



## 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 2024, 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 of the Company as at 31 March 2024, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

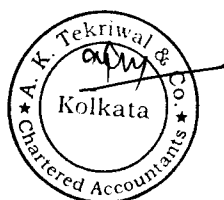
3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of 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 thereunder, 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.

#### Material Uncertainty Related to Going Concern

4. We draw attention to note 30 to the accompanying standalone financial statements, which indicates that the Company's accumulated losses amount to ₹ 48,040 thousands resulting in a negative net worth of ₹ 47,940 thousands and its current liabilities exceeded its current assets by ₹ 217,390 thousands resulting in negative working capital. The above factors, along with other matters as set forth in note 30, indicate a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. However, on the basis of factors mentioned in aforesaid note to the accompanying standalone financial statements, the management is of the view that going concern basis of accounting is appropriate for preparation of these financial statements.

The above assessment of the Company's ability to continue as going concern is by its nature considered as key audit matter in accordance with SA 701. In relation to the above key audit matter, our audit work included, but was not limited to, the following procedures:

- (a) We obtained an understanding of the management's process for identification of events or conditions that may cast significant doubt over the Company's ability to continue as a going concern and the process to assess the corresponding mitigating factors existing against each such event or condition.
- (b) Evaluated the design and tested the operating effectiveness of key controls around aforesaid identification of events or conditions and mitigating factors, and controls around cash flow projections prepared by the management.



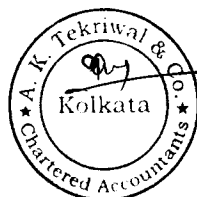


- (c) We obtained the projected cash flows for the next twelve months from the management, basis their future business plans.
- (d) We held discussions with the management personnel to understand the assumptions used and estimates made by them for determining the future cash flow projections.
- (e) The key assumptions such as revenue growth rate, changes in direct and administrative expenses, and capital expenditure outflows, were assessed for reasonableness by reference to historical data, future market trends, existing market conditions, business plans and our understanding of the business and the industry in which the Company operates.
- (f) We tested mathematical accuracy of the projections and applied independent sensitivity analysis to the key assumptions mentioned above to determine inputs leading to high estimation uncertainty of the cash flow projections.
- (g) We assessed the appropriateness and adequacy of disclosures made by the Company with respect to the aforesaid events and conditions in accordance with the provisions requirements of Ind AS 1 Presentation of Financial Statements.

#### Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
<p><b>Provisioning for Expected Credit Loss ('ECL')</b> Trade receivables comprise a significant portion of the current financial assets of the Company. As at March 31, 2024 trade receivables aggregate ₹ 1,396 Thousands (net of provision for expected credit losses of ₹ 64,830 Thousands).</p> <p>In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.</p> <p>The Management has identified trade receivables basis the Ageing profile and continuation of trade relationship with the customers. The management regularly assesses each class of trade receivables for recoverability. Provision for ECL is created by the management considering the recovery trends noted for the respective class, adjusted for forward looking estimates. Additional provision is created for the receivables specifically identified as doubtful or non-recoverable.</p>	<p>We have performed the following procedures for assessment of sufficiency of the provisioning for ECL:</p> <ul style="list-style-type: none"><li>• Obtained the aging of trade receivables and discussed the key receivable balances, considering if any correspondence is available to establish the management's assessment of recoverability of such dues.</li><li>• Analysis of the methodology used to determine the provision amount for the current year.</li><li>• Assessing key ratios which include collection periods and days outstanding.</li><li>• Tested subsequent settlement of trade receivables after the balance sheet date on a sample basis,</li></ul>





Estimation on which provision for ECL is to be created for Trade Receivables, involves significant degree of judgment and estimate and is therefore considered a key audit matter.	
--	--

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

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

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

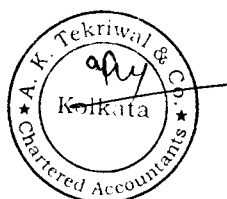
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially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

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

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

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

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





12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

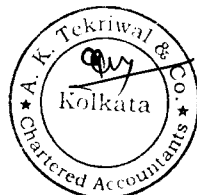
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance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





**Report on Other Legal and Regulatory Requirements**

16. 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.
17. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the **Annexure I** statement on the matters specified in paragraphs 3 and 4 of the Order.
18. Further to our comments in Annexure I, as required by section 143(3) of the Act, we report that:
  - a) We have sought and except for the effect of the matter described in the Basis for Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
  - d) 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 2024 from being appointed as a director in terms of section 164(2) of the Act;
  - f) We have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report as per **Annexure-II** expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company, in its standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024;
    - 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 2024;
    - 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 2024;
    - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;





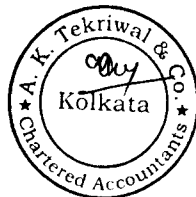
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared and paid any dividend during the year.
- vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that:
- a. the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software SAP and the accounting Software used for Customer Invoicing.

Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with in respect of the accounting software for which the audit trail feature was operating

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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

(A.K. Tekriwal)  
Partner  
Membership No.: 056362  
UDIN : 24056362BKANAR9900



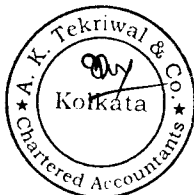
Place : Kolkata  
Date : 7<sup>th</sup> August, 2024



**Annexure – I to the Independent Auditor's Report**

The annexure referred to in Independent Auditor's Report to the members of the Company on the standalone Ind AS financial statement for the year ended 31<sup>st</sup> March 2024, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.  
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of physical verification of its Property, Plant and Equipment that are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets, other than customer premises equipment, which are in possession of customers/third parties and distribution equipment comprising overhead and underground cables, since the physical verification of such items of Property, Plant and Equipment is not feasible owing to the nature and location of these assets. No material discrepancies were noticed on the physical verification of the Property, Plant and Equipment of the Company. However, customer premises equipment and distribution equipment comprising overhead and underground cables as aforementioned have not been physically verified by the management during the year as explained above and we are, therefore, unable to comment on the discrepancies, if any, which could have arisen on verification thereof.
- (c) The Company does not own any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate.
- (b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets during any point of time of the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting



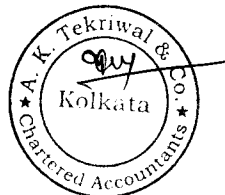


under clause 3(v) of the Order is not applicable to the Company.

- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) In our opinion, and according to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including goods and services tax, 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. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Name of the statute	Nature of dues	Amount (₹ In '000)	Amount paid under Protest (₹ In '000)	Period to which the amount relates	Forum where dispute is pending
Bihar GST Act	GST	1,452	-	FY 2018-19	Commissioner of CGST (Appeals), Patna
WB GST Act	GST	19,787	-	FY 2018-19	Commissioner of CGST (Appeals), Kolkata

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix) (a),(b),(c) and (d) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, joint ventures or associate companies. Accordingly, reporting under clause 3(xi)(e) of the Order is not applicable to the Company.
- (c) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, reporting under clause 3(xi)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of







the Order is not applicable to the Company.

- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by or on the Company has been noticed or reported during the year and hence reporting under clause 3(xi)(a) of the Order is not applicable.
- (b) The company is not required to file report under sub-section (12) of section 143 of the Companies Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, reporting under clause 3(xi)(b) of the Order is not applicable.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year. Accordingly, reporting under clause 3(xi)(c) of the Order is not applicable.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 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, all transactions entered into by the Company, with the related parties are in compliance with section 177 and 188 of the Act as applicable. The details of such related party transactions have been disclosed in the financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) According to the information and explanations given to us, the Company is not required to have an internal audit system under section 138 of the Act. Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit. However, the Company had incurred cash losses amounting to ₹ 21267 thousands during the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and Management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however state that this is not an assurance as to





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

Jabakusum House  
34, Chittaranjan Avenue, 2nd Floor  
Room No. 7, Kolkata - 700 012  
Ph : 4007-3563  
E-mail : [aktekriwalandco@gmail.com](mailto:aktekriwalandco@gmail.com)  
Website : [www.aktandco.com](http://www.aktandco.com)

the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- (xx) According to the information and explanations given to us, The Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according; reporting under clause (xx) of the Order is not applicable to the Company.

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

(A.K. Tekriwal)  
Partner  
Membership No.: 056362  
UDIN : 24056362BKANAR9900



Place: Kolkata  
Date : 7<sup>th</sup> August, 2024



**Annexure II**

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

1. In conjunction with our audit of the standalone financial statements of Indinet Service Limited ("the Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls over financial reporting (IFCoFR) of the company as of that date.

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

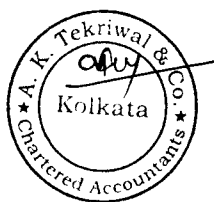
2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on Internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal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

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

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

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

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





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

Jabakusum House  
34, Chittaranjan Avenue, 2nd Floor  
Room No. 7, Kolkata - 700 012  
Ph : 4007-3563  
E-mail : aktekriwalandco@gmail.com  
Website : www.aktandco.com

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

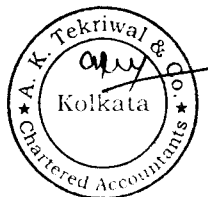
**Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2024, based on Internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

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

(A.K. Tekriwal)  
Partner

Membership No.: 056362  
UDIN : 24056362BKANAR9900



Place: Kolkata  
Date : 7<sup>th</sup> August, 2024

**INDINET SERVICE PRIVATE LIMITED**  
Balance Sheet as at March 31, 2024

(₹) '000s

	Notes	March 31, 2024	March 31, 2023
<b>A. Assets</b>			
<b>1. Non-Current Assets</b>			
(a) Property, Plant and Equipment	4	78,367	80,488
(b) Capital Work-in-Progress	4	7,103	6,251
(c) Intangible Assets	5	8,097	7,861
(d) Financial Assets			
(i) Other Financial Assets	6	32,448	1,14,052
(e) Deferred Tax Assets (Net)	8	24,354	17,930
(f) Others- Non Current Assets	7	104	104
<b>Sub-total - Non-Current Assets</b>		<b>1,50,473</b>	<b>2,26,686</b>
<b>2. Current Assets</b>			
(a) Inventories	9	494	672
(b) Financial Assets			
(i) Trade Receivables	10	1,396	16,027
(ii) Cash and Cash Equivalents	11	74,018	2,798
(iii) Others	12	566	228
(c) Current Tax Assets	13	927	415
(d) Other Current Assets	14	41,380	40,568
<b>Sub-total - Current Assets</b>		<b>1,18,781</b>	<b>60,708</b>
<b>Total Assets</b>		<b>2,69,254</b>	<b>2,87,394</b>
<b>B. Equity and Liabilities</b>			
<b>1. Equity</b>			
(a) Equity Share Capital	15	100	100
(b) Other Equity	16	(67,145)	(48,040)
<b>Sub-total - Equity</b>		<b>(67,045)</b>	<b>(47,940)</b>
<b>2. Liabilities</b>			
<b>1. Non-Current Liabilities</b>			
(a) Other Non-Current Liabilities	17	129	97
<b>Sub-total - Non-Current Liabilities</b>		<b>129</b>	<b>97</b>
<b>2. Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables	18		
outstanding dues of creditors for micro enterprises and small enterprises		18	993
outstanding dues of creditors- others		2,48,334	2,52,898
(ii) Other Financial Liabilities	19	-	466
(b) Other Current Liabilities	20	87,818	80,880
<b>Sub-total - Current Liabilities</b>		<b>3,36,170</b>	<b>3,35,237</b>
<b>Total Equity and Liabilities</b>		<b>2,69,254</b>	<b>2,87,394</b>

Summary of significant accounting policies 3

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

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

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

A.K. Tekriwal  
Partner  
Membership No.-056362

Place - Kolkata  
Date - 07th August, 2024



For Indinet Service Private Limited  
(U74900WB2015PTC207490)

Surendra Kumar Agarwala  
Director  
DIN-00569816

Suresh Kumar Sethiya  
Director  
DIN-00349098



**INDINET SERVICE PRIVATE LIMITED**

Statement of Profit and Loss for the year ended March 31, 2024

	Notes	March 31, 2024	March 31, 2023
(₹) '000s			
<b>Revenue</b>			
Revenue from Operations	21	7,22,616	7,25,218
Other Income	22	3,598	1,990
<b>Total Revenue</b>		<b>7,26,214</b>	<b>7,27,208</b>
<b>Expenses</b>			
Operational Expenses	23	6,66,654	6,89,955
Finance Costs	24	354	202
Depreciation and Amortisation Expenses	25	26,961	30,805
Other Expenses	26	57,795	58,318
<b>Total Expenses</b>		<b>7,51,764</b>	<b>7,79,280</b>
<b>Profit(Loss) before Exceptional Items &amp; Tax</b>		<b>(25,550)</b>	<b>(52,072)</b>
Exceptional Items		-	-
<b>Profit(Loss) before Tax</b>		<b>(25,550)</b>	<b>(52,072)</b>
<b>Tax Expenses</b>		<b>(6,445)</b>	<b>(14,103)</b>
<b>(a) Current Tax</b>			
For Current Year		-	-
For Earlier Year		(20)	(220)
<b>(b) Deferred Tax</b>		<b>(6,425)</b>	<b>(13,883)</b>
<b>Profit/(Loss) for the year</b>		<b>(19,105)</b>	<b>(37,969)</b>
<b>Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income for the year</b>		<b>(19,105)</b>	<b>(37,969)</b>
<b>Earning Per Share</b>	27		
Basic (₹)		(1,911)	(3,797)
Diluted (₹)		(1,911)	(3,797)
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



For Indinet Service Private Limited  
(U74900WB2015PTC207490)

