledge of fixed deposit (upto Previous year), held in the name of the company and personal guarantee of the directors

- 1,755

**Term loans**

Term loan from Axis Bank carrying interest @ one year MCLR + 1.60 % p.a. , repayable in 10 half yearly installments, secured by the first and exclusive # equitable mortgage of land and building at Plot No.- XI/4, Block- EP & GP, Sector-V, Salt Lake, Kolkata-700091, exclusive security interest in the movable asset and entire current assets including receivables,both present and future.

14,500 17,000

**Term loans**

Term loan from Axis Bank carrying interest @ one year MCLR + 0.90 % p.a. , repayable in five quarterly installments (starting from June'19), secured by the first and exclusive # equitable mortgage of land and building at Plot No.- XI/4, Block- EP & GP, Sector-V, Salt Lake, Kolkata-700091, exclusive security interest in the movable asset and entire current assets including receivables, both present and future.

83.93 -

14,584	18,755
--------	--------

**21 Other Non-Current financial liabilities**

Lease liabilities in respect of right of use assets

50 -

Security Deposit

260 455

Interest free deposits from customers

1,132 869

1,442	1,324
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**22 Non Current Provisions****Provision for employee benefits**

Provision for gratuity

115 67

Provision for compensated absences

126 94

**Others-** Provision for Churn STB's (Refer Note:62)

154 130

395	292
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**23 Deferred tax asset /(liabilities) (net)****Deferred tax liability**

Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting

1,633 2,798

Other timing differences

172 143

**Gross deferred tax liability**

1,805	2,941
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**Deferred tax asset**

Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis

65 61

Provision for doubtful debts and advances

948 873

Impact of Lease liability against Right of Use Assets

2 -

**Gross deferred tax asset**

1,015	934
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**Net deferred tax asset/ (liabilities)**

(790)	(2,007)
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**INDIAN CABLE NET COMPANY LIMITED****Notes to financial statements for the year ended 31st March 2020**

	` in Lakhs	
	Mar 31, 2020	Mar 31, 2019
<b>24 Other Non-Current liabilities</b>		
Deferred Income	140	150
	<b>140</b>	<b>150</b>
<b>25 Current Financial Liabilities</b>		
<b>Borrowings</b>		
Cash Credit from Bank of Baroda (Secured by first charge on entire current assets of the company, both present and future and also secured by the first and exclusive equitable mortgage land and building at Plot No.- XI/4, Block- EP & GP, Sector-V, Salt Lake, Kolkata-700091, pledge of fixed deposit, held in the name of the company and personal guarantee of the directors)	-	686
Inter Corporate Deposit	-	30
	<b>-</b>	<b>716</b>
<b>26 Trade payables</b>		
- Total outstanding dues of creditors for micro enterprises and small enterprises (Refer Note No : 46)	93	-
- Total outstanding dues of creditors- others	9,325	7,366
	<b>9,418</b>	<b>7,366</b>
<b>27 Other Current financial liabilities</b>		
Lease liabilities in respect of right of use assets	72	-
Creditors for capital goods	1,070	3,505
Payable for Contractual Liabilities	70	21
Current maturities of long-term borrowings	4,200	3,249
Interest accrued but not due on borrowings	165	42
Book overdraft		74
	<b>5,578</b>	<b>6,889</b>
<b>28 Other Current Liabilities</b>		
Unearned Income	1,218	721
Advances from customers	256	233
Other Advances	0	668
Payable for statutory liabilities	651	121
	<b>2,124</b>	<b>1,742</b>
<b>29 Current Provisions</b>		
<b>Provision for employee benefits</b>		
Provision for gratuity	11	8
Provision for compensated absences	6	5
	<b>17</b>	<b>13</b>

**INDIAN CABLE NET COMPANY LIMITED**
**Notes to financial statements for the year ended 31<sup>st</sup> March 2020**

	` in Lakhs	
	March 31, 2020	March 31, 2019
<b>30 Revenue from operations</b>		
<b>Sale of services</b>		
Subscription income	29,090	22,291
Advertisement income	3,585	1,134
Carriage income & Marketing Income	5,384	6,175
Activation and Set top boxes pairing charges	226	1,551
<b>Other operating revenue</b>		
Sale of traded goods*	1,214	1,987
Lease rental charges	530	594
Other networking and management income	1,872	1,033
Rent Income	517	229
Other Operating Income	362	412
	<b>42,780</b>	<b>35,405</b>
<b>* Details of sale of traded goods</b>		
Set top box and viewing cards	1,179	1,903
Stores and spares	35	84
	<b>1,214</b>	<b>1,987</b>
<b>31 Other income</b>		
	March 31, 2020	March 31, 2019
Interest income on		
Bank deposits	15	17
Others	96	136
Bad Debt Recovered	-	59
Liabilities written back	209	211
Gain On Foreign Exchange Fluctuation	-	74
Realised Gains of Investment in Mutual Fund	259	5
Net gain in Fair value of investments through P&L	70	336
Other non-operating income	574	672
	<b>1,223</b>	<b>1,510</b>
<b>32 Cost of materials consumed-stores and spares</b>		
	March 31, 2020	March 31, 2019
Opening stock	102	190
Add : Purchases during the year	8	1,398
	111	1,588
Less: Transferred to CWIP	-	-
Less: Transferred to fixed assets		1,375
	111	213
Less : Closing stock	77	102
	<b>34</b>	<b>110</b>
<b>33 Cost/Purchase of Goods Sold</b>		
Set top boxes and VC Cards	1,100	1,881
	<b>1,100</b>	<b>1,881</b>
<b>34 Pay channel and related costs</b>		
Management Charges	1,500	1,500
Pay channel Expenses	18,137	11,083
Building Maintenance Expenses	23	61
Lease Rental & Right to Usage Charge	692	698
Bandwidth Cost	679	756
Program Production Expenses	211	185
Other Operational Expenses	1,460	1,401
Commission Charges and Incentives	2,509	1,182
	<b>25,210</b>	<b>16,865</b>

**INDIAN CABLE NET COMPANY LIMITED**

**Notes to financial statements for the year ended 31<sup>st</sup> March 2020**

	` in Lakhs	
	March 31, 2020	March 31, 2019
<b>35 Employee benefits expense</b>		
Salaries, allowances and bonus	1,579	1,295
Contributions to provident and other funds	95	74
Gratuity Fund Contribution	41	28
Staff welfare expenses	131	137
	<b>1,847</b>	<b>1,534</b>
<b>36 Finance costs</b>		
Interest on Financial Liabilities at Amortised Cost	2,086	798
Interest expense on lease liability	16	-
Exchange fluctuation loss	0	511
Bank charges	7	16
Other Borrowing Cost	20	11
	<b>2,129</b>	<b>1,336</b>
<b>37 Depreciation and amortisation expenses</b>		
Depreciation on Right of use assets	59	-
Depreciation of tangible assets	6,338	6,040
Amortisation of intangible assets	1,940	2,492
	<b>8,337</b>	<b>8,531</b>

	` in Lakhs	
	March 31, 2020	March 31, 2019
<b>38 Other expenses</b>		
Rent	120	188
Rates and taxes	225	244
Communication expenses	66	111
Repairs and maintenance		
- Network	296	304
- Building	14	50
- Others	277	258
Electricity and water charges	546	451
Legal, professional and consultancy charges	536	467
Printing and stationery	15	14
Service charges	1,484	1,309
Travelling and conveyance expenses	283	262
Auditors' remuneration (Refer Note: 56)	10	10
Vehicle expenses	221	206
Insurance expenses	13	11
Corporate Social Responsibility Expenditure	53	54
Loss on Sale / Discard / Write off of Assets(net)	17	58
Provision for Churn STB's	23	49
Provision for Expected Credit Loss	603	749
Provision for doubtful advances Rs 25,305 (PY Rs25,950)	0	0
Rebate and Discount	10	142
Advertisement and publicity expenses	86	96
Bad debts	1,299	
Less: Debts w.off from earlier provisions	<u>(1,298)</u>	73
Business and sales promotion	154	114
Exchange fluctuation loss	137	-
Miscellaneous expenses	50	69
	<b>5,241</b>	<b>5,290</b>

**INDIAN CABLE NET COMPANY LIMITED****Notes to financial statements for the year ended 31<sup>st</sup> March 2020****40 Earnings per share**

	(₹) in Lakhs	
	March 31, 2020	March 31, 2019
Profit attributable to equity shareholders	(810)	595
Number of weighted average equity shares		
Basic	864,01,070	864,01,070
Diluted	864,01,070	864,01,070
Nominal value of per equity share (₹)	10	10
<b>Earning Per Share (₹)</b>		
Basic	(0.94)	0.69
Diluted	(0.94)	0.69

**Indian Cable Net Company Limited****Statement of Change in Equity for the year ended 31<sup>st</sup> March 2020**

(C) in Lakhs

Particulars	Equity Share Capital	Other Equity				Total Other Equity	Total
		Securities Premium Reserve	Retained Earnings*	Cash Flow Hedge Reserve	Remesaurement of Defined Benefit Plans (OCI)		
<b>Balance at 1 April 2018</b>	<b>8,640</b>	<b>18,968</b>	<b>11,438</b>		<b>3</b>	<b>30,409</b>	<b>39,049</b>
Profit for the year	-	-	595			595	595
Other Comprehensive Income					(7)	(7)	(7)
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>595</b>			<b>595</b>	<b>595</b>
Impact of Reversal of Premium on Redemption of Preference Shares			27			27	27
Impact of Deferred Activation Income pursuant to adoption of INDAS- 115 w.e.f Apr 01, 2018			3,711			3,711	3,711
Change in Provision for Income Tax on Deferred Activation Income			(601)			(601)	(601)
Change in Provision for Deferred Tax on Deferred Activation Income			(120)			(120)	(120)
Fair Value adjustment of Investment on derecognition of subsidiary			277			277	277
<b>Balance at March 2019</b>	<b>8,640</b>	<b>18,968</b>	<b>15,327</b>	<b>-</b>	<b>(4)</b>	<b>34,290</b>	<b>42,930</b>
<b>Balance at 1 April 2019</b>	<b>8,640</b>	<b>18,968</b>	<b>15,327</b>	<b>-</b>	<b>(4)</b>	<b>34,290</b>	<b>42,930</b>
Profit for the year			(810)			(810)	(810)
Other Comprehensive Income					(46)	(46)	(46)
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>(810)</b>			<b>(810)</b>	<b>(810)</b>
<b>Balance at 31 March 2020</b>	<b>8,640</b>	<b>18,968</b>	<b>14,516</b>	<b>-</b>	<b>(50)</b>	<b>33,434</b>	<b>42,074</b>

Statement in change in Equity referred in our report of even date.

For A.K. Bhalotia & Co.  
Chartered Accountants  
(Firm Registration No. - 329475E)

**For Indian Cable Net Co Ltd**  
(U92132WB1995PLC075754)

A.K Bhalotia  
Proprietor  
Membership No.-065860

Sd/-  
Surendra Kumar Agarwala  
Director  
DIN-00569816

Sd/-  
Suresh Kumar Sethiya  
Director  
DIN-00349098

Place - Kolkata  
Date - 27.06.2020

Sd/-  
Laxman Singh Kaira  
Company Secretary

Sd/-  
Atul Kumar Singh  
C.F.O

**INDIAN CABLE NET COMPANY LIMITED****Notes to financial statements for the year ended 31<sup>st</sup> March 2020****Note :41 Tax Expense**

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

	Mar-20	Mar-19
Income tax related to items recognised directly in the statement of profit and loss		
Current tax - current year	170	720
-earlier years	0	183
Deferred tax charge / (benefit)	(1217)	(131)
Total	(1,047)	772
Effective tax rate	56.37%	56.48%

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, 2020 and 31 March, 2019 is as follows:

	Mar-20	Mar-19
Profit/(loss) before tax	(1,857)	1,366
Effective Tax Rate	25.17%	34.94%
Statutory income tax on profit	(467)	477
Tax effect on non-deductible expenses	2,794	3,323
Additional allowances for tax purposes	(2,157)	(3,085)
Others / Deferred Tax effect	(1,217)	(127)
Tax effect for earlier years	-	183
Tax expense recognised in the statement of profit and loss	(1,047)	772

Deferred tax recognised in statement of other comprehensive income

<b>For the year ended 31 March</b>	Mar-20	Mar-18
Employee retirement benefits obligation	-	-

The applicable statutory Income Tax rate is 25.17% for the FY 2019-20 (34.94% for FY 2018-19).

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 no-23.

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

**Deferred tax recognised in statement of profit and loss**

<b>For the year ended</b>	Mar-20	Mar-19
Employee retirement benefits obligation	4	(4)
Allowances for credit losses	75	(106)
Depreciation and amortisation	(1136)	(19)
Other disallowances	(160)	(2)
Total	(1217)	(131)

<b>Reconciliation of deferred tax assets / (liabilities) net:</b>	Mar-20	Mar-19
Opening balance	(2007)	(1127)
Mat Credit (adjusted) / entitlement	-	(890)
Deferred tax (charge)/credit recognised in		
-Other Equity (Retained Earnings)	0	(120)
-Statement of profit and loss	1217	131
Total	(790)	(2007)



## INDIAN CABLE NET COMPANY LIMITED

### Summary of significant accounting policies and other explanatory information for the year ended March 31, 2020

#### 42 Fair value measurements

##### 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 2020:

##### A. Financial instruments by category

	March 31, 2020			March 31, 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets (Non Current &amp; Current)</b>						
Bank deposits	-	-	154	-	-	151
Amount recoverable	-	-	(0)	-	-	125
Security deposits (Non current)	-	-	116	-	-	164
Investment (Non- current, financial assets)	1,058	-	804	988	-	804
Unbilled revenues	-	-	410	-	-	762
Receivable against Redemption of Current-Investment	-	-	-	-	-	263
Interest accrued on fixed deposits	-	-	0	-	-	0
Trade receivables	-	-	7,177	-	-	9,851
Cash and cash equivalents	-	-	11,401	-	-	1,263
Other Bank Balances	-	-	0	-	-	2
<b>Total financial assets</b>	<b>1,058</b>	<b>-</b>	<b>20,063</b>	<b>988</b>	<b>-</b>	<b>13,385</b>
<b>Financial liabilities (Non Current &amp; Current)</b>						
Borrowings (non-current,financial liabilities)	-	-	14,584	-	-	18,755
Borrowings (current,financial liabilities)	-	-	-	-	-	716
Security deposits received from customer & Lease liability	-	-	1,442	-	-	1,324
Trade payables	-	-	9,418	-	-	7,366
Other financial liabilities (current)	-	-	5,578	-	-	6,889
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>31,021</b>	<b>-</b>	<b>-</b>	<b>35,050</b>

Investment in subsidiaries, associate and joint venture are measured at cost as per Ind AS 27, 'Separate financial statements'.

##### Fair Value Hierarchy

There have been no transfers among Level 1, Level 2 and Level 3 during the period. The Company does not have any investments (other than investment in subsidiary), derivative financial assets and liabilities.

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

#### 43 Financial risk management objectives and policies

##### Financial risk management

The Company's principal financial liabilities comprise borrowings, 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	Cash and cash equivalents and other financial assets except Trade Receivable, security deposits, Unbilled revenue and amount recoverable	Life time expected credit loss or fully provided for
High credit risk	Trade receivables, Investment, security deposits, Unbilled Revenue and amount recoverable	Life time expected credit loss or fully provided for

**INDIAN CABLE NET COMPANY LIMITED**

**Summary of significant accounting policies and other explanatory information for the year ended March 31, 2020**

## INDIAN CABLE NET COMPANY LIMITED

### Summary of significant accounting policies and other explanatory information for the year ended March 31, 2020

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

Credit rating	Particulars	31-Mar-20	31-Mar-19
Low credit risk	Cash and cash equivalents and other financial assets except Trade Receivable, security deposits, Unbilled revenue and amount recoverable	11,555	1,679
High credit risk	Trade receivables, Investment, security deposits, Unbilled Revenue and amount recoverable	9,566	12,695

#### 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

For the purpose of computation of expected credit loss, the Company has analysed the trend of provisions for doubtful debts created in earlier years. The average rate of provision has been computed based on the adjusted sales (excluding those where the Company does not have any historical provision) and provision for doubtful debtors created against those sales. Further, the Company has analysed expected credit loss separately for carriage revenue customer and other than carriage revenue customer primarily because the characteristics and historical losses trend was different in these two streams. As per this methodology, the Company has determined the expected credit loss as 5.26% on DAS customers and the remaining debtors on category wise. The company does not expect any further risk of credit impairment on account of possible impact relating to COVID 19 in estimating expected credit loss provision.

Expected credit loss for trade receivables, security deposit and amounts recoverable under simplified approach  
as at March 31, 2020

Particulars	` in Lakh		
	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	10,941	3,764	7,177
Security Deposit	116	-	116
Amounts recoverable	(0)	-	(0)
Investment	1,862		1,862
Unbilled Revenue	410		410

as at March 31, 2019

Particulars	` in Lakh		
	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	12,348	2,496	9,851
Security Deposit	164	-	164
Amounts recoverable	125	-	125
Investment	1,792		1,792
Unbilled Revenue	762		762

Reconciliation of loss allowance provision – Trade receivables

	` in Lakh
<b>Loss allowance on March 31, 2019</b>	<b>2,496</b>
Changes in loss allowance	1,267
<b>Loss allowance on March 31, 2020</b>	<b>3,764</b>

#### 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:

## INDIAN CABLE NET COMPANY LIMITED

### Summary of significant accounting policies and other explanatory information for the year ended March 31, 2020

#### (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	31-Mar-20			31-Mar-19		
	Less than one year	One to two years	More than two years	Less than one year	One to two years	More than two years
<b>Non-derivatives</b>						
Borrowings (non-current,financial liabilities)	5,900	4,420	13,515	3,249	4,201	14,554
Borrowings (current,financial liabilities) including interest	165	-	-	758	-	-
Borrowings (non-current,financial liabilities)	-	-	-	-	-	-
Other financial liabilities (current)	1,140	-	-	3,525	-	-
Security deposits received from customer	-	-	1,392	-	-	1,324
Book Overdraft	-	-	-	74	-	-
Trade payables	9,418	-	-	7,366	-	-
Lease liabilities in respect of right of use assets	72	27	23	-	-	-
<b>Total non-derivative liabilities</b>	<b>16,695</b>	<b>4,447</b>	<b>14,930</b>	<b>14,972</b>	<b>4,201</b>	<b>15,878</b>

#### 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.

#### Cash Flow Hedge Accounting

The Company has foreign currency exposure in the form of Trade Payable/Advance to Vendors and is exposed to change in the exchange rates. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (₹). The risk is measured through a forecast of highly probable foreign currency cash flows.

Foreign currency risk is managed by following established risk management policies, which inter alia includes monitoring the movements in currencies in which the capex vendors are payable and hedging the exposure to foreign currency risk by entering into forward currency contracts as and when deemed appropriate.

