



A. K. TEKRIWAL & CO.
CHARTERED ACCOUNTANTS

Jabakusum House
34, Chittaranjan Avenue, 2nd Floor
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Ph : 2212-0050, 4007-3563
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**Independent Auditor's Report
To the Members of Indinet Service Pvt. Limited**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Indinet Service Pvt. Limited ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

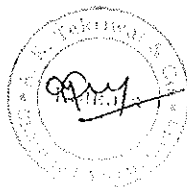
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.





Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rule issued there under;
 - (e) on the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigation on its financial position in its standalone financial statements- Refer Note: 24 to the Standalone Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For A.K. TEKRIWAL & CO.
Chartered Accountants
Firm's registration number: 322352E

A.K. Tekriwal
Partner
Membership number: 056362



Kolkata

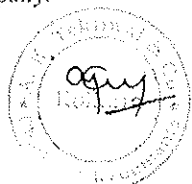
14th May, 2018



Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2018, we report that:

- (i) The Company does not have any fixed assets. Hence paragraphs 3(i)(a), 3(i)(b) and 3(i)(c) of the order are not applicable to the company under review.
- (ii) The Company does not have inventories. Hence paragraphs 3(ii) of the Order are not applicable to the company under review.
- (iii) The company has not granted any loan, secured or unsecured, to companies, Firms, Limited Liability Partnerships or other parties covered in register u/s 189 of the Companies Act, 2013. Hence paragraphs 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable to the company under review.
- (iv) In our opinion and according to the information and explanations given to us, the provisions of section 185 and 186 of the Act, with respect to the loans, investments, Guarantees and Security are not applicable to the company under review.
- (v) The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. Accordingly the provisions of clause 3(v) of the order are not applicable to the Company.
- (vi) To the best of our knowledge and as explained, the Central Government has prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for the products and services of the Company. We have broadly reviewed the books of accounts maintained by the company in this connection and are of the opinion that the prima facie the records have been maintained. We have not however made a detailed examination of the records with the view to determine whether they are accurate and complete.
- (vii) (a) In our opinion and according to the information and explanations given to us, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the company examined by us, there are no disputed liability outstanding as at 31st March 2018.
- (viii) On the basis of the records examined by us and the information and explanations given to us, the company has not taken any loans or borrowings from the banks or financial institutions. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The company has not raised any money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, no term loans have been taken by the Company during the year. Accordingly, the provisions of the clause 3(ix) are not applicable.
- (x) According to the information and explanations given to us, no fraud by the company or on the Company by it's officers or employees has been noticed or reported during the year.
- (xi) On the basis of the records examined by us and the information and explanations given to us, the Company has not paid any managerial remuneration. Accordingly, the Provisions of the clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the company is not a Nidhi company. Therefore, paragraph 3(xii) of the order is not applicable to the Company.





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

For A. K Tekriwal & Co.
Chartered Accountants

Firm's registration number: 322352E

A.K. Tekriwal
Partner

Membership number: 056362



Kolkata

14th May, 2018



Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Indinet Service Private Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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





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Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For A.K. TEKRIWAL & CO.
Chartered Accountants
Firm's Registration Number: 322352E

A.K. Tekriwal
Partner
Membership Number: 056362

Kolkata
14th May 2018



INDINET SERVICE PRIVATE LIMITED

Balance Sheet as at March 31, 2018

(₹) '000s

	Notes	March 31, 2018	March 31, 2017
A. Assets			
1. Non-current assets			
(a) Other intangible assets	5	2,873	3,031
(b) Financial assets			
(i) Other Financial Assets	6	25	25
(c) Deferred Tax assets (Net)	7	2,523	182
Sub-total of Non-current assets		5,421	3,238
2. Current assets			
(a) Financial assets			
(i) Trade receivables	8	87,330	20,701
(ii) Cash and Cash equivalents	9	29,067	38,967
(iii) Bank Balances other (ii) above	9	23,687	22,088
(iv) Others	10	218	30,746
(b) Current tax assets	11	672	-
(c) Other current assets	12	40,023	194
Sub-total of Current assets		180,998	112,696
Total assets		186,419	115,934
B. Equity and liabilities			
1. Equity			
(a) Equity share capital	12	100	100
(b) Other equity	13	(6,226)	645
Sub-total - Equity		(6,126)	745
2. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	-	32,556
(ii) Trade payables	15	173,429	69,426
(b) Other current liabilities	17	19,116	13,066
(c) Current Tax liabilities (net)	18	-	141
Sub-total of current liabilities		192,545	115,189
Total equity and liabilities		186,419	115,934

