

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Consolidated Financial Statements**

We have audited the accompanying Consolidated Financial Statements of Indian cable Net Company Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2017, 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 (hereinafter referred to as "the Consolidated Financial statements").

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated financial position, Consolidated financial performance (Including Other Comprehensive Income), Consolidated cash flows and Consolidated changes in Equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standard) Rules, 2015. 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 the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the Consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the Indian Accounting Standards and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, and based on the considerations of the reports of other auditors on separate financial statements and on other financial information of the subsidiaries, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated state of affairs of the Group, as at 31st March, 2017, and their Consolidated profit (including Other Comprehensive Income), their Consolidated cash flows and Consolidated changes in equity for the year ended on that date.

## **Other Matters**

- (a) We did not audit the financial statements of 2 subsidiaries, whose financial statements (as adjusted with reference to Note No. 41 to financial statements) reflect total assets (after eliminating intra group transactions) of Rs. 15,332 Lakhs and Net Assets (after eliminating intra group transactions) of Rs. 6,134 Lakhs as at 31<sup>st</sup> March, 2017, total revenues (after eliminating intra group transactions) of Rs. 8,125 Lakhs and net cash flows amounting to Rs. 419 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 this subsidiary, and our report in terms of sub-sections (3) Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors. Our opinion on the Consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

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

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of other auditor's on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit 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) In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standard) Rules, 2015.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group, is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 considerations 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 – 42 to the Consolidated financial statements.
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company.
  - iv. These Consolidated financial statements, as detailed in Note No- 53, have made requisite disclosures as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 by the Group based on the audit procedures performed and taking into considerations the information and explanations given to us and on consideration of the report of other auditors on separate financial statements and other financial information, in our opinion, these disclosures are in accordance with the books of accounts maintained by the respective companies.

**For A.K. Tekriwal & Co.**  
***Chartered Accountants***  
**Firm's Registration No.:322352E**

**A.K. Tekriwal**  
***Partner***  
**Membership Number: 056362**

**Kolkata**  
**\_\_\_\_\_ May, 2017.**

## **Annexure – A to the Independent Auditor’s Report**

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

In conjunction with our audit of the 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”) as of and for the year ended 31<sup>st</sup> March 2017, we have audited the internal financial controls over financial reporting of Indian Cable Net Co. Limited (“the Holding Company”) and its subsidiary companies which are companies incorporated in India, as of that date.

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

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters Paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Groups internal financial controls system over financial reporting as aforesaid.

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **Opinion**

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the respective company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### **Other Matters**

We did not audit IFCoFR in so far it relates to 2 subsidiary company, which are companies incorporated in India, whose financial statements reflect total assets (after eliminating Intra group transactions) of Rs. 15,332 Lakhs as at 31 March 2017, Total Revenues (after eliminating Intra group transactions) of Rs. 8,125 Lakhs and Net Cash flows amounting to Rs. 419 Lakhs for the year ended on that date has been considered in the Consolidated financial statements. Our report on the adequacy and operating effectiveness of the IFCoFR for the holding company and its Subsidiary companies which are companies incorporated in India under section 143(3)(i) of the act in so far as it relates to the aforesaid subsidiaries which are companies incorporated in India, is solely based on the corresponding reports of the auditors of such companies. Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

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

*Chartered Accountants*

**Firm's Registration No.:322352E**

**A.K. Tekriwal**

*Partner*

**Membership Number: 056362**

**Kolkata**

**\_\_\_\_\_ May, 2017.**

**INDIAN CABLE NET COMPANY LIMITED**  
Consolidated Balance Sheet as at March 31, 2017

	Notes	March 31, 2017	March 31, 2016	(₹) in Lakhs April 1, 2015
<b>A. Assets</b>				
<b>1. Non-current assets</b>				
(a) Property, plant and equipment	5	33,605	26,169	19,075
(b) Capital work-in-progress	5	18,837	13,829	5,778
(c) Goodwill	6	3,077	3,499	3,792
(d) Other intangible assets	6	13,127	13,909	15,070
(e) Financial assets				
(i) Other Financial Assets	7	191	167	87
(f) Deferred Tax Asset (net)	21	-	149	-
(g) Other non-current assets	8	31	-	387
<b>Sub-total of Non-current assets</b>		<b>68,867</b>	<b>57,721</b>	<b>44,189</b>
<b>2. Current assets</b>				
(a) Inventories	9	135	479	367
(b) Financial assets				
(i) Trade receivables	10	7,203	5,259	4,530
(ii) Cash and cash equivalents	11	5,157	7,124	2,587
(iii) Loans	12	78	31	150
(iv) Other Financial Assets	13	1,318	-	3,093
(c) Current tax assets	14	460	797	527
(d) Other current assets	15	2,552	1,746	1,070
<b>Sub-total of Current assets</b>		<b>16,903</b>	<b>15,437</b>	<b>12,324</b>
<b>Total assets</b>		<b>85,770</b>	<b>73,157</b>	<b>56,513</b>
<b>B. Equity and liabilities</b>				
<b>Equity</b>				
(a) Equity share capital	16	8,640	8,640	8,640
(b) Other equity	17	29,433	27,436	25,548
<b>Sub-total - Equity</b>		<b>38,073</b>	<b>36,076</b>	<b>34,188</b>
<b>Liabilities</b>				
<b>1. Non-current liabilities</b>				
(a) Financial liabilities				
(i) Long-term borrowings	18	15,272	11,295	5,449
(ii) Other financial liabilities	19	375	2,878	618
(b) Provisions	20	212	169	146
(c) Deferred tax liability (net)	21	722	-	416
(d) Other non-current liabilities	22	5,004	940	494
<b>Sub-total - Non-current liabilities</b>		<b>21,586</b>	<b>15,282</b>	<b>7,123</b>
<b>2. Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	23	1,522	330	130
(ii) Trade payables	25	7,215	4,551	4,966
(iii) Other financial liabilities	26	13,807	14,665	8,175
(b) Other current liabilities	27	3,543	2,239	1,922
(c) Provisions	28	24	14	9
<b>Sub-total of current liabilities</b>		<b>26,110</b>	<b>21,799</b>	<b>15,202</b>
<b>Total equity and liabilities</b>		<b>85,770</b>	<b>73,157</b>	<b>56,513</b>

Summary of significant accounting policies 1 - 67

The accompanying notes are an integral part of these financial statements.

This is the balance sheet referred to in our report of even date.

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

For Indian Cable Net Co Ltd  
(U92132WB1995PLC075754)

A.K. Tekriwal  
Partner  
Membership No.-056362

Surendra Kumar Agarwala  
Director  
DIN-00569816

Mukund Galgali  
Director  
DIN-01998552

Place - Kolkata  
Date - May 24<sup>th</sup>, 2017

Laxman Singh Kaira  
Company Secretary

Atul Kumar Singh  
V.P.(F & A)

**INDIAN CABLE NET COMPANY LIMITED**

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

	Notes	March 31, 2017	(₹) in Lakhs March 31, 2016
<b>I Revenue</b>			
Revenue from operations	29	34,752	24,217
Other income	30	1,057	337
<b>Total revenue</b>		<b>35,809</b>	<b>24,555</b>
<b>II Expenses</b>			
Cost of materials consumed	31	165	8
Purchases of traded goods	32	811	693
Carriage sharing, pay channel and related costs	33	18,508	11,375
Employee benefits expense	34	1,369	1,027
Finance costs	35	358	195
Depreciation and amortisation expenses	36	6,712	5,022
Other expenses	37	4,075	4,913
<b>Total expenses</b>		<b>31,997</b>	<b>23,233</b>
<b>III Profit/(Loss) before exceptional items</b>		<b>3,811</b>	<b>1,321</b>
Exceptional items		-	-
<b>IV Profit/(Loss) before tax</b>		<b>3,811</b>	<b>1,321</b>
<b>Tax Expenses</b>	39	<b>1,749</b>	<b>(46)</b>
<b>(a) Current Tax</b>			
For Current Year		1,000	420
[Net of MAT Credit Entitlement ₹ NIL (PY ₹ 194 Lakhs)]			
For Earlier Year		(26)	(13)
<b>(b) Deferred Tax</b>		776	(452)
<b>V Profit/(Loss) for the year</b>		<b>2,062</b>	<b>1,367</b>
<b>Other Comprehensive Income</b>	67	(9)	(2)
<b>VI Total Comprehensive Income for the year</b>		<b>2,053</b>	<b>1,365</b>
<b>VII Profit attributable to :</b>			
<b>Owners of the Company</b>		1,513	1,336
<b>Non Controlling Interest</b>		549	31
<b>Total Comprehensive Income attributable to:</b>			
<b>Owners of the Company</b>		(9)	(2)
<b>Non Controlling Interest (CY ₹3352, PY ₹6130)</b>		(0)	(0)
<b>VIII Profit/(Loss) to Equity Share Holders</b>		<b>2,053</b>	<b>1,365</b>
Earnings Per Share	38		
Basic		2.38	1.58
Diluted		2.38	1.58
Summary of significant accounting policies	1 - 67		

The accompanying notes are an integral part of these financial statements.