The Company does not enter into or trade financial instrument including derivative for speculative purpose.

#### (i) Foreign currency risk

Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

	31-Mar-20	31-Mar-19
<b>Financial assets (A)</b>	-	-
<b>Financial liabilities (B)</b>		
Payable to capex and other vendors	1,423	3,681
<b>Net exposure (B-A)</b>	<b>1,423</b>	<b>3,681</b>

#### Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

	Impact on Profit after tax	
	31-Mar-20	31-Mar-19
(₹) / USD increased by 5% (previous year 5%)	(71)	(184)
(₹) / USD decreased by 5% (previous year 5%)	71	184

## INDIAN CABLE NET COMPANY LIMITED

### Summary of significant accounting policies and other explanatory information for the year ended March 31, 2020

#### (ii) Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

##### (a) Interest rate risk exposure

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31st March the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates.

	31-Mar-20	31-Mar-19
Variable rate borrowings	18,784	22,690
<b>Total borrowings</b>	<b>18,784</b>	<b>22,690</b>

##### (b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	Impact on loss after tax	
	31-Mar-20	31-Mar-19
Interest rates – increase by 100 basis points (31 March 2018 100 bps) *	187.84	226.90
Interest rates – decrease by 100 basis points (31 March 2018 100 bps) *	(187.84)	(226.90)

#### 44 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	31-Mar-20	31-Mar-19
Cash and cash equivalents	11,401	1,263
Other Bank Balances	0	2
Margin money	154	151
<b>Total cash (A)</b>	<b>11,555</b>	<b>1,416</b>
Borrowings (non current, financial liabilities)	14,584	18,755
Borrowings (current, financial liabilities)	-	716
Current maturities of long-term borrowings	4,200	3,249
Interest Accrued but not due on Loan	165	42
<b>Total borrowing (B)</b>	<b>18,950</b>	<b>22,762</b>
<b>Net debt (C=B-A)</b>	<b>7,395</b>	<b>21,345</b>
Total equity	42,074	42,930
<b>Total capital (equity + net debts) (D)</b>	<b>49,469</b>	<b>64,276</b>
<b>Gearing ratio (C/D)</b>	<b>15%</b>	<b>33%</b>

##### Classification and measurement of financial assets and liabilities

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

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

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

- The effects of the retrospective application or retrospective restatement are not determinable;
- The retrospective application or restatement requires assumptions about what management's intent would have been in that period;

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

**INDIAN CABLE NET COMPANY LIMITED**

**Notes to financial statements for the year ended 31<sup>st</sup> Mar 2020**

**45 Contingent liabilities and commitments (to the extent not provided for)**

Particulars	As at 31 Mar	As at 31 Mar
	2020	2019
	(₹) in Lakhs	(₹) in Lakhs
<b>(i) Contingent Liabilities</b>		
(a) Claims against the company not acknowledged as debt #	8,449	1,568
(b) Guarantees ##	133	134
	<u>8,582</u>	<u>1,702</u>
<b>(ii) Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	1,730	3,215
	<u>1,730</u>	<u>3,215</u>

# Includes ` 406 lakhs ( PY `406) lakhs on account of entry tax on import of STB and other networking materials into west bengal. The west Bengal government levied entry tax vide 'West Bengal Tax on entry of goods into local areas Act 2012'. The operation of the Act was w.e.f. 1st Apr-2012. The validity of the this levy has been challenged by the company in the Honorable Calcutta High Court by a writ petition, on the belief that the levy is unconstitutional and is thus unsustainable. The company is hopeful of getting a favourable order.

# Includes `6 (PY 6) lakhs against a money suit filed by M/s Ten Dot Net Cable Pvt. Ltd. for recovery of alleged dues against a work contract allegedly done for the company.

# Includes ` 87 (PY ` 87) lakhs on account of demand received from District Megistrate Noida for Entertainment Tax on activation / installation charges of STB's in UP. Demand received of ` 87 lakhs for the period till Jun 17 on activation charges on STB's.

# Includes Rs. ` 37 (PY `37) lakhs on account of Show cause cum demand received from Service Tax dept for financial year 2014-15 & 2015-16 and `23 (PY. `23) Lakhs on account of Show Cause Notice cum demand received from service tax Deptt on observation of Service Tax audit for F.Y. 16-17 & upto June'17 for excess utilisation of Cenvat Credit & short paymnt of RCM on which the company believes that no liability will develop on the company in future.

# Includes ` 78 (PY ` 78) lakhs on account of demand received from Joint Commissioner (AE) Central Tax-UP. The demad is against Audit for FY 2012-13, 2013-14, 2014-15, 2015-16 & 2016-17.

# Includes `416 ( PY `416) lakhs of Demand by Sales tax Deptt. on account of VAT & CST liability for FY.2015-16. The copmany files a writ petion before Tribunal. The writ petion has been disallowed on the ground of Non attendance, now restoration petition was filed before Kolkata highcourt & the company is hopeful of getting a favourable order .

# Includes `116 (PY `110) lakhs on account of Jharkhand VAT liability on Set Top Box transfer.

# Includes `11 (PY `11) lakhs on account of show cause notice received from Deptt. for short payment of service Tax & inadmissibility of Cenvat & nonpaymnt of RCM & Interest in respect of Noida unit for FY.12-13 to FY.15-16.

# Includes `4 (PY `4) lakhs on account of case filed by Den Network against Sahay Cable, Nilabh & Vinod kumar in which ICNCL is also being made party for recovery of their dues.

# Includes Appeal against Demand (CERA) of `86 (PY `86) lakhs for difference between opening & closing Cenvat in the month of Oct'2015 .

# Includes effect of reduction in MAT credit with consequent impact on MAT utilisation in A.Y. 2017-18 which is the subject matter of Contingency. Amount calculated as difference between MAT credit availed as per ITR filed for A.Y. 2016-17 `317 (PY Rs 317) lakhs and MAT credit available as per Order u/s 143(3) `28 (PY- Rs 28) lakhs.

# Includes income tax demand for AY 2017-2018 `218 (PY- Nil) lakhs which has been adjusted with TDS refundable. The said demand has been disputed in appeal by the company.

# During the financial ended 31 March 2019, the Directorate of Revenue Intelligence (DRI), Bangalore, u/s 108 of the Custom Act, 1962, had inquired about the classification of viewing cards for applicability of customs duty. The Company had, suo-moto, paid `20 Lakhs under protest. Further, during the current financial year, the Company has received a show cause notice with a demand for `6671 Lakhs. The Company is confident that the demand will not sustain, therefore no provision has been made in these financial statements and the amount demanded has been considered as contingent liability.

## For counter bank guarantees in respect of outstanding bank guarantees & FD pledged ` 133 lakhs (PY ` 134 lakhs)

In addition, the company is subject to legal proceeding and claims, which have arisen in the ordinary course of business. The company's management does not reasonably expect that there legal action, when ultimately concluded and determined, will have a material and adverse effect on the company's result of operation or financial conditions.

**INDIAN CABLE NET COMPANY LIMITED**
**Notes to financial statements for the year ended 31<sup>st</sup> Mar 2020**
**46 Dues to Micro Enterprises and Small Enterprises:**

Particulars	as at 31-03-2020	as at 31-03-2019
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	93	-
ii) the amount of interest paid by the Company in terms of section 16 of MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year	-	-
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year without adding the interest specified under MSMED Act, 2006	-	-
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

#The management has identified dues to micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company.

**47 Value of Imports calculated on CIF basis**

Particulars	31-Mar-20 ( <sup>₹</sup> ) in Lakhs	31-Mar-19 ( <sup>₹</sup> ) in Lakhs
Stores and Spares	3	26
Capital Goods	1,049	4,343
	<b>1,052</b>	<b>4,368</b>

**48 Expenditure in foreign currency**

Particulars	31-Mar-20 ( <sup>₹</sup> ) in Lakhs	31-Mar-19 ( <sup>₹</sup> ) in Lakhs
Interest	-	47
Membership & Subscription	3	2
Annual Maintenance Charges	37	24
Licence Fees	945	499
Travelling & Conveyance	4	3
Installation & Commissioning Charges	33	-
	<b>1,022</b>	<b>575</b>

**49 At the year end, unhedged foreign currency exposures are as follows:**

Particulars	Currency	As on 31/03/2020		As on 31/03/2019	
		(In Lakhs)	In Foreign Currency	(In Lakhs)	In Foreign Currency
Advance to Vendor	USD	26	0.34	279	4
Advance to Director and Employees	Thai Bhat	0.20	0.09	2.42	1.11
Advance to Director and Employees	Euro	0.46	0.01	0.48	0.01
Advance to Director and Employees	USD	0.38	0.01	-	-
Payable to Vendor	USD	663	9	2,719	39
Payable to Vendor	Euro	760	9	962	12
	Total	<b>1,450</b>	<b>18</b>	<b>3,963</b>	<b>57</b>

**50 (i) The details of employee benefit for the period in respect of gratuity which is funded defined benefit plan is as under:**

## a. Component of employer expense

PARTICULARS	( <sup>₹</sup> ) in Lakhs As on 31 <sup>st</sup> Mar 2020	( <sup>₹</sup> ) in Lakhs As on 31 <sup>st</sup> Mar 2019
Current Service Cost	36	23
Interest on defined benefit obligation	12	12
Expected Return on plan assets	(7)	(7)
Net Accrual losses/(gains) recognized in the year	47	(9)
Past Service Cost	-	-
Total Included in employer benefit	88	20
Actual Return on plan assets	6	5

**INDIAN CABLE NET COMPANY LIMITED**

**Notes to financial statements for the year ended 31<sup>st</sup> Mar 2020**

b. Net Asset / (Liability) recognized in the balance sheet as at 31<sup>st</sup> March 2020

PARTICULARS	(C) in Lakhs	(C) in Lakhs
	As on 31 <sup>st</sup> Mar 2020	As on 31 <sup>st</sup> Mar 2019
Present Value of Funded Obligation	266	173
Fair Value of Plan Assets	140	97
Net Liability	126	75
Amount in Balance Sheet		
Liability	126	75
Assets		
Net Liability	126	75

c. Reconciliation of Benefit Obligation & Plan Assets for the Period ended:

PARTICULARS	(C) in Lakhs	(C) in Lakhs
	As on 31 <sup>st</sup> Mar 2020	As on 31 <sup>st</sup> Mar 2019
<b>Change in Defined Benefit Obligation</b>		
Opening Defined Benefit Obligation	173	156
Current Service Cost	36	23
Interest Cost	12	12
Actuarial Losses / (Gain)	46	(10)
Past Service Cost	-	-
Benefits Paid	(1)	(8)
<b>Closing Defined Benefit Oligation</b>	<b>266</b>	<b>173</b>
<b>Change in Fair Value of Assets</b>		
Opening Fair Value of Plan Assets	97	85
Expected Return on Plan Assets	7	7
Actuarial Gain / (Losses)	(1)	(2)
Contribution by Employer	37	15
Benefits Paid	(1)	(7)
Closing Fair Value on Plan Assets	140	97
Expected Employer Contribution Next Year	39	26

d. Asset Information of Plan Assets

Category of Assets	As on 31 <sup>st</sup> March 2020	As on 31 <sup>st</sup> March 2019
Insurer Managed Fund	100%	100%

(ii) The Defined Benefit Obligation of compensated absence in respect of Privilege Leave is `132 lakh (P.Y `100 lakh).

(iii) Actuarial Assumptions

Category of Assets	As on 31 <sup>st</sup> March 2020	As on 31 <sup>st</sup> March 2019
Discount Rate (p.a.)	7.00%	7.75%
Expected rate of return on Assets	7.00%	7.75%
Salary Escalation Rate (p.a.)	8.00%	8.00%

- a Discount Rate is based on the prevailing market yield of Indian Government Securities' as the balance sheet as date for expected term of obligation.
- b Expected rate of return on plan assets is based on our expectation of the average long term rate of return expected on investment of the fund during the estimated term of obligations.
- c Salary Escalation rate is based on estimates of future salary increases taking into consideration of inflation, seniority, promotion and other relevant factors.



**INDIAN CABLE NET COMPANY LIMITED**

**Notes to financial statements for the year ended 31<sup>st</sup> Mar 2020**

**51** The Commercial Tax authorities, Government of West Bengal, by an order dated June 9, 2003, sought to impose sales tax, with retrospective effect from April 2, 1997, on the Company's income from cable TV services. The Company has filed an application before the Hon'ble West Bengal Taxation Tribunal on July 15, 2003, seeking, inter alia, that the aforesaid order be set aside. The Hon'ble West Bengal Taxation Tribunal by its order dated August 1, 2003 has directed that pending disposal of the application, assessment proceedings may continue but that no demand notice will be issued. The matter had come for hearing on several occasions but has been adjourned, pending State's submissions. In view of the fact that neither assessment proceedings have been completed nor demand notice has been issued, the alleged liability for Sales tax cannot be ascertained. Consequently no liability on account of sales tax has been recognized by the Company in the books of accounts.

**52** The Hon'ble Supreme Court in its recent ruling had ruled that various allowances like conveyance allowance, special allowance, education allowance, medical allowance etc., paid uniformly and universally by an employer to its employees would form part of basic wages for computing the provident fund ('PF' or 'the fund') contribution and thereby, has laid down principles to exclude (or include) a particular allowance or payments from 'basic wage' for the purpose of computing PF contribution. The Company pays certain allowances to its employees as a part of compensation structure, which have not been included in the basic wages for the purpose of computing the PF. As this ruling has not prescribed any clarification w.r.t. to its application, the Company, based on legal advice and management assessment has applied the aforesaid ruling prospectively. Management believes that this will not result in any material liability on the Company.

**53 Leases :**

**Transition :**

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective transition approach with date of application as on 01 April 2019 and in accordance with that; the lease liability is recognised at the date of initial application. The lease liability is measured at the present value of the remaining lease payments discounted using lease incremental borrowing rate at the date of initial application. Under the option given in para C8 (b) (ii) the right of use asset is recognised at the date of initial application. The ROU of asset is measured at an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

On transition, the adoption of Ind AS 116 resulted in recognition of ROU asset of Rs.172 lakhs, and a lease liability of Rs.172 lakhs. In the statement of profit and loss for the current year, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The effect of this adoption on the profit before tax, profit for the period and earnings per share is not material. This adoption results in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Application of a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date;
2. Exemption of not to recognize ROU assets and liabilities for leases with less than 12 months of lease term and leases for which the underlying asset is of low value on a lease-by-lease basis on the date of initial application;
3. The weighted average incremental borrowing rate of 12 % has been applied to lease liabilities recognised in the balance sheet at the date of initial

The Company incurred `120 lakhs for the year ended March 31, 2020 towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ` 50 lakhs for the year ended March 31, 2020 . Interest on lease liabilities is ` 16 lakhs for the year ended March 31, 2020.

Lease contracts entered by the Company majorly pertains for premises taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

**54 Company as a lessor**

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease.

The Company has given premises and Set Top Boxes under Operating Lease, particulars of which as required under Ind AS -116 are disclosed here under:

Premises and Set Top Boxes given under operating leases are capitalized at an amount equal to historical cost and the rental income, wherever applicable, is recognised on equal monthly rental billed to lessees.

(C) in Lakhs

(i)	Assets Given on Lease	(C) in Lakhs	
		As on 31 <sup>st</sup> March 2020	As on 31 <sup>st</sup> March 2019
	Lease Payment for the Year	300	300
	Minimum Lease Payment Not later than 1 year	125	300
	Minimum Lease Payment Later than 1 year but not later than 5 years	-	125
	Minimum Lease Payment Later than 5 years	-	-

(ii)

(C) in Lakhs

Gross Carrying Amount	Accumulated Depreciation charged to P/L	Net Carrying Amount	Impairment Loss	Revenue Recognized in P/L (CY)
1423	1,251	172	-	300

**(iii) Significant leasing arrangements**

- a. No covenant for contingent rent
- b. The company has leased out Set Top Boxes. The Lease period is 8 years after which the lessee has option to buy the same at mutually agreed terminal value. In cases where the lease period is indeterminate there is no specific covenant for termination of the lease.

**INDIAN CABLE NET COMPANY LIMITED**

**Notes to financial statements for the year ended 31<sup>st</sup> Mar 2020**

c. No restrictive covenants relating to dividend, additional debt and further leasing.

**55 Payment to Auditors (accrued) (Excluding Goods and Service Tax) (C) in Lakhs**

PARTICULARS	As on 31 <sup>st</sup> March 2020	As on 31 <sup>st</sup> March 2019
Statutory Audit Fees	6	6
Limited Review Fees	3	2
Tax Audit Fees	-	-
Taxation Matter	-	-
Other Services	1	1
Reimbursements	0	0
	<b>10</b>	<b>10</b>

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

57 As per Section 135 of Companies Act 2013, a CSR Committee had been formed by the Company. The funds are utilised in the activities which are specified in Schedule VII of the Act. The utilisation is done by way of contribution towards various activities.

(a) Average net profit as prescribed under section 135 of the Companies Act 2013: ` 2654 lakhs (PY ` 2684) lakhs

(b) Amount spent during the year ` 49 (PY Rs 22) lakhs on activities of Health Care , Rs 4 ( PY- nil) lakhs on sport Sponsorship & Rs -Nil (PY - Rs.32) la on Women Empowerment

58 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 2020 are considered good and fully recoverable, except otherwise stated and provision for all known liabilities has been made in the accounts.

59 Subsequent to outbreak of Coronavirus (COVID-19) and consequential lockdown across the country, the Company has continued to operate and provide cable services to its customers, which has been declared as an essential service, without disruptions. Based on its review and current indicators of economic slowdown, there is no significant impact on its financial results. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

60 The company elected to exercise the option permitted under section 115BBA of the Income tax Act 1961 as introduced by the Taxation Laws (Amendment) Act 2019. Accordingly, the Company has recognised Provision for Income Tax for the quarter and year ended 31st March 2020 and re-measured its Deferred Tax Assets on the basis of the rate prescribed in the said section. The full impact of this change has been recognised in the statement of Profit and Loss for the quarter and year ended Mar'20.

61 Exceptional Item includes:

` in Lakhs

Particulars	As on 31 <sup>st</sup> March 2020	As on 31 <sup>st</sup> March 2019
Provision for Expected Credit Loss	1963	0

In view of the New Regulatory Framework for Broadcasting & Cable services notified by Telecom Regulatory Authority of India (TRAI), which has come into effect during the year ended March 31,2019 resulting into changes in pricing mechanism & arrangements amongst the Company, LCO & Broadcasters the Management, based on review, has provided for impairment of trade receivables. These adjustments, having one- time, non routine material impact on financial statements, hence been disclosed as "Exceptional Item in Financial Results".

**62 Movement of Provision (in Lakhs)**

Particulars	Provision for Churn STB	
	Non Current	Current
Balance as at 31 March 2019	130	-
Additions *	23	-
Balance as at 31 March 2020	154	-

\* Included under Other Expenses in the statement of Profit and Loss.

