

# UTTAM KESHRI & CO.

Chartered Accountants  
UTTAM KUMAR AGARWAL  
B.COM (Hon's), F.C.A., DISA(ICAI)  
Mem No. 059168

S-10, 2<sup>nd</sup> Floor, G.S. Tower  
Himatsingka Petrolpump Complex  
A.T. Road, Guwahati - 781001  
Ph. No. 2606237 (O), 9435106442 (M)

## INDEPENDENT AUDITOR'S REPORT

To the Members of AXOM COMMUNICATIONS & CABLE PVT. LTD.

### Report on the Financial Statements

We have audited the accompanying financial statements of **AXOM COMMUNICATIONS & CABLE PVT. LTD.** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. 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 the design, implementation and maintenance of adequate internal financial control 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 material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act and the Rules made there under including the accounting and auditing standards and matters, which are required to be included in the audit report.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making, those risk assessments, the auditor consider internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

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## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of subsection (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by section 143 Q) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- G) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - i. The Company does not have any pending litigations as at March 31, 2017, which would impact its financial position;
  - ii. The Company did not have any long-term contracts as at March 31, 2017 including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.

For  
UTTAM KESHRI & CO.  
Chartered Accountants

(Uttam Kumar Agarwal)  
Proprietor  
FRN No. 324962E

# UTTAM KESHRI & CO.

Chartered Accountants  
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## Annexure A to Independent Auditor's Report

Referred to in paragraph 10(f) of the Independent Auditor's Report of even date to the members of **AXOM COMMUNICATIONS & CABLE PVT. LTD.** on the financial statements for the year ended March, 31,2017.

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of **AXOM COMMUNICATIONS & CABLE PVT. LTD.** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining Internal Financial Controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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

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

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are

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recorded as necessary to permit preparation of financial statements in accordance with generally accepted

Accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and Directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

## **Opinion**

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial control over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For  
UTTAM KESHRI & CO.  
*Chartered Accountants*

(Uttam Kumar Agarwal)  
Proprietor  
FRN No. 324962E

# UTTAM KESHRI & CO.

Chartered Accountants  
UTTAM KUMAR AGARWAL  
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## Annexure B to the Independent Auditors' Report

Referred to in our report of even date to the members of **AXOM COMMUNICATIONS & CABLE PVT.LTD.** on the financial statements as at and for the year ended March 31, 2017

1. (a) According to the information and explanations given to us, the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) The physical verification of fixed assets excluding ground distribution network and Set Top Boxes including smart card lying with the subscribers and third parties have been conducted at reasonable intervals by the management during the year. In respect of fixed assets lying with third parties these have substantially been confirmed by them. The discrepancies noticed on physical verification of fixed assets as compared to book records were not material.  
  
(c) The company does not own any immovable properties and hence no title deeds are held in the name of the company.
2. The company has no inventory and hence physical verification of stock is not applicable to the company.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of Clause 3 (iii), (iii)(a), (iii)(b), and (iii)(c) of the Order are not applicable to the Company
4. In our opinion according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of loans and investment made, and guarantees provided by it.
5. The Company has not accepted any deposit from the public with the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
6. To the best of our knowledge and as explained the requirement of maintenance of cost records under clause 148(1) of the Companies Act 2013, read with Companies (Cost Records and Audit) Rules, 2014 is not applicable to the company for the year since overall turnover of the company during the immediately preceding financial year was less than rupees thirty five crores.
7. (a) According to the records of the Company examined by us and information and explanations given to us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities except payments of Advance Income Tax. The company has not made any payment of Advance Income Tax during the year.  
  
(b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited on account of any dispute.
8. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institutions or bank. The Company does not have any loans from Government. Further, the company has not issued any debenture.