This is the statement of profit and loss referred to in our report of even date

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

For Indian Cable Net Co Ltd  
(U92132WB1995PLC075754)

A.K Tekriwal  
Partner  
Membership No.-056362

Surendra Kumar Agarwala  
Director  
DIN-00569816

Mukund Galgali  
Director  
DIN-01998552

Place - Kolkata  
Date - May 24<sup>th</sup>, 2017

Laxman Singh Kaira  
Company Secretary

Atul Kumar Singh  
V.P.(F & A)

**INDIAN CABLE NET COMPANY LIMITED**

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

PARTICULARS	₹ in Lakhs	
	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b><u>A. Cash Flow from Operating Activities:</u></b>		
<b>Net Profit before taxation, exceptional item &amp; prior period items</b>	<b>3,811</b>	<b>1,321</b>
Adjustment for :-		
Depreciation	6,712	5,022
Loss on sale/disposal/decapitalisation of Fixed Assets	(57)	-
Loss on sale of Investments	3	-
Bad Debts written off (Net of Provisions)	22	259
Provision for Retirement Benefit	34	18
Provision for STBs Churn	6	7
Provision for expenses	(25)	-
Liability no longer required written back ( Net )	(153)	(191)
Gain on Forex Forward Contract	(9)	-
Provision for doubtful Debt & Advance -	727	711
Unrealised Foreign Exchange Gain/Loss	(240)	24
Interest Paid & Borrowing cost	469	189
Interest on Fixed Deposit/ IT Refund / Others	(241)	(116)
<b>Operating profit before working capital changes</b>	<b>11,058</b>	<b>7,243</b>
<b>Change in working capital</b>		
Increase/(Decrease) in Short-term Advances taken from related party		-
Increase/(Decrease) in Trade payables	1,690	(1,600)
Increase/(Decrease) in other current liabilities	1,567	441
Increase/(Decrease) in other non current liabilities	1,500	1,211
Increase/(Decrease) in other current financial liabilities	(2,004)	5,528
Increase/(Decrease) in other non current financial liabilities	(158)	287
Decrease/ ( Increase) in Trade receivable	(1,010)	(839)
Decrease/ ( Increase) in Inventories	344	(111)
Decrease/(Increase) in current advances	1	461
Decrease/ ( Increase) in long-term loans and advances given	(5)	(15)
Decrease/ ( Increase) in short-term loans and advances given	(26)	28
Decrease/(Increase) in Other Non Current Financial Assets	(16)	(61)
Decrease/(Increase) in Other Current Financial Assets	(1,116)	3,000
Decrease/ ( Increase) in other current assets	(926)	(431)
Decrease/ ( Increase) in other non- current assets	(31)	387
<b>Cash Generation from Operating Activities before exceptional item</b>	<b>10,867</b>	<b>15,529</b>
Exceptional Item	-	-
<b>Cash Generation from Operating Activities after exceptional item</b>	<b>10,867</b>	<b>15,529</b>
Net Prior Period Adjustment	-	-
<b>Cash Generation from Operating Activities after Prior Period Item</b>	<b>10,867</b>	<b>15,529</b>
Income Tax Paid ( including TDS)	(516)	(731)
<b>Net Cash Generation from operating Activities</b>	<b>10,351</b>	<b>14,798</b>
<b><u>B. Cashflow From Investing Activities:</u></b>		
Purchase of Fixed Assets/ CWIP	(12,593)	(7,057)
Purchase of Capital work in progress	(4,394)	(7,334)
Sale of Fixed Assets/Decapitalisation	4	-
Investment in Subsidiaries	-	(677)
Sale of Shares	1	-
Purchase of Shares	(4)	-
Purchase of Intangible Asset	(971)	(528)
Interest	241	116
Investment in FD/Term Deposit	(884)	(99)
<b>Net Cash deployed in Investing Activities</b>	<b>(18,600)</b>	<b>(15,577)</b>
<b><u>C- Cashflow From Financing Activities:</u></b>		
Interest Paid	(466)	(186)



**INDIAN CABLE NET COMPANY LIMITED**

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

PARTICULARS	(₹) in Lakhs	
	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
Borrowings Taken	5,864	4,512
Issue of Equity Share	-	601
<b>Net Cash Generation from Financing Activities</b>	<b>5,397</b>	<b>4,927</b>
<b>Net Increase/(decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(2,852)</b>	<b>4,148</b>
Cash & Cash Equivalent at the beginning of the year	6,461	2,202
Cash & Cash Equivalent at the end of the year	3,609	6,350
Cash Flow on account of acquisition of Subsidiary	-	111
<b>Cash &amp; Cash Equivalent include</b>	<b>As on 31<sup>st</sup> Mar 2017</b>	<b>As on 31<sup>st</sup> March 16</b>
Cash Balance	717	89
Bank Balance	541	309
Cheque in Hand	2,351	5,901
Deposits - Free Maturity within 3 months	-	50
Cash Flow on account of acquisition of Subsidiary	-	111
<b>Cash &amp; Cash Equivalent Reported</b>	<b>3,609</b>	<b>6,461</b>

Notes: Previous years' figures are regrouped wherever necessary.

Cash Flow Statement referred in our report of even date.

For A.K. Tekriwal & Co.  
Chartered Accountants  
(FRN - 322352 E)

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

A.K Tekriwal  
Partner  
M.No.-056362

Surendra Kumar Agarwala  
Director  
DIN-00569816

Mukund Galgali  
Director  
DIN-01998552

Place - Kolkata  
Date - May 24<sup>th</sup>, 2017

Laxman Singh Kaira  
Company Secretary

Atul Kumar Singh  
V.P.(F & A)

**INDIAN CABLE NET COMPANY LIMITED**
**Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2017**
**Note no: 4**
**I. Reconciliation of Equity as previously reported under IGAAP to Ind AS**
**₹ in Lakhs**

Account description	Foot note	31-Mar-16			31-Mar-15		
		Previous GAAP	Effects of Transition to Ind AS	Ind AS	Previous GAAP	Effects of Transition to Ind AS	Ind AS
<b>Non-current assets</b>							
Property, plant and equipment	a.	21,618	4,550	26,169	14,457	4,618	19,075
Capital work-in-progress		13,829	-	13,829	5,778	-	5,778
Goodwill		3,499	-	3,499	3,792	-	3,792
Other intangible assets		13,909	-	13,909	15,070	-	15,070
Financial Assets		-	-	-	-	-	-
Investments		-	-	-	-	-	-
Other financial assets		167	-	167	87	-	87
Deferred Tax	b.	-	149	149	-	-	-
Other Non current asset		-	-	-	387	-	387
<b>Total non-current assets</b>		<b>53,022</b>	<b>4,699</b>	<b>57,721</b>	<b>39,571</b>	<b>4,618</b>	<b>44,189</b>
<b>Current assets</b>							
Inventories		479	-	479	367	-	367
Financial assets		-	-	-	-	-	-
Trade receivables	b.	7,834	(2,575)	5,259	6,897	(2,367)	4,530
Cash and cash equivalents		7,124	-	7,124	2,587	-	2,587
Other Financial Assets		-	-	-	3,093	-	3,093
Loans		31	-	31	150	-	150
Other current assets		1,746	-	1,746	1,070	-	1,070
Current Tax Assets		797	-	797	527	-	527
<b>Total current assets</b>		<b>18,011</b>	<b>(2,575)</b>	<b>15,437</b>	<b>14,691</b>	<b>(2,367)</b>	<b>12,324</b>
<b>Total assets</b>		<b>71,033</b>	<b>2,124</b>	<b>73,157</b>	<b>54,262</b>	<b>2,251</b>	<b>56,513</b>
<b>Equity &amp; Reserves</b>							
Share capital	c.	8,655	(15)	8,640	8,655	(15)	8,640
Other equity	e.	26,380	1,056	27,436	24,343	1,205	25,548
<b>Total equity</b>		<b>35,035</b>	<b>1,041</b>	<b>36,076</b>	<b>32,999</b>	<b>1,190</b>	<b>34,188</b>
<b>Non-current liabilities</b>							
Financial liabilities		-	-	-	-	-	-
Borrowings	c.	11,259	37	11,295	5,415	34	5,449
Other financial liabilities		2,878	-	2,878	618	-	618
Provisions		169	-	169	146	-	146
Deferred tax liabilities (net)	b.	581	(581)	-	416	-	416
Other non-current liabilities	d.	-	940	940	-	494	494
<b>Total non-current liabilities</b>		<b>14,886</b>	<b>396</b>	<b>15,282</b>	<b>6,594</b>	<b>529</b>	<b>7,123</b>
<b>Current liabilities</b>							
Financial liabilities		-	-	-	-	-	-
Borrowings		330	-	330	130	-	130
Trade payables		4,551	-	4,551	4,966	-	4,966
Other financial liabilities		14,665	-	14,665	8,175	-	8,175
Other current liabilities	d.	1,552	687	2,239	1,389	533	1,922
Provisions		14	-	14	9	-	9
<b>Total current liabilities</b>		<b>21,112</b>	<b>687</b>	<b>21,799</b>	<b>14,669</b>	<b>533</b>	<b>15,202</b>
<b>Total equity and liabilities</b>		<b>71,033</b>	<b>2,124</b>	<b>73,157</b>	<b>54,262</b>	<b>2,251</b>	<b>56,513</b>

**Notes to Reconciliation:**

Note No. (a) Effect of Fair Value adoption of Leasehold Land

Note No. (b) Effect of Provision for Expected Credit Loss.

Note No. (c) Effect of Reclassification of Redeemable Preference Shares as Long term Borrowings.

Note No. (d) Effect of change in recognition of Activation and Set-Top box pairing charges.

Note No. (e) Adjustments to retained earnings and Other Comprehensive Income has been made in accordance with Ind AS for the above mentioned line items.

## INDIAN CABLE NET COMPANY LIMITED

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

Note no: 4

II .Reconciliation Statement of Profit and Loss as previously reported under IGAAP to Ind AS for the period ended 31.03.2016

₹ in Lakhs

Sl. No.	Account description	Foot note	Previous GAAP	Effects of transition to Ind AS	Ind AS
I.	Revenue from operations	a.	25,825	(1,608)	24,217
II.	Other Income	d.	427	(90)	337
			<b>26,252</b>	<b>(1,698)</b>	<b>24,555</b>
III.	<b>Total Revenue (I +II)</b>				
IV.	<b>Expenses</b>				
	Raw materials consumed		8	-	8
	Purchases of finished, semi-finished and other products		693	-	693
	Operating Expenses		11,375	-	11,375
	Employee benefit expense	b.	1,030	(2)	1,027
	Finance costs	c.	130	65	195
	Depreciation and amortisation expense	e.	4,954	68	5,022
	Other expenses	d.	4,768	145	4,913
			<b>22,958</b>	<b>276</b>	<b>23,233</b>
V.	<b>Profit/(loss) before Exceptional Items (III - IV)</b>		<b>3,295</b>	<b>(1,973)</b>	<b>1,321</b>
VI.	Exceptional Items		-	-	-
VII.	<b>Profit/(loss) before tax (V - VI)</b>		<b>3,295</b>	<b>(1,973)</b>	<b>1,321</b>
VIII.	<b>Tax Expenses:</b>				
	Current tax	b.	406	1	407
	Deferred tax	d.	366	(818)	(452)
				-	
IX.	<b>Profit/(Loss) for the period (VII - VIII)</b>		<b>2,523</b>	<b>(1,156)</b>	<b>1,367</b>
X.	Other Comprehensive Income	b.	-	(2)	(2)
XI.	<b>Total other comprehensive income (X - XI)</b>		<b>-</b>	<b>(2)</b>	<b>(2)</b>
XII.	<b>Total Comprehensive Income for the period (IX + XII)</b>		<b>2,523</b>	<b>(1,158)</b>	<b>1,365</b>
	<b>Profit attributable to :</b>				
	Owners of the Company	f.	2,247	(911)	1,336
	Non Controlling Interest	f.	276	(245)	31
	<b>Total Comprehensive Income attributable to:</b>				
	Owners of the Company		-	(2)	(2)
	Non Controlling Interest (₹6130)		-	(0)	(0)
	<b>Profit/(Loss) to Equity Share Holders</b>		<b>2,523</b>	<b>(1,158)</b>	<b>1,365</b>

### Notes to Reconciliation :

Note No. (a) Deferment of Activation Income.

