



Independent Auditor's Report

To the Members of Indinet Service Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Indinet Service Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter(s)

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matter(s) described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<p>Assessment of the Company's ability to continue as a going concern</p> <p>The company has incurred losses in the current year and the previous year and the net worth of the company has been fully eroded. However, the Financial Statements have been prepared on Going Concern basis. The same is therefore considered to be a key audit matter.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • Evaluated management's assessment of Revenue forecast and assurance of it's stakeholders and assessed it's impact on the profitability and networth of the company. • Assessed the reasonableness of assumptions relating to revenue growth rate, gross margins, based on historical results, current developments and future plans of the business estimated by management; • Assessed cash flow forecasts and performed sensitivity analysis on key assumptions used in management's calculated Revenue • Based on our procedures, we also considered the adequacy



	of disclosures in respect of Going Concern in the notes to the financial statements.
--	--

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

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

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

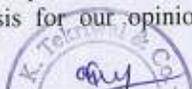
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially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

Responsibilities of Management for the Standalone Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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



misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

Report on Other Legal and Regulatory Requirements

15. We report that the Company has not paid any remuneration to its directors during the year. Therefore, the provisions of section 197(16) of the Act are not applicable for the year.
16. 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" statement on the matters specified in paragraphs 3 and 4 of the Order.
17. Further to our comments in "Annexure - A", 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 purpose 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
- c) the standalone financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 24 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2019;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019;
 - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2019.

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

A. K. Tekriwal

(A. K. Tekriwal)
Partner
Membership No.: 056362



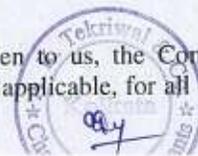
Place: Kolkata

Date: 25th May 2019

Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March 2019, 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 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.
 - (a) In our opinion and according to the information and explanations given to us, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, custom duty, cess and other material statutory dues as applicable with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
 - (c) 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 2019.
- (viii) On the basis of the records examined by us and the information and explanations given to us, the company has not taken any loans or borrowings from the banks or financial institutions. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The company has not raised any money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, no term loans have been taken by the Company during the year. Accordingly, the provisions of the clause 3(ix) are not applicable.
- (x) According to the information and explanations given to us, no fraud by the company or on the Company by it's officers or employees has been noticed or reported during the year.
- (xi) On the basis of the records examined by us and the information and explanations given to us, the Company has not paid any managerial remuneration. Accordingly, the Provisions of the clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the company is not a Nidhi company. Therefore, paragraph 3(xii) of the order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions



with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

- (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 to it's directors. 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 No.: 322352E

A. K. Tekriwal

(A. K. Tekriwal)
Partner
Membership No.: 056362



Place: Kolkata

Date: 28th May 2019

“Annexure-B”

Independent Auditor’s report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

1. In conjunction with our audit of the standalone financial statements of (Name of the Company) (“the Company”) as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

Management’s Responsibility for Internal Financial Controls

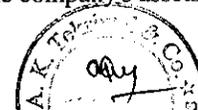
2. The Company’s Board of Directors is responsible for establishing and maintaining internal financial controls based on Internal control over financial reporting criteria established by the respective company considering the essential components of internal control stated in the Guidance Note on Audit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

Auditors’ Responsibility

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, 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 issued by the ICAI.

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

A. K. Tekriwal

(A. K. Tekriwal)
Partner
Membership No.: 056362



Place: Kolkata

Date: 28th May 2019

INDINET SERVICE PRIVATE LIMITED
Balance Sheet as at March 31, 2019

(₹) '000s

	Notes	March 31, 2019	March 31, 2018
A. Assets			
1. Non-current assets			
(a) Other intangible assets	5	2,715	2,873
(b) Financial assets			
(i) Other Financial Assets	6	85,025	25
(c) Deferred Tax assets (Net)	7	6,388	2,523
Sub-total of Non-current assets		94,129	5,421
2. Current assets			
(a) Financial assets			
(i) Trade receivables	8	73,780	87,330
(ii) Cash and Cash equivalents	9	26,008	29,067
(iii) Bank Balances other (ii) above	9	25,204	23,687
(iv) Others	10	253	218
(b) Current tax assets	11	1,206	672
(c) Other current assets	12	579	40,023
Sub-total of Current assets		1,27,030	1,80,998
Total assets		2,21,158	1,86,419
B. Equity and liabilities			
1. Equity			
(a) Equity share capital	13	100	100
(b) Other equity	14	(17,120)	(6,226)
Sub-total - Equity		(17,020)	(6,126)
2. Current liabilities			
(a) Financial liabilities			
(ii) Trade payables	15		
outstanding dues of creditors for micro enterprises and small enterprises		-	-
outstanding dues of creditors- others		2,14,351	1,73,429
(iii) Other financial liabilities	16	7,220	-
(b) Other current liabilities	17	16,607	19,116
Sub-total of current liabilities		2,38,179	1,92,545
Total equity and liabilities		2,21,158	1,86,419