Surendra Kumar Agarwala  
Director  
DIN-00569816

Suresh Kumar Sethiya  
Director  
DIN-00349098

Place - Kolkata  
Date - 07th August, 2024



**INDINET SERVICE PRIVATE LIMITED**

**Cash Flow Statement for year ended 31st March 2024**

PARTICULARS	₹ '000s	
	31st March 2024	31st March 2023
<b>A. Cash Flow from Operating Activities:</b>		
Net Loss before Taxation	(25,550)	(52,072)
Adjustment for :-		
Amortisation and Depreciation	26,961	30,805
Liability no longer required written back ( Net )	(427)	(356)
Provision for Expected Credit Loss	16,547	30,641
Interest Paid & Borrowing Cost	354	202
Interest on Fixed Deposit/ IT Refund / Others	(3,171)	(1,633)
<b>Operating Profit before Working Capital Changes</b>	<b>14,714</b>	<b>7,587</b>
<b>Change in Working Capital</b>		
Increase/(Decrease) in Trade Payables	(5,112)	3,128
Increase/(Decrease) in Other Current Liabilities	6,938	3,449
Increase/(Decrease) in Other Non-Current Liabilities	32	(723)
Decrease/(Increase) in Trade Receivable	(1,916)	18,920
Decrease/(Increase) in Inventories	178	2,065
Decrease/(Increase) in Other Non-Current Assets	-	319
Decrease/(Increase) in Other Current Assets	(812)	(1,648)
Decrease/(Increase) in Other Non- Current Financial Assets	83,500	(51,000)
<b>Cash Generation from Operating Activities before Exceptional Item</b>	<b>97,522</b>	<b>(17,903)</b>
Exceptional Item	-	-
<b>Cash Generation from Operating Activities after Exceptional Item</b>	<b>97,522</b>	<b>(17,903)</b>
Income Tax Paid (including TDS)	(492)	58
<b>Net Cash Generation from Operating Activities</b>	<b>97,030</b>	<b>(17,845)</b>
<b>B. Cashflow From Investing Activities:</b>		
Purchase of Property, Plant and Equipment/Intangible Assets /CWIP/Investment Property/Capital Advance	(25,928)	(4,571)
Interest Income	3,171	1,633
Investment in FD/Interest Accrued but not due on Fixed Deposit	(2,233)	(1,381)
<b>Net Cash Generation from Investing Activities</b>	<b>(24,990)</b>	<b>(4,319)</b>
<b>C. Cashflow From Financing Activities:</b>		
Borrowing Cost	(354)	(202)
<b>Net Cash Generation from Financing Activities</b>	<b>(354)</b>	<b>(202)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>71,686</b>	<b>(22,366)</b>
<b>Cash &amp; Cash Equivalent at the Beginning of the Year</b>	<b>2,332</b>	<b>24,698</b>
<b>Cash &amp; Cash Equivalent at the End of the Year</b>	<b>74,018</b>	<b>2,332</b>
<b>Cash &amp; Cash Equivalent include</b>	<b>31st March 2024</b>	<b>31<sup>st</sup> March 23</b>
Cash Balance (Incl. Cheques in Hand and Wallet Balance)	1,458	1,268
Bank Balance	72,560	1,064
Cash & Cash Equivalent Reported	<b>74,018</b>	<b>2,332</b>

Notes: Previous years' figures are regrouped wherever necessary.

Cash Flow Statement referred in our report of even date.

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



A.K Tekriwal  
Partner  
Membership No.-056362



Place - Kolkata  
Date - 07th August, 2024

For Indinet Service Private Limited  
(U74900WB2015PTC207490)

Surendra Kumar Agarwala Suresh Kumar Sethiya  
Director Director  
DIN-00569816 DIN-00349098



**INDINET SERVICE PRIVATE LIMITED**

Statement of Change in Equity for the year ended 31st March 2024

**A. Equity Share Capital**

(₹) 000s

Particulars	Balance at 1st of April,2023	Changes in equity share capital during the current year	Balance at 31st of March 2024
Equity Share Capital	100	-	100

(₹) 000s

Particulars	Balance at 1st of April,2022	Changes in equity share capital during the current year	Balance at 31st of March 2023
Equity Share Capital	100	-	100

**B. Other Equity**

(₹) 000s

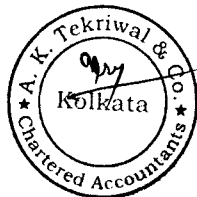
Particulars	Other Equity		Total Other Equity Attributable to Equity Holder's of the Company
	Retained Earning	Total Other Equity	
Balance at 1 April 2023	(48,040)	(48,040)	(48,040)
Total Comprehensive Income for the year	(19,105)	(19,105)	(19,105)
<b>Balance at 31 March 2024</b>	<b>(67,145)</b>	<b>(67,145)</b>	<b>(67,145)</b>
Balance at 1 April 2022	(10,071)	(10,071)	(10,071)
Total Comprehensive Income for the year	(37,969)	(37,969)	(37,969)
<b>Balance at 31 March 2023</b>	<b>(48,040)</b>	<b>(48,040)</b>	<b>(48,040)</b>

Statement of 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



For Indinet Service Private Limited  
(U74900WB2015PTC207490)

  
Surendra Kumar Agarwala  
Director  
DIN-00569816



Suresh Kumar Sethiya  
Director  
DIN-00349098

Place - Kolkata  
Date - 07th August, 2024





# INDINET SERVICE PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2024

## 1 Corporate Information

Indinet Service Pvt Ltd. ('the company' or 'INDINET') was incorporated on 19<sup>th</sup> August, 2015 with its registered office in Kolkata, West Bengal. INDI NET is a 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 losses during the current financial year, and it continued to have negative net worth. However, in view of the expected substantial subscription revenue growth and continued financial support from its holding 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 :

- 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/deemed cost less accumulated depreciation or impairment losses if any, incurred to bring the asset to the present condition and location. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

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

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

The items of spare parts, stand-by equipments and servicing equipments that satisfy the definition and recognition criteria of Property, Plant and Equipment is classified under Capital work in progress. Capital Work in progress comprises of the cost of fixed assets that are not put to use at the reporting date.

#### (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. For the Property, Plant and Equipment taken over from the group companies useful life as estimated by the Management is the remaining life of the Property, Plant and Equipment as appearing in the books of the group companies as on date of transfer. The details of estimated life for each category of asset are as follows:

<u>Asset</u>	<u>Estimated useful life based on SLM</u>
Computers and Data Processing Equipment	3 years
Plant and Machinery	8 years
Office Equipments	5 years

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.



## INDINET SERVICE PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2024

### (iii) Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

### (c) Intangible Assets

License Fees and Software are included in the Balance sheet as Intangible assets 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. For the intangible assets taken over from the group companies useful life as estimated by the Management is the remaining life of the assets as appearing in the books of the group companies as on date of asset transfer.

The estimated useful lives are as follows

<u>Asset</u>	<u>Estimated useful life based on SLM</u>
ISP License	20 Years
Software	6 Years

### (d) Impairment of Assets

#### (i) Financial Assets

For the purpose of computation of expected credit loss, the Company has analysed the trend of provisions for doubtful debts created in earlier years. The provision has been computed on the balances of deactivated customers and provision for doubtful debtors created against those sales. For active customers, partywise analysis is carried out by the management and for any contingency in recoveries of due from the parties, provision for expected credit loss is made as estimated by the management.