Note No. (b) Actuarial gain / Loss transferred to Other Comprehensive Income.

Note No. (c) Amortisation of Preference Shares.

Note No. (d) Effect of Expected Credit Loss resulting in the creation of Provision for Bad and Doubtful debts.

Note No. (e) Effect of Fair Value adoption of Leasehold Land

Note No. (f) Effect of Other Comprehensive Income due to above line items.

### III. Cash Flow Statement Reconciliation

There is no significant reconciliation item between cash flows prepared under Indian GAAP and those prepared under Ind AS.

# INDIAN CABLE NET COMPANY LIMITED

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

### 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 Pvt. Ltd. , Axom Communication and Cable Pvt. Ltd. and Siti Maurya Cable Net Private Limited collectively referred to as a "the Group" are engaged in distribution of television channels through analogue and 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 Significant Accounting Policies

#### (a) Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Indian Companies Act, 2013 with effect from April 1, 2016. Previous period numbers in the financial statements have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity and Other Comprehensive Income as at March 31, 2015, March 31, 2016 and March 31, 2017.

#### (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 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 financials 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 consolidated financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting except those required to be measured at Fair Value following generally accepted accounting principles in India (GAAP) and comply with the Indian Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with relevant rules of the Companies (Accounts) Rules, 2014 and the provisions of the Act (to the extent notified).

The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year, unless otherwise mentioned, and are explained below-

### 3 Summary of Significant Accounting Policies

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

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

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

# INDIAN CABLE NET COMPANY LIMITED

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

(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 less accumulated amortisation and accumulated impairment losses.

(iii) **Revenue Recognition:** The carriage 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

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

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

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

(c) **Goodwill**

Goodwill acquired on business combination is not amortised and is shown as excess of Investment over the network.

(d) **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

(e) **Depreciation on Tangible Assets**

Depreciation on tangible assets is provided on straight line method over the useful lives of assets estimated by the Management. Depreciation for assets purchased / sold during the period is proportionately charged. Leasehold land is amortized over the effective period of lease. Intangible assets are amortised over their respective individual estimated useful lives on straight line basis, commencing from the date the asset is available to the company for its use. 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 years
Set Top Boxes	8 years
Furniture and Fixtures	10 years
Vehicles	8 years
Studio Equipments	13 years
Office Equipments	5 years

(f) **Leases**

**Where the Group is a lessor**

Leases in which the group 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.

# INDIAN CABLE NET COMPANY LIMITED

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

### Where the Group is a lessee

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

### (g) Impairment of Assets

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

### (h) Borrowing Costs

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

### (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.

In pursuance of the regulation of Telecom Regulatory Authority of India (TRAI), the company has implemented Digital Adressable (DAS) in the notified areas and accordingly subscription charges have been accounted in terms of said regulation.

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

Income from activation of digital cable services is recognised upfront to the extent of 65% as per the matching principle and the balance is deferred over four years based on the estimated period of customer relationship.

### (j)(iii) Carriage Income

Carriage 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.

### (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.

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

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The group collects sales taxes and value added taxes (VAT) 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.

# INDIAN CABLE NET COMPANY LIMITED

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

(k) **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.

(l) **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 derivate 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.

(m) **Financial Instruments**

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.

**Derecognition of Financial Liabilities**

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

(n) **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.

(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.

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.

# INDIAN CABLE NET COMPANY LIMITED

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

(q) Cash and cash equivalents

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

(r) Provisions

Provisions are recognised in the balance sheet when the group 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.

(s) 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 2017**

	(₹) in Lakhs		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>7 Other Non Current Financial Assets</b>			
Security deposits - Unsecured, considered good	180	158	79
Margin money deposit (pledged) with statutory authorities	11	8	8
	<b>191</b>	<b>167</b>	<b>87</b>
<b>8 Other non-current assets</b>			
Other advances	31	-	387
	<b>31</b>	<b>-</b>	<b>387</b>
<b>9 Inventories</b>			
(Valued at lower of cost or net realisable value)			
Stores and spares	135	479	367
	<b>135</b>	<b>479</b>	<b>367</b>
<b>10 Trade receivables</b>			
Unsecured, considered good	7,203	5,259	4,530
Unsecured, considered doubtful	4,108	4,937	4,227
	<b>11,311</b>	<b>10,196</b>	<b>8,756</b>
Less: Provision for doubtful debts	4,108	4,937	4,227
	<b>7,203</b>	<b>5,259</b>	<b>4,530</b>
<b>11 Cash and cash equivalents</b>			
Balances with banks			
On current accounts	541	378	275
In deposit account (with maturity upto three months)	221	50	181
In deposit account (with maturity upto twelve months)*	1,327	664	385
Cheques on hand	2,351	5,901	1,701
Cash on hand	717	131	44
	<b>5,157</b>	<b>7,124</b>	<b>2,587</b>
*Pledged with bank against borrowings	1,447	-	385
<b>12 Loans</b>			
Unsecured, considered good			
Other advances	65	24	15
Prepaid Expenses	13	7	-
Considered Good	-	-	135
Advances to distribution companies	1	1	7
Less: Provision for doubtful advances	(1)	(1)	(7)
	<b>78</b>	<b>31</b>	<b>150</b>
<b>13 Other Current Financial Assets</b>			
Unbilled revenue	1,318	-	93
Other Advances	-	-	3,000
	<b>1,318</b>	<b>-</b>	<b>3,093</b>
<b>14 Current Tax Assets (net)</b>			
<b>Current tax liabilities</b>			
Provision for tax	2,026	2,049	1,660
<b>Current tax assets</b>			
Advance tax	2,486	2,846	2,187
	<b>460</b>	<b>797</b>	<b>527</b>
<b>15 Other current assets</b>			
Advance to Vendors	277	311	216
Advance to Related Parties	90	-	-
Advance tax	-	-	-
Balances with statutory authorities	2,068	1,349	808
Prepaid Expenses	118	86	46
	<b>2,552</b>	<b>1,746</b>	<b>1,070</b>

## INDIAN CABLE NET COMPANY LIMITED

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

(₹) in Lakhs

	March 31, 2017	March 31, 2016	April 1, 2015
<b>16 Equity Share capital</b>			
<b>Authorised share capital</b>			
87,857,300 Equity Shares of ₹ 10/- each	8,786	8,786	8,786
30540 Preference Shares of ₹ 100/- each	31	31	31
<b>Total authorised capital</b>	<b>8,816</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	8,640
<b>Total issued capital</b>	<b>8,640</b>	<b>8,640</b>	<b>8,640</b>
<b>Subscribed and fully paid up capital</b>			
	8,640	8,640	8,640
<b>Total paid up capital</b>	<b>8,640</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, 2017 and March 31, 2016 are set out below

### (i) Equity Shares

	31-Mar-17		31-Mar-16	
	Nos	₹ in Lakhs	Nos	₹ in Lakhs
At the beginning of the period	86,401,070	8,640	86,401,070	8,640
Outstanding at the end of the year	<b>86,401,070</b>	<b>8,640</b>	<b>86,401,070</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-17		31-Mar-16	
	Nos	₹ in Lakhs	Nos	₹ in Lakhs
<b>Equity Shares</b>				
Holding Company -Siti Cable Network Limited	51,831,000	5,183	51,831,000	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, 2017 and March 31, 2016

Name of Shareholder	Equity Shares			
	As at 31 <sup>st</sup> Mar 2017		As at 31 <sup>st</sup> March 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Siti Cable Network Limited, Holding Company	51,831,000	59.99	51,831,000	59.99
Anurag Chirimar	5,236,357	6.06	5,236,357	6.06
Sunil Nihalani	5,454,347	6.31	5,454,347	6.31
Suresh Sethiya	5,451,007	6.31	5,451,007	6.31
Tinkari Dutta	5,244,586	6.07	5,244,586	6.07
Zafar Iqbal	5,225,596	6.05	5,225,596	6.05
Surendra Kumar Agarwal	5,219,377	6.04	5,219,377	6.04

## INDIAN CABLE NET COMPANY LIMITED

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

₹ in Lakhs

### 17 Other Equity

#### Capital Reserve

OP Balance

(+/-) Current Year on Consolidation - Adjusted with Goodwill arising during the year

Balance at the end of the year

March 31, 2017	March 31, 2016	April 1, 2015
-	12	12
-	(12)	-
-	-	12

#### Securities premium account

Balance at the beginning of the year

Balance at the end of the year

18,968	18,968	18,968
18,968	18,968	18,968

#### Cash Flow Hedge Reserve

Balance at the beginning of the year

Fair Value Change on Cash Flow Hedge

-	-	-
(9)	-	-
(9)	-	-

#### Deficit in the Statement of profit and loss

Balance at the beginning of the year

Add: Profit(Loss) for the year

Less: Impact of depreciation on assets due to change in useful life

Less: Proposed Dividend / Reversal (incd Corporate Dividend Tax) on 6 % Non

Cummulative Redemable Preference Shares (₹ 6149)