**INDIAN CABLE NET COMPANY LIMITED****Notes to financial statements for the year ended 31<sup>st</sup> Mar 2020****63 Information under section 186 (4) of the Companies Act 2013**

There are no investments or loan given or guarantee provided or security given by the Company other than the investments stated under **Note 7** in these standalone financial statements, which have been made predominantly for the purpose of business.

**64 Assets hypothecated / pledged as security**

The carrying amounts of assets hypothecated / pledged as security for current and non-current borrowings are :

<b>Particulars</b>	<b>Refer Note No.</b>	<b>As at 31<sup>st</sup> March, 2020</b>	<b>As at 31<sup>st</sup> March, 2019</b>
<b><u>Current</u></b>			
<b>Financial assets</b>		<b>7,177</b>	<b>9,851</b>
Trade Receivables	11	7,177	9,851
<b>Non-financial assets</b>		<b>77</b>	<b>102</b>
Inventories	10	77	102
Total current assets pledged as security		<b>7,254</b>	<b>9,954</b>
<b><u>Non-current</u></b>			
Property Plant & Equipment	5	35,114	38,726
Investment Property	7	6,607	6,585
Other Non Current Financial Assets	8	154	151
Total non-currents assets pledged as security		<b>41,875</b>	<b>45,462</b>
Total assets pledged as security		<b>49,130</b>	<b>55,416</b>

## INDIAN CABLE NET COMPANY LIMITED

### Notes to financial statements for the year ended 31<sup>st</sup> Mar 2020

#### 65 Related Party Disclosure

List of parties where control Exists

##### a. Holding Company

- Siti Networks Limited

##### b. Fellow Subsidiary Companies

- Central Bombay Cable Network Limited
- Master Channel Community Network Private Limited
- Sit Networks India LLP
- Siti Broadband Services Private Limited
- Siti Faction Digital Private Limited
- Siti Global Private Limited
- Siti Guntur Digital Network Private Limited
- Siti Jai Maa Durgee Communications Private Limited
- Siti Jind Digital Media Communications Private Limited
- Siti Jony Digital Cable Network Private Limited
- Siti Krishna Digital Media Private Limited
- Siti Prime Uttaranchal Communication Private Limited
- Siti Sagar Digital Cable Network Private Limited
- Siti Saistar Digital Media Private Limited
- Siti Siri Digital Network Private Limited
- Siti Vision Digital Media Private Limited
- Siticable Broadband South Limited
- Variety Entertainment Private Limited
- Wire & Wireless Tisai Satellite Private Limited
- Siti Godaari Digital Services Private Limited
- Siti Kranal Digital Media Network Private Limited

##### c. Fellow Joint Ventures

##### d. Subsidiary Company -

- Siti Maurya Cable Net Private Limited
- Indinet Service Private Limited

##### e. Entities with Common Control

- Siti Darshan Cable Net Co. Private Limited
- Siti Royal Heritage Communications Private Limited
- Siti Singbhum Cable Net Company Private Limited

##### f. Entities in which Directors Interested

- Calcutta Communication LLP
- Purvi Communications LLP
- Victor Mediia Private Limited
- Smart Vinimay Private Limited
- Statt Solution Private Limited
- Gurukripa Comlink Private Limited
- Haridwar Traders Private Limited
- Maxpro Tracon Private Limited
- Kolkata Media Services Private Limited
- Victor Distributors
- SRD Properties Pvt. Ltd.
- Hi Tech Film and Broadcast Academy
- Victor Electro Services
- Axom Communications & Cable Private Limited
- Kolkata Entertainment Services LLP
- Smart Cable & Broadband Services

##### g. Director/Key Managerial Personnel

- |                                      |  |
|--------------------------------------|--|
| • Mr. Vikash Bajaj                   | Director (till 6th Aug 2019)                         |
| • Mr. Himanshu Mody                  | Director (till 29th Nov 2019)                        |
| • Mr. Suresh Kumar Sethiya           | Whole Time Director (w.e.f 1 <sup>st</sup> Sep 2019) |
| • Mr. Surendra Kumar Agarwala        | Whole Time Director (w.e.f 1 <sup>st</sup> Sep 2019) |
| • Mr. Sureshkumar Phoolchand Agarwal | Independent Director                                 |
| • Mr. Mukund Venkatesh Galgali       | Director   |
| • Mr. Kavita Anand Kapahi            | Independent Director                                 |

**INDIAN CABLE NET COMPANY LIMITED**
**Notes to financial statements for the year ended 31<sup>st</sup> Mar 2020**

- Mr. Atul Kumar Singh
- Mr. Laxman Singh Kaira

Chief Financial Officer (w.e.f 1st Sep 2019)  
Company Secretary

**Transactions with related parties.**

( ) in Lakhs

Particulars	Siti Network Limited		Siti Darshan Cable Net Co. (P) Ltd.		Siti Royal Heritage Communications Private Limited	
	FY 19-20	FY 18-19	FY 19-20	FY 18-19	FY 19-20	FY 18-19
Expenses paid on behalf of			140	125	0	0
Payment for purchase of material and services	1,256	15,345	321	2		
Purchase of Fixed Asset	(59)					
Purchase of material & Services	(2,202)	(4,580)	(490)	(114)		
Expenses Reimbursed to				-		
Sales of service and materials	1,672	1,823		-		
Sale of Fixed assets	37			-		
Payment received for sales of services/other recoveries	(689)	(30)		-		
Advances refunded to/ given	(1)		1			
Liabilities Taken over by	(255)					
<b>Outstanding at the end of year</b>	<b>784</b>	<b>1,025</b>	<b>212</b>	<b>240</b>	<b>11</b>	<b>10</b>

**Transactions with related parties.**

( ) in Lakhs

Particulars	Calcutta Communication LLP		Purvi Communications LLP		Siti Vision Digital Media Pvt Ltd	
	FY 19-20	FY 18-19	FY 19-20	FY 18-19	FY 19-20	FY 18-19
Balance Written off			0.40			
<b>Outstanding at the end of year</b>	<b>93</b>	<b>93</b>	<b>(0)</b>	<b>(0)</b>	<b>20</b>	<b>20</b>

**Transactions with related parties.**

( ) in Lakhs

Particulars	Smart Vinimay Private limited		Siti Maurya Cable Net Pvt. Ltd.		Siti Singhbhum Cable Net Co. (P) Ltd.	
	FY 19-20	FY 18-19	FY 19-20	FY 18-19	FY 19-20	FY 18-19
Expense paid by				31		
Expenses paid on behalf of			29		0	0
Payment for purchase of material and services	8	3		3		
Purchase of material & Services	(8)	(2)		(73)		
Expenses Reimbursed to						
Sales of service and materials	60	39	683	939		
Expenses Reimbursed by			(23)	(2)		
Payment received for sales of services/other recoveries	(59)	(35)	(1,250)	(1,493)		

**INDIAN CABLE NET COMPANY LIMITED**
**Notes to financial statements for the year ended 31<sup>st</sup> Mar 2020**

Liabilities Taken Over from	(1)			1		
<b>Outstanding at the end of year</b>	<b>15</b>	<b>14</b>	<b>726</b>	<b>1,289</b>	<b>2</b>	<b>2</b>

**Transactions with related parties.**

(₹) in Lakhs

Particulars	Indinet Service Pvt Ltd		Victor Distributers		Hi Tech Film and Broadcast Academy	
	FY 19-20	FY 18-19	FY 19-20	FY 18-19	FY 19-20	FY 18-19
Expenses paid on behalf of	949	895				
Payment for purchase of material and services					161	142
Purchase of material & Services					(175)	(130)
Sales of service and materials	1,430	922				
Payment received for sales of services/other recoveries	(2,684)	(2,068)		(3)		
Liabilities Taken over		(1)				
Security Deposit Received	250	850				
<b>Outstanding at the end of year</b>	<b>13</b>	<b>67</b>	<b>9</b>	<b>9</b>	<b>(25)</b>	<b>(11)</b>

**Transactions with related parties.**

(₹) in Lakhs

Particulars	SRD Properties Pvt. Ltd.		Maxpro Tracon Pvt Ltd		Siti Broadband Services Pvt Ltd	
	FY 19-20	FY 18-19	FY 19-20	FY 18-19	FY 19-20	FY 18-19
Payment for purchase of material and services	1.68		2.37		667.71	
Purchase of material & Services	(1.68)		(2.29)			
Sales of service and materials			25	15		-
Payment received for sales of services/other recoveries			(24)	(16)		-
Baddebt Written off			(0)			
<b>Outstanding at the end of year</b>	<b>(0.00)</b>	<b>-</b>	<b>2</b>	<b>1</b>	<b>(0)</b>	<b>(668)</b>

Particulars	Guru Kripa Complink Private Limited	
	FY 19-20	FY 18-19
Opening Balance		
Sales of service and materials	0	
<b>Outstanding at the end of year</b>	<b>0</b>	

INDIAN CABLE NET COMPANY LIMITED

Notes to financial statements for the year ended 31<sup>st</sup> Mar 2020

Transactions with related parties.

( ) in Lakhs

Particulars	Axom Communications & Cable Pvt. Ltd.		Victor Media Private Limited		Kolkata Media Service Private Limited	
	FY 19-20	FY 18-19	FY 19-20	FY 18-19	FY 19-20	FY 18-19
Expenses paid on behalf of	0					
Payment for purchase of material and services			31	46	1	
Purchase of material & Services			(22)	(53)	(1)	
Sales of service and materials	147	685		-	6	27
Payment received for sales of services/other recoveries	(386)	(831)		-	(7)	(28)
Baddebt Written off					(1)	
Assets Taken over					0	
<b>Outstanding at the end of year</b>	<b>438</b>	<b>677</b>	<b>5</b>	<b>(5)</b>	<b>1</b>	<b>3</b>

Transactions with related parties.

( ) in Lakhs

Particulars	Kolkata Entertainment Services LLP		Smart Cable & Broadband Services		Victor Electro Services	
	FY 19-20	FY 18-19	FY 19-20	FY 18-19	FY 19-20	FY 18-19
Opening Balance	8		3		(0)	
Payment for purchase of material and services	13		3		7	
Purchase of material & Services	(13)		(3)		(7)	
Sales of service and materials	56		36			
Payment received for sales of services/other recoveries	(55)		(36)			

**INDIAN CABLE NET COMPANY LIMITED****Notes to financial statements for the year ended 31<sup>st</sup> Mar 2020**

Assets Taken over by	(1)		0			
<b>Outstanding at the end of year</b>	<b>8</b>		<b>2</b>		<b>-</b>	

**Note:** The Above information has been determined to the extent such parties have been identified on the basis of information available with the company and relied upon by the auditors.

**h. Remuneration to KMP****( ) in Lakhs**

	<b>FY 19-20</b>	<b>FY 18-19</b>
Surendra Kumar Agarwala	77	-
Suresh Kumar Sethiya	77	-
Atul Kumar Singh *	49	-
<b>Total Remuneration</b>	<b>204</b>	<b>-</b>

\* Remuneration to Atul Kumar Singh C.F.O represents the full year figure including for the period prior to his appointment as KMP.

66 The Financial statements have been reviewed by the Audit Committee and approved by the board of directors in their meeting held on 27.06.2020.

67 Previous year's figures have been regrouped and/or rearranged wherever necessary to make them comparable with the current years figures.

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

For A.K. Bhalotia & Co.  
Chartered Accountants  
(Firm Registration No. - 329475E)

**For Indian Cable Net Co Ltd**  
(U92132WB1995PLC075754)

A.K Bhalotia  
Proprietor  
Membership No.-065860

Place - Kolkata  
Date - 27.06.2020

Sd/-  
Surendra Kumar Agarwala  
Director  
DIN-00569816

Sd/-  
Suresh Kumar Sethiya  
Director  
DIN-00349098

Sd/-  
Laxman Singh Kaira  
Company Secretary

Sd/-  
Atul Kumar Singh  
C. F. O



**INDIAN CABLE NET COMPANY LIMITED**

Note No: 39

` in Lakhs

<b>OTHER COMPREHENSIVE INCOME</b>	<b>Year Ended 31 March 2020</b>	<b>Year Ended 31 March 2019</b>
A (i) Items that will not be reclassified to Profit or Loss		
<b>Remeasurements of the net defined benefit plans as under</b>		
Remeasurement of employee benefit obligations	(61)	(11)
(ii) Income Tax relating to items that will not be reclassified to (profit) or loss	15	4
B (i) Items that will be reclassified to profit or loss	-	-
(ii) Income Tax relating to items that will be reclassified to profit or loss	-	-
	<b>(46)</b>	<b>(7)</b>



## **Independent Auditor's Report**

**To the Members of Indian Cable Net Company Limited**

**Report on the Audit of the Consolidated Financial Statements**

### **Qualified Opinion**

1. We have audited the accompanying consolidated financial statements of Indian Cable Net Company Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2020, and its consolidated loss (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

### **Basis for Qualified Opinion**

3. The Group's 'Revenue from Operations' include broadcasters' share in subscription income from pay channels, which has correspondingly been presented as an expense which is not in accordance with the requirements of Ind AS-115, 'Revenue from contract with customers'. Had the Management disclosed the same on net basis, the 'Revenue from Operations' and the 'Pay Channel, carriage sharing and related cost' each would have been lower by ₹ 20927 Lakhs for the year ended 31st March 2020 and the loss would have remained the same as currently reported.
4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion.

### **Key Audit Matters**

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





6. In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>Provisioning for Expected Credit Loss ('ECL')</b></p> <p>Trade receivables comprise a significant portion of the current financial assets of the Group. As at March 31, 2020 trade receivables aggregate ₹ 8444 Lakhs (net of provision for expected credit losses of ₹ 4977 Lakhs).</p> <p>In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.</p> <p>Since the Group has revenue streams which are dissimilar, the management has identified different classes of trade receivables basis the customer profile and nature of service provided or item sold. The management regularly assesses each class of trade receivables for recoverability. Provision for ECL is created by the management considering the recovery trends noted for the respective class, adjusted for forward looking estimates. Additional provision is created for the receivables specifically identified as doubtful or non-recoverable.</p> <p>Estimation of the rates at which provision for ECL is to be created for each revenue stream, involve significant degree of judgment and estimate and is therefore considered a key audit matter.</p>	<p>We have performed the following procedures for assessment of sufficiency of the provisioning for ECL:</p> <ul style="list-style-type: none"><li>• Obtained the aging of trade receivables and discussed the key receivable balances, considering if any correspondence is available to establish the management's assessment of recoverability of such dues.</li><li>• Analysis of the methodology used to determine the provision amount for the current year.</li><li>• Assessing key ratios which include collection periods and days outstanding.</li><li>• Tested subsequent settlement of trade receivables after the balance sheet date on a sample basis,</li></ul>
<p><b>Evaluation of uncertain tax positions</b></p> <p>The Group has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p><i>Refer Note 44 to the Consolidated Financial Statements</i></p>	<p>We obtained details of completed tax assessments and demands for the year ended March 31, 2020 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2019 to evaluate whether any change was required to management's position on these uncertainties.</p>





### **Information other than the Consolidated Financial Statements and Auditor's Report thereon**

7. The Holding Company's Board of Directors is responsible for the other information. Other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

### **Responsibilities of Management for the Consolidated Financial Statements**

8. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors/management of the companies included in the Group and its associates and joint ventures are responsible for 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
9. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. The respective Board of Directors of the companies in the group are also responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.





12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the holding company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





#### Other Matter

16. We did not audit the financial statements of Two subsidiaries, whose financial statements reflect total assets of ₹ 7859 Lakhs and net assets of ₹ 2089 Lakhs as at 31 March 2020, total revenues of ₹ 12892 Lakhs and net cash inflows amounting to ₹ 22 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associates and joint ventures, is based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

#### Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 16, on separate financial statements of the subsidiaries, we report that the Holding Company, and its subsidiary companies covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
18. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:
- a) we have sought and except for the effect of the matter described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) except for the effect of the matter described in the Basis for Qualified Opinion section, in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
  - e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies covered under the Act, none of the directors of the Group companies are disqualified as on 31 March 2020 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 Holding Company, and its subsidiary companies, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I';





**A. K. BHALOTIA & CO.**  
CHARTERED ACCOUNTANTS

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- 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 44 to the consolidated financial statements.;
  - ii. The Holding Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies covered under the Act, during the year ended 31 March 2020;
  - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For A. K. Bhalotia & Co.  
Chartered Accountants  
Firm's Registration No.: 329475E

*Ashish Bhalotia*

(A. K. Bhalotia)  
Proprietor

Membership No.: 065860  
UDIN: 20065860AAAAAU4907



Place: Kolkata

Date: 27/06/2020



**Independent Auditor's Report on Consolidated Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To the Board of Directors of Indian Cable Net Company Limited**

1. We have audited the accompanying consolidated annual financial results ('the Statement') of Indian Cable Net Company Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), for the quarter and year ended 31 March 2020, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate audited financial results of the subsidiaries, as referred to in paragraph 13 below, the Statement:

(i) includes the annual financial results of the following entities :

S.No.	Name of the Entities
	<b>Subsidiaries</b>
1	Siti Maurya Cable Net Private Limited
2	Indinet Service Private Limited

- (ii) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, read with SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 (hereinafter referred to as 'the SEBI Circular'), except for the effects of the matter described in paragraph 3 below}; and
- (iii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued there under, and other accounting principles generally accepted in India, of the consolidated net loss after tax and other comprehensive income and other financial information of the Group, for the quarter and year ended 31 March 2020 except for the effects of the matters described in paragraph 3 below.

**Basis for Qualified Opinion**

3. The Group's 'Revenue from Operations' include broadcasters' share in subscription income from pay channels, which has correspondingly been presented as an expense which is not in accordance with the requirements of Ind AS-115, 'Revenue from contract with customers'. Had the Management disclosed the same on net basis, the 'Revenue from Operations' and the 'Pay Channel, carriage sharing and related cost' each would have been lower by ₹ 5456 Lakhs and ₹ 20927 Lakhs for the quarter and year ended 31st March 2020 respectively and the loss would have remained the same as currently reported.
4. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Group, its associates and joint ventures, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion.

**Management's Responsibilities for the Statement**

5. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual







financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit or loss after tax and other comprehensive income, and other financial information of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under section 133 of the Act, read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations, including SEBI Circular. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. Further, in terms of the provisions of the Act, the respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, 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 results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

6. In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
7. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the companies included in the Group.