Summary of significant accounting policies 4

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)

For Indinet Service Private Limited
(U74900WB2015PTC207490)

Sd/-
A.K Tekriwal
Partner
Membership No.-056362

Sd/-
Souvick Chatterjee
Director
DIN-03354504

Sd/-
Atul Kumar Singh
Director
DIN-07195221

Place - Kolkata
Date - 28th May,2019

INDINET SERVICE PRIVATE LIMITED
Statement of Profit and Loss for the year ended March 31, 2019

		(₹) '000s	
	Notes	March 31, 2019	March 31, 2018
Revenue			
Revenue from operations	18	7,16,107	7,16,348
Other income	19	1,697	13,726
Total revenue		7,17,804	7,30,073
Expenses			
Operational Expenses	20	7,00,818	7,11,351
Finance costs	21	280	485
Amortisation expenses	22	158	158
Other expenses	23	31,320	27,291
Total expenses		7,32,576	7,39,285
Profit/(Loss) before Exceptional Items & Tax		(14,772)	(9,211)
Exceptional Items		-	-
Profit/(Loss) before tax		(14,772)	(9,211)
X Tax Expenses		(3,877)	(2,341)
(a) Current Tax			
For Current Year		-	-
For Earlier Year		(12)	-
(b) Deferred Tax		(3,865)	(2,341)
XI Profit/(Loss) for the year		(10,895)	(6,870)
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		(10,895)	(6,870)
Earning Per Share			
Basic (₹)	25	(1,089.45)	(687.02)
Diluted (₹)		(1,089.45)	(687.02)

Summary of significant accounting policies 4

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)

For Indinet Service Private Limited
(U74900WB2015PTC207490)

Sd/-
A.K Tekriwal
Partner
Membership No.-056362

Sd/-
Souvick Chatterjee
Director
DIN-03354504

Sd/-
Atul Kumar Singh
Director
DIN-07195221

Place - Kolkata
Date - 28th May,2019

INDINET SERVICE PRIVATE LIMITED

Cash Flow Statement for year ended 31st March 2019		
PARTICULARS	(₹) '000s	
	31st March 2019	31st March 2018
<u>A. Cash Flow from Operating Activities:</u>		
Net Loss before taxation	(14,772)	(9,211)
Adjustment for :-		
Amortisation of Intangible assets	158	158
Provision for Expected Credit Loss	7,121	9,032
Interest Paid & Borrowing cost	280	485
Interest on Fixed Deposit/ IT Refund / Others	(1,697)	(1,737)
Operating profit before working capital changes	(8,910)	(1,273)
Change in working capital		
Increase/(Decrease) in Short-term Advances taken from related party		
Increase/(Decrease) in Trade payables	-	1,04,002
Increase/(Decrease) in other current liabilities	(2,509)	6,050
Increase/(Decrease) in other current financial liabilities	7,220	
Decrease/ (Increase) in Trade receivable	6,429	(75,661)
Decrease/ (Increase) in long-term financial assets	(85,000)	-
Decrease/ (Increase) in Other Current Financial Assets	(35)	30,528
Decrease/ (Increase) in other current assets	39,444	(39,829)
Decrease/ (Increase) in other non- current assets	-	-
Cash Generation from Operating Activities before exceptional item	(43,361)	23,818
Exceptional Item	-	-
Cash Generation from Operating Activities after exceptional item	(43,361)	23,818
Income Tax Paid (including TDS)	(522)	(814)
Net Cash Generation from operating Activities	(43,883)	23,004
<u>B. Cashflow From Investing Activities:</u>		
Interest	1,697	1,737
Investment in FD/Term Deposit (Including Interest accrued)	(1,516)	(1,600)
Net Cash deployed in Investing Activities	181	137
<u>C- Cashflow From Financing Activities:</u>		
Borrowing Cost	(280)	(485)
Borrowings Taken/Repayment	-	(32,556)
Net Cash Generation from Financing Activities	(280)	(33,041)
Net Increase/(decrease) in Cash & Cash Equivalents (A+B+C)	(43,982)	(9,900)
Cash & Cash Equivalent at the beginning of the year	29,067	38,967
Cash & Cash Equivalent at the end of the year	(14,915)	29,067
Cash & Cash Equivalent include	As on 31st Mar 19	As on 31st Mar 18
Cash Balance	23,643	16,958
Bank Balance	2,365	12,109
Cheque in Hand	-	-
Cash & Cash Equivalent Reported	26,008	29,067