7,286	5,951	5,951
1,504	1,335	-
58	-	-
-	0	-
8,732	7,286	5,951

#### Non-controlling interests

1,742	1,182	617
1,742	1,182	617

**Balance at the end of the year**

29,433	27,436	25,548
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# INDIAN CABLE NET COMPANY LIMITED

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

(₹) in Lakhs

March 31, 2017 March 31, 2016 April 1, 2015

## 18 Non Current Financial Liabilities

### Borrowings

#### (a) Term loans from banks

##### Term loans (Secured)

478 - -  
(Term loan from Karnataka Bank Ltd carrying interest @12.90% p.a. subject to change from time to time, repayable in 66 equated monthly installments, secured by hypothecation of 70000 digital STBs to be purchased and equitable mortgage of commercial plot of land at Beltala, Dispur, Dist: Kamrup held in the name of a Director, and personal gurantee of the Directors of the company. )

##### Buyer's credits

- 6,223 386  
Buyer's credit through Kotak Mahindra Bank (Secured by first and exclusive charge on all existing and future current assets and unencumbered movable fixed assets including the Set Top Boxes and also secured by the first and exclusive equitable mortgage on its land and building under construction 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)

(The facility is repayable by conversion to term loan on expiry of 36/24 months from 1st drawdown date)

##### Buyer's credits

9,496 - -  
Buyer's credit through Bank of Baroda (Secured by first charge on all movable and immovable fixed assets, including that acquired and finances, including all rights / documents / insurance claims. Second 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 under construction 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

(The facility is repayable by conversion to term loan on expiry of 36 months from 1st drawdown date)

##### Finance lease obligations - (Secured)

224 - -  
(Equipment loan from Cisco Systems Capital India Private Limited, secured against hypothecation of such equipments, carrying interest @8.5% per annum repayable in 36 equal monthly installments.)

##### Finance lease obligations - (Secured)

5 6 -  
(Vehicle loan from ICICI Bank Limited, secured against hypothecation of vehicle, carrying interest @10% per annum repayable in 60 equal monthly installments.)

#### (b) Unsecured loan

Holding company, Siti Cable Network Limited  
(Repayable on demand after 31 March 2019)

5,029 5,029 5,029

#### (c) Redeemable Preference share capital

Liability Component of Redeemable Preference Share

40 37 34

**15,272 11,295 5,449**

## 19 Other Non-Current financial liabilities

Creditors for capital goods

- - 94

Security Deposit

360 360 -

Interest free deposits from customers

15 2,518 524

**375 2,878 618**

## 20 Non-Current Provisions

### Provision for employee benefits

Provision for gratuity

71 38 30

Provision for compensated absences

61 55 47

Provision for Churn STB's

81 75 69

**212 169 146**

## 21 Deferred tax liability (net)

### Deferred tax liability

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

2,642 2,075 1,509

### Gross deferred tax liability

**2,642 2,075 1,509**

### 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

19 11 2

Impact of expenditure charged to the statement of profit and loss in earlier year but allowed for tax purposes in instalments (PY ₹ 2579)

- 0 -

Provision for doubtful debts and advances

1343 1570 661

Other disallowances

30 20 -

Carry Forward of IT Loss (CY NIL, PY ₹24827)

- 0 -

Other disallowances (CY NIL, PY ₹9888)

- 0 -

Mat Credit Entitlement

527 622 429

### Gross deferred tax asset

**1,920 2,223 1,092**

### Net deferred tax asset/ (liabilities)

**(722) 149 (416)**

**INDIAN CABLE NET COMPANY LIMITED**
**Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2017**

	(₹) in Lakhs		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>22 Other non-current liabilities</b>			
Deferred Income - Activation	2,503	940	494
Interest free deposits from customers	2,502	-	-
	<b>5,004</b>	<b>940</b>	<b>494</b>
<b>23 Short-term 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 under construction 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)	714	-	-
Inter Corporate Deposit Unsecured From Related Parties	478	30	30
	330	300	100
	<b>1,522</b>	<b>330</b>	<b>130</b>
<b>24 Other Non-Current liabilities</b>			
Deferred Income - Activation	2503	-	494
Interest free deposits from customers	-	-	0
	<b>2503</b>	<b>-</b>	<b>494</b>
<b>25 Trade payables</b>			
Total outstanding dues of creditors other than of micro enterprises, small enterprises and other enterprises	7,215	4,551	4,966
	<b>7,215</b>	<b>4,551</b>	<b>4,966</b>
<b>26 Other Current financial liabilities</b>			
Creditors for capital goods	11,721	8,423	5,061
Payable for Contractual Liabilities	24	24	19
Current maturities of long-term borrowings	1,635	189	1,728
Current maturities of finance lease obligations	134	-	-
Interest accrued but not due on borrowings	16	15	6
Book overdraft	278	6,015	1,360
	<b>13,807</b>	<b>14,665</b>	<b>8,175</b>
<b>27 Other Current Liabilities</b>			
Unearned Income	9	108	59
Advances from customers	1498	541	190
Deferred Income (Activation)	761	687	534
Payable for Contractual Liabilities	14	-	-
Payable for statutory liabilities	1261	903	1138
	<b>3,543</b>	<b>2,239</b>	<b>1,922</b>
<b>28 Current Provisions</b>			
<b>Provision for employee benefits</b>			
Provision for gratuity	19	8	3
Provision for compensated absences	5	6	6
Provision for Proposed Dividend (incl. Corporate Dividend tax) on 6 % Non Cumulative Redemable Preference Shares (₹ 6149)	-	-	0
	<b>24</b>	<b>14</b>	<b>9</b>

## INDIAN CABLE NET COMPANY LIMITED

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

### 29 Revenue from operations

(₹) in Lakhs

	March 31, 2017	March 31, 2016
<b>Sale of services</b>		
Subscription income	11,937	9,695
Advertisement income	387	1,200
Carriage income	9,467	7,744
Activation and Set top boxes pairing charges	5,956	2,956
Subscription Income - Internet	4,459	-
<b>Other operating revenue</b>		
Sale of traded goods*	1,002	913
Lease rental charges	270	234
Other networking and management income	1,274	1,476
	<b>34,752</b>	<b>24,217</b>

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

Set top box and viewing cards	1,002	913
	<b>1,002</b>	<b>913</b>

### 30 Other income

Interest income on		
Bank deposits	63	48
Others	69	13
Provision for Bad and Doubtful Debt written back	-	-
Excess provisions written back	153	191
Gain On Foreign Exchange Fluctuation (Net)	480	-
Other non-operating income	292	86
	<b>1,057</b>	<b>337</b>

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

Opening stock	479	367
	<b>479</b>	<b>367</b>
Add : Purchases during the year	2,044	2,107
	<b>2,522</b>	<b>2,474</b>
Less: Charged to Repair & Maintenance (Network)		165
Less: Transferred to CWIP	944	0
Less: Transferred to fixed assets	1,278	1,823
	<b>300</b>	<b>486</b>
Less : Closing stock	135	479
	<b>165</b>	<b>8</b>

**INDIAN CABLE NET COMPANY LIMITED**Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2017

	(₹) in Lakhs	
	March 31, 2017	March 31, 2016
<b>32 Purchases of traded goods</b>		
Set top boxes	811	679
Viewing cards (CY ₹ 25326)	0	14
	<b>811</b>	<b>693</b>
<b>33 Carriage sharing, pay channel and related costs</b>		
Licence Fee	357	1
Management Charges	1,841	1,809
Pay channel Expenses	10,009	7,760
Carriage Sharing Charges	8	286
Lease Rental & Right to Usage Charge	1,114	619
Bandwidth Cost	1,523	166
Program Production Expenses	176	161
Other Operational Expenses	1,013	523
Commission Charges and Incentives	2,467	53
	<b>18,508</b>	<b>11,375</b>
<b>34 Employee benefits expense</b>		
Salaries, allowances and bonus	1,131	863
Contributions to provident and other funds	76	53
Gratuity Fund Contribution	24	15
Staff welfare expenses	137	97
	<b>1,369</b>	<b>1,027</b>
<b>35 Finance costs</b>		
Interest	167	117
Bank charges	29	20
Amortisation of borrowing and ancillary costs	161	58
	<b>358</b>	<b>195</b>
<b>36 Depreciation and amortisation expenses</b>		
Depreciation of tangible assets (Refer note 5)	4,258	2,719
Amortisation of intangible assets (Refer note 6)	2,454	2,303
	<b>6,712</b>	<b>5,022</b>

## INDIAN CABLE NET COMPANY LIMITED

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

	(₹) in Lakhs	
	March 31, 2017	March 31, 2016
<b>37 Other expenses</b>		
Rent	236	178
Rates and taxes	76	57
Communication expenses	151	80
Repairs and maintenance		
- Network	248	281
- Building	1	2
- Others	156	101
Electricity and water charges	207	156
Legal, professional and consultancy charges	442	312
Printing and stationery	34	22
Service charges	799	570
Travelling and conveyance expenses	281	199
Auditors' remuneration*	19	13
Vehicle expenses	168	136
Insurance expenses	6	2
Corporate Social Responsibility Expenditure	99	2
Donation to Political Party	75	20
Loss on Sale / Discard / Write off of Assets (net)	1	5
Provision for Churn STB's	6	7
Provision for doubtful debts	727	710
Provision for doubtful advances	0	1
Rebate and Discount	-	1,384
Advertisement and publicity expenses	111	43
Bad debts	18	365
Business and sales promotion	128	69
Exchange fluctuation loss (net)	-	93
Miscellaneous expenses	86	105
	<b>4,075</b>	<b>4,913</b>
<b>38 Earnings per share</b>		
Profit attributable to equity shareholders	2,053	1,365
Number of weighted average equity shares	86,401,070	86,401,070
Basic	2.38	1.58
Diluted	2.38	1.58
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 2017

Note No :39 :Tax Expenses

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

	Mar-17	Mar-16
Income tax related to items recognised directly in the statement of profit and loss		
Current tax - current year	995	419
-earlier years	(26)	(13)
Deferred tax charge / (benefit)	776	(452)
Total	1,744	(46)
Effective tax rate	32.91%	33.06%

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

	Mar-17	Mar-16
Profit before tax	3,811	1,321
<b>Income tax</b>		
Statutory income tax rate on profit	1,293	437
Tax effect on non-deductible expenses	3,201	2,152
Additional allowances for tax purposes	(3,498)	(2,170)
Others / Deferred Tax effect	776	(452)
Effect of exempt income and income tax at lower rates	-	-
Tax effect for earlier years	(26)	(13)
Tax expense recognised in the statement of profit and loss	1,744	(46)

Deferred tax recognised in statement of other comprehensive income

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

The applicable tax rate is the standard effective corporate income tax rate in India. The tax rate is 32.91% (32.91%) for the year ended 31 March, 2017. Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. For analysis of the deferred tax balances (after offset) for financial reporting purposes refer note no 21.