Summary of significant accounting policies 3

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

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

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

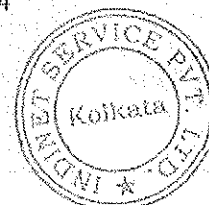
A.K Tekriwal
Partner
Membership No.-056362



For Indinet Service Private Limited
(U74900WB2015PTC207490)

Souvick Chatterjee
Director
DIN-03354504

Atul Kumar Singh
Director
DIN-07195221



Place - Kolkata

Date - 14th May 2018

INDINET SERVICE PRIVATE LIMITED
Statement of Profit and Loss for the year ended March 31, 2018

(₹) '000s

	Notes	March 31, 2018	March 31, 2017
Revenue			
Revenue from operations	18	716,348	445,853
Other income	19	13,726	1,208
Total revenue		730,073	447,061
Expenses			
Operational Expenses	20	711,351	431,411
Employee benefits expense		-	-
Finance costs	21	485	352
Amortisation expenses	22	158	119
Other expenses	23	27,291	14,134
Total expenses		739,285	446,016
Profit(Loss) before Exceptional Items & Tax		(9,211)	1,045
Exceptional Items		-	-
Profit(Loss) before tax		(9,211)	1,045
X Tax Expenses		(2,341)	323
(a) Current Tax		-	471
(b) Deferred Tax		(2,341)	(148)
XI Profit /(Loss) for the year		(6,870)	722
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		(6,870)	722
Earning Per Share			
Basic (₹)	25	(687.02)	72.22
Diluted (₹)		(687.02)	72.22

Summary of significant accounting policies 3

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

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

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

A.K. Tekriwal
Partner
Membership No.-056362

Place - Kolkata
Date - 14th May 2018



For Indinet Service Private Limited
(U74900WB2015PTC207490)

Souvick Chatterjee
Director
DIN-03354504

Atul Kumar Singh
Director
DIN-07195221



INDINET SERVICE PRIVATE LIMITED

Cash Flow Statement for year ended 31st March 2018

PARTICULARS	₹ '000s	
	31 st March 2018	31 st March 2017
A. Cash Flow from Operating Activities:		
Net Loss before taxation	(9,211)	1,045
Adjustment for :-		
Amortisation of Intangible assets	158	119
Provision for doubtful Debt & Advance -	9,032	604
Interest Paid & Borrowing cost	485	352
Interest on Fixed Deposit/ IT Refund / Others	(1,737)	(1,208)
Operating profit before working capital changes	(1,273)	912
Change in working capital		
Increase/(Decrease) in Trade payables	104,002	69,416
Increase/(Decrease) in other current liabilities	6,050	13,065
Decrease/ (Increase) in Trade receivable	(75,661)	(21,305)
Decrease/ (Increase) in long-term financial assets	-	(25)
Decrease/ (Increase) in short-term loans and advances given	-	-
Decrease/ (Increase) in Other Current Financial Assets	30,528	(30,746)
Decrease/ (Increase) in other current assets	(39,829)	(169)
Cash Generation from Operating Activities before exceptional item	23,818	31,147
Exceptional Item	-	-
Cash Generation from Operating Activities after exceptional item	23,818	31,147
Income Tax Paid (including TDS)	(814)	(329)
Net Cash Generation from operating Activities	23,004	30,818
B. Cashflow From Investing Activities:		
Purchase of Fixed Assets/ CWIP/Including Capital Advance	-	(3,150)
Interest	1,737	1,208
Investment in FD/Term Deposit (Including Interest accrued)	(1,600)	(22,088)
Net Cash deployed in Investing Activities	137	(24,029)
C- Cashflow From Financing Activities:		
Interest Paid	(485)	(352)
Borrowings Taken/Repayment	(32,556)	32,451
Issue of Equity Share	-	-
Net Cash Generation from Financing Activities	(33,041)	32,099
Net Increase/(decrease) in Cash & Cash Equivalent (A+B+C)	(9,900)	38,888
Cash & Cash Equivalent at the beginning of the year	38,967	79
Cash & Cash Equivalent at the end of the year	29,067	38,967
	As on 31 st Mar 18	As on 31 st March 17
Cash & Cash Equivalent include		
Cash Balance	2,034	3,710
Bank Balance	12,109	10,001
Cheque in Hand	14,924	25,256
Cash & Cash Equivalent Reported	29,067	38,967

Notes: Previous years' figures are regrouped wherever necessary.