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)

For Indinet Service Private Limited
(U74900WB2015PTC207490)

Sd/-
A.K Tekriwal
Partner
Membership No.-056362

Sd/-	Sd/-
Souvick Chatterjee	Atul Kumar Singh
Director	Director
DIN-03354504	DIN-07195221

Place - Kolkata
Date - 28th May,2019

INDINET SERVICE PRIVATE LIMITEDStatement of Change in Equity for the year ended 31st March 2019

(₹) 000s

	Equity Share Capital	Other Equity		Total Equity Attributable to Equity Holder's of the Company
		Retained Earning	Total Other Equity	
Balance at 1 April 2017	100	645	645	745
Increase in Share Capital on Account of Fresh Issue				
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)
Balance at 1 April 2018	100	(6,226)	(6,226)	(6,126)
Changes in Equity Share Capital				-
Profit/(Loss) for the year		(10,895)	(10,895)	(10,895)
Other Comprehensive Income		-	-	-
Total Comprehensive Income for the year		(10,895)	(10,895)	(10,895)
Balance at 31 March 2019	100	(17,120)	(17,120)	(17,020)

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

For A.K. Tekriwal & Co.

Chartered Accountants

(Firm Registration No. - 322352E)

For Indinet Service Private Limited

(U74900WB2015PTC207490)

Sd/-

A.K Tekriwal

Partner

Membership No.-056362

Sd/-

Souvick Chatterjee

Director

DIN-03354504

Sd/-

Atul Kumar Singh

Director

DIN-07195221

Place - Kolkata

Date - 28th May,2019

INDINET SERVICE PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2019

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. INDINET is a wholly owned 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 year and that 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 as amended from time to time.

2.3 Basis of Measurement

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

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

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

INDINET SERVICE PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2019

(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.

(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, 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.

(e) 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.

INDINET SERVICE PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2019

(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 classifies 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.

Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after 1 April 2018, replaces existing revenue recognition requirements. Under the modified retrospective approach, there were no significant adjustments required to the retained earnings at April 1, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial performance of 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 it's 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.

INDINET SERVICE PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2019

(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.

4 **Recent Amendment in Indian Accounting Standards (Ind AS)**

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

(a) **Ind AS 116 – Leases**

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Company is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

With effect from April 1, 2019, the Company will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to (a) amortization change for the right-to-use asset, and (b) interest accrued on lease liability. Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. As a lessor, sublease shall be classified as an operating lease if the head lease is classified as a short term lease. In all other cases, the sublease shall be classified as a finance lease.

The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of uncertainty over income tax treatments)

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following:

- (i) The entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty.
- (ii) The entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount.
- (iii) Entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.

The Company does not expect any significant impact of the amendment on its financial statements.

INDINET SERVICE PRIVATE LIMITED
NOTES TO BALANCE SHEET AS ON MARCH 31, 2019

Note 5 :INTANGIBLE ASSETS

(₹) 000s

	LICENCES	TOTAL
Year ended 31 March 2018		
Opening Gross Carrying Amount	3,150	3,150
Additions	-	-
ClosingGross Carrying Amount	3,150	3,150
Accumulated Depreciation	119	119
Amortisation for the year	158	158
Closing Accumulated Amortisation	277	277
Closing Net Carrying Amount 31 March 2018	2,873	2,873
Year ended 31 March 2019		
Opening Gross Carrying Amount	3,150	3,150
Additions	-	-
Closing Gross Carrying Amount	3,150	3,150
Accumulated amortisation and impairment		
Opening Accumulated Amortisation	277	277
Amortisation charge for the year	158	158
Closing Accumulated Amortisation and Impairment	434	434
Closing Net Carrying Amount 31 March 2019	2,716	2,716