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

Deferred tax recognised in statement of profit and loss

For the year ended	Mar-17	Mar-16
Employee retirement benefits obligation	(17)	(16)
Allowances for credit losses		
Depreciation and amortisation	568	485
Other disallowances	225	(922)
Total	776	(453)

Reconciliation of deferred tax assets / (liabilities) net:	Mar-17	Mar-16
Opening balance	(473)	(845)
Deferred tax (charge)/credit recognised in		
-Statement of profit and loss	(776)	453
-Recognised in other comprehensive income	5	1
Total	-1244	-391

## INDIAN CABLE NET COMPANY LIMITED

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

**40 The Holding Company and certain subsidiary companies acquired stakes in different companies as stated below:**

Axom Communications & Cable Private Limited w.e.f. March 31, 2016 (hereinafter referred as "ACCPL")

Particulars	ACCPL
Stake acquired	50%
Area of operation of network	Guwahati

The companies acquired were primarily in the business of providing cable television network services in different operational areas. This acquisition will give the Group inorganic growth.

Details of purchase consideration, the net assets acquired and goodwill is as follows:

Particulars	ACCPL
<b>Purchase consideration</b>	
Fair value of consideration transferred	-
Cash paid	375
<b>Total purchase consideration</b>	<b>375</b>

The asset and liabilities recognised at fair value as a result of acquisition are as follows:

Particulars	ACCPL
Property, plant and equipment	3,488
Sundry debtors	362
Other current assets	440
Cash and bank balances	75
Trade payables	-3,895
<b>Net identifiable assets acquired</b>	<b>470</b>

#### Calculation of goodwill

Consideration transferred	375
Non-controlling interest in the acquired entity	235
Less: net identifiable assets acquired	470
<b>Goodwill</b>	<b>140</b>

The goodwill is attributable to the existing established cable television networking markets of the acquired entities in the specific regions.

#### Acquisition related costs

The acquisition related costs were not directly attributable to the issue of shares and are included in profit and loss as well as in operating cash flows in the statement of cash flows.

## INDIAN CABLE NET COMPANY LIMITED

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

#### 41 Fair value measurements

There have been no transfers among Level 1, Level 2 and Level 3 during the period. The Company does not have any investments (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 2017.

#### A. Financial instruments by category

₹ in Lakh

	March 31, 2017			March 31, 2016			April 01, 2015		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets (Non Current &amp; Current)</b>									
Bank deposits	-	-	11	-	-	8	-	-	8
Amount recoverable	-	-	78	-	-	31	-	-	3,150
Security deposits (Non Current)	-	-	180	-	-	158	-	-	79
Unbilled revenues	-	-	1,318	-	-	-	-	-	93
Trade receivables	-	-	7,203	-	-	5,259	-	-	4,530
Cash and cash equivalents	-	-	5,157	-	-	7,124	-	-	2,587
<b>Total financial assets</b>	-	-	<b>13,946</b>	-	-	<b>12,582</b>	-	-	<b>10,447</b>
<b>Financial liabilities (Non Current &amp; Current)</b>									
Borrowings (non-current, financial liabilities)	-	-	15,272	-	-	11,295	-	-	5,449
Borrowings (current, financial liabilities)	-	-	1,522	-	-	330	-	-	130
Payables for purchase of property, plant and equipment (non current)	-	-	-	-	-	-	-	-	94
Security deposits received from customer	-	-	375	-	-	2,878	-	-	524
Trade payables	-	-	7,215	-	-	4,551	-	-	4,966
Other financial liabilities (current)	-	-	13,807	-	-	14,665	-	-	8,175
<b>Total financial liabilities</b>	-	-	<b>38,191</b>	-	-	<b>33,719</b>	-	-	<b>19,338</b>

#### Fair Value Hierarchy

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

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

#### 42 Financial risk management objectives and policies

##### Financial risk management

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

##### A. Credit risk

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

##### Credit risk management

###### Credit risk rating

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

A: Low credit risk on financial reporting date

B: High credit risk

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

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

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

## INDIAN CABLE NET COMPANY LIMITED

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

Credit rating	Particulars	₹ in Lakh		
		March 31, 2017	March 31, 2016	April 01, 2015
Low credit risk	Investment, Cash and cash equivalents and other financial assets except Trade Receivable, security deposits and amount recoverable	6,486	7,133	2,688
High credit risk	Trade receivables, security deposits and amount recoverable	7,461	5,449	7,759

#### Concentration of trade receivables

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

#### Credit risk exposure

##### Provision for expected credit losses

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

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

Expected credit loss for trade receivables, security deposit and Amounts recoverable under simplified approach as at March 31, 2017

Ageing	₹ in Lakh		
	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	11,311	4,108	7,203
Security Deposit	180	-	180
Amounts recoverable	78	-	78

as at March 31, 2016

Ageing	₹ in Lakh		
	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	10,196	4,937	5,259
Security Deposit	158	-	158
Amounts recoverable	31	-	31

as at April 01, 2015

Ageing	₹ in Lakh		
	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	8,756	4,227	4,530
Security Deposit	79	-	79
Amounts recoverable	3,150	-	3,150

Reconciliation of loss allowance provision – Trade receivables

	₹ in Lakh
Loss allowance on April 01, 2015	4,227
Changes in loss allowance	710
Loss allowance on March 31, 2016	4,937
Changes in loss allowance	(829)
Loss allowance on March 31, 2017	4,108

#### B. Liquidity risk

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

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

#### (ii) Maturities of financial liabilities

Contractual maturities of financial liabilities	March 31, 2017			March 31, 2016			April 01, 2015		
	Less than one year	One to two years	More than two years	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)	2,200	4,212	6,310	445	6,472	-	1,813	401	-
Secured Borrowings (current, financial liabilities) including interest	1,538	-	-	344	-	-	137	-	-
Other financial liabilities	11,745	-	-	8,447	-	-	5,080	-	-
Security deposits received from customer	-	-	375	-	-	2,878	-	-	524
Book Overdraft	278	-	-	6,015	-	-	1,360	-	-
Trade payables	7,215	-	-	4,551	-	-	4,966	-	-
<b>Total non-derivative liabilities</b>	<b>22,975</b>	<b>4,212</b>	<b>6,684</b>	<b>19,803</b>	<b>6,472</b>	<b>2,878</b>	<b>13,355</b>	<b>401</b>	<b>524</b>

## INDIAN CABLE NET COMPANY LIMITED

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

#### C. Market Risk

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

#### Cash Flow Hedge Accounting

The Company has foreign currency borrowings in the form of buyers credit 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 borrowings / capex vendors are payable and hedging the exposure to foreign currency risk by entering into forward currency contracts.

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

#### Cash Flow Hedge

##### Hedging Instrument

Type of Hedge and Risks	Nominal Value	Carrying amount		Changes in FV	Hedge Maturity Date	Line Item in Balance Sheet
		Assets	Liabilities			
Foreign Currency risk						
Foreign currency risk Component Borrowings	6,654	-	6,654	-	Apr. 2017 to Sept 2017	Non Current Liabilities- Borrowings

##### Hedging Items

Type of Hedge and Risks	Nominal Value	Changes in FV	Hedge Reserve	Line Item in Balance Sheet
Foreign currency risk				
Foreign currency risk Component Borrowings	6,654	-	9	Other Equity

#### (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

	₹ in Lakh		
	March 31, 2017	March 31, 2016	April 01, 2015
<b>Financial assets (A)</b>			
Trade receivables	-	-	-
<b>Financial liabilities (B)</b>	<b>7,309</b>	<b>8,940</b>	<b>2,129</b>
Buyer's credit (unhedged)	4,490	6,426	2,120
Payable to vendors for property, plant and equipment	2,819	2,514	8
Trade payables	-	-	-
<b>Net exposure (B-A)</b>	<b>7,309</b>	<b>8,940</b>	<b>2,129</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		
	March 31, 2017	March 31, 2016	April 01, 2015
(₹) / USD increased by 5% (previous year 5%)	(365)	(447)	(106)
(₹) / USD increased by 5% (previous year 5%)	365	447	106

#### (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 31<sup>st</sup> 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.

	₹ in Lakhs		
	March 31, 2017	March 31, 2016	April 01, 2015
Variable rate borrowings	11,846	6,412	2,114
<b>Total borrowings</b>	<b>11,846</b>	<b>6,412</b>	<b>2,114</b>

#### (b) Sensitivity

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

	Impact on loss after tax		
	March 31, 2017	March 31, 2016	April 01, 2015
Interest rates – increase by 100 basis points (31 March 2016 150 bps) *	118.46	96.19	31.71
Interest rates – decrease by 100 basis points (31 March 2016 150 bps) *	(118.46)	(96.19)	(31.71)

## INDIAN CABLE NET COMPANY LIMITED

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

#### 43 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	₹ in Lakh		
	March 31, 2017	March 31, 2016	April 01, 2015
Cash and cash equivalents	5,157	7,124	2,587
Margin money	11	8	8
<b>Total cash (A)</b>	<b>5,168</b>	<b>7,133</b>	<b>2,595</b>
Borrowings (non current, financial liabilities)	15,272	11,295	5,449
Borrowings (current, financial liabilities)	1,522	330	130
Current maturities of long-term borrowings	1,651	204	1,735
Current maturities of finance lease obligations	134	-	-
<b>Total borrowing (B)</b>	<b>18,579</b>	<b>11,829</b>	<b>7,314</b>
<b>Net debt (C=B-A)</b>	<b>13,411</b>	<b>4,696</b>	<b>4,719</b>
Total equity	38,073	36,076	34,188
<b>Total capital (equity + net debts) (D)</b>	<b>51,484</b>	<b>40,772</b>	<b>38,907</b>
<b>Gearing ratio (C/D)</b>	<b>26%</b>	<b>12%</b>	<b>12%</b>

##### Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

##### Use of deemed cost for investments in subsidiaries, jointly controlled entities and associates

The balance of the investment in subsidiaries and joint controlled entities at the date of transition to Ind AS, determined in accordance with the previous GAAP as the deemed cost of the investment at initial recognition.