#### (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

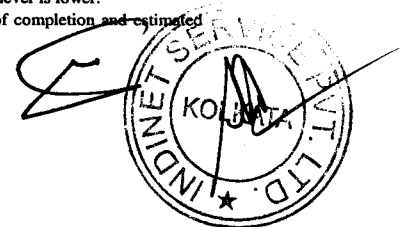
Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable 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 2024

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

### (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. 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) Foreign Currency Transaction

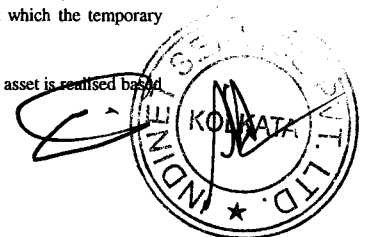
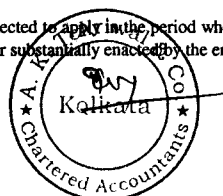
Transaction in foreign currency is recorded at the rate of exchange prevailing on the transaction date (s). Transaction remaining unsettled, is translated at the rate prevailing at the end of the financial year. The exchange rate difference arising therefrom are adjusted in the Statement of Profit &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

### (l) 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 2024**

**(m) Earnings Per Share**

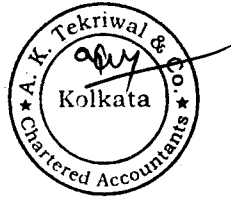
Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Company did not have any potentially dilutive securities in any of the periods presented.

**(n) Cash and cash equivalents**

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

**(o) 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.



**INDNET SERVICE PRIVATE LIMITED**  
**BALANCE SHEET AS ON March 31, 2024**

**PROPERTY, PLANT & EQUIPMENT & CAPITAL WORK IN PROGRESS**

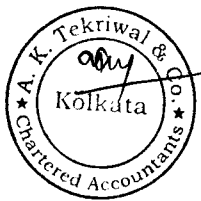
(₹) in '000

Particulars	Plant and equipment	Computers	Office equipment	Total
<b>Year ended 31 March 2023</b>				
Opening Gross Carrying Amount as on 01 April 2022				
Additions	1,39,887	783	3	1,40,673
Disposals	3,340	-	-	3,340
<b>Closing Gross Carrying Amount</b>	<b>1,43,227</b>	<b>783</b>	<b>3</b>	<b>1,44,013</b>
Opening Accumulated Depreciation				
Depreciation charge during the year	38,119	-	1	38,120
Impairment Loss	25,405	-	1	25,406
Assets acquired on amalgamation				
Assets included in a disposal group classified as held for sale				
Disposals				
<b>Closing Accumulated Depreciation and Impairment</b>	<b>63,524</b>	<b>-</b>	<b>2</b>	<b>63,525</b>
<b>Net Carrying Amount as on 31 March 2023</b>	<b>79,703</b>	<b>783</b>	<b>2</b>	<b>80,488</b>
<b>Year ended 31 March 2024</b>				
Opening Gross Carrying Amount as on 01 April 2023	1,43,227	783	3	1,44,013
Additions	23,129	-	-	23,129
Disposals				
<b>Closing Gross Carrying Amount</b>	<b>1,66,356</b>	<b>783</b>	<b>3</b>	<b>1,67,142</b>
Opening Accumulated Depreciation				
Depreciation charge during the year	63,524	-	2	63,526
Impairment Loss	25,250	-	0	25,250
Assets acquired on amalgamation				
Assets included in a disposal group classified as held for sale				
Disposals				
<b>Closing Accumulated Depreciation and Impairment</b>	<b>88,774</b>	<b>-</b>	<b>2</b>	<b>88,775</b>
<b>Net Carrying Amount as on 31 March 2024</b>	<b>77,583</b>	<b>783</b>	<b>1</b>	<b>78,367</b>

**Capital Work In Progress**

Particulars	As at 31st March 2024	As at 31st March 2023
Network Inventories	7,103	6,251

Particulars	Amount in C-WIP for a period of				Total
	As at	Less than 1 year	1-2 years	2-3 years	
Network Inventories	31-03-2024	4,101	361	2,641	7,103
	31-03-2023	2,579	682	2,990	6,251

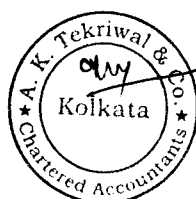


**INDINET SERVICE PRIVATE LIMITED**  
**NOTES TO BALANCE SHEET AS ON March 31, 2024**

**Note 5 :INTANGIBLE ASSETS**

(₹) '000s

	LICENCES	SOFTWARE	TOTAL
<b>Year ended 31 March 2023</b>			
Opening Gross Carrying Amount	3,150	22,298	25,448
Additions	-	452	452
<b>Closing Gross Carrying Amount</b>	<b>3,150</b>	<b>22,751</b>	<b>25,901</b>
<b>Accumulated amortisation and impairment</b>			
Opening Accumulated Amortisation	907	11,733	12,640
Amortisation charge for the year	158	5,242	5,399
<b>Closing Accumulated Amortisation and Impairment</b>	<b>1,065</b>	<b>16,975</b>	<b>18,039</b>
<b>Closing Net Carrying Amount 31 March 2023</b>	<b>2,085</b>	<b>5,776</b>	<b>7,861</b>
<b>Year ended 31 March 2024</b>			
Opening Gross Carrying Amount	3,150	22,751	25,901
Additions	-	1,950	1,950
<b>Closing Gross Carrying Amount</b>	<b>3,150</b>	<b>24,701</b>	<b>27,850</b>
<b>Accumulated amortisation and impairment</b>			
Opening Accumulated Amortisation	1,065	16,975	18,041
Amortisation charge for the year	158	1,553	1,711
<b>Closing Accumulated Amortisation and Impairment</b>	<b>1,223</b>	<b>18,529</b>	<b>19,753</b>
<b>Closing Net Carrying Amount 31 March 2024</b>	<b>1,926</b>	<b>6,171</b>	<b>8,097</b>



**INDINET SERVICE PRIVATE LIMITED**

Notes to financial statements for the year ended 31st March 2024

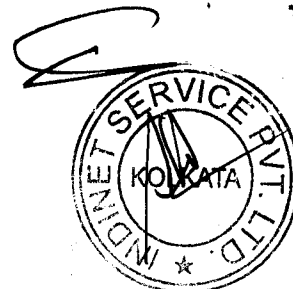
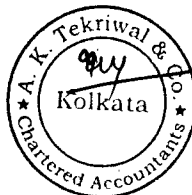
	(₹) '000s	
	March 31, 2024	March 31, 2023
<b>6 Other Non Current Financial Assets</b>		
Margin money deposit (pledged) with statutory authorities	32,404	30,508
Security deposits - Unsecured Considered good	44	83,544
* Includes Security Deposit of Rs Nil thousands (PY Rs 83500 thousands) to Indian Cable Net Co Ltd (Holding Company)		
	<b>32,448</b>	<b>1,14,052</b>
<b>7 Others- Non Current Assets</b>		
Capital Advances	104	104
Prepaid Expenses	-	-
	<b>104</b>	<b>104</b>
<b>8 Deferred Tax Assets (net)</b>		
<b>Deferred tax asset</b>		
Impact of difference between depreciation/amortization of PPE/Intangible Assets charged for the financial reporting and as per Income Tax provisions	4,687	2,970
Carry Forward of IT Loss	3,128	2,808
Other disallowances	16,539	12,152
Gross deferred tax asset	<b>24,354</b>	<b>17,930</b>
Net deferred tax asset/ (liabilities)	<b>24,354</b>	<b>17,930</b>
<b>9 Inventories</b>		
Stores and spares	494	672
	<b>494</b>	<b>672</b>
<b>10 Trade receivables</b>		
Unsecured, considered good-		
*include dues of Rs Nil thousands, (PY Nil thousands) receivable from entities in which director is partner, member or director	1,396	16,027
Unsecured, considered doubtful-		
*include dues of Rs 60 thousands, (PY 50 thousands) receivable from entities in which director is partner, member or director	64,830	48,282
	<b>66,225</b>	<b>64,309</b>
Less: Allowances for Expected Credit Loss	64,830	48,282
	<b>1,396</b>	<b>16,027</b>