#### **Auditor's Responsibilities for the Audit of the Statement**

8. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error, and are considered material if, individually, or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
9. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or





**A. K. BHALOTIA & CO.**  
CHARTERED ACCOUNTANTS

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Suit No. 16, Kolkata - 700 001

Ph. : (O) 40052475, Mobile : 9831499465  
E-mail : caashishbhalotia@yahoo.co.in

- Conditions that may cast significant doubt on the ability of the Group, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial results/ financial information/ financial statements of the entities within the Group, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
10. We communicate with those charged with governance of the Holding Company, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

**Other Matter(s)**

13. We did not audit the annual financial statements/ financial information/ financial results of 2 subsidiaries included in the Statement, whose financial information reflects total assets of ₹ 7859 Lakhs as at 31 March 2020, total revenues of ₹ 12892 Lakhs, total net loss after tax of ₹ 74 Lakhs, total comprehensive (loss) of ₹ (76) Lakhs, and cash flows (net) of ₹ 22 Lakhs for the year ended on that date, as considered in the Statement. These annual financial statements/ financial information/ financial results have been audited by other auditors and whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the audit reports of such other auditors, and the procedures performed by us as stated herein above.

Our opinion is not modified in respect of these matters.

14. The Statement includes the consolidated financial results for the quarter ended 31 March 2020, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.

**For A. K. Bhalotia & Co.**  
Chartered Accountants  
Firm's Registration No.: 329475E

*Ashish Bhalotia*  
(A. K. Bhalotia)  
Proprietor

Membership No.: 065860  
UDIN: 20065860AAAAAV3073



Place: Kolkata

Date: 27/06/2020

**INDIAN CABLE NET COMPANY LIMITED**  
**Consolidated Balance Sheet as at March 31, 2020**

	Notes	March 31, 2020	(C) in Lakhs March 31, 2019
<b>A. Assets</b>			
<b>1. Non-current assets</b>			
(a) Property, plant and equipment	4	38,600	42,750
(b) Capital work-in-progress	4	1,790	4,019
(c) Investment Property	5	6,607	6,585
(d) Goodwill	6	2,107	2,107
(e) Other intangible assets	6	7,249	9,276
(f) Financial assets			
(i) Investments	7	1,058	988
(i) Other Financial Assets	8	573	349
(g) Other non-current assets	9	406	260
<b>Sub-total of Non-current assets</b>		<b>58,389</b>	<b>66,334</b>
<b>2. Current assets</b>			
(a) Inventories	10	88	109
(b) Financial assets			
(i) Trade receivables	11	8,444	11,482
(ii) Cash and cash equivalents	12	11,901	1,741
(iii) Bank Balances other (ii) above	13	0	254
(iv) Loans	14	81	149
(v) Other Financial Assets	15	510	1,143
(c) Current tax assets	16	990	713
(d) Other current assets	17	1,925	6,844
<b>Sub-total of Current assets</b>		<b>23,940</b>	<b>22,434</b>
<b>Total assets</b>		<b>82,329</b>	<b>88,768</b>
<b>B. Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	18	8,640	8,640
(b) Other equity	19	33,905	34,737
(c) Non-controlling interests		1,323	1,415
<b>Sub-total - Equity</b>		<b>43,868</b>	<b>44,792</b>
<b>Liabilities</b>			
<b>1. Non-current liabilities</b>			
(a) Financial liabilities			
(i) Long-term borrowings	20	14,584	18,756
(ii) Other financial liabilities	21	342	561
(b) Provisions	22	419	308
(c) Deferred tax liability (net)	23	498	1,768
(d) Other non-current liabilities	24	392	400
<b>Sub-total - Non-current liabilities</b>		<b>16,235</b>	<b>21,793</b>
<b>2. Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	25	66	883
(ii) Trade payables	26		
Outstanding dues of creditors for micro enterprises and small enterprises		94	-
Outstanding dues of creditors- others		13,084	11,592
(iii) Other financial liabilities	27	5,727	7,319
(b) Other current liabilities	28	3,237	2,376
(c) Provisions	29	18	14
<b>Sub-total of current liabilities</b>		<b>22,226</b>	<b>22,183</b>
<b>Total equity and liabilities</b>		<b>82,329</b>	<b>88,768</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. Bhalotia & Co.  
Chartered Accountants  
(Firm Registration No. - 329475E)

**For Indian Cable Net Co Ltd**  
(U92132WB1995PLC075754)

A.K Bhalotia  
Proprietor  
Membership No.-065860

**Sd/-**  
Surendra Kumar Agarwala  
Director  
DIN-00569816

**Sd/-**  
Suresh Kumar Sethiya  
Director  
DIN-00349098

Place - Kolkata  
Date - 27.06.2020

**Sd/-**  
Laxman Singh Kaira  
Company Secretary

**Sd/-**  
Atul Kumar Singh  
CFO

**INDIAN CABLE NET COMPANY LIMITED**  
**Consolidated Statement of Profit and Loss for the period ended March 31, 2020**

(₹) in Lakhs

	Notes	March 31, 2020	March 31, 2019
<b>I Revenue</b>			
Revenue from operations	30	54,004	49,136
Other income	31	1,100	1,294
<b>Total revenue</b>		<b>55,104</b>	<b>50,430</b>
<b>II Expenses</b>			
Cost of materials consumed	32	28	117
Cost/Purchase of Goods Sold	33	1,007	1,094
Carriage sharing, pay channel and related costs	34	34,355	27,129
Employee benefits expense	35	2,092	1,859
Finance costs	36	2,145	1,381
Depreciation and amortisation expenses	37	9,230	10,122
Other expenses	38	5,903	6,458
<b>Total expenses</b>		<b>54,761</b>	<b>48,161</b>
<b>III Profit/(Loss) before exceptional items</b>		<b>344</b>	<b>2,269</b>
Exceptional items		2,263	
<b>IV Profit/(Loss) before tax</b>		<b>(1,919)</b>	<b>2,269</b>
<b>Tax Expenses</b>		<b>(1,042)</b>	<b>1,026</b>
<b>(a) Current Tax</b>			
For Current Year		226	1,173
For Earlier Year		2	183
<b>(b) Deferred Tax</b>		(1,270)	(329)
<b>V Profit/(Loss) for the year</b>		<b>(877)</b>	<b>1,242</b>
<b>Other Comprehensive Income</b>	39	(48)	(7)
<b>VI Total Comprehensive Income for the year</b>		<b>(925)</b>	<b>1,235</b>
<b>VII Profit attributable to :</b>			
<b>Owners of the Company</b>		(786)	528
<b>Non Controlling Interest</b>		(91)	715
<b>Other Comprehensive Income attributable to:</b>			
<b>Owners of the Company</b>		(47)	(7)
<b>Non Controlling Interest</b>		(1)	0
<b>VIII Profit/(Loss) to Equity Share Holders</b>		<b>(925)</b>	<b>1,235</b>
Earnings Per Share	40		
Basic		(0.91)	0.60
Diluted		(0.91)	0.60
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. Bhalotia & Co.  
Chartered Accountants  
(Firm Registration No. - 329475E)

**For Indian Cable Net Co Ltd**  
**(U92132WB1995PLC075754)**

A.K Bhalotia  
Proprietor  
Membership No.-065860

**Sd/-**  
Surendra Kumar Agarwala  
Director  
DIN-00569816

**Sd/-**  
Suresh Kumar Sethiya  
Director  
DIN-00349098

Place - Kolkata  
Date - 27.06.2020

**Sd/-**  
Laxman Singh Kaira  
Company Secretary

**Sd/-**  
Atul Kumar Singh  
CFO

**INDIAN CABLE NET COMPANY LIMITED**

**Consolidated Cash Flow Statement for year ended 31<sup>st</sup> March 2020**

PARTICULARS	(`) in Lakhs	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
<b>A. Cash Flow from Operating Activities:</b>		
<b>Net Profit before taxation, exceptional item &amp; prior period items</b>	<b>344</b>	<b>2,269</b>
Adjustment for :-		
Depreciation	9,230	9,399
Loss on sale/disposal/decapitalisation of Fixed Assets	17	58
Loss /(Profit) on sale of Investments	(259)	(5)
Bad Debts written off (Net of Provisions)	61	73
Provision for Retirement Benefit	29	36
Provision for STBs Churn	23	49
Impact of Derecognition of Axom Communication and Cable Pvt Ltd		(911)
Liability no longer required written back ( Net )	(234)	(291)
Gain on Forex Forward Contract	-	-
Provision for Expected for Credit Loss -	955	1,193
Unrealised Foreign Exchange Gain/Loss	(70)	(98)
Interest Paid & Borrowing cost	2,145	1,381
Interest on Fixed Deposit/ IT Refund / Others	(113)	(83)
<b>Operating profit before working capital changes</b>	<b>12,126</b>	<b>13,069</b>
<b>Change in working capital</b>		
Increase/(Decrease) in Trade payables	1,820	(892)
Increase/(Decrease) in other current liabilities	861	192
Increase/(Decrease) in other non current liabilities	(8)	125
Increase/(Decrease) in other current financial liabilities	(2,668)	(5,306)
Increase/(Decrease) in other non current financial liabilities	(269)	(1,002)
Decrease/ ( Increase) in Trade receivable	2,022	(1,332)
Decrease/ ( Increase) in Inventories	20	2,349
Decrease/(Increase) in current advances	68	(100)
Decrease/ ( Increase) in long-term loans and advances given		(0)
Decrease/ ( Increase) in short-term loans and advances given		29
Decrease/(Increase) in Other Non Current Financial Assets	(224)	(30)
Decrease/(Increase) in Other Current Financial Assets	632	(764)
Decrease/ ( Increase) in other current assets	(198)	188
Decrease/ ( Increase) in other non- current assets	(406)	-
Decrease/(Increase) Fair Value adjustments of Investment	(70)	(336)
<b>Cash Generation from Operating Activities before exceptional item</b>	<b>13,707</b>	<b>6,189</b>
Exceptional Item	(2,263)	-
<b>Cash Generation from Operating Activities after exceptional item</b>	<b>11,444</b>	<b>6,189</b>
Income Tax Paid ( including TDS)	(488)	(536)
<b>Net Cash Generation from operating Activities</b>	<b>10,956</b>	<b>5,652</b>
<b>B. Cashflow From Investing Activities:</b>		
Purchase of Fixed Assets/ CWIP	(727)	(12,396)
Realisation of capital advance given	5,377	
Sale of Fixed Assets/Decapitalisation	37	83
Investment in Mutual Fund	(18,300)	(1,301)
Sale of Mutual Fund	18,560	1,306
Interest	113	169
Investment in FD/Term Deposit	254	2,638
Impact of Cession Opening Cash & Cash Equivalent on date cession of Subsidiary		(315)
<b>Net Cash deployed in Investing Activities</b>	<b>5,314</b>	<b>(9,815)</b>
<b>C- Cashflow From Financing Activities:</b>		
Interest Paid on Borrowings	(2,145)	(1,381)
Borrowings Taken / (Repayment) net of repayments **	(3,914)	2,877
Redemption of Preference Share Capital	-	(15)

**INDIAN CABLE NET COMPANY LIMITED**

**Consolidated Cash Flow Statement for year ended 31<sup>st</sup> March 2020**

PARTICULARS	(`) in Lakhs	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Principal Repayment of lease liability	(50)	-
<b>Net Cash Generation from Financing Activities</b>	<b>(6,109)</b>	<b>1,480</b>
<b>Net Increase/(decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>10,161</b>	<b>(2,683)</b>
<b>Cash &amp; Cash Equivalent at the beginning of the year</b>	<b>1,741</b>	<b>4,423</b>
<b>Cash &amp; Cash Equivalent at the end of the year</b>	<b>11,901</b>	<b>1,741</b>
<b>Cash &amp; Cash Equivalent include</b>	<b>As on 31<sup>st</sup> March 20</b>	<b>As on 31<sup>st</sup> March 19</b>
Cash Balance	5,187	1,662
Bank Balance	4,060	79
Deposits - Free Maturity within 3 months	2,654	-
<b>Cash &amp; Cash Equivalent Reported</b>	<b>11,901</b>	<b>1,741</b>

Notes: Previous years' figures are regrouped wherever necessary.

Cash Flow Statement referred in our report of even date.

Particulars	As at	Non cash changes			As at
	31 March 2019	Cash flows (Net)	The effect of changes in foreign exchange rates;	other changes	31 March 2020
Borrowings - Non current*	22,048	(3,097)			18,951
Borrowings - Current	716	(716)			-

\* Including Other Financial Liabilities:

Current maturities of long-term borrowings	3,249	4,200
Current maturities of finance lease obligations	2	1
Interest accrued and not due on borrowings	42	165

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Membership No.-065860

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**Sd/-**  
Laxman Singh Kaira  
Company Secretary

**Sd/-**  
Atul Kumar Singh  
CFO

# INDIAN CABLE NET COMPANY LIMITED

## Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2020

### 1 Corporate Information

Indian Cable Net Company Limited ( hereinafter referred to as "the company" or "ICNCL" or the "the Holding Company" or " the Parent Company" ) together with its Subsidiaries Indinet Service Private Limited and Siti Maurya Cable Net Private Limited collectively referred to as a "the Group" are engaged in distribution of television channels through digital cable distribution network, primary internet (Broadband) and allied services. The company is an Unlisted Public Limited Company incorporated and domiciled in India and has a registered office at Kolkata in the state of West Bengal, India.

### 2 Basis of Preparation

#### (a) Statement of Compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS ) as prescribed by Ministry of Corporate Affairs pursuant to 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 as amended from time to time.

#### (b) Principles of Consolidation

The consolidated financial statements include the financial statements of the Holding Company, its subsidiaries and associate ( collectively referred to as "The Group").

In preparing the consolidated financial statements, financial statements of the Holding Company, its subsidiaries have been combined on a line by line basis by adding the book values of the like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and unrealised profits in full. The amount shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the Parent Company and its share in the post acquisition increase in the relevant reserves of the consolidated entities.

The excess/deficit of cost to the Parent Company of its investment over its portion of net worth in the consolidated entities at the respective dates on which the investment in such entities was made is recognised in the financial statements as goodwill/capital reserve. The Parent Company's portion of net worth in such entities is determined on the basis of book value of assets and liabilities as per the financial statements of the entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant changes.

Uncontrolling Interest in subsidiaries represents the minority shareholders proportionate share of the net assets and net income.

Uncontrolling interest in net profit of consolidated subsidiaries for year has been identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the company. Their share of net assets has been identified and presented in the consolidated balance sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same have been attributed to the shareholder of the Holding Company.

#### (c) Basis of Measurement

The financial statements have been prepared on historical cost basis, except for following :

- a) Financial assets and liabilities (including derivative instruments) that is measured at Fair value/ Amortised cost;
- b) Non-current assets held for sale – measured at the lower of the carrying amounts and fair value less cost to sell;
- c) Defined benefit plans – plan assets measured at fair value;

#### (d) Functional and Presentation Currency

The Financial Statements have been presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in INR has been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated.

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 /deemed 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.

**(ii) Intangible Asset:** Network Assets, Software and VC Cards 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.

**(iii) Revenue Recognition:** The carriage, Marketing and Placement income is recognised in the Statement of Profit and Loss on the basis of contract with the broadcasters. Since this is a continuing service , therefore in few cases the Income is recognised following the trend of past basis in the absence of agreement pending renewal.

#### (iv) Claims, Provisions and Contingent Liabilities

# INDIAN CABLE NET COMPANY LIMITED

## Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2020

The Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

### (v) Uncertainties relating to the global health pandemic from COVID-19:

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and investment in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

## (b) Property, Plant and Equipment

### (i) Recognition and Measurement

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 cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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.

Set top boxes are treated as part of Capital Work In Progress till at the end of the month of activation, after which the same are depreciated.

### (ii) 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. The details of estimated life for each category of asset are as follows:

<u>Asset</u>	<u>Estimated useful life based on SLM</u>
Buildings	60 years
Computers and Data Processing Equipment	3 years
Plant and Machinery	8/ 15 years
Set Top Boxes	8 years
Furniture and Fixtures	10 years
Vehicles	8 years
Studio Equipments	13 years
Office Equipments	5 years
Softwares which are an integral part of Property, Plant and Equipment	6 years

### (iii) Disposal of Assets

An item of property, plant and equipment is derecognized 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 determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

### (iv) Reclassification to Investment Property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.



# INDIAN CABLE NET COMPANY LIMITED

## Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2020

### (c) Intangible Assets

#### Goodwill

Goodwill acquired on business combination is impaired as per Ind AS

#### Other Intangible Asset

Other 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>
Network Assets	10 years
Software and VC Cards	6 years

### (d) Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The management believes a period of 60 years as representing the best estimate of the period over which investment properties (which are quite similar) are expected to be used. Accordingly, the Company depreciates investment properties over a period of 60 years on a straight-line basis.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from the use and no future economic benefit is expected from their disposal. The net difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The company has obtained valuation report for the Fair Valuation of Investment Property.

### (e) Investment in equity instruments

The company measures its equity investments other than in subsidiary, associates and joint ventures at fair value through Profit and Loss account.

### (f) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of the carrying amount and the fair value less cost to sell.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Non-current assets (or disposal group) classified as held for sale are presented separately in the balance sheet. Any profit or loss arising from the sale or remeasurement of discontinued operations is presented as part of a single line item in statement of profit and loss.

### (g) Impairment of Assets

#### (i) Financial Assets

For the purpose of computation of expected credit loss, the group 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 group does not have any historical provision) and provision for doubtful debtors created against those sales. Further, the group has analysed expected credit loss separately for carriage revenue customer and other than carriage revenue customer primarily because the characteristics and historical losses trend was different in these two streams.

#### (ii) Non-Financial 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 (Indian Accounting Standard) rules, as amended from time to time, 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.

# INDIAN CABLE NET COMPANY LIMITED

## Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2020

### (h) 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.

#### *Where the Company is a lessee*

The Company's lease asset classes primarily consist of leases for premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset, (2) the Company has right to receive substantial economic benefits from use of the asset throughout the period of the lease and (3) the Company has the right to direct the use of the asset throughout the period of use. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised. ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

### (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 group considers it realizable and financial benefit of the same shall flow to the group.

#### (j)(i) Subscription Income from Cable Service

Subscription Income from Cable Service (net of applicable taxes and duties) are recognized on accrual basis from the date of commencement of supply at the signal injection points(s) of the customers as per schedule of rates.

The company had adopted and implemented the Telecommunications (Broadcasting & Cable) Services (Eight Addressable Systems) Tariff Order 2017 w.e.f. 1st day of February 2019. The company has complied with the various provisions of Tariff Order regarding declaration of network capacity fees, manner of offering of channels to subscribers, migration of existing customers into new regime and performance of other regulatory compliances. The execution of agreement between the vendors and the company in compliance of the new regulations is under process.

The management is of the opinion that the impact on the financial statements is transitional in nature and believe that the implementation of Tariff Order 2017 would have positive impact on the financial statement of future years.

#### (j)(ii) Income From Activation Of Services

The Group has adopted Ind As 115 with effect from 01 April 2018 and accordingly these financial results are prepared in accordance with recognition and measurement principals laid down in Ind AS 115 "Revenue from Contracts with Customers". In pursuance of the same, Income from activation of digital cable services is recognised as revenue over the initial contract period.