##### Property, Plant and Equipment and Intangible Assets

The balance of Property, Plant and Equipment on the date of transition ie. 01.04.2015 is considered to be the deemed cost as determined in accordance with the previous GAAP except Land which has been revalued to its fair value based on valuation certificate.

##### Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated. The Company has applied same exemption for investment in subsidiaries and associates.

##### Ind AS mandatory exceptions

###### Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 01, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Impairment of financial assets based on expected credit loss model.
- The Company has deferred its activation income to the extent of 35% to the subsequent four years based on its average customer relationship.
- All other estimates other than those mentioned above adopted by the company is similar to those adopted in previous GAAP.

##### 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

Applying a requirement is impracticable when an entity cannot apply it after making every

- 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 2017

- 44 During the year, the Digital Addressable System ("DAS") has become fully operational in phase-3 notified areas in terms of mandate of Government Of India (GOI) w.e.f. 1<sup>st</sup> Oct 2016. Accordingly the company has earned ₹ 1061 lakhs DAS subscription income and ₹ 1654 Lakhs of activation income from DAS Phase 3 areas during the year.
- 45 The Holding company has made fair value measurement in respect of its Leasehold land (PPE) at the Ind AS transition date in accordance with Ind AS-101 (First time Adoption). The fair values measured in respect of the said leasehold lands is ₹ 4697 lakhs. Accordingly an amount of ₹4618 lakhs (being difference between the fair value as on 01 April 2015 and the carrying value as on that date) has been transferred to Retained earnings and corresponding amount has been added to the carrying value of leasehold lands. The effective date of fair value measurement is 01.04.2015 and done on the basis of reports of certified independent valuers. If the Leasehold lands were not revalued on the transition date, the carrying cost of the same would have been ₹79 lakhs. The corresponding amortisation of leasehold land would also have been reduced by ₹ 68 lakhs (PY ₹68 lakhs).
- 46 In respect of Axom Cable & Communication Pvt. Ltd., one of the Subsidiaries, the company has recognised Activation Income of ₹1059 lakhs by reversal to Non Refundable Security Deposits to align with Group's Accounting Policies. Consequential adjustments in taxes, other Current Liabilities and Deferred Income have also been made in these accounts.

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

Particulars	As at 31 Mar	As at 31 Mar
	2017	2016
	(₹) in Lakhs	(₹) in Lakhs
<b>(i) Contingent Liabilities</b>		
(a) Claims against the group not acknowledged as debt #	716	415
(b) Guarantees ##	217	7
	<u>932</u>	<u>422</u>
<b>(ii) Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided	8,298	1,038
	<u>8,298</u>	<u>1,038</u>

# Include ₹55 (PY ₹ 55) lakhs towards amusement tax demand against the company for financial year 2007-08 to 2009-10. The company has filed appeal with Commissioner of Agricultural Income Tax, West Bengal. These demands are raised for the difference in amount which is 5% on amount billed by the company on cable operator towards monthly subscription during a financial year and amount of collection received in respect of the same during the said period.

# Including ₹ 91 (PY ₹ 91) lakhs towards Service Tax demand relating to the F.Y.2006-07 to 2011-12. The said demand has been raised in respect of rental of set top boxes and reversal of service tax on adjustment of dishonored cheques. For ₹. 89 lakhs company has preferred appeal with Commissioner of Service Tax (A), and for ₹.165 thousands reply for showcause has been filed with Additional Commissioner of Service Tax. The Company has been advised that no service tax is leviable on afforsaid transactions.

# Including ₹ 36 (PY ₹36) lakhs towards interest & penalty demand against late payment of amusement tax during FY 2013-14.

# Includes ₹ 310 lakhs ( PY ₹201) 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 ₹ 100 (PY ₹ 26) 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 ₹ 26 lakhs for the period till May 15 on activation charges on STB's.

# Income tax demand for the assesment year FY 2014-2015 for ₹4.43 lac in respect to Siti Maurya Cable Net Pvt Ltd

# Entertainment tax demand for the period Oct'13 to Mar'14 amounting to ₹99.14 lac raised by Bihar Commercial Tax department in respect of Siti Maurya Cable Net Pvt Ltd.

## For counter guarantees in respect of outstanding bank guarantees & FD pledged ₹ 216.66 lakhs (PY ₹ 6.66 lakhs)

In addition, the group 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 group's result of operation or financial conditions.

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

# INDIAN CABLE NET COMPANY LIMITED

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

### 49 Value of Imports calculated on CIF basis

Particulars	31-Mar-17 (₹) in Lakhs	31-Mar-16 (₹) in Lakhs
Consumables	54	63
Capital Goods	2,171	12,756
	<b>2,225</b>	<b>12,819</b>

### 50 Expenditure in Foreign Currency

Particulars	31-Mar-17 (₹) in Lakhs	31-Mar-16 (₹) in Lakhs
Interest	14	14
Annual Maintenance Charges	45	85
Licence Fees	5	6
Travelling & Conveyance (PY ₹ 47 thousand)	-	0
	<b>65</b>	<b>106</b>

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

Particulars	As on 31/03/2017 (In ₹ Lakhs)		As on 31/03/2016 (In ₹ Lakhs)	
	In ₹ in Lakhs	In Foreign Currency	In ₹ in Lakhs	In Foreign Currency
Advance to Vendor (in USD)	39	1	191	3
Advance to Employees (in Yen)	2	0	-	-
Buyer's Credit (in USD)	4,490	69	6,426	97
Payable to Vendor (in USD)	2,819	43	2,514	38
<b>Total</b>	<b>7,350</b>	<b>114</b>	<b>9,131</b>	<b>138</b>

### 52 (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

PARTICULARS	(₹) in Lakhs	
	As on 31 <sup>st</sup> Mar 2017	As on 31 <sup>st</sup> March 2016
Current Service Cost	21	17
Interest on defined benefit obligation	7	6
Expected Return on plan assets	(4)	(4)
Net Accrual losses/(gains) recognized in the year	19	3
Past Service Cost	-	-
<b>Total Included in employer benefit</b>	<b>43</b>	<b>22</b>
Actual Return on plan assets	4	4

#### b. Net Asset / (Liability) recognized in the balance sheet as at 31st March 2017

PARTICULARS	(₹) in Lakhs	
	As on 31 <sup>st</sup> Mar 2017	As on 31 <sup>st</sup> March 2016
Present Value of Funded Obligation	147	101
Fair Value of Plan Assets	73	55
<b>Net Liability</b>	<b>74</b>	<b>46</b>
<b>Amount in Balance Sheet</b>		
Liability	74	46
Assets		
<b>Net Liability</b>	<b>74</b>	<b>46</b>

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

PARTICULARS	(₹) in Lakhs	
	As on 31 <sup>st</sup> Mar 2017	As on 31 <sup>st</sup> March 2016
<b>Change in Defined Benefit Obligation</b>		
Opening Defined Benefit Obligation	99	78
Current Service Cost	21	17
Interest Cost	7	6
Actuarial Losses / (Gain)	20	(1)
Past Service Cost	-	-
Benefits Paid	(1)	(0)
<b>Closing Defined Benefit Obligation</b>	<b>147</b>	<b>100</b>



## INDIAN CABLE NET COMPANY LIMITED

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

Change in Fair Value of Assets		
Opening Fair Value of Plan Assets	55	46
Fund converted old scheme	-	3
Expected Return on Plan Assets	4	4
Actuarial Gain / (Losses)	0	(4)
Contribution by Employer	13	6
Benefits Paid	(1)	(0)
Closing Fair Value on Plan Assets	73	55
Expected Employer Contribution Next Year	14	18

(ii) The Defined Benefit Obligation of compensated absence in respect of Privilege Leave is ₹ 66 Lakhs (P.Y ₹ 61 Lakhs).

(iii) Actuarial Assumptions

Category of Assets	As on 31 <sup>st</sup> March 2017	As on 31 <sup>st</sup> March 2016
Discount Rate (p.a.)	7.50%	8.00%
Expected rate of return on Assets	7.50%	0% - 8%
Salary Escalation Rate (p.a.)	5% - 8%	5% - 8%

- 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.

53 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 Holding Company's income from cable TV services. The Holding 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 Holding Company in the books of accounts.

54 Payment to Auditors (accrued) (Excluding Service Tax)

(₹) in Lakhs

PARTICULARS	As on 31 <sup>st</sup> March 2017	As on 31 <sup>st</sup> March 2016
Audit Fees	7	6
Tax Audit Fees	2	1
Taxation Matter	5	3
Other Services	5	3
Reimbursements	0	0
	19	13

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

56 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%
Axom Communications & Cable Pvt. Ltd.	India	50.00%

57 Particulars of donations made to political parties.

Name of Political Party	(₹) in Lakhs	
	CY Amount	PY Amount
Bharatiya Janata Party	75	-
Rashtriya Janata Dal	-	20

## INDIAN CABLE NET COMPANY LIMITED

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

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

During the year, the Group had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

(₹) in Lakhs

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	670	7	677
(+) Permitted receipts	-	760	760
(-) Permitted payments	0	65	66
(-) Amount deposited in Banks	669	612	1,281
Closing cash in hand as on 30.12.2016	-	89	89

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

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

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

61 As per Section 135 of Companies Act 2013, a CSR Committee had been formed by the Holding 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.

- Average net profit as prescribed under section 135 of the Companies Act 2013: ₹ 1956 lakhs (PY ₹ 1916) lakhs as per standalone financial statement of Holding Company
- Amount spend during the year ₹ 99 lakhs (PY ₹ 2 lakhs) on activities of Health Care by Holding Company.