Trade Receivables ageing schedule for the year ended March 31, 2024 is as follows:

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months	6 months - 1 year	01-02 years	02-03 years	More than 3 years	
(i) Undisputed - Trade receivables – considered good	1,293	47	56	-	-	1,396
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	5,910	5,309	43,286	1,458	8,867	64,830
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>7,203</b>	<b>5,356</b>	<b>43,341</b>	<b>1,458</b>	<b>8,867</b>	<b>66,226</b>
Less : Allowance for Credit Loss						<b>64,830</b>
Total Trade Receivables as on 31st March 2024						<b>1,396</b>

Trade Receivables ageing schedule for the year ended March 31, 2023 is as follows:

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months	6 months - 1 year	01-02 years	02-03 years	More than 3 years	
(i) Undisputed - Trade receivables – considered good	6,073	1,087	-	-	8,867	16,027
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	140	588	40,855	6,699	-	48,282
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>6,213</b>	<b>1,675</b>	<b>40,855</b>	<b>6,699</b>	<b>8,867</b>	<b>64,309</b>
Less : Allowance for Credit Loss						<b>48,282</b>
Total Trade Receivables as on 31st March,2023						<b>16,027</b>



**INDINET SERVICE PRIVATE LIMITED**

Notes to financial statements for the year ended 31st March 2024

	March 31, 2024	March 31, 2023
<b>11 Cash and cash equivalents</b>		
<b>Cash in hand</b>	1,458	1,268
(Includes Cheque In Hand ₹ 295 thousand (CY), ₹ 131 thousand (PY), and wallet balance ₹ 1097 thousand (CY) and ₹ 1066 thousand (PY))		
<b>Balances With Banks</b>		
On current accounts	11,248	1,237
Term Deposit with maturity within 3 months	61,312	293
	<b>74,018</b>	<b>2,798</b>
<b>12 Other Current Financial Assets</b>		
Interest accrued and not due on fixed deposits	566	228
	<b>566</b>	<b>228</b>
<b>13 Current Tax Assets (net)</b>		
<b>Current tax liabilities</b>		
Provision for tax		
<b>Current tax assets</b>		
Advance tax	927	415
	<b>927</b>	<b>415</b>
<b>14 Other current assets</b>		
Advance to Vendors	673	4,077
Balances with statutory authorities	90	481
Prepaid Expenses	40,617	36,010
	<b>41,380</b>	<b>40,568</b>
<b>15 Share capital</b>		
<b>Authorised share capital</b>		
10,000 Equity Shares of ₹ 10/- each	100	100
<b>Total authorised capital</b>	<b>100</b>	<b>100</b>
<b>Issued share capital</b>		
10,000 (Previous year 10,000) equity shares of ₹ 10 each	100	100
<b>Total issued capital</b>	<b>100</b>	<b>100</b>
<b>Subscribed and fully paid up capital</b>		
10,000 (Previous year 10,000) equity shares of ₹ 10 each	100	100
<b>Total paid up capital</b>	<b>100</b>	<b>100</b>

Reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2024 and March 31, 2023 are set out as below:

**(i) Equity Shares**

	31-Mar-24		31-Mar-23	
	Nos	(₹) '000s	Nos	(₹) '000s
At the beginning of the period				
Issued during the period – other	10,000	100	10,000	100
Outstanding at the end of the period	<b>10,000</b>	<b>100</b>	<b>10,000</b>	<b>100</b>

**Terms & rights attached to equity shares**

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

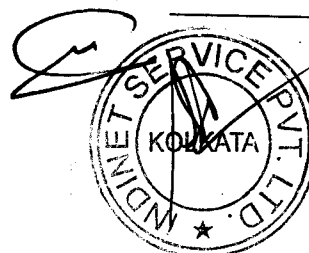
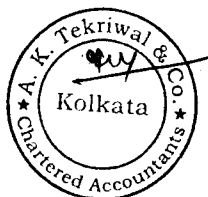
Particulars	31-Mar-24		31-Mar-23	
	Nos	(₹) '000s	Nos	(₹) '000s
Equity Shares				
Holding Company - Indian Cable Net Company Ltd (Including 6 Shares held through Nominees)	10,000	100	10,000	100
Outstanding at the end of the period	<b>10,000</b>	<b>100</b>	<b>10,000</b>	<b>100</b>

Details of share holder holding more than 5% share as at March 31, 2024 and March 31, 2023

Name of Shareholder	Equity Shares		Equity Shares	
	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Indian Cable Net Company Limited, Holding Company (Including 6 Shares held through Nominees)	10,000	100%	10,000	100%

**Shareholding of Promoters**

Promotor Name	2023-24			2022-23		
	No. of Shares	% of Total Shares	% of Change during the year	No. of Shares	% of Total Shares	% of Change during the year
Indian Cable Net Company Limited, Holding Company (Including 6 Shares held through Nominees)	10,000.00	100%	-	10,000.00	100%	-





**INDINET SERVICE PRIVATE LIMITED**

Notes to financial statements for the year ended 31st March 2024

**16 Other Equity**

Balance at the beginning of the year  
Add: Profit(loss) for the year  
Balance at the end of the year

March 31, 2024	March 31, 2023
(48,040)	(10,071)
(19,105)	(37,969)
<b>(67,145)</b>	<b>(48,040)</b>

**17 Other liabilities**

Unearned Income- Non Current (more than 12 months)

March 31, 2024	March 31, 2023
(₹) '000s	(₹) '000s
129	97
<b>129</b>	<b>97</b>

**18 Trade payables**

- Total outstanding dues of creditors for micro and small enterprises (Refer Note No : 31)  
- Total outstanding dues of creditors- others  
(including due to Indian Cable Net Co Ltd. holding company ₹4147 thousand  
(PY ₹6561 thousand))

18	993
2,48,334	2,52,898
<b>2,48,352</b>	<b>2,53,891</b>

**Trade Payable ageing schedule for the year ended as on 31st March 2024**

Outstanding for following periods from due date of payment

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	18	-	-	18
(ii) Others	49,158	18,505	20	1,80,651	2,48,334
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total Trade Payable as on 31st March 2024</b>	<b>49,158</b>	<b>18,523</b>	<b>20</b>	<b>1,80,651</b>	<b>2,48,352</b>

**Trade Payable ageing schedule for the year ended as on 31st March 2023**

Outstanding for following periods from due date of payment

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	993	-	-	-	993
(ii) Others	61,316	11,077	10	1,80,496	2,52,898
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total Trade Payable as on 31st March 2023</b>	<b>62,309</b>	<b>11,077</b>	<b>10</b>	<b>1,80,496</b>	<b>2,53,891</b>

**19 Other financial liabilities**

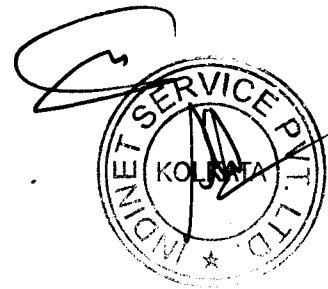
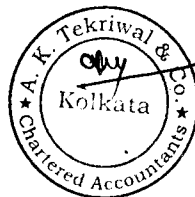
Book overdraft  
Creditors for Capital Goods