INDINET SERVICE PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2019

(₹) '000s

	March 31, 2019	March 31, 2018
6 Other Non Current Financial Assets		
Security deposits		
Unsecured, considered good *	85,025	25
* Includes Security Deposit of Rs85000 thousand to Indian Cable Net Co Ltd (Holding Company)		
	85,025	25
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	10
Gross deferred tax liability	10	10
Deferred tax asset		
Carry Forward of IT Loss	2,037	48
Other disallowances	4,361	2,485
Gross deferred tax asset	6,398	2,533
Net deferred tax asset/ (liabilities)	6,388	2,523
8 Trade receivables		
Unsecured, considered good	73,780	87,330
Credit impaired	16,757	9,636
	90,537	96,966
Less: Allowance for Expected Credit Loss	16,757	9,636
	73,780	87,330
9 Cash and cash equivalents		
Cash in hand		
(Includes Cheque In Hand Rs21707 thousand(CY), Rs14924 thousand(PY) and wallet balance Rs22 thousand(CY) and Rs NIL(PY))	23,643	16,958
Balances With Banks		
On current accounts	2,365	12,109
	26,008	29,067
Other Bank Balances		
In deposit account (with maturity upto twelve months)	25,204	23,687
(Deposits with Bank are held as Margin Money deposit against guarantee)		
	25,204	23,687
10 Other Current Financial Assets		
Interest accrued and not due on fixed deposits	253	218
	253	218
11 Current Tax Assets (net)		
Current tax liabilities		
Provision for tax	-	471
Current tax assets		
Advance tax	1,206	1,143
	1,206	672
12 Other current assets		
Advance to Vendors	164	39,325
Balances with statutory authorities	0.00	100
Prepaid Expenses	415	598
	579	40,023

INDINET SERVICE PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2019

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 Mar 31, 2019 and Mar 31, 2018 are set out below

(i)Equity Shares

	31-Mar-19		31-Mar-18	
	Nos	(₹) '000s	Nos	(₹) '000s
At the beginning of the period	10,000	100	10,000	100
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-19		31-Mar-18	
	Nos	(₹) '000s	Nos	(₹) '000s
Equity Shares	-	-	-	-
Holding Company -Indian Cable Net Company Ltd (Including 6 Shares held through Nominees)	10,000	100	10,000	100
Outstanding at the end of the period	10,000	100	10,000	100

Details of share holder holding more than 5% share as at March 31, 2019 and March 31, 2018

Name of Shareholder	Equity Shares		Equity Shares	
	As at 31 st Mar 2019		As at 31 st March 2018	
	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, 2019 March 31, 2018

14 Other Equity

Balance at the beginning of the year

(6,226) 645

Add: Profit/(loss) for the year

(10,895) (6,870)

Balance at the end of the year

(17,120) (6,226)

INDINET SERVICE PRIVATE LIMITED**Notes to financial statements for the year ended 31st March 2019****15 Trade payables**

- Total outstanding dues of creditors for micro enterprises and small enterprises *
- Total outstanding dues of creditors- others

	-	-
	2,14,351	1,73,429
	<u>2,14,351</u>	<u>1,73,429</u>

* Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

16 Other financial liabilities

- Book overdraft

	7,220	-
	<u>7,220</u>	<u>-</u>

17 Other Current Liabilities

- Advances from customers
- Payable for statutory liabilities

	7,437	6,010
	9,169	13,106
	<u>16,607</u>	<u>19,116</u>

INDINET SERVICE PRIVATE LIMITEDNotes to financial statements for the year ended 31st March 2019

(₹) '000s

18 Revenue from operations

	March 31, 2019	March 31, 2018
Sale of services		
Subscription Income - Internet	7,15,007	7,16,348
Advertisement income	1,100	-
	7,16,107	7,16,348

19 Other income

Interest income on		
Bank deposits	1,697	1,737
Other non-operating income	-	11,989
	1,697	13,726

20 Operational Expenses

Licence Fee	57,424	57,308
Bandwidth Cost	1,85,077	2,03,760
Other Operational Expenses	76,571	79,815
LCO Consideration	3,81,746	3,70,468
	7,00,818	7,11,351