#### (j)(iii) Carriage, Marketing & Placement Income

Carriage, Marketing and Placement Income is recognized on accrual basis over the terms of related agreement/ negotiations provided that there is no significant uncertainty regarding the realisable amount of consideration.

# INDIAN CABLE NET COMPANY LIMITED

## Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2020

### **(j)(iv) Other Services**

- i) Income from insertion of advertisements is recognized on accrual basis from the date(s) of insertion of advertisements based on the terms specified in the release orders.
- ii) Income from rendering technical services is recognized on accrual basis
- iii) Income from fiber leasing is recognized on accrual basis as per terms of the respective contracts.

### **(j)(v) Lease Income**

Lease income from supply of set top boxes is recognised on accrual basis as per terms of agreement of lease.  
Rental Income from Investment Property is recognised as per the respective lease agreements.

### **(j)(vi) Sales of goods**

Revenue from sale of goods is recognized when no significant uncertainties exist regarding the amount of consideration that will be derived and risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects Goods and Service Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Revenue from High sea Sales are being recognised on transfer of title of goods to the customers.

### **(k) 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. 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.

### **(l) Foreign Currency Transaction**

Transaction in foreign currency is recorded at the rate of exchange prevailing on the transaction date (s). Transaction remaining unsettled, is translated at the rate prevailing at the end of the financial year. The exchange rate difference arising there-from are adjusted in the Statement of Profit & Loss.

Effective April 01, 2018 the company has adopted Appendix B to Ind AS-21- Foreign currency transaction and advance consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in foreign currency. The effect on account of adoption of this amendment was insignificant.

### **(m) Cash Flow Hedge**

A Cash Flow Hedge is used when an entity is looking to eliminate or reduce the exposure that arises from changes in the cash flows of a financial asset or liability (or other eligible exposure) due to changes in a particular risk. The accounting of derivative instruments is made on commitment date rather than on settlement date. The Cash flow hedge is marked to market on the reporting date and the Cash flow hedge reserve is shown under Other Equity. The effective portion of Cash flow hedge is transferred to Other Comprehensive Income and the ineffective portion is transferred to Statement of Profit and Loss account.

### **(n) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **(i) Recognition and initial measurement**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. The transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Profit or Loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through Profit and Loss are immediately recognised in the Statement of Profit and Loss.

#### **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

#### **Compound Financial Instruments**

Separation of instrument into its liability and Equity component is made at the time of Initial recognition. The fair value of liability component establishes its initial carrying amount which is then deducted from the fair value of the instrument as a whole to arrive at the residual amount being recognised as the equity component. The fair value of the liability component at the initial recognition is the Present value of the contractual stream of future cash flow discounted at the market rate of Interest that would have been applied to the instrument of comparable credit quality with substantially the same cash flow.

# INDIAN CABLE NET COMPANY LIMITED

## Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2020

### (ii) Classification and subsequent measurement

#### **Financial Assets**

##### *Financial assets carried at amortised cost*

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### *Financial assets at fair value through other comprehensive income*

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### *Financial assets at fair value through profit or loss*

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

#### **Financial liabilities**

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### (iii) Derecognition of Financial Liabilities

The group derecognises financial liabilities when, and only when, the groups's obligations are discharged, cancelled or they expire.

### (iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

### (o) Retirement benefit costs

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Groups obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme. For defined benefit retirement schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognised immediately in other comprehensive income. The service cost, net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs. Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

### (p) 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.

### (q) Cash and cash equivalents

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

# INDIAN CABLE NET COMPANY LIMITED

## Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2020

### (r) Provisions and Contingent Liabilities

#### (i) General

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.

#### (ii) Contingent Liabilities

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

### (s) 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 group did not have any potentially dilutive securities in any of the periods presented.

### (t) Segment Reporting

The group is a Multi System Operator providing Cable Television Network Services, Broadband Services and Other Related services which is considered as the only reportable segment. The groups operations are based in India.

# INDIAN CABLE NET COMPANY LIMITED

Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2020

	(₹) in Lakhs	
	March 31, 2020	March 31, 2019
<b>7 Non-current investments (Trade, unquoted)</b>		
<b>Long term investments</b>		
(Valued at cost unless stated otherwise)		
<b>Investment in equity instruments</b>		
125000 Nos (PY 125000 Nos) of Equity Share of Axom Communications and Cable TV Pvt Ltd ( FV ` 10/-) #	1,058	988
	<b>1,058</b>	<b>988</b>
<b>8 Other Non Current Financial Assets</b>		
Security deposits - Unsecured, considered good	150	198
Margin money deposit (pledged) with statutory authorities	423	151
	<b>573</b>	<b>349</b>
<b>9 Others- Non Current Assets</b>		
Security deposits - Unsecured, considered good	0	
Advance to Related Parties	-	260
Balances with Statutory Authority	405	
	<b>406</b>	<b>260</b>
<b>10 Inventories</b>		
Set Top Box	-	0
Stores and spares	88	109
	<b>88</b>	<b>109</b>
<b>11 Trade receivables</b>		
Unsecured, considered good*	8,444	11,482
Unsecured, considered doubtful	4,977	3,632
	<b>13,421</b>	<b>15,115</b>
Less: Provision for Expected Credit Loss	4,977	3,632
	<b>8,444</b>	<b>11,482</b>
* Includes receivable from related parties[Refer Note 66]		
<b>12 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash in hand (Includes Cheque In Hand `5015 Lakh (CY) `11384Lakh (PY) and wallet balance/POS Balance `104 Lakh (CY) and ` 192 Lakh (PY))	5,187	1,662
In current accounts	4,060	79
In deposit account (with maturity upto three months)	2,654	-
	<b>11,901</b>	<b>1,741</b>
<b>13 Other Bank Balances</b>		
In deposit account (with maturity upto twelve months)*	0	254
	<b>0</b>	<b>254</b>
*Pledged with bank against borrowings	0	254
<b>14 Loans</b>		
<b>Unsecured, considered good</b>	-	125
Other advances	81	23
Advances to distribution companies	2	2
Less: Provision for doubtful advances	(2)	(2)
	<b>81</b>	<b>149</b>
<b>15 Other Current Financial Assets</b>		
Receivable against Redemption of Current Investment	-	263
Interest accrued and not due on fixed deposits	3	3
Unbilled revenue	507	877
	<b>510</b>	<b>1,143</b>
<b>16 Current Tax Assets\Liabilities (net)</b>		
<b>Current tax liabilities</b>		
Provision for tax	1,659	1,958
<b>Current tax assets</b>		
Advance tax	2,649	2,672
	<b>990</b>	<b>713</b>
<b>17 Other current assets</b>		
Advance to Vendors	426	5,360
Advance to Related Parties	90	90
Balances with statutory authorities	947	1,258
Prepaid Expenses	463	136
	<b>1,925</b>	<b>6,844</b>

# INDIAN CABLE NET COMPANY LIMITED

Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2020

(₹) in Lakhs

March 31, 2020    March 31, 2019

## 18 Share capital

### Authorised share capital

88,010,000 Equity Shares of ₹ 10/- each	8,786	8,786
30540 Preference Shares of ₹ 100/- each	31	31
<b>Total authorised capital</b>	<b>8,816</b>	<b>8,816</b>

### Issued share capital

8,64,01,070 Equity Shares of ₹ 10/- each (Out of above 313,10,000 Nos of equity shares of ₹ 10/- each allotted for consideration other than cash in pursuant to the scheme of amalgamation)	8,640	8,640
<b>Total issued capital</b>	<b>8,640</b>	<b>8,640</b>

### Subscribed and fully paid up capital

	8,640	8,640
<b>Total paid up capital</b>	<b>8,640</b>	<b>8,640</b>

Reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2020 and March 31, 2019 are set out below

#### (i) Equity Shares

	31-Mar-20		31-Mar-19	
	Nos	₹ in Lakhs	Nos	₹ in Lakhs
At the beginning of the period	864,01,070	8,640	864,01,070	8,640
Outstanding at the end of the year	<b>864,01,070</b>	<b>8,640</b>	<b>864,01,070</b>	<b>8,640</b>

#### (ii) Preference Share

Preference Share Capital has been redeemed during the year at par.

#### 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-20		31-Mar-19	
	Nos	₹ in Lakhs	Nos	₹ in Lakhs
<b>Equity Shares</b>				
Holding Company -Siti Cable Network Limited	518,31,000	5,183	518,31,000	5,183
Subsidiary of Holding Company- Central Bombay Cable Network Limited	30,000	3	30,000	3

#### Details of share holder holding more than 5% share as at March 31, 2020 and March 31, 2019

Name of Shareholder	Equity Shares			
	As at 31 <sup>st</sup> Mar 2020		As at 31 <sup>st</sup> March 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Siti Cable Network Limited, Holding Company	518,31,000	59.99	518,31,000	59.99
Anurag Chirimar	52,36,357	6.06	52,36,357	6.06
Sunil Nihalani	54,54,347	6.31	54,54,347	6.31
Suresh Sethiya	54,51,007	6.31	54,51,007	6.31
Tinkari Dutta	52,44,586	6.07	52,44,586	6.07
Zafar Iqbal	52,25,596	6.05	52,25,596	6.05
Surendra Kumar Agarwal	52,19,377	6.04	52,19,377	6.04

# INDIAN CABLE NET COMPANY LIMITED

Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2020

	(₹) in Lakhs	
	March 31, 2020	March 31, 2019
<b>19 Other Equity</b>		
<b>Securities premium account</b>		
Balance at the beginning of the year	18,968	18,968
Balance at the end of the year	<b>18,968</b>	<b>18,968</b>
<b>Cash Flow Hedge Reserve</b>		
Balance at the beginning of the year	-	-
Fair Value Change on Cash Flow Hedge	-	-
Reclassified to Profit and Loss Account	-	-
Balance at the end of the year	-	-
<b>Surplus/(Deficit) in the Statement of profit and loss</b>		
Balance at the beginning of the year	15,769	12,583
Add: Profit/(Loss) for the year	(786)	528
Other Comprehensive Income	(47)	(7)
Impact of Deferred Activation Income pursuant to adoption of Ind AS- 115		3,969
Change in Provision for Income Tax on Deferred Activation Income	-	(634)
Change in Provision for Deferred Tax on Deferred Activation Income	-	(145)
Change in MAT Credit Entitlement on Deferred Activation Income	-	(17)
Impact of Reversal of Premium on Redemption of Preference Shares	-	27
Fair Value adjustment of Investment on derecognition of subsidiary	-	(535)
	<b>14,937</b>	<b>15,769</b>
<b>Non-controlling interests</b>	1,323	1,415
	<b>1,323</b>	<b>1,415</b>
<b>Balance at the end of the year</b>	<b>33,905</b>	<b>34,737</b>
<b>20 Non Current Financial Liabilities</b>		
<b>Borrowings</b>		
<b>(a) Term loans from banks</b>		
<b>Term loans (Secured)</b>		1,755
Term loan from Bank of Baroda carrying interest @ 11.20% p.a. subject to change from time to time, repayable in 6 monthly installment/ 9 quarterly installments, secured by the first and exclusive equitable mortgage land and building at Plot No.- XI/4, Block- EP & GP, Sector-V, Salt Lake, Kolkata-700091, pledge of fixed deposit (upto Previous year), held in the name of the company and personal guarantee of the directors		
<b>Term loans (Secured)</b>	14,500	17,000
Term loan from Axis Bank carrying interest @ one year MCLR + 1.60 % p.a. , repayable in 10 half yearly installments, secured by the first and exclusive # equitable mortgage of land and building at Plot No.- XI/4, Block- EP & GP, Sector-V, Salt Lake, Kolkata-700091, exclusive security interest in the movable asset and entire current assets including receivable,both present and future.		
<b>Term loans</b>	84	-
Term loan from Axis Bank carrying interest @ one year MCLR + 0.90 % p.a. , repayable in five quarterly installments (starting from June'19), secured by the first and exclusive # equitable mortgage of land and building at Plot No.- XI/4, Block- EP & GP, Sector-V, Salt Lake, Kolkata-700091, exclusive security interest in the movable asset and entire current assets including receivable,both present and future.		
<b>Finance lease obligations - (Secured)</b>	-	1
(Vehicle loan from ICICI Bank Limited, secured against hypothecation of vehicle, carrying interest @ 10% per annum repayable in 60 equal monthly installments.)		
	<b>14,584</b>	<b>18,756</b>



## INDIAN CABLE NET COMPANY LIMITED

Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2020

	(₹) in Lakhs	
	March 31, 2020	March 31, 2019
<b>21 Other Non-Current financial liabilities</b>		
Lease liabilities in respect of right of use assets	50	-
Creditors for capital goods	-	87
Security Deposit	260	455
Interest free deposits from customers	32	19
	<b>342</b>	<b>561</b>
<b>22 Non-Current Provisions</b>		
<b>Provision for employee benefits</b>		
Provision for gratuity	131	77
Provision for compensated absences	134	100
Provision for Churn STB's	154	130
	<b>419</b>	<b>308</b>
<b>23 Deferred tax liability (net)</b>		
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	1,657	3,043
Other timing differences	172	
<b>Gross deferred tax liability</b>	<b>1,829</b>	<b>3,043</b>
<b>Deferred tax asset</b>		
Impact of Lease liability against Right to Use	4	
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	65	26
Provision for doubtful debts and advances	1,228	1,142
Other disallowances	34	85
Carry Forward of IT Loss	-	20
Mat Credit Entitlement	-	(0)
<b>Gross deferred tax asset</b>	<b>1,331</b>	<b>1,274</b>
<b>Net deferred tax asset/ (liabilities)</b>	<b>(498)</b>	<b>(1,768)</b>
<b>24 Other non-current liabilities</b>		
Deferred Income	140	150.28
Deferred Income - Activation	-	-
Interest free deposits from customers	252	250
	<b>392</b>	<b>400</b>
<b>25 Short-term borrowings</b>		
Overdraft from Axix Bank	-	-
Cash Credit from Bank of Baroda (Secured by first charge on entire current assets of the company, both present and future and also secured by the first and exclusive equitable mortgage land and building at Plot No. XI/4, Block- EP & GP, Sector-V, Salt Lake, Kolkata-700091, pledge of fixed deposit, held in the name of the company and personal guarantee of the directors)	-	686
Inter Corporate Deposit Unsecured From Related Parties	-	30
	66	166
	<b>66</b>	<b>883</b>
<b>26 Trade payables</b>		
Total outstanding dues of creditors of micro enterprises, small enterprises and other enterprises	94	
Total outstanding dues of creditors other than of micro enterprises, small enterprises and other enterprises	13,084	11,592
	<b>13,177</b>	<b>11,592</b>

**INDIAN CABLE NET COMPANY LIMITED**Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2020

	(₹) in Lakhs	
	March 31, 2020	March 31, 2019
<b>27 Other Current financial liabilities</b>		
Lease Liability	72	
Creditors for capital goods	1,209	3,654
Payable for Contractual Liabilities	79	25
Current maturities of long-term borrowings	4,200	3,249
Current maturities of finance lease obligations	1	2
Interest accrued but not due on borrowings	165	42
Book overdraft	0	347
	<b>5,727</b>	<b>7,319</b>
<b>28 Other Current Liabilities</b>		
Unearned Income	1923	865
Advances from customers	366	366
Deferred Income (Activation)	-	0
Payable for Contractual Liabilities	-	-
Payable for statutory liabilities	948	478
Other Advances	0	668
	<b>3,237</b>	<b>2,376</b>
<b>29 Current Provisions</b>		
<b>Provision for employee benefits</b>		
Provision for gratuity	12	8
Provision for compensated absences	7	6
	<b>18</b>	<b>14</b>

# INDIAN CABLE NET COMPANY LIMITED

## Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2020

### 30 Revenue from operations

	(₹) in Lakhs	
	March 31, 2020	March 31, 2019
<b>Sale of services</b>		
Subscription income	33,178	27,914
Advertisement income	3,976	1,212
Carriage income	6,491	8,073
Activation and Set top boxes pairing charges	245	2,341
Subscription Income - Internet	7,168	7,150
<b>Other operating revenue</b>		
Sale of traded goods*	1,118	1,202
Lease rental charges	230	294
Other networking and management income	742	310
Rental Income Building	493	229
Other Operating Income	362	412
	<b>54,004</b>	<b>49,136</b>

#### \* Details of sale of traded goods

Set top box and viewing cards	1,086	1,134
Store and spares	32	67
	<b>1,118</b>	<b>1,202</b>

### 31 Other income

Interest income on		
Bank deposits	46	49
Others	67	47
Bad Debt Recovered	-	59
Excess provisions written back	234	291
Gain On Foreign Exchange Fluctuation	-	74
Unrealised Gains of Investment in Mutual Fund	259	5
Net gain of Fair value of investments through P&L	70	336
Other non-operating income	425	432
	<b>1,100</b>	<b>1,294</b>

### 32 Cost of materials consumed-stores and spares

Opening stock	109	203
	109	203
Add : Purchases during the year	8	1,398
	117	1,600
Less: Transferred to CWIP	-	-
Less: Transferred to fixed assets	-	1,375
	117	225
Less : Closing stock	88	109
	<b>28</b>	<b>117</b>

# INDIAN CABLE NET COMPANY LIMITED

Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2020

	(C) in Lakhs	
	March 31, 2020	March 31, 2019
<b>33 Cost/Purchase of Goods Sold</b>		
Set top box and viewing cards and staores and spares	1,007	1,094
	<b>1,007</b>	<b>1,094</b>
<b>34 Carriage sharing, pay channel and related costs</b>		
Licence Fee	-	574
Management Charges	1,800	1,800
Pay channel Expenses	20,927	14,063
Building Maintenance Expenses	23	61
Lease Rental & Right to Usage Charge	781	1,255
Bandwidth Cost	2,458	2,606
Program Production Expenses	211	185
Other Operational Expenses	1,526	1,432
LCO sharing, Commission Charges and Incentives	6,630	5,151
	<b>34,355</b>	<b>27,129</b>
<b>35 Employee benefits expense</b>		
Salaries, allowances and bonus	1,781	1,563
Contributions to provident and other funds	114	99
Gratuity Fund Contribution	46	31
Staff welfare expenses	151	167
	<b>2,092</b>	<b>1,859</b>
<b>36 Finance costs</b>		
Interest on Financial Liabilities at Amortised Cost	2,101	835
Exchange fluctuation loss	0	511
Bank charges	8	21
Interest on Lease Liability	16	-
Amortisation of borrowing and ancillary costs	20	15
	<b>2,145</b>	<b>1,381</b>
<b>37 Depreciation and amortisation expenses</b>		
Depreciation on Right to use (Lease)	59	
Depreciation of tangible assets (Refer note 4)	7,135	7,512
Amortisation of intangible assets (Refer note 6)	2,036	2,610
	<b>9,230</b>	<b>10,122</b>

# INDIAN CABLE NET COMPANY LIMITED

## Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2020

	(₹) in Lakhs	
	March 31, 2020	March 31, 2019
<b>38 Other expenses</b>		
Rent	171	287
Rates and taxes	263	252
Communication expenses	73	120
Repairs and maintenance		
- Network	306	316
- Building	15	50
- Others	280	264
Electricity and water charges	578	497
Legal, professional and consultancy charges	549	479
Printing and stationery	18	32
Service charges	1,485	1,317
Travelling and conveyance expenses	314	307
Auditors' remuneration*	20	18
Vehicle expenses	222	208
Insurance expenses	13	13
Corporate Social Responsibility Expenditure	57	62
Loss on Sale / Discard / Write off of Assets (net)	17	58
Provision for Churn STB's	23	49
Provision for Expected Credit Loss	955	1,350
Provision for doubtful advances `25,305 (P Y 25,950)	0	0
Rebate and Discount	19	164
Advertisement and publicity expenses	89	104
Bad debts	1,933	-
Less: Debts w.off from earlier provision	<u>(1,873)</u>	73
Business and sales promotion	158	124
Exchange fluctuation loss	137	-
Miscellaneous expenses	82	102
Interest On License Fee	0	212
	<b>5,903</b>	<b>6,458</b>
<b>40 Earnings per share</b>		
Profit attributable to equity shareholders	(786)	528
Number of weighted average equity shares	864,01,070	864,01,070
Basic	(0.91)	0.61
Diluted	(0.91)	0.61
Nominal value of per equity share (₹)	10	10

## INDIAN CABLE NET COMPANY LIMITED

Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2020

### Note No :41 Tax Expenses

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

( ) in Lakhs

	Mar-20	Mar-19
Income tax related to items recognised directly in the statement of profit and loss		
Current tax - current year	226	1,169
-earlier years	2	183
Deferred tax charge / (benefit)	(1,270)	(329)
Total	(1,042)	1,022
Effective tax rate	54.29%	45.07%

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, 2019 and 31 March, 2018 is as follows:

	Mar-20	Mar-19
Profit before tax	(1,919)	2,269
<b>Income tax</b>		
Statutory income tax on profit	(485)	731
Tax effect on non-deductible expenses	3,265	3,954
Additional allowances for tax purposes	(2,535)	(3,536)
Others / Deferred Tax effect	(1,270)	(326)
Deferred Tax effect on carry forward IT Loss	(20)	20
Tax effect for earlier years	2	182
Tax expense recognised in the statement of profit and loss	(1,042)	1,026

The applicable statutory Income Tax rate is 25.168% for the FY 2019-20 (34.944% for FY 2018-19).