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9. The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we had neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
11. The provisions of Clause 3(xi) of the Order are not applicable to the Company in respect of Managerial Remuneration paid during the year.
12. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it; the provisions of Clause 3(xii) of the Order are not applicable to the Company.
13. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 & 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
14. The company has not made any preferential allotment of shares or fully or partly paid convertible debenture during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
15. The Company has not entered into any non-cash transactions with its directors or persons connected with him/her. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For  
UTTAM KESHRI & CO.  
*Chartered Accountants*

(Uttam Kumar Agarwal)  
Proprietor  
FRN No. 324962E

**Axom Communications & Cable Pvt. Ltd.**  
**Balance Sheet as at March 31, 2017**

|  | Notes | March 31, 2017<br>₹ Thousands | March 31, 2016<br>₹ Thousands |
|--|-------|-------------------------------|-------------------------------|
| <b>A. Assets</b>                           |       |                               |                               |
| <b>1. Non-current assets</b>               |       |                               |                               |
| <b>Fixed assets</b>                        |       |                               |                               |
| (a) Property, plant and equipment          | 2     | 497,216.49                    | 348,797.36                    |
| (b) Capital work-in-progress               | 2     | 95,416.88                     | 17,722.69                     |
| (c) Other intangible assets                | 3     | 9,271.69                      | -                             |
| (d) Financial assets                       |       |                               |                               |
| (ii) Loans                                 | 4     | 589.94                        | 357.00                        |
| (iii) Others                               | 5     | 9,000.00                      | 18,000.00                     |
| <b>Sub-total of Non-current assets</b>     |       | <b>611,495.00</b>             | <b>384,877.05</b>             |
| <b>2. Current assets</b>                   |       |                               |                               |
| (a) Financial assets                       |       |                               |                               |
| (i) Trade receivables                      | 6     | 64,942.09                     | 36,223.34                     |
| (iii) Cash and bank balances               | 7     | 43,021.36                     | 11,129.15                     |
| (iv) Loans                                 | 8     | 3,020.08                      | 2.50                          |
| (v) Others                                 | 9     | 1,163.42                      | -                             |
| (d) Other current assets                   | 10    | 42,997.97                     | 31,160.16                     |
| <b>Sub-total of Current assets</b>         |       | <b>155,144.92</b>             | <b>78,515.16</b>              |
| <b>Total assets</b>                        |       | <b>766,639.92</b>             | <b>463,392.21</b>             |
| <b>B. Equity and liabilities</b>           |       |                               |                               |
| <b>Equity</b>                              |       |                               |                               |
| (a) Equity share capital                   | 11    | 2,500.00                      | 2,500.00                      |
| (b) Other equity                           | 12    | 62,243.76                     | 45,676.09                     |
| <b>Sub-total - Equity</b>                  |       | <b>64,743.76</b>              | <b>48,176.09</b>              |
| <b>Liabilities</b>                         |       |                               |                               |
| <b>1. Non-current liabilities</b>          |       |                               |                               |
| (a) Financial liabilities                  |       |                               |                               |
| (i) Long-term borrowings                   | 13    | 83,745.44                     | -                             |
| (b) Provisions                             | 14    | 1,156.78                      | -                             |
| (c) Deferred tax liability (net)           | 15    | 8,569.13                      | 8,173.97                      |
| (d) Other non-current liabilities          | 16    | 387,300.69                    | 207,079.84                    |
| <b>Sub-total - Non-current liabilities</b> |       | <b>480,772.04</b>             | <b>215,253.81</b>             |
| <b>2. Current liabilities</b>              |       |                               |                               |
| (a) Financial liabilities                  |       |                               |                               |
| (ii) Trade payables                        | 17    | 58,120.53                     | 74,675.41                     |
| (iii) Other financial liabilities          | 18    | 133,261.20                    | 96,431.89                     |
| (b) Other current liabilities              | 19    | 18,968.50                     | 23,653.69                     |
| (c) Provisions                             | 20    | 10,773.89                     | 5,201.32                      |
| <b>Sub-total of current liabilities</b>    |       | <b>221,124.13</b>             | <b>199,962.31</b>             |
| <b>Total equity and liabilities</b>        |       | <b>766,639.92</b>             | <b>463,392.21</b>             |

Summary of significant accounting policies

1

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 **Uttam Keshri & Co.**  
Chartered Accountants  
ICAI Firm Registration No.: 324962E

For and on behalf of the Board of Directors of  
**Axom Communications & Cable Pvt. Ltd.**

Uttam Kumar Agarwal  
Proprietor  
Membership Number: 059168

**Suresh Kumar Sethiya**  
Director  
DIN: 00349098

**Gautam Bharali**  
Director  
DIN: 03538144

Place : New Delhi  
Date :