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

63 In respect of Axom Communication & Cable Pvt. Ltd. a search proceedings was conducted on 09/06/2015 at companies regd. office by the Income Tax Dept. Guwahati and an amount of ₹ 24 Lakhs was seized which has been shown under "Other Non Current Assets". In the opinion of the management, Axom does not foresee any tax liability on this account neither has any demand been raised by the department in this regard.

#### 64 Related Party Disclosure

List of parties where control Exists

##### a. Holding Company

- Siti Cable Network Limited

##### b. Fellow Subsidiary Companies

- Siticable Broadband South Limited
- Central Bombay Cable Network Limited
- Wire & Wireless Tisai Satellite Pvt Ltd
- Master Channel Community Network Pvt. Ltd
- Siti Jai Maa Durgee Communications Pvt Ltd
- Siti Bhatia Network Entertainment Pvt Ltd
- Siti Krishna Digital Media Pvt Ltd
- Siti Jony Digital Cable Network Pvt Ltd
- Siti Guntur Digital Network Pvt Ltd
- Siti Faction Digital Pvt Ltd
- Siti Jind Digital Media Communications Pvt Ltd
- Siti Global Pvt Ltd
- Siti Broadband Services Pvt Ltd
- Siti Kranal Digital Media Network Pvt Ltd
- Siri Digital Network Pvt Ltd
- Siti Chhattisgarh Multimedia Pvt Ltd
- Siti Vision Digital Media 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 Diginet Pvt. Ltd.

##### e. Entities in which Directors Interested

- Smart Vinimay Private Limited
- Statt Solution Private Limited
- Gurukripa Comlink Private Limited
- Haridvar Traders Private Limited
- Maxpro Tracon Private Limited
- Maa Laxmi Network
- Global Cable Network
- IT Agency
- Rai Cable Network

##### e. Entities in which Directors Interested

- Raja Cable
- Puja Cable
- Nice Network
- Maa Vaishnav Setlrite Vision
- Maa Vaishnav Vision
- Shiva Vision
- Purvanchal Communication Pvt. Ltd.
- AM Televisions Pvt. Ltd.
- Dollys Cable Network
- GB Cable TV Service
- Akshat Cable Network
- Sanjive Narain (HUF)

##### g. Director's

- Mr. Vassdev Wadhwa
- Mr. Surendra Kumar Agarwala
- Mr. Himanshu Pradeep Mody
- Mr. Sureshkumar Phoolchand Agarwal
- Mr. Mukund Galgali
- Ms. Kavita Anand Kapahi
- Mr. Rajnish Kumar Dixit
- Mr. Niraj Kumar Sinha
- Mr. Madanjeet Kumar
- Mr. Binod Kumar Rai
- Mr. Muno Kumar
- Mr. Nawal Kumar
- Mr. Anil Kumar Jain
- Mr. Atul Kumar Singh
- Mr. Sanjive Narain
- Mr. Anil Kumar Malhotra
- Mr. Gautam Bharali
- Mr. Meghali Baruah Narain

##### g. Key Managerial Personnel

- Mr. Soumen Roy Choudhury
- Mr. Laxman Singh Kaira

## INDIAN CABLE NET COMPANY LIMITED

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

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.	
	FY 16-17	FY 15-16	FY 16-17	FY 15-16	FY 16-17	FY 15-16
Expense paid by	(36.98)	(39.82)	(0.12)	(0.04)		
Expenses paid on behalf of	0.30	2.96	73.64	55.60	0.52	1.02
Payment for purchase of material and services	136.41	4,044.16				
Purchase of material & Services	(3,542.49)	(3,117.50)				
Expenses Reimbursed to	36.88	-				
Sales of service and materials	1,323.83	1,031.34	270.17	364.69		
Expenses Reimbursed by	(0.23)	(2.21)		(55.56)		
Equity Contribution		-				
Payment received for sales of services/other recoveries	(75.00)	(1,031.34)	(235.55)	(374.31)		
Assets Taken over by	(7.14)	-			(0.32)	
<b>Outstanding at the end of year</b>	<b>(12,827.15)</b>	<b>(10,662.71)</b>	<b>244.45</b>	<b>136.31</b>	<b>37.19</b>	<b>36.99</b>

Transactions with related parties.

(₹) in Lakhs

Particulars	Calcutta Communication LLP		Purvi Communications LLP		Siti Vision Digital Media Pvt Ltd	
	FY 16-17	FY 15-16	FY 16-17	FY 15-16	FY 16-17	FY 15-16
Expense paid by						
Expenses paid on behalf of				1.78		
Sales of service and materials						19.86
Expenses Reimbursed by				(1.78)		
Advances refuted to/ given	90.00					
<b>Outstanding at the end of year</b>	<b>92.95</b>	<b>2.95</b>	<b>(0.40)</b>	<b>(0.40)</b>	<b>19.86</b>	<b>19.86</b>

# INDIAN CABLE NET COMPANY LIMITED

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

Transactions with related parties.

(₹) in Lakhs

Particulars	Smart Vinimay Private limited		Siti Singhbhum Cable Net Co. (P) Ltd.		Statt Solution Pvt Ltd	
	FY 16-17	FY 15-16	FY 16-17	FY 15-16	FY 16-17	FY 15-16
Expense paid by						
Expenses paid on behalf of			0.17	0.17		
Payment for purchase of material and services	1.78	2.27				(1.84)
Purchase of material & Services	(1.78)	(19.75)				1.84
Sales of service and materials	28.36	45.00				
Payment received for sales of services/other recoveries	(32.46)	(18.06)				
<b>Outstanding at the end of year</b>	<b>9.30</b>	<b>13.40</b>	<b>1.11</b>	<b>0.93</b>	<b>-</b>	<b>-</b>

Transactions with related parties.

(₹) in Lakhs

Particulars	Gurukripa Comlink Pvt Ltd		Haridwar Traders Pvt Ltd		Maxpro Tracon Pvt Ltd	
	FY 16-17	FY 15-16	FY 16-17	FY 15-16	FY 16-17	FY 15-16
Payment for purchase of material and services		(1.72)				
Purchase of material & Services		1.72				
Sales of service and materials					0.64	
Advance Refund to/given				(200.00)		(150.00)
Assets Taken over by						
Advance Refund to/given				200.00		150.00
<b>Outstanding at the end of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.64</b>	<b>-</b>

Transactions with related parties.

(₹) in Lakhs

Particulars	Siti Broadband Services Pvt Ltd		Purvanchal Communication Pvt. Ltd.		AM Televisions Pvt. Ltd.	
	FY 16-17	FY 15-16	FY 16-17	FY 15-16	FY 16-17	FY 15-16
Payment for purchase of material and services			33.97			114.50
Purchase of material & Services			(42.72)	(39.24)		(114.50)
Sales of service and materials	736.29	847.66			3.61	
Expenses Reimbursed by						
Payment received for sales of services/other recoveries	(1,194.31)	(1,057.13)			(3.61)	
Assets Taken over by	(0.22)					
Advance Refund to/given						
<b>Outstanding at the end of year</b>	<b>(667.71)</b>	<b>(209.47)</b>	<b>(12.91)</b>	<b>(4.16)</b>	<b>-</b>	<b>-</b>

# INDIAN CABLE NET COMPANY LIMITED

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

## Transactions with related parties.

(₹) in Lakhs

Particulars	Dollys Cable Network		GB Cable TV Service		Akshat Cable Network	
	FY 16-17	FY 15-16	FY 16-17	FY 15-16	FY 16-17	FY 15-16
Sales of service and materials	84.79		10.96		41.86	
Expenses Reimbursed by						
Payment received for sales of services/other recoveries	(46.96)				(13.37)	
<b>Outstanding at the end of year</b>	<b>44.69</b>	<b>6.86</b>	<b>12.30</b>	<b>1.34</b>	<b>28.49</b>	<b>-</b>

## Transactions with related parties.

(₹) in Lakhs

Particulars	Sanjive Narain (HUF)		Maurya Dignet Pvt Ltd		Binod Kr. Rai	
	FY 16-17	FY 15-16	FY 16-17	FY 15-16	FY 16-17	FY 15-16
Payment for purchase of material and services	10.80		167.50	81.18		
Purchase of material & Services	(10.80)		(348.18)	(312.43)		
Equity Acquisition / Issue of Equity				299.40		
Sales of service and materials			(30.74)	(17.47)	71.57	55.65
Payment received for sales of services/other recoveries					(67.34)	(67.89)
<b>Outstanding at the end of year</b>	<b>-</b>	<b>-</b>	<b>(589.80)</b>	<b>(378.38)</b>	<b>44.48</b>	<b>40.25</b>

## Transactions with related parties.

(₹) in Lakhs

Particulars	Madanjeet Kumar		Muno Kumar		Nawal Kumar	
	FY 16-17	FY 15-16	FY 16-17	FY 15-16	FY 16-17	FY 15-16
Expense paid by			(0.03)	(0.12)		
Expenses Reimbursed to			0.03	0.09		
Sales of service and materials	65.88	58.39	69.59	51.87	57.09	40.26
Expenses Reimbursed by						
Payment received for sales of services/other recoveries	(71.12)	(68.14)	(70.72)	(55.72)	(60.69)	(44.69)
<b>Outstanding at the end of year</b>	<b>12.33</b>	<b>17.56</b>	<b>20.92</b>	<b>22.04</b>	<b>13.11</b>	<b>16.71</b>

# INDIAN CABLE NET COMPANY LIMITED

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

## Transactions with related parties. (₹) in Lakhs

Particulars	Niraj Sinha		Rajnish Kr. Dixit	
	FY 16-17	FY 15-16	FY 16-17	FY 15-16
Sales of service and materials	19.24	18.23	16.20	11.08
Expenses Reimbursed by				
Payment received for sales of services/other recoveries	(20.73)	(22.03)	(17.48)	(16.50)
Equity Contribution in Cash				
Advance Refund to/given				
Assets Taken over by				
Advance Refund to/given				
<b>Outstanding at the end of year</b>	<b>4.76</b>	<b>6.25</b>	<b>2.94</b>	<b>4.22</b>

## h. Payments made to Key Managerial Personnel

(₹) in Lakhs

	FY16-17	FY15-16
Remuneration paid to manager		
(i) Short Term Employee Benefits	35	35
(ii) Post Employment Benefit	2	2
(iii) Other Long Term Benefits	-	-
(iv) Termination Benefits	-	-
<b>Total Remuneration</b>	<b>36</b>	<b>36</b>