-	466
-	-
-	<b>466</b>

**20 Other Current Liabilities**

Unearned Income  
Advances from customers  
Payable for statutory liabilities

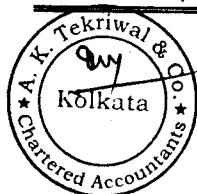
65,103	57,217
15,817	16,089
6,898	7,574
<b>87,818</b>	<b>80,880</b>



**INDINET SERVICE PRIVATE LIMITED**

Notes to financial statements for the year ended 31st March 2024

	(₹) '000s	
	March 31, 2024	March 31, 2023
<b>21 Revenue from operations</b>		
<b>Sale of services</b>		
Subscription Income - Internet	7,10,199	7,25,218
Activation Income	12,076	-
<b>Other operating revenue</b>		
Other networking and management	341	-
	<b>7,22,616</b>	<b>7,25,218</b>
<b>22 Other income</b>		
<b>Interest income on</b>		
Bank deposits	3,114	1,526
Others	57	107
Excess provisions written back	427	356
	<b>3,598</b>	<b>1,990</b>
<b>23 Operational Expenses</b>		
Licence Fee (Refer Note No: 28)	591	477
Bandwidth Cost	1,82,146	2,00,714
Commission	12,029	13,264
Other Operational Expenses	93,623	92,675
LCO Consideration	3,78,265	3,82,825
	<b>6,66,654</b>	<b>6,89,955</b>
<b>24 Finance costs</b>		
Interest	11	10
Bank charges	30	29
Other Borrowing Cost	313	162
	<b>354</b>	<b>202</b>
<b>25 Depreciation and Amortisation expenses</b>		
Depreciation of tangible assets	25,250	25,406
Amortisation of intangible assets	1,711	5,399
	<b>26,961</b>	<b>30,805</b>
<b>26 Other expenses</b>		
Rent	2,796	3,514
Rates and taxes	112	110
Communication expenses	36	6
Repairs and maintenance		
- Network	5,075	3,548
- Others	29,219	16,718
Electricity and water charges	328	365
Legal, professional and consultancy charges	1,006	802
Printing and stationeries	0	69
Auditor's remuneration (Refer Note No : 32)	989	794
Provision for Expected Credit Loss	16,547	30,641
Exchange Fluctuation Loss	16	2
Membership and Subscription Expenses	1,654	1,365
Miscellaneous expenses	0	19
Interest On License Fee	-	349
Interest On Statutory Dues	17	15
	<b>57,795</b>	<b>58,318</b>

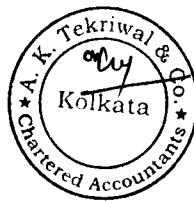


**INDINET SERVICE PRIVATE LIMITED**  
Notes to financial statements for the year ended 31st March 2024

	(₹) '000s	
	March 31, 2024	March 31, 2023
<b>27 Earnings per share</b>		
Profit / (Loss) attributable to equity shareholders	(19,105)	(37,969)
Number of weighted average equity shares		
Basic		
Diluted	10,000	10,000
Nominal value of per equity share (₹)	10	10
Earning per share after tax (₹)		
Basic		
Diluted	(1,911)	(3,797)
	(1,911)	(3,797)
<b>28 Contingent liabilities and commitments (to the extent not provided for)</b>		
<b>(i) Contingent Liabilities</b>		
Bank Guarantees (Deposit against License Fee to DoT)	21,000	21,000
AGR Fee #	3,06,378	2,48,869
Disputed Tax Demand*	21,240	-
	<u>3,48,618</u>	<u>2,69,869</u>
<b>(ii) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	350	350
	<u>350</u>	<u>350</u>

# The company has been granted Unified License from Ministry of Communications & IT, Department of Telecoms (DoT), under Government of India, under which the company is required to pay an annual license fee (AGR Fee) at the rate of 8% of the its adjusted gross revenue. Internet Service providers' Association of India of which the Company is a member had filed a petition with others against the DoT before the Telecom Dispute Settlement Appellate Tribunal (TDSAT) against levy of AGR Fee on Pure Internet Service. TDSAT vide it's order dated 18/10/2019 has upheld the contention of the petitioners and set aside the demand of AGR Fee on Pure Internet Services. In view of the said Order, the company has ceased to provide for the AGR Fee w.e.f. FY 2019-20 on Pure Internet Service. DoT has filed an Appeal before the Hon'ble Supreme Court against the Order of the TDSAT and the same is pending for final adjudication. In view of the same, the liability of AGR Fee of ₹ 57717 thousands and ₹ 57509 thousands for the year ended 31st March, 2023 and 31st March, 2024 respectively on Pure Internet Services has been considered to be contingent in nature due to the prevailing uncertainty of the final outcome of the dispute.

\* Disputed GST Demand for F.Y.2018-19 ₹ 21240 thousands (P.Y.NIL)



**INDINET SERVICE PRIVATE LIMITED**  
Notes To Balance Sheet As On March 31, 2024

**Note 29: Tax Expenses**

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

	(₹) '000s	
	Mar-24	Mar-23
Income tax related to items recognised directly in the statement of profit and loss		
Current tax - current year	-	-
- earlier years	-	-
Deferred tax charge / (benefit)	(20)	(220)
<b>Total</b>	<b>(6,425)</b>	<b>(13,883)</b>
Effective tax rate	25.22%	27.08%

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, 2024 and 31 March, 2023 is as follows:

	Mar-24	Mar-23
Profit/(Loss) before tax		
Income tax	(25,550)	(52,072)
Statutory income tax rate of 25.168% (PY 25.168%) on profit		
Tax effect on non-deductible expenses	(6,430)	(13,105)
Additional allowances for tax purposes	11,179	15,468
Tax Effect of Bought Forward IT Loss	(5,069)	(5,170)
Others / Deferred Tax effect	(2,808)	-
Deferred Tax on carry forward IT Loss	(6,425)	(13,883)
Effect of exempt income and income tax at lower rates	3,128	2,808
Tax effect for earlier years	-	-
Tax expense recognised in the statement of profit and loss	(20)	(220)
Deferred tax recognised in statement of other comprehensive income	(6,445)	(14,103)
	0	-

**For the year ended 31 March**

	Mar-24	Mar-23
Employee retirement benefits obligation	-	-

The applicable tax rate is the standard effective corporate income tax rate in India. The tax rate is 25.17% (PY 25.17%) for the year ended 31 March, 2024. 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 8.