Cash Flow Statement referred in our report of even date.

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

A.K. Tekriwal
Partner
Membership No.-056362



For Indinet Service Private Limited
(U74900WB2015PTC207490)

Souvick Chatterjee
Director
DIN-03354504

Atul Kumar Singh
Director
DIN-07195221



Place - Kolkata
Date - 14th May 2018

INDINET SERVICE PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2018

1 Corporate Information

Indinet Service Pvt Ltd. ('the company' or 'INDINET') was incorporated on 19th August, 2015 with its registered office in Kolkata, West Bengal. INDI NET is a Subsidiary of Indian Cable Net Company Ltd. The company is an internet service provider which provides Broadband and Other Related services.

2 Basis of Preparation

2.1 The Company has incurred loss during the current financial years and resulted in negative net worth of the company. However, in view of the expected substantial subscription revenue growth and continued financial support from certain stakeholders of the Company, the financial statements have been prepared on a going concern basis.

2.2 Statement of Compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with relevant rules of the Companies (Accounts) Rules, 2014 read with companies (Indian Accounting Standard) Rules, 2015 and the provisions of the Act (to the extent notified).

2.3 Basis of Measurement

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

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

2.4 Functional and Presentation Currency

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

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

3 Summary of Significant Accounting Policies

(a) Use of estimates and Critical accounting judgements

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

(b) Property, Plant and Equipment

(i) Recognition and Measurement

Property, Plant and Equipment is recognised at cost less accumulated depreciation or impairment losses if any, incurred to bring the asset to the present condition and location. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is transferred to Statement of Profit and Loss.

(ii) Depreciation

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.

(c) Intangible Assets

License Fees are included in the Balance sheet as an Intangible asset where they are clearly linked to long term economic benefits for the Company. In this case they are measured initially at purchase cost and then amortised on a straight-line basis over their estimated useful lives.

The estimated useful lives are as follows

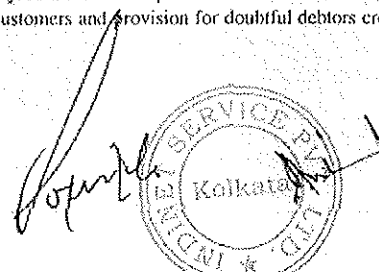
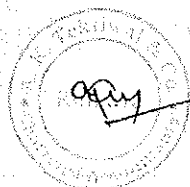
<u>Asset</u>	<u>Estimated useful life based on SLM</u>
ISP License	20 Years

(d) Impairment of Assets

(i) Financial Assets

The Company provides 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 provision has been computed on the balances of deactivated customers and provision for doubtful debtors created against those sales.



INDINET SERVICE PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2018

(ii) Non- Financial Assets

The Carrying amount of the Property, Plant & Equipment 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.

(c) Financial Instruments

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

(i) Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

(ii) Classification and subsequent measurement

Financial Assets

Financial assets carried at amortised cost

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Financial liabilities

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

(iii) Derecognition

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

(iv) Offsetting financial instruments

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

(f) 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.



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INDINET SERVICE PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2018

(g) **Leases**

Where the Company is a lessor

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

Where the Company is a lessee

The 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.

(h) **Revenue Recognition**

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

(i) **Provisions and Contingent Liabilities**

(i) General

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

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

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

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

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

(ii) Contingent liabilities

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

(j) **Borrowing Costs**

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

(k) **Taxation**

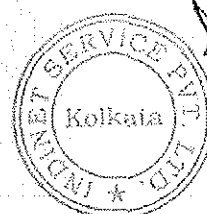
Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the reporting period. Taxable profit differs from net profit as reported in the Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible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

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

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



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INDINET SERVICE PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2018

(l) Earnings Per Share

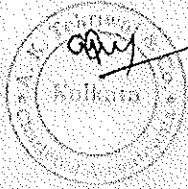
Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Company did not have any potentially dilutive securities in any of the periods presented.

(m) 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.