21 Finance costs

Bank charges	5	270
Other Borrowing Cost	275	215
	280	485

22 Amortisation expenses

Amortisation of intangible assets	158	158
	158	158

23 Other expenses

	March 31, 2019	March 31, 2018
Rent	14	84
Rates and taxes	134	12
Communication expenses	200	101
Repairs and maintenance		
- Network	6	4,205
- Others	1	-
Electricity and water charges	180	674
Legal, professional and consultancy charges	316	456
Printing and stationery	218	345
Auditors' remuneration (Refer Note No : 29)	479	353
Insurance expenses	14	10
Provision for Expected Credit Loss	7,121	9,032
Advertisement and publicity expenses	117	10
Business and sales promotion	-	740
Membership and Subscription Expenses	1,194	1,156
Miscellaneous expenses	0	0
Interest On License Fee	21,179	9,917
Interest On Statutory Dues	146	194
	31,320	27,291

INDINET SERVICE PRIVATE LIMITED**Notes to financial statements for the year ended 31st March 2019****24 Contingent liabilities and commitments (to the extent not provided for) (₹) '000s**

Particulars	As at 31 Mar 2019	As at 31 Mar 2018
(i) Contingent Liabilities		
Bank Guarantees (Deposit against Licence Fee to DOT)	21,000	21,000
Bank Guarantees (Agsinst Sales Order of IIFT)	210	210
	21,210	21,210

25 Earnings per share

	(₹) '000s	
	March 31, 2019	March 31, 2018
Profit / (Loss) attributable to equity shareholders	(108,94,541)	(68,70,194)
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	(1,089.45)	(687.02)
Diluted	(1,089.45)	(687.02)

INDINET SERVICE PRIVATE LIMITED
Notes To Balance Sheet As On March 31, 2019

Note 26: Tax Expenses

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

	(₹) 000s	
	Mar-19	Mar-18
Income tax related to items recognised directly in the statement of profit and loss		
Current tax - current year	-	-
-earlier years	(12)	-
Deferred tax charge / (benefit)	(3,865)	(2,341)
Total	(3,877)	(2,341)
Effective tax rate	26.25%	25.75%

A reconciliation of the income tax expense applicable to the profit before income tax at statutory rate to the income tax expense at the Company's effective income tax rate for the year ended 31 March, 2019 and 31 March, 2018 is as follows:

	Mar-19	Mar-18
Profit/(Loss) before tax	(14772)	(9211)
Income tax		
Statutory income tax rate of 26.00% on profit	(3,841)	(2,372)
Tax effect on non-deductible expenses	1,892	2,366
Additional allowances for tax purposes	(43)	(43)
Others / Deferred Tax effect	(3,865)	(2,341)
Deferred Tax on carry forward IT Loss	1,991	48
Effect of exempt income and income tax at lower rates	-	-
Tax effect for earlier years	(12)	-
Tax expense recognised in the statement of profit and loss	(3,877)	(2,341)
	-	-

Deferred tax recognised in statement of other comprehensive income

For the year ended 31 March	Mar-19	Mar-18
Employee retirement benefits obligation	-	-

The applicable tax rate is the standard effective corporate income tax rate in India. The tax rate is 26.00% (PY 25.75%) for the year ended 31 March, 2019. 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 have temporary differences of ₹7836 thousand in respect of unutilised tax losses.

Deferred tax recognised in statement of profit and loss

For the year ended 31 March	Mar-19	Mar-18
Employee retirement benefits obligation	-	-
Allowances for credit losses	-	-
Depreciation and amortisation	0	(2)
Other disallowances	(3,865)	(2,339)
Total	(3,865)	(2,341)

Reconciliation of deferred tax assets / (liabilities) net:	Mar-19	Mar-18
Opening balance	2,523	182
Deferred tax (charge)/credit recognised in		
-Statement of profit and loss	3,865	2,341
-Recognised in other comprehensive income	-	-
Total	6,388	2,523

INDINET SERVICE PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2019

27 The company continued to incur losses during the year ended 31st March 2019 but in view of expected substantial subscription revenue growth and continued financial support from certain stakeholders of the company, the financial statements are prepared on going concern basis.

28 The Company has not received intimation from vendors regarding their status as Micro and Small enterprises under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosures relating to amount unpaid as on 31st Mar 2019 together with interest paid or payable under this Act have not been given.