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 no-23.

The Group have temporary differences of Rs Nil ( P Y Rs 78 lakh) in respect of unutilised tax losses.

### Deferred tax recognised in statement of profit and loss

For the year ended	Mar-20	Mar-19
Employee retirement benefits obligation	2	(3)
Allowances for credit losses	64	(155)
Depreciation and amortisation	(1,213)	46
Other disallowances	(123)	(217)
Total	(1,270)	(329)

Reconciliation of deferred tax assets / (liabilities) net:	Mar-20	Mar-19
Opening balance	(1,768)	(940)
Adjustment on Derecognition of Subsidiary		7
MAT Credit (adjusted) / entitlement		(925)
Deferred tax (charge)/credit recognised in		
-Other Equity (Retained Earnings)		(120)
-Statement of profit and loss	1,270	210
Total	(498)	(1,768)

## INDIAN CABLE NET COMPANY LIMITED

### Summary of significant accounting policies and other explanatory information for the year ended March 31, 2020

#### 42 Fair value measurements

There have been no transfers among Level 1, Level 2 and Level 3 during the period. The Group does not have any investments (other than investment in subsidiary), 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 2020:

##### A. Financial instruments by category

	March 31, 2020			March 31, 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets (Non Current &amp; Current)</b>						
Bank deposits	-	-	423	-	-	151
Amount recoverable	-	-	81	-	-	149
Interest accrued and not due on fixed deposits	-	-	3	-	-	3
Security deposits (Non Current)	-	-	150	-	-	198
Investment (Non- current, financial assets)	1,058	-	-	988	-	-
Unbilled revenues	-	-	507	-	-	877
Receivable against Redemption of Current Investment	-	-	-	-	-	263
Trade receivables	-	-	8,444	-	-	11,482
Cash and cash equivalents	-	-	11,901	-	-	1,741
Other Bank Balances	-	-	0	-	-	254
<b>Total financial assets</b>	<b>1,058</b>	<b>-</b>	<b>21,510</b>	<b>988</b>	<b>-</b>	<b>15,117</b>
<b>Financial liabilities (Non Current &amp; Current)</b>						
Borrowings (non-current,financial liabilities)	-	-	14,584	-	-	18,756
Borrowings (current,financial liabilities)	-	-	66	-	-	883
Payables for purchase of property, plant and equipment (non current)	-	-	-	-	-	87
Security deposits received from customer & Lease Liability	-	-	342	-	-	474
Trade payables	-	-	13,177	-	-	11,592
Other financial liabilities (current)	-	-	5,727	-	-	7,319
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>33,897</b>	<b>-</b>	<b>-</b>	<b>39,110</b>

#### Fair Value Hierarchy

Investment in subsidiaries, associate and joint venture are measured at cost as per Ind AS 27, 'Separate financial statements'.

\*\*The Group 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.

#### 43 Financial risk management objectives and policies

##### Financial risk management

The Group's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Group'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 Group causing financial loss. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

##### Credit risk management

Credit risk rating

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

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

## INDIAN CABLE NET COMPANY LIMITED

### Summary of significant accounting policies and other explanatory information for the year ended March 31, 2020

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

Credit rating	Particulars	31-Mar-20	31-Mar-19
Low credit risk	Cash and cash equivalents and other financial assets except Trade Receivable, security deposits, Unbilled revenue and amount recoverable	12,327	2,411
High credit risk	Trade receivables, security deposits, Investment, Unbilled revenue and amount recoverable	10,240	13,695

#### Concentration of trade receivables

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

#### Credit risk exposure

##### Provision for expected credit losses

For the purpose of computation of expected credit loss, the Group 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 Group does not have any historical provision) and provision for doubtful debtors created against those sales. The group does not expect any further risk of credit impairment on account of possible impact relating to COVID 19 in estimating expected credit loss provision.

Expected credit loss for Trade receivables, security deposit and Amounts recoverable under simplified approach

as at March 31, 2020

Ageing	` in Lakh		
	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	13,421	4,977	8,444
Security Deposit	150	-	150
Amounts recoverable	81	-	81
Investment	1,058	-	1,058
Unbilled Revenue	507	-	507

as at March 31, 2019

Ageing	` in Lakh		
	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	15,115	3,632	11,482
Security Deposit	198	-	198
Amounts recoverable	149	-	149
Investment	988	-	988
Unbilled Revenue	877	-	877

Reconciliation of loss allowance provision – Trade receivables

	` in Lakh
Loss allowance on March 31, 2019	3,632
Changes in loss allowance	1,345
Loss allowance on March 31, 2020	4,977

#### B.Liquidity risk

Liquidity risk is the risk that suitable sources of funding for the Groups'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 Groups'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 Groups's liabilities having contractual maturities (including interest payments where applicable) are summarised as follows:

#### (ii) Maturities of financial liabilities

Contractual maturities of financial liabilities	` in Lakh					
	March 31, 2020			March 31, 2019		
	Less than one year	One to two years	More than two years	Less than one year	One to two years	More than two years
<b>Non-derivatives</b>						
Secured Borrowings (non-current, financial liabilities)	5,902	4,420	13,515	3,251	4,203	14,554
Secured Borrowings (current, financial liabilities) including interest	232	-	-	924	-	-
Borrowings (non-current, financial liabilities)	-	-	-	-	-	-
Other financial liabilities	1,288	-	-	3,680	87	-
Security deposits received from customer	-	-	292	-	-	474
Book Overdraft	-	-	-	347	-	-
Trade payables	13,177	-	-	11,592	-	-
Lease liabilities in respect of right of use assets	72	27	23	-	-	-
<b>Total non-derivative liabilities</b>	<b>20,671</b>	<b>4,447</b>	<b>13,830</b>	<b>19,793</b>	<b>4,289</b>	<b>15,028</b>



## INDIAN CABLE NET COMPANY LIMITED

### Summary of significant accounting policies and other explanatory information for the year ended March 31, 2020

#### C. Market Risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Groups'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.

#### Cash Flow Hedge Accounting

The Group has foreign currency exposure in the form of Trade Payable/Advance to Vendors and is exposed to change in the exchange rates. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (₹). The risk is measured through a forecast of highly probable foreign currency cash flows.

Foreign currency risk is managed by following established risk management policies, which inter alia includes monitoring the movements in currencies in which the capex vendors are payable and hedging the exposure to foreign currency risk by entering into forward currency contracts as and when deemed appropriate.

The Group does not enter into or trade financial instrument including derivative for speculative purpose.

#### (i) Foreign currency risk

Foreign currency risk exposure:

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

	March 31, 2020	March 31, 2019
<b>Financial assets (A)</b>		
Trade receivables	-	-
<b>Financial liabilities (B)</b>	<b>1,423</b>	<b>3,681</b>
Payable to vendors for property, plant and equipment	1,423	3,681
<b>Net exposure (B-A)</b>	<b>1,423</b>	<b>3,681</b>

#### Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

	Impact on Profit after tax	
	31-Mar-20	31-Mar-19
(₹) / USD increased by 5% (previous year 5%)	(71)	(184)
(₹) / USD increased by 5% (previous year 5%)	71	184

#### (ii) Cash flow and fair value interest rate risk

The Groups's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk.

#### (a) Interest rate risk exposure

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31<sup>st</sup> March the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates.

	31-Mar-20	31-Mar-19
Variable rate borrowings	18,951	22,735
<b>Total borrowings</b>	<b>18,951</b>	<b>22,735</b>

#### (b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of

	Impact on loss after tax	
	31-Mar-20	31-Mar-19
Interest rates – increase by 100 basis points (31 March 2019 100 bps) *	189.51	227.35
Interest rates – decrease by 100 basis points (31 March 2019 100 bps) *	(189.51)	(227.35)

## INDIAN CABLE NET COMPANY LIMITED

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2020

### 44 Capital management

#### Risk Management

The Group'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 Group's overall strategy remains unchanged from previous year. The Group 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 Group's policy is to use current and non-current borrowings to meet anticipated funding requirements. The Group monitors capital on the basis of the gearing ratio which is net debt divided by total capital (equity plus net debt). The Group 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	March 31, 2020	March 31, 2019
Cash and cash equivalents	11,901	1,741
Other Bank Balances	0	254
Margin money	423	151
<b>Total cash (A)</b>	<b>12,325</b>	<b>2,146</b>
Borrowings (non current, financial liabilities)	14,584	18,756
Borrowings (current, financial liabilities)	66	883
Current maturities of long-term borrowings	4,200	3,249
Current maturities of finance lease obligations	1	2
<b>Total borrowing (B)</b>	<b>18,852</b>	<b>22,889</b>
<b>Net debt (C=B-A)</b>	<b>6,528</b>	<b>20,744</b>
Total equity	43,868	44,792
<b>Total capital (equity + net debts) (D)</b>	<b>50,395</b>	<b>65,536</b>
<b>Gearing ratio (C/D)</b>	<b>13%</b>	<b>32%</b>

#### Classification and measurement of financial assets and liabilities

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

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

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

- The effects of the retrospective application or retrospective restatement are not determinable;
- The retrospective application or restatement requires assumptions about what management's intent would have been in that period;

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

# INDIAN CABLE NET COMPANY LIMITED

Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2020

## 45 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31 Mar	As at 31 Mar
	2020	2019
	(₹) in Lakhs	(₹) in Lakhs
<b>(i) Contingent Liabilities</b>		
(a) Claims against the group not acknowledged as debt #	10,115	2,587
(b) Guarantees ##	345	346
	<u>10,460</u>	<u>2,934</u>
<b>(ii) Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	1,730	3,215
	<u>1,730</u>	<u>3,215</u>

# Includes ₹ 406 lakhs (PY ₹ 406) lakhs on account of entry tax on import of STB and other networking materials into west bengal. The west Bengal government levied entry tax vide 'West Bengal Tax on entry of goods into local areas Act 2012'. The operation of the Act was w.e.f. 1st Apr-2012. The validity of the this levy has been challenged by the company in the Honorable Calcutta High Court by a writ petition, on the belief that the levy is unconstitutional and is thus unsustainable. The company is hopeful of getting a favourable order.

# Includes ₹ 6 (PY ₹ 6) lakhs against a money suit filed by M/s Ten Dot Net Cable Pvt. Ltd. for recovery of alleged dues against a work contract allegedly done for the company.

# Includes ₹ 87 (PY ₹ 87) lakhs on account of demand received from District Magistrate Noida for Entertainment Tax on activation / installation charges of STB's in UP. Demand received of ₹ 87 lakhs for the period till Jun 17 on activation charges on STB's.

# Includes Rs. ₹ 37 (PY ₹ 37) lakhs on account of Show cause cum demand received from Service Tax dept for financial year 2014-15 & 2015-16 and ₹ 23 (PY ₹ 23) Lakhs on account of Show Cause Notice cum demand received from service tax Deptt on observation of Service Tax audit for F.Y. 16-17 & upto June'17 for excess utilisation of Cenvat Credit & short payment of RCM on which the company believes that no liability will develop on the company in future.

# Includes ₹ 78 (PY ₹ 78) lakhs on account of demand received from Joint Commissioner (AE) Central Tax-UP. The demand is against Audit for FY 2012-13, 2013-14, 2014-15, 2015-16 & 2016-17.

# Includes ₹ 416 (PY ₹ 416) lakhs of Demand by Sales tax Deptt. on account of VAT & CST liability for FY.2015-16 The company files a writ petition before Tribunal. The writ petition has been disallowed on the ground of Non attendance, now restoration petition was filed before Kolkata highcourt & the company is hopeful of getting a favourable order.

# Includes ₹ 116 (PY ₹ 110) lakhs on account of Jharkhand VAT liability on Set Top Box transfer.

# Includes ₹ 11 (PY ₹ 11) lakhs on account of show cause notice received from Deptt. for short payment of service Tax & inadmissibility of Cenvat & nonpayment of RCM & Interest in respect of Noida unit for FY.12-13 to FY.15-16.

# Includes ₹ 4 (PY ₹ 4) lakhs on account of case filed by Den Network against Sahay Cable, Nilabh & Vinod kumar in which ICNCL is also being made party for recovery of their dues.

# Includes Appeal against Demand (CERA) of ₹ 86 (PY ₹ 86) lakhs for difference between opening & closing Cenvat in the month of Oct 2015.

# Includes effect of reduction in MAT credit with consequent impact on MAT utilisation in A.Y. 2017-18 which is the subject matter of Contingency. Amount calculated as difference between MAT credit availed as per ITR filed for A.Y. 2016-17 ₹ 317 (PY ₹ 317) lakhs and MAT credit available as per Order u/s 143(3) ₹ 28 (PY ₹ 28) lakhs.

# Includes income tax demand for AY 2017-2018 ₹ 218 (PY - Nil) lakhs which has been adjusted with TDS refundable. The said demand has been disputed in appeal by the company.

# During the financial ended 31 March 2019, the Directorate of Revenue Intelligence (DRI), Bangalore, u/s 108 of the Custom Act, 1962, had inquired about the classification of viewing cards for applicability of customs duty. The Company had, suo-moto, paid ₹ 20 Lakhs under protest. Further, during the current financial year, the Company has received a show cause notice with a demand for ₹ 6671 Lakhs. The Company is confident that the demand will not sustain, therefore no provision has been made in these financial statements and the amount demanded has been considered as contingent liability.

# The company has been granted Unified License from Ministry of Communications & IT, Department of Telecoms, under Government of India, under which the company is required to pay an annual license fee (AGR Fee) at the rate of 8% of the its adjusted gross revenue. Internet Service providers' Association of India of which the Company is a member has filed a petition with others against the DoT before the Telecom Dispute Settlement Appellate Tribunal (TDSAT). It was averred that (i) levying license fees on such licensees who have migrated to UL or have got new licenses in UL amounts to unreasonable classification and creation of non playing field and (ii) the new condition imposed by DoT requiring payment of license fee on pure internet services revenues has been introduced without complying with the requirement of Section 11 of TRAI Act. TDSAT vide its order dated 18/10/2019 has upheld the contention of the petitioners and set aside the demand of AGR Fee on Internet Service Providers. In view of the said Order, the company has ceased to provide for the AGR Fee of ₹ 616 lakh for the Financial year 2019-20. However, the same has been considered to be contingent in nature in view of the uncertainty of the outcome of the dispute when the matter attains finality.

# Claims against the Company not acknowledged as debts ₹ 1,049 lakhs (Previous Year ₹ 1,018 lakhs).

## For counter bank guarantees in respect of outstanding bank guarantees & FD pledged ₹ 345 lakhs (PY ₹ 346 lakhs)

In addition, the company is subject to legal proceeding and claims, which have arisen in the ordinary course of business. The company's management does not reasonably expect that there legal action, when ultimately concluded and determined, will have a material and adverse effect on the company's result of operation or financial conditions.

# INDIAN CABLE NET COMPANY LIMITED

Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2020

## 46 Group Information

### a) Accounting Policy for Non Controlling Interest

The group recognises non-controlling interest in an acquired entity at the non-controlling interest's proportionate share of the acquired entity net identifiable assets.

### b) Subsidiaries

The groups subsidiaries at 31 March 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting held by the group. The country of incorporation or registration is also their principal place of business.