**Axom Communications & Cable Pvt. Ltd.**  
**Statement of Profit and Loss for the year ended March 31, 2017**

|  | Notes | March 31, 2017<br>₹ Thousands | March 31, 2016<br>₹ Thousands |
|--|-------|-------------------------------|-------------------------------|
| <b>Revenue</b>                                   |       |                               |                               |
| Revenue from operations                          | 21    | 245,557.05                    | 157,620.15                    |
| Other income                                     | 22    | 2,872.53                      | 1.51                          |
| <b>Total revenue</b>                             |       | <b>248,429.58</b>             | <b>157,621.66</b>             |
| <b>Expenses</b>                                  |       |                               |                               |
| Carriage sharing, pay channel and related costs  | 23    | 118,410.99                    | 85,375.73                     |
| Employee benefits expense                        | 24    | 9,970.94                      | 9,991.44                      |
| Finance costs                                    | 25    | 2,428.33                      | 758.60                        |
| Depreciation and amortisation expenses           | 26    | 59,182.16                     | 17,189.00                     |
| Other expenses                                   | 27    | 22,825.78                     | 20,886.65                     |
| <b>Total expenses</b>                            |       | <b>212,818.21</b>             | <b>134,201.43</b>             |
| <b>Loss before prior period expenses</b>         |       | <b>35,611.38</b>              | <b>23,420.23</b>              |
| Prior period expenses                            |       | -                             | -                             |
| <b>Profit / (Loss) before tax</b>                |       | <b>35,611.38</b>              | <b>23,420.23</b>              |
| <b>X Tax Expenses</b>                            | 28    | <b>13,216.21</b>              | <b>13,238.42</b>              |
| (a) Current Tax                                  |       | 10,057.99                     | 2,012.05                      |
| (-) MAT credit entitlement                       |       | -                             | -                             |
| (b) Deferred Tax                                 |       | 395.16                        | 5,358.08                      |
| (c) Short / (Excess) Provision for earlier years |       | 2,763.07                      | 5,868.29                      |
| <b>XI Profit / (Loss) for the year</b>           |       | <b>22,395.17</b>              | <b>10,181.81</b>              |
| <b>Profit/(Loss) to Equity Share Holders</b>     |       | <b>22,395.17</b>              | <b>10,181.81</b>              |
| Loss per share after tax                         | 34    |                               |                               |
| Basic  |       | 89.58                         | 40.73                         |
| Diluted  |       | 89.58                         | 40.73                         |
| Summary of significant accounting policies       | 1     |                               |                               |

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 **Uttam Keshri & Co.**  
Chartered Accountants  
ICAI Firm Registration No.: 324962E

For and on behalf of the Board of Directors of  
**Axom Communications & Cable Pvt. Ltd.**