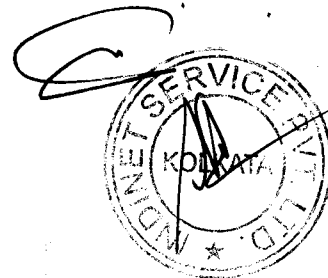
Deferred tax recognised in statement of profit and loss

**For the year ended 31 March**

	Mar-24	Mar-23
Allowances for credit losses		
Depreciation and amortisation	(4,707)	(10,520)
<b>Total</b>	<b>(1,718)</b>	<b>(3,363)</b>
	<b>(6,425)</b>	<b>(13,883)</b>

**Reconciliation of deferred tax assets / (liabilities) net:**

	Mar-24	Mar-23
Opening balance		
Deferred tax (charge)/credit recognised in	17,930	4,046
-Statement of profit and loss		
-Recognised in other comprehensive income	6,425	13,883
<b>Total</b>	<b>24,354</b>	<b>17,930</b>



# ADINET SERVICE PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2024

30 The Company has incurred losses during the year and it continued to have negative net worth as at March 31, 2024. But in view of the management, the expected substantial revenue growth and improvement in operating margins and other likely mitigating factors like continued financial support from its stakeholders, these standalone financial results for the year ended March 31, 2024 continued to be prepared on a going concern basis.

## 31 Dues to Micro Enterprises and Small Enterprises:

	as on 31-03-2024	as on 31-03-2023
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	18	993
ii) the amount of interest paid by the Company in terms of section 16 of MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year	-	-
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year without adding the interest specified under MSMED Act, 2006	-	-
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	11	10
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

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

## 32 Payment to Auditors (accrued) (Excluding Goods and Service Tax)

PARTICULARS	(₹) '000s	
	As on 31st March 2024	As on 31st March 2023
Audit Fees	204	185
Limited review Fees	320	300
Tax Audit	83	75
Other Services	383	234
	989	794

## 33 Expenditure in foreign currency

Particulars	31-Mar-24	31-Mar-23
	(₹) '000s	(₹) '000s
Membership & Subscription	1,294	563
	1,294	563

## 34 Revenue from contracts with customers

### (A) Disaggregation of revenue

Particulars	31-Mar-24	31-Mar-23
	(₹) '000s	(₹) '000s
Revenue from operations		
Sale of services		
Subscription Income - Internet	7,10,199	7,25,218
Activation Income	12,076	
Other networking and management income	341	
Other operating revenue		
Sale of traded goods		
	7,22,616	7,25,218

The Company has disaggregated the revenue from contracts with customers on the basis of nature of services/goods sold. The Company believes that the disaggregation of revenue on the basis of nature of services/goods sold has no impact on the nature, amount, timing & uncertainty of revenues and cash flows.

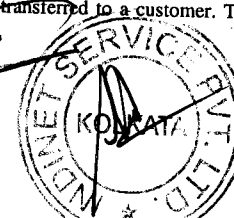
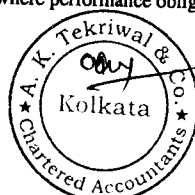
### (B) Contract Balances

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

The following table provides information about contract assets and contract liabilities for the contracts with the customers.

Particulars	31-Mar-24	31-Mar-23
	(₹) '000s	(₹) '000s
Contract assets (Trade Receivables)	1,396	16,027
Contract liabilities (Unearned Revenue)	65,232	57,314
	66,628	73,341

The contract assets is the Company's rights to consideration in exchange for goods and services that the Company has transferred to a customer. The contract liabilities primarily relate to the billing recognized in advance where performance obligations are yet to be satisfied.



## INDINET SERVICE PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2024

### (C) Performance Obligations and Remaining Performance Obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performances as the performance obligations relates to contracts that have an original expected duration of one year or less.

Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

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

36 In the opinion of the Board of Directors the current assets, loans and advances shown in the Balance Sheet as on 31<sup>st</sup> Mar 2024 are considered good and fully recoverable, except otherwise stated and provision for all known liabilities has been made in the accounts.

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

### 38 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
  - Siti Broadband Services Pvt. Ltd. (Subsidiary of Siti Networks Ltd.)
  - Meghbela Infotel Services Private Limited
- d. **Entities with Significant Influence\*\***
- Smart Vinimay Private Limited
  - Max Pro Tracon Private Limited
  - Victor Media Private Limited
  - Gurukripa Comlink Private Limited
  - SRD Properties P Ltd.
  - HiTech Visual Channels Private Limited
  - Kolkata Media Services Private Limited
  - Kolkata Entertainment Service LLP
  - MayFair Cable Linc
  - Satelite Broadband Network
- e. **Director/ Key Managerial Personnel**
- Mr. Surendra Kumar Agarwala
  - Mr. Suresh Sethiya
  - Mr. Atul Kumar Singh
  - Mr. Amit Kumar Gupta

Director  
Director  
Director  
Director

\*\* with whom the Company has transactions during the current year and previous year



**NET SERVICE PRIVATE LIMITED**  
 Notes to financial statements for the year ended 31st March 2024

Transactions with related parties.

(₹) '000s

Particulars	Siti Network Limited		Indian Cable Net Company Ltd		Smart Vinimay Pvt Ltd	
	FY 23-24	FY 22-23	FY 23-24	FY 22-23	FY 23-24	FY 22-23
Expense paid by	-	-	1,12,669	21	-	-
Purchase of material & Services	-	-	13,511	94,202	811	775
Purchase of fixed Assets	-	-	-	-	-	-
Sales of service and materials	-	-	-	-	1,271	1,193
Security Deposit Given	-	-	-	51,000	-	-
Outstanding at the end of year	(87)	(87)	(4,512)	76,939	(7)	(1)

Transactions with related parties.

(₹) '000s

Particulars	Maxpro Tracon Private Limited		Victor Media Private Limited		Gurukripa Comlink Private Limited	
	FY 23-24	FY 22-23	FY 23-24	FY 22-23	FY 23-24	FY 22-23
Purchase of material & Services	-	4	95	48	799	758
Sales of service and materials	-	7	52	-	1,389	1,166
Outstanding at the end of year	44	44	(63)	(4)	7	6

Transactions with related parties.

(₹) '000s

Particulars	Siti Broadband Service Private Limited		SRD Properties P Ltd		Hitech Visual Channels Private Limited	
	FY 23-24	FY 22-23	FY 23-24	FY 22-23	FY 23-24	FY 22-23
Purchase of material & Services	-	-	2,240	1,791	2,147	1,927
Sales of service and materials	-	-	3,447	2,755	3,442	2,836
Outstanding at the end of year	8,867	8,867	(33)	(10)	383	308

Transactions with related parties.

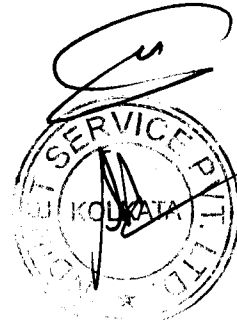
(₹) '000s

Particulars	Kolkata Entertainment Services LLP		MayFair Cable Link		Satelite Broadband Network	
	FY 23-24	FY 22-23	FY 23-24	FY 22-23	FY 23-24	FY 22-23
Purchase of material & Services	4,928	5,992	259	262	1,511	1,396
Sales of service and materials	8,075	8,629	420	403	2,345	2,157
Outstanding at the end of year	(145)	(445)	(17)	(26)	2	(5)

Transactions with related parties.