29 Payment to Auditors (accrued) (Excluding Goods and Service Tax)

PARTICULARS	(₹) '000s	
	As on 31 st March 2019	As on 31 st March 2018
Audit Fees	125	110
Limited review Fees	100	50
Tax Audit	40	30
Other Services	214	163
	479	353

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

31 In the opinion of the Board of Directors the current assets, loans and advances shown in the Balance Sheet as on 31st Mar 2019 are considered good and fully recoverable, except otherwise stated and provision for all known liabilities has been made in the accounts.

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

33 Related Party Disclosure

List of parties where control Exists

a. Holding Company

- Indian Cable Net Company Limited

b. Ultimate Holding Company

- Siti Networks Limited

c. Fellow Subsidiary Company -

- Siti Maurya Cable Net Pvt. Ltd
- Axom Cable and Communications Private Limited (till 31 December 2018)

d. Entities with Common Control

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

e. 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

f. Director/ Key Managerial Personnel

- Mr. Surendra Kumar Agarwala Director
- Mr. Souvick Chatterjee Director
- Mr. Atul Kumar Singh Director
- Mr. Ashish Bhatia Director

INDINET SERVICE PRIVATE LIMITED

 Notes to financial statements for the year ended 31st March 2019

Transactions with related parties.

(₹) 000s

Particulars	Siti Network Limited		Indian Cable Net Company Ltd		SMART VINIMAY PVT LTD	
	FY 18-19	FY 17-18	FY 18-19	FY 17-18	FY 18-19	FY 17-18
Expense paid by			(89,531)	1,03,845		
Expenses paid on behalf of						
Payment for purchase of material and services	328	328	2,06,778	(1,66,078)	2,163	2,128
Purchase of material & Services	(335)	(335)	(92,219)	92,734	(2,516)	(2,128)
Expenses Reimbursed to				(1,02,277)		
Sales of service and materials	8	300		(14,147)	3,839	
Expenses Reimbursed by					-	4,085
Payment received for sales of services/other recoveries		(300)		240	(3,553)	(3,774)
Liabilities Taken over by			138			
Security Deposit Given			(85,000)			
Outstanding at the end of year	(12)	(14)	(6,708)	53,127	231	298

Transactions with related parties.

(₹) 000s

Particulars	MAXPRO TRACON PRIVATE LIMITED		VICTOR MEDIA PRIVATE LIMITED		GURUKRIPA COMLINK PRIVATE LIMITED	
	FY 18-19	FY 17-18	FY 18-19	FY 17-18	FY 18-19	FY 17-18
Payment for purchase of material and services	939	794	105	89	211	551
Purchase of material & Services	(1,083)	(794)	(110)	(19)	(247)	(552)
Sales of service and materials	1,532	1,517			434	491
Expenses Reimbursed by						
Payment received for sales of services/other recoveries	(1,491)	(1,345)			(376)	(456)
Outstanding at the end of year	103	206	0	5	29	6

Transactions with related parties.

(₹) 000s

Particulars	STATT SOLUTION PRIVATE LIMITED		SRD PROJECTS PRIVATE LIMITED		Hi Tech Visual Channels	
	FY 18-19	FY 17-18	FY 18-19	FY 17-18	FY 18-19	FY 17-18
Payment for purchase of material and services		296	1,003	1,330	3,114	2,921
Purchase of material & Services		(296)	(1,150)	(1,322)	(4,089)	(2,923)
Sales of service and materials			1,648	1,722	6,972	6,445
Payment received for sales of services/other recoveries			(1,563)	(1,593)	(6,213)	(5,771)
Outstanding at the end of year	-	-	75	137	490	707

INDINET SERVICE PRIVATE LIMITED

 Notes to financial statements for the year ended 31st March 2019

Transactions with related parties.

(₹) '000s

Particulars	KOLKATA MEDIA SERVICES PRIVATE		Kolkata Entertainment Services LLP		MayFair Cable Link	
	FY 18-19	FY 17-18	FY 18-19	FY 17-18	FY 18-19	FY 17-18
Payment for purchase of material and services	437	821	16,870	12,345	742	901
Purchase of material & Services	(438)	(821)	(21,641)	(12,345)	(851)	(1,106)
Sales of service and materials	587	1,406	32,331	26,350	1,261	1,507
Payment received for sales of services/other recoveries	(674)	(1,318)	(29,021)	(23,911)	(1,233)	(1,473)
Outstanding at the end of year	1	89	954	2,415	(155)	(73)

Transactions with related parties.