Sr No	Name of Entity	Place of Business	Ownership interest held by group	Ownership interest held by Non Controlling interest	Ownership interest held by group	Ownership interest held by Non Controlling interest	Business
			as at March 31, 2020		as at March 31, 2019		
1	Siti Maurya Cable Net Pvt. Ltd.	India	50.10%	49.90%	50.10%	49.90%	Digital Cable TV Business
2	Indinet Service Pvt. Ltd.	India	100%	0%	100%	0%	Internet Service Provider Business

## 47 Dues to Micro Enterprises and Small Enterprises:

Particulars	as at 31-03-2020	as at 31-03-2019
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	94	-
ii) the amount of interest paid by the Company in terms of section 16 of MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year	-	-
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year without adding the interest specified under MSMED Act, 2006	-	-
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

#The management has identified dues to micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006

## 48 Value of Imports calculated on CIF basis

Particulars	31-Mar-20 (₹) in Lakhs	31-Mar-19 (₹) in Lakhs
Consumables	3	26
Capital Goods	1,049	4,344
Total	<b>1,052</b>	<b>4,370</b>

## 49 Expenditure in Foreign Currency

Particulars	31-Mar-20 (₹) in Lakhs	31-Mar-19 (₹) in Lakhs
Interest	-	47
Membership & Subscription	9	8
Annual Maintenance Charges	45	32
Licence Fees	945	496
Travelling & Conveyance	4	3
Installation & Commissioning Charges	33	-
Total	<b>1,036</b>	<b>586</b>

## 50 At the year end, unhedged foreign currency exposures are as follows:

Particulars	Currency	As on 31/03/2020 (In ` Lakhs)		As on 31/03/2019 (In ` Lakhs)	
		In ` in Lakhs	In Foreign Currency	In ` in Lakhs	In Foreign Currency
Advance to Vendor	USD	26	0.34	279	4
Advance to Director and Employees	Thai Bhat	0.20	0.09	2	1
Advance to Director and Employees	Euro	0.46	0.01	0.48	0.01
Advance to Director and Employees	USD	0.38	0.01	-	-
Payable to Vendor	USD	663	8.79	2,719	39
Payable to Vendor	Euro	760	9.16	962	12
Total		<b>1,450</b>	<b>18</b>	<b>3,963</b>	<b>57</b>

# INDIAN CABLE NET COMPANY LIMITED

## Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2020

51 (i) The detail of employee benefit for the period in respect of gratuity which is funded defined benefit plan is as under:

### a. Component of employer expense

(₹) in Lakhs

PARTICULARS	As on 31 <sup>st</sup> Mar 2020	As on 31 <sup>st</sup> Mar 2019
Current Service Cost	40	26
Interest on defined benefit obligation	13	13
Expected Return on plan assets	(7)	(7)
Net Accrual losses/(gains) recognized in the year	50	(9)
Past Service Cost	-	-
Total Included in employer benefit	96	23
Actual Return on plan assets	6	5

### b. Net Asset / (Liability) recognized in the balance sheet as at 31st March 2020

(₹) in Lakhs

PARTICULARS	As on 31 <sup>st</sup> Mar 2020	As on 31 <sup>st</sup> March 2019
Present Value of Funded Obligation	283	182
Fair Value of Plan Assets	140	97
Net Liability	143	85
<b>Amount in Balance Sheet</b>		
Liability	143	85
Assets		
Net Liability	143	85

### c. Reconciliation of Benefit Obligation & Plan Assets for the Period ended:

(₹) in Lakhs

PARTICULARS	As on 31 <sup>st</sup> March 2020	As on 31 <sup>st</sup> March 2019
<b>Change in Defined Benefit Obligation</b>		
Opening Defined Benefit Obligation	182	168
Impact of Derecognition of Axom Communication & Cable Pvt Ltd		(5)
Current Service Cost	40	26
Interest Cost	13	13
Actuarial Losses / (Gain)	49	(11)
Past Service Cost	-	-
Benefits Paid	(1)	(8)
<b>Closing Defined Benefit Obligation</b>	<b>283</b>	<b>182</b>

<b>Change in Fair Value of Assets</b>		
Opening Fair Value of Plan Assets	97	85
Expected Return on Plan Assets	7	7
Actuarial Gain / (Losses)	(1)	(2)
Contribution by Employer	37	15
Benefits Paid	(1)	(7)
Closing Fair Value on Plan Assets	140	97
Expected Employer Contribution Next Year	39	26

(ii) The Defined Benefit Obligation of compensated absence in respect of Privilege Leave is ` 140 Lakhs (P.Y ` 106 Lakhs).

### (iii) Actuarial Assumptions

Category of Assets	As on 31 <sup>st</sup> March 2020	As on 31 <sup>st</sup> March 2019
Discount Rate (p.a.)	7.00%	7.75%
Expected rate of return on Assets	7.00%	7.75%
Salary Escalation Rate (p.a.)	8.00%	8.00%

- Discount Rate is based on the prevailing market yield of Indian Government Securities' as the balance sheet as date for expected term of obligation.
- Expected rate of return on plan assets is based on our expectation of the average long term rate of return expected on investment of the fund during the estimated term of obligations.
- Salary Escalation rate is based on estimates of future salary increases taking into consideration of inflation, seniority, promotion and other relevant factors.

# INDIAN CABLE NET COMPANY LIMITED

## Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2020

52 The Commercial Tax authorities, Government of West Bengal, by an order dated June 9, 2003, sought to impose sales tax, with retrospective effect from April 2, 1997, on the Company's income from cable TV services. The Company has filed an application before the Hon'ble West Bengal Taxation Tribunal on July 15, 2003, seeking, inter alia, that the aforesaid order be set aside. The Hon'ble West Bengal Taxation Tribunal by its order dated August 1, 2003 has directed that pending disposal of the application, assessment proceedings may continue but that no demand notice will be issued. The matter had come for hearing on several occasions but has been adjourned, pending State's submissions. In view of the fact that neither assessment proceedings have been completed nor demand notice has been issued, the alleged liability for Sales tax cannot be ascertained. Consequently no liability on account of sales tax has been recognized by the Company in the books of accounts.

53 The Hon'ble Supreme Court in its recent ruling had ruled that various allowances like conveyance allowance, special allowance, education allowance, medical allowance etc., paid uniformly and universally by an employer to its employees would form part of basic wages for computing the provident fund ('PF' or 'the fund') contribution and thereby, has laid down principles to exclude (or include) a particular allowance or payments from 'basic wage' for the purpose of computing PF contribution. The Company pays certain allowances to its employees as a part of compensation structure, which have not been included in the basic wages for the purpose of computing the PF. As this ruling has not prescribed any clarification w.r.t. to its application, the Company, based on legal advice and management assessment has applied the aforesaid ruling prospectively. Management believes that this will not result in any material liability on the Company.

### 54 Leases :

#### Right-of-use assets

	` in lakhs	
	Land and Building	Total
<b>Gross carrying amount</b>		
Balance as at April 01, 2019	-	-
Addition on account of transition to Ind AS - 116	172	172
Disposals	-	-
<b>Balance as at March 31, 2020</b>	<b>172</b>	<b>172</b>
<b>Accumulated depreciation</b>		
Balance as at April 01, 2019	-	-
Charge for the year	59	59
Disposals	-	-
<b>Balance as at March 31, 2020</b>	<b>59</b>	<b>59</b>
<b>Net carrying amount as at March 31, 2019</b>	<b>-</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>113</b>	<b>113</b>

#### Disclosures on lease pursuant to Ind AS 116 - Leases

- (a) The Company has leases for office buildings. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.
- (b) Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises, the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company is required to pay maintenance fees in accordance with the lease contracts.
- (c) The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use asset	Number of ROU assets leased	Range of remaining term (in years)	Number of leases with extension options	Number of leases with termination options
Buildings	22	1 - 3	-	-

- (d) Lease payments not included in measurement of lease liability -

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	31 March 2020
Short-term and leases of low value assets	170.94
Variable lease payments	-

- (e) Total cash outflow for leases for the year ended 31 March 2020 is ` 50 lakhs. Interest on lease liabilities is ` 16 lakhs for the year ended March 31, 2020.

- (f) Effective 01 April 2019, the Company has adopted Ind AS 116 "Leases" and applied modified retrospective approach to all lease contracts existing as at 1 April 2019. On transition, the adoption of new standard resulted in recognition of lease liability of `172 lakhs and corresponding right of use asset of `172 lakhs.

- (g) For contracts in place as at 1 April 2019, Company has elected to apply the definition of a lease from Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17.

- (h) The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being 01 April 2019.

- (i) On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straightline basis over the remaining lease term.

- (j) For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under Ind AS 17 immediately before the date of initial application.

- (k) On transition to Ind AS 116, the weighted average incremental borrowing rate applied to lease liabilities recognised was 12%.

- (l) **The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements for the year ended 31 March 2019) to the lease liabilities recognised at 1 April 2019:**

# INDIAN CABLE NET COMPANY LIMITED

Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2020

Particulars	Amount (₹)
Total operating lease commitments disclosed as at 31 March 2019	518
Recognition exemptions:	
Leases of short-term and low value assets	315
Variable lease payments not recognised	-
<b>Operating lease liabilities before discounting</b>	<b>204</b>
Discounting impact (using incremental borrowing rate)	(32)
<b>Total lease liabilities recognised under Ind AS 116 at 01 April 2019</b>	<b>172</b>

## 55 Future Minimum Lease Payments and their Present Values are given below:

### Minimum lease payments due

	Within 1 year	1 to 5 years	after 5 years	Total
<b>March 31, 2020</b>				
Lease payments	1.50	-	-	1.50
Finance charges	0.06	-	-	0.06
Net present value	1.44	-	-	1.44
<b>March 31, 2019</b>				
Lease payments	2.00	3.50	-	5.50
Finance charges	0.24	0.30	-	0.54
Net present value	1.76	3.20	-	4.96

## 56 Payment to Auditors (accrued) (Excluding Goods & Service Tax)

(₹) in Lakhs

PARTICULARS	As on 31 <sup>st</sup> March 2020	As on 31 <sup>st</sup> March 2019
Audit Fees	9	9
Limited Review	6	5
Tax Audit Fees	1	1
Other Services	3	3
Reimbursements	0	0
<b>Total</b>	<b>20</b>	<b>18</b>

57 In compliance with Indian Accounting Standard 110 "Consolidated Financial Statements" referred to in Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, the parent company has prepared the accompanying consolidated financial statements, which includes the financial statement of the parent company and its subsidiaries listed below:

Name of the Subsidiaries	Country of Incorporation	Percentage of Ownership
Siti Maurya Cable Net Pvt. Ltd.	India	50.10%
Indinet Service Pvt. Ltd.	India	100.00%

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

## 59 Corporate Social Responsibility (CSR)

CSR Amount required to be spent by the companies within the group as per Section 135 of Companies Act 2013 read with Schedule VI thereof, the utilisation is done by way of contribution towards various activities.

(a) Expenditure in related corporate social responsibility during the year ` 65 lakhs (PY ` 54 lakhs).

### Details of Amount spent towards CSR is given below

Particulars	(₹) in Lakhs	
	2019-20	2018-19
Health	49	22
Women Empowerment		32
Sport Sponsorship	4	
P M cares Fund*	12	
<b>Total</b>	<b>65</b>	<b>54</b>

\* Rs 8 lacs pertains to F Y 2018-19

60 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' 2020 are considered good and fully recoverable, except otherwise stated and provision for all known liabilities has been made in the accounts.

## INDIAN CABLE NET COMPANY LIMITED

### Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2020

- 61 Subsequent to outbreak of Coronavirus (COVID-19) and consequential lockdown across the country, the Company has continued to operate and provide cable services to its customers, which has been declared as an essential service, without disruptions. Based on its review and current indicators of economic slowdown, there is no significant impact on its financial results. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.
- 62 The company elected to exercise the option permitted under section 115BBA of the Income tax Act 1961 as introduced by the Taxation Laws (Amendment) Act 2019. Accordingly, the Company has recognised Provision for Income Tax for the quarter and year ended 31st March 2020 and re-measured its Deferred Tax Assets on the basis of the rate prescribed in the said section. The full impact of this change has been recognised in the statement of Profit and Loss for the quarter and year ended Mar'20.

63 Exceptional Item includes:

in Lakhs

Particulars	As on 31 <sup>st</sup>	As on 31 <sup>st</sup>
	March 2020	March 2019
Provision for Expected Credit Loss	2263	0

In view of the New Regulatory Framework for Broadcasting & Cable services notified by Telecom Regulatory Authority of India (TRAI), which has come into effect during the year ended March 31,2019 resulting into changes in pricing mechanism & arrangements amongst the Company, LCO & Broadcasters the Management, based on review, has provided for impairment of trade receivables. These adjustments, having one- time, non routine material impact on financial statements, hence been disclosed as "Exceptional Item in Financial

64 Information under section 186 (4) of the Companies Act 2013

There are no investments or loan given or guarantee provided or security given by the group.

65 Assets hypothecated / pledged as security

The carrying amounts of assets hypothecated / pledged as security for current and non-current borrowings are :

Particulars	Refer Note No.	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Current</b>			
<b>Financial assets</b>		<b>7,177</b>	<b>9,851</b>
Trade Receivables	11	7,177	9,851
<b>Non-financial assets</b>		<b>77</b>	<b>102</b>
Inventories	10	77	102
<b>Total current assets pledged as security</b>		<b>7,254</b>	<b>9,954</b>
<b>Non-current</b>			
Property Plant & Equipment	4	35,114	38,726
Investment Property	5	6,607	6,585
Other Non Current Financial Assets	8	154	151
<b>Total non-currents assets pledged as security</b>		<b>41,875</b>	<b>45,462</b>
<b>Total assets pledged as security</b>		<b>49,130</b>	<b>55,416</b>



# INDIAN CABLE NET COMPANY LIMITED

Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2020

## 66 Related Party Disclosure

List of parties where control Exists

### a. Holding Company

- Siti Networks Limited

### b. Fellow Subsidiary Companies

- Central Bombay Cable Network Limited
- Master Channel Community Network Private Limited
- Siti Networks India LLP
- Siti Broadband Services Private Limited
- Siti Faction Digital Private Limited
- Siti Global Private Limited
- Siti Guntur Digital Network Private Limited
- Siti Jai Maa Durgee Communications Private Limited
- Siti Jind Digital Media Communications Private Limited
- Siti Jony Digital Cable Network Private Limited
- Siti Krishna Digital Media Private Limited
- Siti Prime Uttaranchal Communication Private Limited
- Siti Sagar Digital Cable Network Private Limited
- Siti Saistar Digital Media Private Limited
- Siti Siri Digital Network Private Limited
- Siti Vision Digital Media Private Limited
- Siticable Broadband South Limited
- Variety Entertainment Private Limited
- Wire & Wireless Tisai Satellite Private Limited
- Siti Godaari Digital Services Private Limited
- Siti Kranal Digital Media Network Private Limited

### c. Entities with Common Control

- Siti Darshan Cable Net Co. Private Limited
- Siti Royal Heritage Cable Net Co. Private Limited
- Siti Singbhum Cable Net Company Pvt. Ltd.

### d. Entities with Significant Influence

- Calcutta Communication LLP
- Purvi Communications LLP
- Maurya Dignet Pvt. Ltd.

### e. Entities in which Directors Interested

- Smart Vinimay Private Limited
- Statt Solution Private Limited
- Gurukripa Comlink Private Limited
- Haridwar Traders Private Limited
- Maxpro Tracon Private Limited
- Victor Media Private Limited
- Victor Distributers
- Maa Laxmi Network
- Global Cable Network
- IT Agency
- Rai Cable Network
- Raja Cable
- Puja Cable
- Nice Network
- Maa Vaishnav Satellite Vision
- Maa Vaishnav Vision
- Hitech Visual Channels private Limited
- Kolkata Media Services Private Limited
- Kolkata Entertainment Services LLP
- May Fair Cable Linc
- Axom Communications & Cable Private Limited
- Victor Electro Services

### f. Entities in which Directors Interested

- Hi Tech Film and Broadcast Academy
- Satellite Broadband Network
- SRD Properties Pvt. Ltd
- Smart Cable & Broadband Services
- Shiva Vision

### g. Director/ Key Managerial Personnel

- Mr. Surendra Kumar Agarwala
- Mr. Suresh Kumar Sethiya
- Mr. Himanshu Pradeep Mody(till 29th Nov 2019)
- Mr. Sureshkumar Phoolchand Agarwal
- Mr. Mukund Galgali
- Ms. Kavita Anand Kapahi
- Mr. Souvick Chatterjee
- Mr. Sunil Nihalani
- Mr. Rajnish Kumar Dixit
- Mr. Niraj Kumar Sinha
- Mr. Madanjeet Kumar
- Mr. Binod Kumar Rai
- Mr. Muno Kumar
- Mr. Vikash Bajaj(till 6th Aug' 2019)
- Mr. Atul Kumar Singh
- Mr. Abhijit Dey
- Mr. Nawal Kumar
- Mr. Suresh Arora

### Company Secretary

- ### h.
- Mr. Laxman Singh Kaira

**INDIAN CABLE NET COMPANY LIMITED**

 Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2020

Transactions with related parties.

(₹) in Lakhs

Particulars	Siti Cable Network Limited		Siti Darshan Cable Net Co. (P) Ltd.		Siti Royal Heritage Cable Net (P) Ltd.		Calcutta Communication LLP	
	FY 19-20	FY 18-19	FY 19-20	FY 18-19	FY 19-20	FY 18-19	FY 19-20	FY 18-19
Impact of Derecognition of Axom Communication & Cable Pvt Ltd		474		-				
Expense paid by		(0)						
Expenses paid on behalf of			139.76	124.73	0	0		
Payment for purchase of material and services	1,256	15,348	320.79	1.93				
Purchase of Fixed Asset	(59)							
Purchase of material & Services	(2,203)	(4,619)	(490)	(114.07)				
Sales of service and materials	1,672	1,823		-				
Sale of Fixed assets	37							
Payment received for sales of services/other recoveries	(689)	(30)		-				
Advances refunded to/ given	(1)		1					
Liabilities Taken over by	(255)							
<b>Outstanding at the end of year</b>	<b>592</b>	<b>835</b>	<b>212</b>	<b>240</b>	<b>11</b>	<b>10</b>	<b>93</b>	<b>93</b>

Transactions with related parties.

(₹) in Lakhs

Particulars	Purvi Communications LLP		Siti Vision Digital Media Pvt Ltd		Smart Vinimay Private limited		Siti Singhbhum Cable Net Co. (P) Ltd.	
	FY 19-20	FY 18-19	FY 19-20	FY 18-19	FY 19-20	FY 18-19	FY 19-20	FY 18-19
Expenses paid on behalf of						25	0	0
Payment for purchase of material and services					8.83	(27)		
Purchase of material & Services					(39)			
Expenses Reimbursed to						78		
Sales of service and materials					107			
Balance written off	0.40					(70)		
Payment received for sales of services/other recoveries					(74)			
Liabilities Taken Over from					(1)			
<b>Outstanding at the end of year</b>	<b>-</b>	<b>(0)</b>	<b>20</b>	<b>20</b>	<b>18</b>	<b>17</b>	<b>2</b>	<b>2</b>

Transactions with related parties.