(n) Segment Reporting

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



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INDINET SERVICE PRIVATE LIMITED

Note No.4

Statement of Change in Equity for the year ended 31st March 2018

(₹) 000s

	Equity Share Capital	Other Equity		Total Equity Attributable to Equity Holder's of the Company
		Retained Earning	Total Other Equity	
Balance at 1 st April 2016	100	(78)	(78)	22
Increase in Share Capital on Account of Fresh Issue				
Profit(Loss) for the year		722	722	722
Other Comprehensive Income		-	-	-
Total Comprehensive Income for the year		722	722	722
Balance at 31 March 2017	100	645	645	745
Balance at 1 April 2017	100	645	645	745
Changes in Equity Share Capital				
Profit(Loss) for the year		(6,870)	(6,870)	(6,870)
Other Comprehensive Income		-	-	-
Total Comprehensive Income for the year		(6,870)	(6,870)	(6,870)
Balance at 31 March 2018	100	(6,226)	(6,226)	(6,126)

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

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

A.K. Tekriwal
Partner
Membership No.-056362

Place - Kolkata
Date - 14th May 2018



For Indinet Service Private Limited
(U74900WB2015PTC207490)

Souvik Chatterjee
Director
DIN-03354504

Atul Kumar Singh
Director
DIN-07195221



INDINET SERVICE PRIVATE LIMITED
NOTES TO BALANCE SHEET AS ON MARCH 31, 2018

Note 5 :INTANGIBLE ASSETS

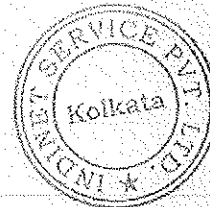
(₹) 000s

	LICENCES	TOTAL
Year ended 31 March 2017		
Opening Gross Carrying Amount	-	-
Additions	3,150	
Closing Gross Carrying Amount	3,150	3,150
Accumulated Depreciation		
Amortisation for the year	119	119
Closing Accumulated Amortisation	119	119
Closing Net Carrying Amount 31 March 2017	3,031	3,031
Year ended 31 March 2018		
Opening Gross Carrying Amount	3,150	3,150
Additions	-	-
Closing Gross Carrying Amount	3,150	3,150
Accumulated amortisation and impairment		
Opening Accumulated Amortisation	119	119
Amortisation charge for the year	158	158
Closing Accumulated Amortisation and Impairment	277	277
Closing Net Carrying Amount 31 March 2018	2,873	2,873



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INDINET SERVICE PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2018

(₹) '000s

	March 31, 2018	March 31, 2017
6 Other Non Current Financial Assets		
Security deposits		
Unsecured, considered good	25	25
	<u>25</u>	<u>25</u>
7 Deferred Tax Assets (net)		
Deferred tax liability		
Impact of difference between amortization of Intangible Assets charged for the financial reporting and as per Income Tax provisions	10	12
Gross deferred tax liability	<u>10</u>	<u>12</u>
Deferred tax asset		
Carry Forward of IT Loss	48	-
Other disallowances	2,485	194
Gross deferred tax asset	<u>2,533</u>	<u>194</u>
Net deferred tax asset/ (liabilities)	<u>2,523</u>	<u>182</u>
8 Trade receivables		
Unsecured, considered good	87,330	20,701
Unsecured, considered doubtful	9,636	604
	<u>96,966</u>	<u>21,305</u>
Less: Provision for doubtful debts	9,636	604
	<u>87,330</u>	<u>20,701</u>
9 Cash and cash equivalents		
Cash in hand	2,034	3,710
Cheques in hand	14,924	25,256
On current accounts	12,109	10,001
	<u>29,067</u>	<u>38,967</u>
Other Bank Balances		
In deposit account (with maturity upto twelve months) (Deposits with Bank are held as Margin Money deposit against guarantee)	23,687	22,088
	<u>23,687</u>	<u>22,088</u>
10 Other Current Financial Assets		
Interest accrued and not due on fixed deposits	218	-
Unbilled revenue	0	30,746
	<u>218</u>	<u>30,746</u>
11 Current Tax Assets (net)		
Current tax liabilities		
Provision for tax	471	-
Current tax assets		
Advance tax	1,143	-
	<u>672</u>	<u>-</u>
12 Other current assets		
Advance to Vendors *	39,325	102
Balances with statutory authorities	100	55
Prepaid Expenses	598	37
	<u>40,023</u>	<u>194</u>

* Includes Indian Cable Net Co Ltd ₹392 lakhs.