(₹) '000s

Particulars	Siti Maurya Cable Net Private Limited	
	FY 23-24	FY 22-23
Purchase of material & Services	-	195
Sales of service and materials	-	-
Outstanding at the end of year	-	-



**INDINET SERVICE PRIVATE LIMITED**

Notes to financial statements for the year ended 31st March 2024

**39 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 2024

**A. Financial instruments by category**

	31-Mar-24			31-Mar-23		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<i>Financial assets (Non Current &amp; Current)</i>						
Amount recoverable	-	-	-	-	-	-
Bank deposits	-	-	32,404	-	-	30,508
Interest accrued and not due on fixed deposits	-	-	566	-	-	228
Security deposits	-	-	44	-	-	83,544
Investment (Non- current, financial assets)	-	-	-	-	-	-
Unbilled revenues	-	-	-	-	-	-
Trade receivables **	-	-	1,396	-	-	16,027
Investment (Current, financial assets)	-	-	-	-	-	-
Cash and cash equivalents **	-	-	74,018	-	-	2,332
Other Bank Balances **	-	-	-	-	-	-
<b>Total financial assets</b>	-	-	<b>1,08,427</b>	-	-	<b>1,32,640</b>
<i>Financial liabilities (Non Current &amp; Current)</i>						
Borrowings (current, financial liabilities)	-	-	-	-	-	-
Trade payables **	-	-	2,48,353	-	-	2,53,891
Other Financial Liabilities	-	-	-	-	-	-
<b>Total financial liabilities</b>	-	-	<b>2,48,353</b>	-	-	<b>2,53,891</b>

\*\*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.

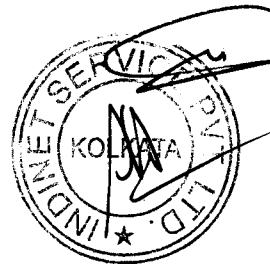
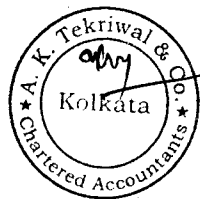
**40 Financial risk management objectives and policies**

**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 2024

## 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	₹ '000s	
		31-Mar-24	31-Mar-23
A: Low credit risk	Cash and cash equivalents and other financial assets except Trade Receivable, security deposits and amount recoverable	1,06,987	33,069
B: High credit risk	Trade receivables and Security Deposits	1,439	99,571
<b>Concentration of trade receivables</b>			

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. For active customers, partywise analysis is carried out by the management and for any contingency in recoveries of due from the parties, provision for expected credit loss is made as estimated by the management.

Expected credit loss for trade receivables under general approach as at March 31, 2024

Particulars	₹ '000s		
	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	66,225	64,830	1,396

as at March 31, 2023

Particulars	₹ '000s		
	Estimated gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Trade receivables	64,309	48,282	16,027

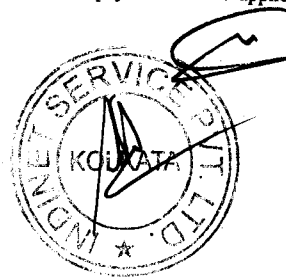
Reconciliation of loss allowance provision – Trade receivables

	₹ '000s
Loss allowance on March 31, 2023	48,282
Changes in loss allowance	16,548
Loss allowance on March 31, 2024	64,830

## 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 LIMITED**  
Notes to financial statements for the year ended 31st March 2024

(ii) **Maturities of financial liabilities**

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

Contractual maturities of financial liabilities	31-Mar-24			31-Mar-23		
	Less than one year	One to two years	More than two years	Less than one year	One to two years	More than two years
<b>Non-derivatives</b>						
Borrowings (non-current, financial liabilities)	-	-	-	-	-	-
Borrowings (current, financial liabilities)	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-
Trade payables	2,48,353	-	-	2,53,891	-	-
<b>Total non-derivative liabilities</b>	<b>2,48,353</b>	<b>-</b>	<b>-</b>	<b>2,53,891</b>	<b>-</b>	<b>-</b>

**C. Market Risk**

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

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

**41 Capital management**

**Risk Management**

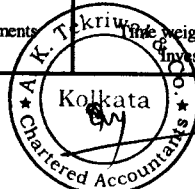
The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous 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	(₹) '000s	
	31-Mar-24	31-Mar-23
Cash and cash equivalents (refer note 11)	74,018	2,332
Other Bank Balances (refer note 11)	-	-
<b>Total cash (A)</b>	<b>74,018</b>	<b>2,332</b>
Borrowings (current, financial liabilities)	-	-
<b>Total borrowing (B)</b>	<b>-</b>	<b>-</b>
<b>Net debt (C=B-A)</b>	<b>(74,018)</b>	<b>(2,332)</b>
Total equity	(67,045)	(47,940)
<b>Total capital (equity + net debts) (D)</b>	<b>(1,41,063)</b>	<b>(50,272)</b>
<b>Gearing ratio (C/D)</b>	<b>52%</b>	<b>5%</b>

**42 Ratios**

The ratios for the year ended March 31, 2024 and March 31, 2023 are as follows :

Particulars	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	Variance in %
(a) Current Ratio,	Sub-total of Current assets	Sub-total of current liabilities	0.35	0.18	96%
(b) Debt-Equity Ratio, #	Total Debts	Shareholder's Equity	NA	NA	NA
(c) Debt Service Coverage Ratio, #	Earning for Debt Service	Debt Service	NA	NA	NA
(d) Return on Equity Ratio, *	Net Profit After Taxes	Average Shareholder's Equity	NA	NA	NA
(e) Inventory turnover ratio, **	Sale of Traded Goods	Average Inventory	NA	NA	NA
(f) Trade Receivables turnover ratio,	Total Revenue less Excess Provisions written back	Average Trade Receivables	83.32	17.81	368%
(g) Trade payables turnover ratio,	Total Expenses less expenses which doesnot generate payable	Average Trade Payables	2.82	2.84	-1%
(h) Net capital turnover ratio,	Revenue	Working Capital	(3.34)	(2.65)	26%
(i) Net profit ratio, (refer note below)	Net Profit After Taxes	Revenue	-2.62%	-5.22%	50%
(j) Return on Capital employed *	Earnings before Interest and Taxes	Average Shareholder's Equity	NA	NA	NA
(k) Return on investment. ##	Income generated from Investments	The weighted average investments	NA	NA	NA



## INDINET SERVICE PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2024

# The Company does not have any borrowings in the nature of term loan, cash credit, overdraft, others and hence these ratios are not applicable.

## The company does not have any Investments and hence these ratios are not applicable.

\* The Ratios are not applicable as the company has a negative networth. Refer Note No. 16 and 30.

\*\* Company is not a trading concern and hence these ratios are not applicable.

(a) & (h) : Increase in Cash and Cash Equivalents

(f) : Provisioning of ECL for postpaid outstanding of Trade Receivables consequent on migration to Prepaid Invoicing in the previous year

(i) : Decrease in Operational expenses, Depreciation Expenses and Other Administrative Expenses

### 43 Disclosue of Struck off companies

There are no transactions with struck off companies for the year ending March 31, 2024 and March 31, 2023.

44 The Financial statements have been approved by the board of directors in their meeting held on 07/08/2024.

### 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

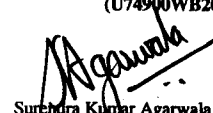
Membership No.-056362



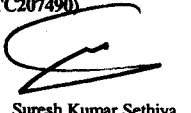
Place - Kolkata

Date - 07th August, 2024

For Indinet Service Private Limited  
(U74900WB2015PTC207490)



Suresh Kumar Agarwala  
Director  
DIN-00569816



Suresh Kumar Sethiya  
Director  
DIN-00349098