(₹) '000s

Particulars	Satelite Broadband Network		Smart Cable		Smart Cable & Broadband Services	
	FY 18-19	FY 17-18	FY 18-19	FY 17-18	FY 18-19	FY 17-18
Payment for purchase of material and services	1,393	1,392	0	1	124	96
Purchase of material & Services	(1,588)	(1,393)	(9)	(73)	(145)	(146)
Sales of service and materials	2,310	2,527	20	173	213	295
Payment received for sales of services/other recoveries	(2,321)	(2,347)	(14)	(98)	(207)	(200)
Outstanding at the end of year	(121)	85	(0)	2	26	41

Transactions with related parties.

(₹) '000s

Particulars	Galaxy Broadband Services		Axom Communication and Cable Pvt Ltd	
	FY 18-19	FY 17-18	FY 18-19	FY 17-18
Payment for purchase of material and services	1,660	1,776	30	
Purchase of material & Services	(1,905)	(1,777)		
Sales of service and materials	2,719	3,125		300
Payment received for sales of services/other recoveries	(2,753)	(2,875)		(300)
Outstanding at the end of year	(11)	269	30	-

INDINET SERVICE PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2019

34 Fair value measurements

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

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2019:

A. Financial instruments by category	31-Mar-19			31-Mar-18		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets (Non Current & Current)						
Interest accrued and not due on fixed deposits	-	-	253	-	-	218
Security deposits	-	-	85,025	-	-	25
Trade receivables **	-	-	73,780	-	-	87,330
Cash and cash equivalents **	-	-	26,008	-	-	29,067
Other Bank Balances **	-	-	25,204	-	-	23,687
Total financial assets	-	-	2,10,270	-	-	1,40,328
Financial liabilities (Non Current & Current)						
Borrowings (current, financial liabilities)	-	-	-	-	-	-
Trade payables **	-	-	2,14,351	-	-	1,73,429
Other Financial Liabilities	-	-	7,220	-	-	-
Total financial liabilities	-	-	2,21,572	-	-	1,73,429

**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.

35 Financial risk management objectives and policies

Financial risk management

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

A. Credit risk

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

INDINET SERVICE PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2019

Credit risk management

Credit risk rating

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

A: Low credit risk on financial reporting date

B: High credit risk

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

Asset group	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents and other financial assets except Trade Receivable, security deposits and amount recoverable	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-19	31-Mar-18
A. Low credit risk	Trade receivables	1,36,489	52,997
B: High credit risk	Trade receivables	73,780	87,330

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.

Expected credit loss for trade receivables under simplified approach

as at March 31, 2019

Particulars	₹ ('000)		
	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	90,537	16,757	73,780

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

Reconciliation of loss allowance provision – Trade receivables

	₹ ('000)
Loss allowance on March 31, 2018	9,636
Changes in loss allowance	7,121
Loss allowance on March 31, 2019	16,757

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:

INDINET SERVICE PRIVATE LIMITEDNotes to financial statements for the year ended 31st March 2019**(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-19			31-Mar-18		
	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)	-	-	-	-	-	-
Other financial liabilities	7,220	-	-	-	-	-
Trade payables	2,14,351	-	-	1,73,429	-	-
Total non-derivative liabilities	2,21,572	-	-	1,73,429	-	-

C. Market Risk

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

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

36 Capital management**Risk Management**

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity, internal fund generation & 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-19	31-Mar-18
Cash and cash equivalents (refer note 9)	26,008	29,067
Other Bank Balances (refer note 9)	25,204	23,687
Total cash (A)	51,212	52,754
Borrowings (current, financial liabilities)	-	-
Total borrowing (B)	-	-
Net debt (C=B-A)	(51,212)	(52,754)
Total equity	(17,020)	(6,126)
Total capital (equity + net debts) (D)	(68,232)	(58,880)
Gearing ratio (C/D)	75%	90%

Notes to accounts referred in our report of even date.

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

For Indinet Service Private Limited
(U74900WB2015PTC207490)

Sd/-
A.K Tekriwal
Partner
Membership No.-056362

Sd/-
Souvick Chatterjee
Director
DIN-03185101

Sd/-
Atul Kumar Singh
Director
DIN-07195221

Place - Kolkata
Date - 28th May, 2019