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INDINET SERVICE PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2018

13 Share capital

Authorised share capital		
10,000 Equity Shares of ₹ 10/- each	100	100
Total authorised capital	100	100
Issued share capital		
10,000 (Previous year 10,000) equity shares of ₹ 10 each	100	100
Total issued capital	100	100
Subscribed and fully paid up capital		
10,000 (Previous year 10,000) equity shares of ₹ 10 each	100	100
Total paid up capital	100	100

Reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2018 and March 31, 2017 are set out below

(i) Equity Shares

	31-Mar-18		31-Mar-17	
	Nos	(₹) '000s	Nos	(₹) '000s
At the beginning of the period	10,000	100	10,000	100
Issued during the period - in pursuance of scheme of amalgamation	-	-	-	-
Issued during the period - other	-	-	-	-
Outstanding at the end of the period	10,000	100	10,000	100

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-18		31-Mar-17	
	Nos	(₹) '000s	Nos	(₹) '000s
Equity Shares				
Holding Company - Indian Cable Net Company Ltd (Including 6 Shares held through Nominees)	10	100	10	100
Outstanding at the end of the period	10	100	10	100

Details of share holder holding more than 5% share as at March 31, 2018 and March 31, 2017

Name of Shareholder	Equity Shares		Equity Shares	
	As at 31 st March 2018		As at 31 st March 2017	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Indian Cable Net Company Limited, Holding Company (Including 6 Shares held through Nominees)	10000	100%	10000	100%

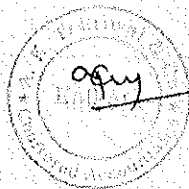
March 31, 2018 March 31, 2017

14 Other Equity

Balance at the beginning of the year	645	(78)
Add: Profit/(loss) for the year	(6,870)	722
Balance at the end of the year	(6,226)	645

15 Current borrowings

Unsecured		
From Holding Company	-	32,556
	-	32,556



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INDINET SERVICE PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2018

16 Trade payables

- Total outstanding dues of creditors other than micro, small and medium enterprises

173,429	69,426
<u>173,429</u>	<u>69,426</u>

17 Other Current Liabilities

Advances from customers
Payable for statutory liabilities

6,010	5,345
13,106	7,721
<u>19,116</u>	<u>13,066</u>

18 Current Tax liabilities (net)

Current tax liabilities

Provision for tax

-	471
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Current tax assets

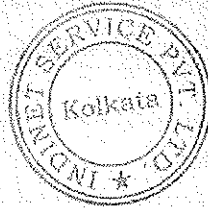
Advance tax

-	329
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-	<u>141</u>
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S. Saha
M. Saha



INDINET SERVICE PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2018

(₹) '000s

18 Revenue from operations

Sale of services

Subscription Income - Internet

	March 31, 2018	March 31, 2017
	716,348	445,853
	716,348	445,853

19 Other income

Interest income on

Bank deposits

Other non-operating income

	1,737	1,208
	11,989	-
	13,726	1,208

20 Operational Expenses

Licence Fee

Bandwidth Cost

Other Operational Expenses

Commission Charges and Incentives

	57,308	35,681
	203,760	101,471
	79,815	78,245
	370,468	216,014
	711,351	431,411

21 Finance costs

Bank charges

Other Borrowing Cost

	270	141
	215	211
	485	352

22 Amortisation expenses

Amortisation of intangible assets

	158	119
	158	119

23 Other expenses

Rent

Rates and taxes

Communication expenses

Repairs and maintenance

- Network

Electricity and water charges

Legal, professional and consultancy charges

Printing and stationery

Auditors' remuneration

Insurance expenses

Provision for doubtful debts

Advertisement and publicity expenses

Business and sales promotion

Membership and Subscription Expenses

Miscellaneous expenses

Interest On Statutory Dues

	March 31, 2018	March 31, 2017
	84	42
	9,930	1,268
	101	27
	4,205	10,459
	674	295
	456	63
	345	564
	353	230
	10	-
	9,032	604
	10	-
	740	-
	1,156	349
	0	1
	194	233
	27,291	14,134



INDINET SERVICE PRIVATE LIMITED

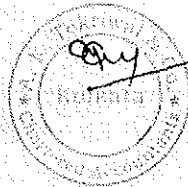
Notes to financial statements for the year ended 31st March 2018

24 Contingent liabilities and commitments (to the extent not provided for) (₹) '000s

Particulars	As at 31 Mar 2018	As at 31 March 2017
(i) Contingent Liabilities		
Bank Guarantees (Deposit against Licence Fee to DOT)	21,000	21,000
Bank Guarantees (Against Sales Order of IIT)	210	-
	<u>21,210</u>	<u>21,000</u>