(₹) in Lakhs

Particulars	Smart Cable & Broadband Services		Gurukripa Comlink Pvt Ltd		Axom Communications & Cable Pvt. Ltd.		Maxpro Tracon Pvt Ltd	
	FY 19-20	FY 18-19	FY 19-20	FY 18-19	FY 19-20	FY 18-19	FY 19-20	FY 18-19
Opening Balance	2.55							
Expenses paid on behalf of					0			
Payment for purchase of material and services	2.70	1	0	2			3	9
Purchase of material & Services	(4.06)	(1)	(3.11)	(2)			(11)	(11)
Expenses Reimbursed to								
Sales of service and materials	38.26	2	5	4	147	685	38	30
Expenses Reimbursed by								
Payment received for sales of services/other recoveries	(36.98)	(2)	(2)	(4)	(386)	(831)	(28)	(31)
Assets Taken over by	0.00						(0)	
Baddebt written off							(0)	
<b>Outstanding at the end of year</b>	<b>2.74</b>	<b>0.26</b>	<b>0.60</b>	<b>0</b>	<b>438</b>	<b>677</b>	<b>3</b>	<b>2</b>

**INDIAN CABLE NET COMPANY LIMITED**

 Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2020

**Transactions with related parties.**

(₹) in Lakhs

Particulars	Siti Broadband Services Pvt Ltd		MAURYA DIGINET PVT LTD		BINOD KR. RAI		MADANJEET KUMAR	
	FY 19-20	FY 18-19	FY 19-20	FY 18-19	FY 19-20	FY 18-19	FY 19-20	FY 18-19
Payment for purchase of material and services	668		416	389				
Purchase of material & Services			(354)	(360)				
Interest Accrued by			(11)	(20)				
Sales of service and materials					84	68	74	62
Payment received for sales of services/other recoveries					(85)	(76)	(75)	(58)
Advance Refund to/given			111	120				
<b>Outstanding at the end of year</b>	<b>89</b>	<b>(579)</b>	<b>(372)</b>	<b>(534)</b>	<b>26.03</b>	<b>26.97</b>	<b>19</b>	<b>19</b>

**Transactions with related parties.**

(₹) in Lakhs

Particulars	MUNO KUMAR		NAWAL KUMAR		NIRAJ SINHA		RAJNISH KR. DIXIT	
	FY 19-20	FY 18-19	FY 19-20	FY 18-19	FY 19-20	FY 18-19	FY 19-20	FY 18-19
Sales of service and materials	74	63	65	67	24	22	22	18
Payment received for sales of services/other recoveries	(75)	(70)	(67)	(62)	(23)	(20)	(22)	(17)
<b>Outstanding at the end of year</b>	<b>24</b>	<b>25</b>	<b>33</b>	<b>35</b>	<b>11</b>	<b>10</b>	<b>6</b>	<b>6</b>

**Transactions with related parties.**

(₹) in Lakhs

Particulars	SRD PROPERTIES PRIVATE LIMITED		VICTOR MEDIA PRIVATE LIMITED		HiTech Visual Channels Private Limited		KOLKATA MEDIA SERVICES PRIVATE LIMITED	
	FY 19-20	FY 18-19	FY 19-20	FY 18-19	FY 19-20	FY 18-19	FY 19-20	FY 18-19
Opening Balance	0							
Sales of service and materials	18	16			76	70	6.22	33
Payment received for sales of services/other recoveries	(6)	(16)			(50)	(62)	(6.87)	(35)
Purchase of material & Services	(13)	(11)	(23)	(54.52)	(49)	(41)	(0.93)	(4)
Payment for purchase of material and services	2	10	32	47.46	25	31	0.93	4
Bad Debt							(0.95)	
Assets Taken over by							0.15	
<b>Outstanding at the end of year</b>	<b>1</b>	<b>1</b>	<b>5</b>	<b>(5)</b>	<b>7</b>	<b>5</b>	<b>1</b>	<b>3</b>

**INDIAN CABLE NET COMPANY LIMITED**

 Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2020

**Transactions with related parties.**

( ) in Lakhs

Particulars	Kolkata Entertainment Services LLP		MayFair Cable Link		Satelite Broadband Network		Victor Distributors	
	FY 19-20	FY 18-19	FY 19-20	FY 18-19	FY 19-20	FY 18-19	FY 19-20	FY 18-19
Opening Balance	8.32							
Expenses paid on behalf of								
Payment for purchase of material and services	16	169	4.42	7	8.21	13.93		
Purchase of material & Services	(195)	(216)	(6.09)	(9)	(14.61)	(15.88)		
Equity Acquisition								
Expenses Reimbursed to								
Sales of service and materials	337	323	9.53	13	23.60	23.10		
Expenses Reimbursed by								
Payment received for sales of services/other recoveries	(148)	(290)	(6.64)	(12)	(14.25)	(23.21)		(3)
Assets Taken over by	(0.86)							
<b>Outstanding at the end of year</b>	<b>27.41</b>	<b>9.54</b>	<b>(0.35)</b>	<b>(1.56)</b>	<b>1.73</b>	<b>(1.21)</b>	<b>9</b>	<b>9</b>

( ) in Lakhs

**Transactions with related parties.**

Particulars	Hi Tech Film and Broadcast Academy		Victor Electro Services	
	Opening Balance			(0)
Payment for purchase of material and services	161	142	7	
Purchase of material & Services	(175)	(130)	(7)	
<b>Outstanding at the end of year</b>	<b>(25)</b>	<b>(11)</b>	<b>-</b>	

( ) in Lakhs

**i. Payments made to Key Managerial Personnel**

Particulars	FY 19-20	FY 18-19
	Surendra Kumar Agarwala	77
Suresh Kumar Sethiya	77	
Atul Kumar Singh *	49	
	-	
<b>Total Remuneration</b>	<b>204</b>	<b>-</b>

\* Remuneration to Atul Kumar Singh C.F.O represents the full year figure including for the period prior to his appointment as KMP.

**67 Additional Information as required under Schedule III to the Companies Act, 2013 of Enterprises Consolidated**

( ) in Lakhs

Name of the Enterprise	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount
<b>Parent</b>				
Indian Cable Net Co. Ltd.	91.49	42,074	83.67	(856)
<b>Subsidiary</b>				
Siti Maurya Cable Net Pvt. Ltd.	5.77	2,651	18.10	(185)
Indinet Service Pvt Ltd	(0.13)	(61)	(10.71)	110
Minority Interest in Subsidiary	2.88	1,323	8.94	(91)
		<b>45,988</b>		<b>(1,023)</b>
Intra Group Elimination		<b>2,120</b>		<b>(98)</b>
<b>TOTAL</b>		<b>43,868</b>		<b>(925)</b>

68 Previous year's figures have been regrouped and/or rearranged wherever necessary.

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

 For A.K. Bhalotia & Co.  
 Chartered Accountants  
 (Firm Registration No. - 329475E)

 For Indian Cable Net Co Ltd  
 (U92132WB1995PLC075754)

 A.K Bhalotia  
 Proprietor  
 Membership No.-065860

 Sd/-  
 Surendra Kumar Agarwala  
 Director  
 DIN-00569816

 Sd/-  
 Suresh Kumar Sethiya  
 Director  
 DIN-00349098

 Place - Kolkata  
 Date -27.06.20

 Sd/-  
 Laxman Singh Kaira  
 Company Secretary

 Sd/-  
 Atul Kumar Singh  
 CFO

## INDIAN CABLE NET COMPANY LIMITED

Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 20

### Note 4 : PROPERTY, PLANT & EQUIPMENT & CAPITAL WORK IN PROGRESS

in Lakhs

Particulars	Lease Hold Land	Building	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvements	Set top boxes	Set top boxes (Under Lease)	Right of Use Assets	Total
<b>Year ended 31 March 2019</b>												
Gross Carrying Amount as on 01 April 2018	4,697	3,438	13,088	526	204	1,429	188	-	45,074	1,423	-	70,065
Additions	-	100	2,230	19	18	96	8	-	3,931	-	-	6,401
Disposals	-	-	(193)	-	-	(41)	-	-	-	-	-	(234)
Adjustment on Derecognition of Subsidiary Asset Classified as held for sale	-	-	(943)	(15)	(4)	(38)	(4)	-	(6,382)	-	-	(7,386)
<b>Closing Gross Carrying Amount</b>	<b>4,697</b>	<b>3,537</b>	<b>14,182</b>	<b>529</b>	<b>217</b>	<b>1,446</b>	<b>192</b>	<b>0</b>	<b>42,623</b>	<b>1,423</b>	<b>0</b>	<b>68,847</b>
<b>Accumulated Depreciation</b>												
Opening Accumulated Depreciation	206	27	5,327	388	110	172	44	-	14,162	901	-	21,336
Depreciation charge during the year	68	55	1,250	82	27	135	22	-	5,591	175	-	7,405
Disposals	-	-	(57)	-	-	(35)	-	-	-	-	-	(93)
Adjustment on Derecognition of Subsidiary	-	-	(327)	(12)	(2)	(12)	(3)	-	(2,197)	-	-	(2,552)
<b>Closing Accumulated Depreciation</b>	<b>273</b>	<b>82</b>	<b>6,193</b>	<b>458</b>	<b>135</b>	<b>260</b>	<b>63</b>	<b>-</b>	<b>17,557</b>	<b>1,076</b>	<b>-</b>	<b>26,097</b>
<b>Net Carrying Amount as on 31 March 2019</b>	<b>4,424</b>	<b>3,455</b>	<b>7,989</b>	<b>71</b>	<b>82</b>	<b>1,186</b>	<b>128</b>	<b>-</b>	<b>25,067</b>	<b>347</b>	<b>-</b>	<b>42,750</b>
<b>Year ended 31 March 2020</b>												
Opening Gross Carrying Amount as on 01 April 2019	4,697	3,537	14,182	529	217	1,446	192	-	42,623	1,423	-	68,847
Additions	-	-	555	17	83	301	19	-	1,972	-	593	3,540
Disposals	-	-	-	-	-	-	(6)	-	(1,019)	-	-	(1,025)
Transfer to Investment property	-	(132)	-	-	-	-	-	-	-	-	-	(132)
Elimination	-	-	-	-	-	-	-	-	-	-	(421)	(421)
<b>Closing Gross Carrying Amount</b>	<b>4,697</b>	<b>3,405</b>	<b>14,737</b>	<b>546</b>	<b>300</b>	<b>1,747</b>	<b>204</b>	<b>-</b>	<b>43,577</b>	<b>1,423</b>	<b>172</b>	<b>70,809</b>
<b>Accumulated Depreciation and Impairment</b>												
Opening Accumulated Depreciation	273	82	6,193	458	135	260	63	-	17,557	1,076	-	26,097
Depreciation charge during the year	68	57	1,281	37	32	152	23	-	5,204	175	340	7,368
Disposals	-	-	-	-	-	-	(3)	-	(969)	-	-	(972)
Transfer to Investment property	-	(3)	-	-	-	-	-	-	-	-	-	(3)
Elimination	-	-	-	-	-	-	-	-	-	-	(281)	(281)
<b>Closing Accumulated Depreciation and Impairment</b>	<b>341</b>	<b>135</b>	<b>7,473</b>	<b>495</b>	<b>166</b>	<b>412</b>	<b>84</b>	<b>-</b>	<b>21,791</b>	<b>1,251</b>	<b>59</b>	<b>32,209</b>
<b>Net Carrying Amount as on 31 March 2020</b>	<b>4,356</b>	<b>3,270</b>	<b>7,264</b>	<b>51</b>	<b>134</b>	<b>1,335</b>	<b>120</b>	<b>-</b>	<b>21,785</b>	<b>172</b>	<b>113</b>	<b>38,600</b>

Note (a) : CWIP Rs 1790 , consists - Set Top Boxes Rs 1222 (PY Rs 3158) Lakhs, Building (Development) - Rs 46 (PY 194) lakhs, Headend Rs nil (PY 64) lakhs and Networking material Rs 522 (PY 603) lakhs

Note (b): Refer note no. 67 for information on property, plant and equipment pledged as securities by the Company.

**INDIAN CABLE NET COMPANY LIMITED**Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2020**Note 6 : GOODWILL & OTHER INTANGIBLE ASSETS**

` in Lakhs

PARTICULARS	GOODWILL	GOODWILL ON CONSOLIDATION	DISTRIBUTION NETWORK ASSETS	VC CARDS	SOFTWARE	LICENCES	TOTAL OTHER INTANGIBLE ASSETS
<b>Year ended 31 March 2019</b>							
<b>Gross Carrying Amount</b>	4,213	128	15,371	3,523	1,005	32	19,930
Additions	-	-	-	24	-	-	24
Adjustment on Derecognition of Subsidiary					(181)		(181)
<b>Closing Gross Carrying Amount</b>	4,213	128	15,371	3,547	823	32	19,773
<b>Accumulated Depreciation</b>							
Opening Accumulated Depreciation	1,685	-	6,148	1,849	363	3	8,363
Addition	421	-	1,537	498	151	2	2,188
Adjustment on Derecognition of Subsidiary		128			(55)		(55)
<b>Closing Accumulated Depreciation</b>	2,107	128	7,685	2,348	458	4	10,496
<b>Closing Net Carrying Amount</b>	2,107	-	7,685	1,199	365	27	9,276
<b>Year ended 31 March 2020</b>							
<b>Gross Carrying Amount</b>							
Opening Gross Carrying Amount	4,213	128	15,371	3,547	823	32	19,773
Additions	-	-	-	9	-	-	9
Disposal				(7)			(7)
Adjustment on Derecognition of Subsidiary							-
<b>Closing Gross Carrying Amount</b>	4,213	128	15,371	3,550	823	32	19,775
<b>Accumulated Depreciation</b>							
Opening Accumulated Depreciation	2,107	128	7,685	2,348	458	4	10,496
Additions	-	-	1,537	382	115	1	2,035
Amortisation charge for the year							
Impairment charge							
Disposal				(5)			
Adjustment on Derecognition of Subsidiary							-
<b>Closing Accumulated Depreciation</b>	2,107	128	9,222	2,724	574	6	12,526
<b>Closing Net Carrying Amount</b>	2,107	-	6,148	825	249	26	7,249

# **INDIAN CABLE NET COMPANY LIMITED**

**Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2020**

## **Note 5 : INVESTMENT PROPERTY**

₹ in Lakhs

PARTICULARS	INVESTMENT PROPERTY
<b>Year ended 31 March 2019</b>	
Gross Carrying Amount as on 01 April 2018	6,745
Additions	-
<b>Closing Gross Carrying Amount</b>	<b>6,745</b>
<b>Accumulated amortisation and impairment</b>	
Opening Accumulated Amortisation	53
Additions	107
<b>Closing Accumulated Amortisation and Impairment</b>	<b>160</b>
<b>Closing Net Carrying Amount as on 31 March 2019</b>	<b>6,585</b>
<b>Year ended 31 March 2020</b>	
Gross Carrying Amount as on 01 April 2019	6,745
Additions	-
Transfer from Property, plant & equipment	132
<b>Closing Gross Carrying Amount</b>	<b>6,877</b>
<b>Accumulated amortisation and impairment</b>	
Opening Accumulated Amortisation	160
Additions	107
Transfer from Property, plant & equipment	3
<b>Closing Accumulated Amortisation and Impairment</b>	<b>270</b>
<b>Closing Net Carrying Amount as on 31 March 20</b>	<b>6,607</b>

### **Notes:**

#### **1. Information regarding income and expenditure of Investment Property**

₹ in Lakh

Particulars	For the year ended	For the year ended
	<b>31-Mar-20</b>	<b>31-Mar-19</b>
Rental income derived from investment properties	493	229
Direct operating expenses that Generated rental income	-	-
Direct operating expenses that did not Generated rental income	-	-

2. The management has determined that the investment property consists of Building - based on the nature, characteristics and risks of each property. The Company's investment properties consist of a portion of its building situated at Kolkata on the basis of present / intended use.

3. Refer note no. 65 for information on investment property pledged as securities by the Company.

4. The Fair Valuation of Investment Property as on 31st March 2020 was Rs 15963 lakhs (P Y Rs 15716 lakhs) as assessed by independent valuer.

**INDIAN CABLE NET COMPANY LIMITED**

**Consolidated financial statements for the year ended 31<sup>st</sup> March 2020**

**Statement of Change in Equity for the year ended 31<sup>st</sup> March 2020**

( ) in Lakhs

Particulars	Equity Share Capital	Other Equity				Non Controlling Interests	Total
		Securities Premium Reserve	Retained Earnings*	Cash Flow Hedge Reserve	Total Other Equity		
<b>Balance at 1st April 2018</b>	<b>8,640</b>	<b>18,968</b>	<b>12,583</b>		<b>31,551</b>	<b>2,262</b>	<b>42,453</b>
Changes in Equity Share Capital	-						
Profit for the year	-	-	528		528	(846)	(319)
Other Comprehensive Income			(7)		(7)	-	(7)
Total Comprehensive Income for the year	-	-	521		521	(846)	(326)
Impact of Reversal of Premium on Redemption of Preference Shares			27		27		27
Impact of Deferred Activation Income pursuant to adoption of INDAS- 115 w.e.f Apr 01, 2018			3,969		3,969		3,969
Change in Provision for Income Tax on Deferred Activation Income			(634)		(634)		(634)
Change in Provision for Deferred Tax on Deferred Activation Income			(145)		(145)		(145)
Change in Provision for MAT Credit on Deferred Activation Income			(17)		(17)		(17)
Fair Value adjustment of Investment on derecognition of subsidiary			(535)		(535)		(535)
<b>Balance at 31st March 2019</b>	<b>8,640</b>	<b>18,968</b>	<b>15,769</b>	<b>-</b>	<b>34,737</b>	<b>1,415</b>	<b>44,792</b>
<b>Balance at 1st April 2019</b>	<b>8,640</b>	<b>18,968</b>	<b>15,769</b>	<b>-</b>	<b>34,737</b>	<b>1,415</b>	<b>44,792</b>
Changes in Equity Share Capital	-	-		-	-		-
Profit for the year	-	-	(786)		(786)	(92)	(878)
Other Comprehensive Income	-	-	(47)		(47)		(47)
Total Comprehensive Income for the year	-	-	(832)		(832)	(92)	(925)
<b>Balance at 31st March 2020</b>	<b>8,640</b>	<b>18,968</b>	<b>14,937</b>	<b>-</b>	<b>33,905</b>	<b>1,323</b>	<b>43,868</b>

**Statement of change in equity referred in our report of even date.**

For A.K. Bhalotia & Co.  
Chartered Accountants  
(Firm Registration No. - 329475E)

**For Indian Cable Net Co Ltd**  
(U92132WB1995PLC075754)

A.K Bhalotia  
Proprietor  
Membership No.-065860

Place - Kolkata  
Date - 27.06.20

**Sd/-**  
Surendra Kumar Agarwala  
Director  
DIN-00569816

**Sd/-**  
Laxman Singh Kaira  
Company Secretary

**Sd/-**  
Suresh Kumar Sethiya  
Director  
DIN-00349098

**Sd/-**  
Atul Kumar Singh  
CFO



**INDIAN CABLE NET COMPANY LIMITED****Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2020**

Note No:39

` in Lakhs

<b>OTHER COMPREHENSIVE INCOME</b>	<b>Year Ended 31 March 2020</b>	<b>Year Ended 31 March 2019</b>
A (i) Items that will not be reclassified to Profit or Loss		
<b>Remeasurements of the net defined benefit plans as under</b>		
Remeasurement of employee benefit obligations	(64)	(11)
(ii) Income Tax relating to items that will not be reclassified to profit or loss	16	4
B (i) Items that will be reclassified to profit or loss	-	-
(ii) Income Tax relating to items that will be reclassified to profit or loss	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(48)</b>	<b>(7)</b>