Uttam Kumar Agarwal  
Proprietor  
Membership Number: 059168

**Suresh Kumar Sethiya**  
Director  
DIN: 00349098

**Gautam Bharali**  
Director  
DIN: 03538144

Place : New Delhi  
Date : May 25, 2016

**Axom Communications & Cable Pvt. Ltd.**  
**Cash Flow Statement for the year ended March 31, 2017**

|   | March 31, 2017<br>₹ Thousands | March 31, 2016<br>₹ Thousands |
|---|-------------------------------|-------------------------------|
| <b>Cash flow from operating activities</b>  |                               |                               |
| Profit /(Loss) before tax   | 29,783.89                     | 23,420.23                     |
| Depreciation and amortisation expenses  | 59,182.16                     | 17,189.00                     |
| Profit on sale of fixed assets / Earlier year Depreciation Adjustment             | -                             | -                             |
| Provision for Retirement Benefit  | 1,193.25                      | -                             |
| Interest Paid & Borrowing cost  | 2,428.33                      | 758.60                        |
| Bad Debts   | -                             | -                             |
| Provision for Doubtful Debts & Advances   | 11,887.26                     | -                             |
| Provision for Doubtful Debts & Advance - Written Back                             | -                             | -                             |
| Interest on Fixed Deposit / Income Tax  | (2,796.54)                    | -                             |
| Provisions for Expenses   | (2,509.83)                    | 3,189.27                      |
| Employee stock compensation expense   | -                             | -                             |
| <b>Operating profit before working capital changes</b>                            | <b>99,168.51</b>              | <b>44,557.10</b>              |
| Movements in working capital :  |                               |                               |
| Increase in trade payables  | (16,554.88)                   | 46,432.44                     |
| Increase in long-term provisions  | -                             | -                             |
| Increase in short-term provisions   | -                             | -                             |
| Decrease in other non-current liabilities   | 180,220.85                    | 150,928.29                    |
| Increase in other current liabilities   | (13,430.38)                   | 43,324.79                     |
| Increase in trade receivables   | (40,606.01)                   | (4,803.68)                    |
| Decrease/ ( Increase) in Short-term loans and advances given                      | (931.28)                      | 20.50                         |
| (Increase)/decrease in loans and advances and other current assets                | (16,192.46)                   | (17,581.78)                   |
| <b>Cash generated from /used in) operations</b>                                   | <b>191,674.35</b>             | <b>262,877.66</b>             |
| Direct taxes (paid)/refunded (net)  | (3,903.13)                    | (17,035.49)                   |
| <b>Net cash flow from operating activities (A)</b>                                | <b>187,771.21</b>             | <b>245,842.17</b>             |
| <b>Cash flows from investing activities</b>                                       |                               |                               |
| Purchase of fixed assets including capital advance                                | (294,567.16)                  | (260,777.71)                  |
| Proceeds from sale of fixed assets  | -                             | -                             |
| Purchase of non-current investments   | -                             | -                             |
| Interest received   | 2,796.54                      | -                             |
| Investments in bank deposits (having original maturity of more than three months) | 9,000.00                      | (18,000.00)                   |
| Advances to subsidiary companies (net)  | -                             | -                             |
| <b>Net cash used in from investing activities (B)</b>                             | <b>(282,770.62)</b>           | <b>(278,777.71)</b>           |
| <b>Cash flows from financing activities</b>                                       |                               |                               |
| Proceeds from issuance of equity share capital                                    | -                             | -                             |
| Proceeds from issuance of shares warrants   | -                             | -                             |
| Proceeds from long-term borrowings  | -                             | -                             |
| Repayment of long-term borrowings   | 129,319.94                    | (23,187.16)                   |
| Proceeds/(repayment) from short-term borrowings (net)                             | -                             | -                             |
| Interest and finance expenses paid  | (2,428.33)                    | (758.60)                      |
| <b>Net cash flow from financing activities (C)</b>                                | <b>126,891.61</b>             | <b>(23,945.76)</b>            |
| <b>Net increase in cash and cash equivalents (A + B + C)</b>                      | <b>31,892.20</b>              | <b>(56,881.30)</b>            |
| Cash and cash equivalents at the beginning of the year                            | 11,129.15                     | 68,010.46                     |
| <b>Cash and cash equivalents at the end of the year</b>                           | <b>43,021.35</b>              | <b>11,129.15</b>              |
|   | March 31, 2017<br>₹ Thousands | March 31, 2016<br>₹ Thousands |
| <b>Components of cash and cash equivalents</b>                                    |                               |                               |
| Cash on hand  | 6,105.73                      | 4,228.61                      |
| Cheques on hand   | 35,476.62                     | -                             |
| With banks- on current account  | 1,439.00                      | 6,900.54                      |
| Fixed deposit less than three months  | -                             | -                             |
| <b>Total cash and cash equivalents (note 20)</b>                                  | <b>43,021.36</b>              | <b>11,129.15</b>              |

Summary of significant accounting policies (refer note 3)

Notes:

1. Figures in bracket indicate cash outflow.

This is the cash flow statement referred to in our report of even date.

For **Uttam Keshri & Co.**

Chartered Accountants

ICAI Firm Registration No.: 324962E

For and on behalf of the Board of Directors of  
**Axom Communications & Cable Pvt. Ltd.**

Uttam Kumar Agarwal  
Proprietor  
Membership Number: 059168

Suresh Kumar Sethiya  
Director  
DIN: 00349098

Gautam Bharali  
Director  
DIN: 03538144

Place : New Delhi

Date :

## AXOM COMMUNICATIONS & CABLE PRIVATE LIMITED

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

#### Company Overview

Axom Communications & Cable Private Limited ("the Company") was incorporated under the provisions of the Companies Act, 1956. The Company is Multi System Operator (MSO) engaged in the distribution of television channels through analogue and digital cable distribution network, and other related services. The Company is a subsidiary of Indian Cable Network Company Limited which is subsidiary of Siti Cable Network Limited and hence Siti Cable Network Limited is the ultimate holding company.