25 Earnings per share

	(₹) '000s	
	March 31, 2018	March 31, 2017
Profit / (Loss) attributable to equity shareholders	(6,870,195)	722,248
Number of weighted average equity shares		
Basic	10,000	10,000
Diluted	10,000	10,000
Nominal value of per equity share (₹)	10	10
Earning per share after tax (₹)		
Basic	(687.02)	72.22
Diluted	(687.02)	72.22



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INDINET SERVICE PRIVATE LIMITED
NOTES TO BALANCE SHEET AS ON MARCH 31, 2018

Note 26: Tax Expenses

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

	(₹) 000s	
	Mar-18	Mar-17
Income tax related to items recognised directly in the statement of profit and loss		
Current tax - current year	-	471
- earlier years	-	-
Deferred tax charge / (benefit)	(2,341)	(148)
Total	(2,341)	323
Effective tax rate	25.75%	30.90%

A reconciliation of the income tax expense applicable to the profit before income tax at statutory rate to the income tax expense at the Company's effective income tax rate for the year ended 31 March, 2018 and 31 March, 2017 is as follows:

	Mar-18	Mar-17
Profit/(Loss) before tax	(9211)	1045
Income tax		
Statutory income tax rate of 30.90% on profit	(2,372)	323
Tax effect on non-deductible expenses	2,366	224
Additional allowances for tax purposes	(43)	(76)
Others / Deferred Tax effect	(2,341)	(148)
Deferred Tax on carry forward IT Loss	48	-
Effect of exempt income and income tax at lower rates	-	-
Tax effect for earlier years	-	-
Tax expense recognised in the statement of profit and loss	(2,341)	323

Deferred tax recognised in statement of other comprehensive income

For the year ended 31 March	Mar-18	Mar-17
Employee retirement benefits obligation	-	-

The applicable tax rate is the standard effective corporate income tax rate in India. The tax rate is 25.75% (PY 30.90%) for the year ended 31 March, 2018. 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 7.

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

Deferred tax recognised in statement of profit and loss

For the year ended 31 March	Mar-18	Mar-17
Employee retirement benefits obligation	-	-
Allowances for credit losses	-	-
Depreciation and amortisation	(2)	12
Other disallowances	(2,339)	(159)
Total	(2,341)	(148)

Reconciliation of deferred tax assets / (liabilities) net:	Mar-18	Mar-17
Opening balance	182	35
Deferred tax (charge)/credit recognised in		
-Statement of profit and loss	2,341	148
-Recognised in other comprehensive income	-	-
Total	2,523	182



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INDINET SERVICE PRIVATE LIMITED
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INDINET SERVICE PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2018

26 The Company has not received intimation from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosures relating to amount unpaid as on 31st Mar 2018 together with interest paid or payable under this Act have not been given.

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

(₹) '000s

PARTICULARS	As on 31 st March 2018	As on 31 st March 2017
Audit Fees	110	100
Limited review Fees	50	30
Tax Audit	30	25
Other Services	163	49
	353	205

28 There is no amount due to any Small Scale Industrial Undertakings as at March 31, 2018.

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

30 In the opinion of the Board of Directors the current assets, loans and advances shown in the Balance Sheet as on 31st Mar'2018 are considered good and fully recoverable, except otherwise stated and provision for all known liabilities has been made in the accounts.

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

32 Related Party Disclosure

List of parties where control Exists

- a. **Holding Company**
 - Indian Cable Net Company Limited
 - Siti Networks Limited
- b. **Entities with Significant Influence**
 - Smart Vinimay Private Limited
 - Max Pro Trackon Private Limited
 - Victor Media Private Limited
 - Gurukripa Comlink Private Limited
 - Stat Solution Private Limited
 - SRD Properties Private Limited
 - HiTech Visual Channels
 - Kolkata Media Services Private Limited
 - Kolkata Entertainment Service LLP
 - MayFair Cable Linc
 - Satellite Broadband Network
 - Smart Cable
 - Smart Cable & Broadband Services
 - Galaxy Broadband Services
 - Calcutta Communication LLP
 - Purvi Communications LLP

Transactions with related parties.