## 65 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.	87.21	35,640	34.19	890
<b>Subsidiary</b>				
Siti Maurya Cable Net Pvt. Ltd.	5.24	2,140	9.32	243
Indinet Service Pvt Ltd	0.02	7	0.28	7
Axom Communications & Cable Pvt. Ltd.	3.27	1,337	35.11	913
Minority Interest in Subsidiary	4.26	1,742	21.09	549
		<b>40,867</b>		<b>2,601</b>
Intra Group Elimination		<b>2,793</b>		<b>549</b>
<b>TOTAL</b>		<b>38,073</b>		<b>2,053</b>

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

For Indian Cable Net Co Ltd  
(U92132WB1995PLC075754)

A.K Tekriwal  
Partner  
Membership No.-056362

Surendra Kumar Agarwala  
Director  
DIN-00569816

Mukund Galgali  
Director  
DIN-01998552

Place - Kolkata  
Date - May 24<sup>th</sup>, 2017

Laxman Singh Kaira  
Company Secretary

Atul Kumar Singh  
V.P.(F & A)

**INDIAN CABLE NET COMPANY LIMITED**

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

**Note 5: PROPERTY, PLANT & EQUIPMENT & CAPITAL WORK IN PROGRESS**

Particulars	Lease Hold Land	Building	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Air conditioners	Studio equipment	Vehicles	Leasehold improvements	Set top boxes	Set top boxes (Under Lease)	Total	CWIP
<b>Year ended 31 March 2016</b>														
Gross Carrying Amount as on 01 April 2015	4,697	2	5,756	255	93	206	-	-	69	-	14,139	1,423	26,640	5778
Additions	-	-	2,157	114	36	80	-	-	58	-	7,770	-	10,214	9964
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	1914
<b>Closing Gross Carrying Amount</b>	<b>4,697</b>	<b>2</b>	<b>7,913</b>	<b>369</b>	<b>129</b>	<b>286</b>	<b>0</b>	<b>0</b>	<b>127</b>	<b>0</b>	<b>21,909</b>	<b>1,423</b>	<b>36,854</b>	<b>13,829</b>
<b>Accumulated Depreciation</b>														
Opening Accumulated Depreciation	-	0	2,672	175	54	61	-	-	12	-	4,216	-	7,565	-
Depreciation charge during the year	68.87	0	720	48	15	26	-	-	12	-	2,056	-	3,121	-
<b>Closing Accumulated Depreciation</b>	<b>69</b>	<b>0</b>	<b>3,392</b>	<b>222</b>	<b>69</b>	<b>87</b>	<b>-</b>	<b>-</b>	<b>25</b>	<b>-</b>	<b>6,272</b>	<b>-</b>	<b>10,686</b>	<b>-</b>
<b>Net Carrying Amount as on 31 March 2016</b>	<b>4,628</b>	<b>1</b>	<b>4,521</b>	<b>147</b>	<b>60</b>	<b>199</b>	<b>-</b>	<b>-</b>	<b>103</b>	<b>-</b>	<b>15,637</b>	<b>873</b>	<b>26,169</b>	<b>13,829</b>
<b>Year ended 31 March 2017</b>														
Opening Gross Carrying Amount as on 01 April 2016	4,697	2	7,913	369	129	286	-	-	127	-	21,909	1,423	36,854	13,829
Additions	-	-	1,813	110	17	3	-	-	9	-	9,807	-	11,758	8,240
Disposals	-	-	-	-	-	-	-	-	(7)	-	-	-	(7)	3,232
<b>Closing Gross Carrying Amount</b>	<b>4,697</b>	<b>2</b>	<b>9,725</b>	<b>479</b>	<b>146</b>	<b>288</b>	<b>-</b>	<b>-</b>	<b>129</b>	<b>-</b>	<b>31,716</b>	<b>1,423</b>	<b>48,605</b>	<b>18,837</b>
<b>Accumulated Depreciation and Impairment</b>														
Opening Accumulated Depreciation	69	0.30	3,392	222	69	87	-	-	25	-	6,272	-	10,686	-
Depreciation charge during the year	68.87	0.02	870	79	18	29	-	-	15	-	3,061	-	4,316	-
Disposals	-	-	-	-	-	-	-	-	(2)	-	-	-	(2)	-
<b>Closing Accumulated Depreciation and Impairment</b>	<b>138</b>	<b>0.32</b>	<b>4,262</b>	<b>301</b>	<b>87</b>	<b>116</b>	<b>-</b>	<b>-</b>	<b>37</b>	<b>-</b>	<b>9,333</b>	<b>725</b>	<b>15,000</b>	<b>-</b>
<b>Net Carrying Amount</b>	<b>4,560</b>	<b>1</b>	<b>5,463</b>	<b>177</b>	<b>59</b>	<b>172</b>	<b>-</b>	<b>-</b>	<b>92</b>	<b>-</b>	<b>22,383</b>	<b>698</b>	<b>33,605</b>	<b>18,837</b>

## INDIAN CABLE NET COMPANY LIMITED

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

### Note 6 : GOODWILL & OTHER INTANGIBLE ASSETS

PARTICULARS	GOODWILL	GOODWILL ON CONSOLIDATION	DISTRIBUTION NETWORK ASSETS	VC CARDS	SOFTWARE	LICENCES	TOTAL OTHER INTANGIBLE ASSETS
<b>Year ended 31 March 2016</b>							
Gross Carrying Amount	4,213	-	15,371	1,710	230	-	17,311
Deemed cost as at April 2015							
Additions	-	128	-	494	227	-	721
<b>Closing Gross Carrying Amount</b>	<b>4,213</b>	<b>128</b>	<b>15,371</b>	<b>2,204</b>	<b>456</b>	<b>-</b>	<b>18,031</b>
<b>Accumulated Depreciation</b>							
Opening Accumulated Depreciation	421	-	1,537	620	84	-	2,241
Amortisation for the year	421	-	1,537	290	55	-	1,881
<b>Closing Accumulated Amortisation</b>	<b>843</b>	<b>-</b>	<b>3,074</b>	<b>909</b>	<b>139</b>	<b>-</b>	<b>4,122</b>
<b>Closing Net Carrying Amount</b>	<b>3,371</b>	<b>128</b>	<b>12,297</b>	<b>1,295</b>	<b>317</b>	<b>-</b>	<b>13,909</b>
<b>Year ended 31 March 2017</b>							
Gross Carrying Amount							
Opening Gross Carrying Amount	4,213	128	15,371	2,204	456	-	18,031
Additions	-	-	-	906	312	32	1,250
<b>Closing Gross Carrying Amount</b>	<b>4,213</b>	<b>128</b>	<b>15,371</b>	<b>3,111</b>	<b>768</b>	<b>32</b>	<b>19,281</b>
<b>Accumulated amortisation and impairment</b>							
Opening Accumulated Amortisation	843	-	3,074	909	139	-	4,122
Additions	421	-	1,537	402	92	1	2,031
<b>Closing Accumulated Amortisation and Impa</b>	<b>1,264</b>	<b>-</b>	<b>4,611</b>	<b>1,311</b>	<b>231</b>	<b>1</b>	<b>6,155</b>
<b>Closing Net Carrying Amount</b>	<b>2,949</b>	<b>128</b>	<b>10,760</b>	<b>1,800</b>	<b>537</b>	<b>30</b>	<b>13,127</b>



**Indian Cable Net Company Limited**

**Consolidated financial statements for the year ended 31<sup>st</sup> March 2017**

**Statement of Change in Equity for the year ended 31<sup>st</sup> March 2017**

(₹) in Lakhs

Particulars	Equity Share Capital	Other Equity					Total	
		Securities Premium Reserve	Retained Earnings*	Cash Flow Hedge Reserve	Capital Reserve	Total Other Equity		Non Controlling Interests
<b>Balance at 1 April 2015</b>	8,640	18,968	5,951	-	12	24,931	617	34,188
Changes in Equity Share Capital	-	-	-	-	(12)	1,323	565	1,888
Profit for the year	-	-	1,335	-	-	-	-	-
Other Comprehensive Income	-	-	1,335	-	(12)	1,323	565	1,888
Total Comprehensive Income for the year	-	-	1,335	-	(12)	1,323	565	1,888
<b>Transactions with owners in their capacity as owners :</b>								
Proposed Dividend Reversal (Incd Corporate Dividend Tax) on 6 % Non Cumulative Redemable Preference Shares			0			0		0
<b>Balance at March 2016</b>	8,640	18,968	7,286	-	-	26,254	1,182	36,076
<b>Balance at 1 April 2016</b>	8,640	18,968	7,286	-	-	26,254	1,182	36,076
Changes in Equity Share Capital	-	-	-	-	-	-	-	-
Profit for the year	-	-	1,504	-	-	1,504	561	2,065
Other Comprehensive Income	-	-	1,504	-	-	-	-	-
Total Comprehensive Income for the year	-	-	1,504	-	-	1,504	561	2,065
Fair Value Change on Cash Flow Hedge	-	-	-	(9)	-	(9)	-	(9)
Impact of depreciation on assets due to change in useful life	-	-	(58)	-	-	(58)	-	(58)
<b>Balance at 31 March 2017</b>	8,640	18,968	8,732	(9)	-	27,691	1,742	38,073

\* (i) Includes ₹ 4618 Lakhs surplus arising out of fair valuation of Leasehold land (Property, Plant and Equipment) recognised on transition date to Ind AS transition as prescribed in Ind AS-101 (First time adoption).

\* (ii) Includes impact of ECL ₹ (2354) Lakhs on transition date as prescribed in "Ind AS 101, First Time Adoption".

**INDIAN CABLE NET COMPANY LIMITED**Notes to Consolidated financial statements for the year ended 31<sup>st</sup> March 2017

Note No:67

₹ in Lakhs

	Year Ended 31 March 2017	Year Ended 31 March 2016
<b>OTHER COMPREHENSIVE INCOME</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	(14)	(2)
(ii) Income Tax relating to items that will not be reclassified to profit or loss	5	1
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>(9)</b>	<b>(2)</b>