(₹) 000s

Particulars	Siti Cable Network Limited		Indian Cable Net Company Ltd		SMART VINIMAY PVT LTD	
	FY 17-18	FY 16-17	FY 17-18	FY 16-17	FY 17-18	FY 16-17
Expense paid by				47,877		
Expenses paid on behalf of			103,845			
Payment for purchase of material and services	328		240	86,202	2,128	
Purchase of material & Services	(335)		(14,147)	(86,202)	(2,128)	
Expenses Reimburshed to			(102,277)			
Sales of service and materials	300		92,734			
Expenses Reimburshed by					4,085	
Equity Contribution						
Payment received for sales of services/other recoveries	(300)		(166,078)		(3,774)	
Advances refuned to/ given				(15,425)		
Advance Refund to/given						
Outstanding at the end of year	(7)	(1)	(53,127)	32,586		(17)

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Transactions with related parties.

(₹) '000s

Particulars	MAXPRO TRACON PRIVATE LIMITED		VICTOR MEDIA PRIVATE LIMITED		GURUKRIPA COMLINK PRIVATE LIMITED	
	FY 17-18	FY 16-17	FY 17-18	FY 16-17	FY 17-18	FY 16-17
Payment for purchase of material and services	794		89		551	
Purchase of material & Services	(794)		(19)		(552)	
Sales of service and materials	1,517				491	
Expenses Reimbursed by						
Payment received for sales of services/other recoveries	(1,345)				(456)	
Outstanding at the end of year	205	33	-	(70)	6	(28)

Transactions with related parties.

(₹) '000s

Particulars	STATT SOLUTION PRIVATE LIMITED		SRD PROJECTS PRIVATE LIMITED		Hi Tech Visual Channels	
	FY 17-18	FY 16-17	FY 17-18	FY 16-17	FY 17-18	FY 16-17
Payment for purchase of material and services	296		1,330		2,921	
Purchase of material & Services	(296)		(1,322)		(2,923)	
Sales of service and materials			1,722		6,445	
Payment received for sales of services/other recoveries			(1,593)		(5,771)	
Outstanding at the end of year	-		137	(0)	707	34

Transactions with related parties.

(₹) '000s

Particulars	KOLKATA MEDIA SERVICES PRIVATE		Kolkata Entertainment Services LLP		MayFair Cable Link	
	FY 17-18	FY 16-17	FY 17-18	FY 16-17	FY 17-18	FY 16-17
Payment for purchase of material and services	821		12,345		901	
Purchase of material & Services	(821)		(12,345)		(1,106)	
Sales of service and materials	1,406		26,350		1,507	
Payment received for sales of services/other recoveries	(1,318)		(23,911)		(1,473)	
Outstanding at the end of year	88	0	2,394	(44)	(75)	96



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Transactions with related parties.

(₹) '000s

Particulars	Satelite Broadband Network		Smart Cable		Smart Cable & Broadband Services	
	FY 17-18	FY 16-17	FY 17-18	FY 16-17	FY 17-18	FY 16-17
Payment for purchase of material and services	1,392		1		96	
Purchase of material & Services	(1,393)		(73)		(146)	
Sales of service and materials	2,527		173		295	
Payment received for sales of services/other recoveries	(2,347)		(98)		(200)	
Outstanding at the end of year	83	(96)	2	(1)	41	(5)

Transactions with related parties.

(₹) '000s

Particulars	Galaxy Broadband Services		Calcutta Communication LLP		Axon Communication and Cable Pvt Ltd	
	FY 17-18	FY 16-17	FY 17-18	FY 16-17	FY 17-18	FY 16-17
Payment for purchase of material and services	1,776					
Purchase of material & Services	(1,777)					
Sales of service and materials	3,125				300	
Payment received for sales of services/other recoveries	(2,875)				(300)	
Outstanding at the end of year	266	17	-	-	-	-

33 Fair value measurements

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

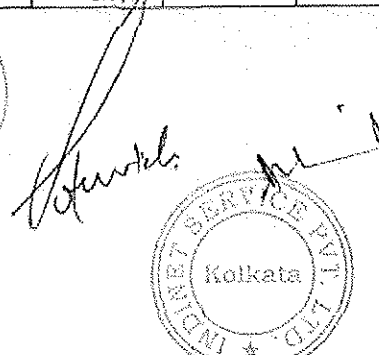
Accounting classification and fair values

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

A. Financial instruments by category

₹ ('000)

	31-Mar-18			31-Mar-17		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets (Non Current & Current)						
Interest accrued and not due on fixed deposits	-	-	218	-	-	-
Security deposits	-	-	25	-	-	25
Unbilled revenues	-	-	0	-	-	30,746
Trade receivables	-	-	87,330	-	-	20,701
Cash and cash equivalents	-	-	29,067	-	-	38,967
Other Bank Balances	-	-	23,687	-	-	22,088
Total financial assets	-	-	140,328	-	-	112,527
Financial liabilities (Non Current & Current)						
Borrowings (current financial liabilities)	-	-	-	-	-	32,556
Trade payables	-	-	173,429	-	-	69,426
Total financial liabilities	-	-	173,429	-	-	101,982



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

34 Financial risk management objectives and policies

Financial risk management

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

A. Credit risk

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

Credit risk management

Credit risk rating

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

A: Low credit risk on financial reporting date

B: High credit risk

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

Asset group	Basis of categorisation	Provision for expected credit loss
Low credit risk	Trade receivables	NIL
High credit risk	Trade receivables	Life time expected credit loss or fully provided for

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

Credit rating	Particulars	₹ ('000)	
		31-Mar-18	31-Mar-17
Low credit risk	Trade receivables	-	-
B: High credit risk	Trade receivables	87,330	20,701

Concentration of trade receivables

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

Credit risk exposure

Provision for expected credit losses

The Company provides 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 provision has been computed on the balances of deactivated customers and provision for doubtful debtors created against those sales.



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Expected credit loss for trade receivables under simplified approach as at March 31, 2018

Particulars	₹ ('000)		
	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	96,966	9,636	87,330

as at March 31, 2017

Particulars	₹ ('000)		
	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	21,305	604	21,909

Reconciliation of loss allowance provision – Trade receivables

	₹ ('000)
Loss allowance on March 31, 2017	604
Changes in loss allowance	9,032
Loss allowance on March 31, 2018	9,636

B. Liquidity risk

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

(ii) Maturities of financial liabilities

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

Contractual maturities of financial liabilities	₹ ('000)					
	31-Mar-18			31-Mar-17		
	Less than one year	One to two years	More than two years	Less than one year	One to two years	More than two years
Non-derivatives						
Borrowings (non-current financial liabilities)	-	-	-	-	-	-
Borrowings (current financial liabilities)	-	-	-	32,556	-	-
Other financial liabilities	-	-	-	-	-	-
Trade payables	173,429	-	-	69,426	-	-
Total non-derivative liabilities	173,429	-	-	101,982	-	-

C. Market Risk

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

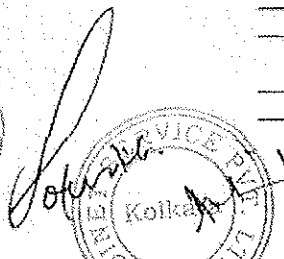
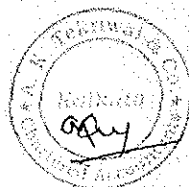
The Company is not exposed to such risk as Company does not have any borrowings, foreign currency transactions and does not have any derivative transactions.

35 Capital management

Risk Management

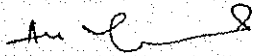
The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous 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 & 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). Net debt are non-current and current borrowings as reduced by cash and cash equivalents, other bank balances and current investments. Equity comprises all components including other comprehensive income.

Particulars	₹ ('000)	
	31-Mar-18	31-Mar-17
Cash and cash equivalents (refer note 9)	29,067	38,967
Other Bank Balances (refer note 9)	23,687	22,088
Total cash (A)	52,754	61,054
Borrowings (current, financial liabilities) (refer note 14)	-	32,556
Total borrowing (B)	-	32,556
Net debt (C=B-A)	(52,754)	(28,499)
Total equity	(6,126)	745
Total capital (equity + net debts) (D)	(58,880)	(27,754)
Gearing ratio (C/D)	90%	103%



Notes to accounts referred in our report of even date.

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

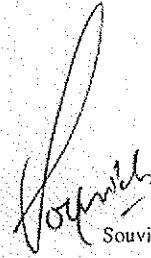


A.K Tekriwal
Partner
Membership No.-056362

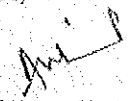


Place - Kolkata
Date - 14th May 2018

For Indinet Service Private Limited
(U74900WB2015PTC207490)



Souvick Chatterjee
Director
DIN-03185101



Atul Kumar Singh
Director
DIN-07195221