#### 1 Summary of Significant Accounting Policies

##### a) Basis of preparation

The financial statements of the Company are consistently prepared and presented under historical cost convention on an accrual basis in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared the financial statements to comply in all material aspects with the accounting standards notified under section 133 of the Companies Act, 2013 (the Act), read together with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of operations, the Company has ascertained its operating cycle as 12 months for the purpose of current - non-current classification of assets and liabilities.

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

##### b) Use of Estimate

The preparation of financial statements in conformity with Indian GAAP requires management to make judgement, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current or future periods.

##### c) Fixed Assets and Depreciation

###### Tangible Assets

(i) Tangible assets are stated at their cost of acquisition including financing and associated costs and incidental expenses less accumulated depreciation and impairment losses, if any. Cost comprises of purchase price, non refundable taxes and all expenses incurred in bringing the assets to its present location and condition for its intended use and includes installation and commissioning expenses. Such indirect expenditure incurred during the pre-commencement period is allocated proportionately over the cost of the relevant assets.

(ii) Set Top Boxes (STBs) lying in the godown at the year-end are included in Capital Work in Progress. On installation, such devices are capitalized.

###### Intangible Assets

(i) Intangible assets comprises of VC Card, Cable Television Franchise, Bandwidth Rights and Softwares. Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

###### Depreciation and Amortisation

i) Depreciation on tangible assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The cost of STBs & devices at the customer location are depreciated on straight-line method over a period of eight years. Intangible assets are amortised over their respective individual estimated useful lives on straight line basis, commencing from the date the asset is available to the company for its use.

ii) Since it is not possible to transfer the STB into Fixed Assets on daily basis, hence it was capitalized on different intervals as decided by management and hence the depreciation has also been calculated on that basis.

##### d) Leases

###### Where the company is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a monthly basis as per the lease term.

###### Where the company is the 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 fixed assets. 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.

##### e) Impairment of Assets

The Carrying amount of the fixed assets and capital work in progress are reviewed at each balance sheet date in accordance with Accounting Standard-28 on "Impairment of Assets" prescribed by the Companies (Accounting Standard) rules, 2006, to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amounts are estimated at each reporting date and impairment loss is recognized whenever carrying amount of an assets or cash generating unit of which it is a part exceeds the corresponding recoverable amount. Impairment losses are recognized in the profit and loss account. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognized.

## AXOM COMMUNICATIONS & CABLE PRIVATE LIMITED

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

#### **f) Borrowing Cost**

Interest and other costs incurred by the Company in connection with the borrowing of funds are recognized as an expense in the period in which they are incurred, unless the borrowings are used for acquiring qualifying assets and activities that are necessary to prepare the qualifying assets for its intended use.

#### **g) 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.

#### **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. The itemwise significant accounting policies for recognition of revenue are as under:

##### **(i) Subscription Income**

Subscription Income from Cable Services (Net of applicable taxes and duties) are recognised on accrual basis from the date of commencement of supply at the signal injection point of the customer after an initial 'free-viewing' period, if any as per the Schedule of rates **except to the extent stated in Note No. 34.**

##### **(ii) Carriage Income**

Carriage Income is recognized on accrual basis as evenly accruing over the term of the contract of carriage. However, where the formal agreements are yet to be executed, the income from Carriage Services is deferred till the time the said agreements are formally executed.

##### **(iii) Tax on Revenue**

The Company collects service tax, amusement tax, sales tax and value added taxes on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

#### **i) Foreign Currency Transaction**

Transaction in foreign currency is recorded at the rate of exchange prevailing on the transaction date(s). Transaction remaining unsettled, other than those contracts covered under forward exchange contracts, is translated at the rate prevailing at the end of the financial year. The exchange rate difference arising there-from are adjusted in the Statement of Profit & Loss except in respect of fixed assets, where the exchange difference is adjusted to the carrying amount of the respective asset.

#### **j) Taxation**

Tax expense comprises current and deferred tax. Current Income Tax expense is determined and provided in the accounts at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act 1961.

Deferred tax is recognized subject to the consideration of prudence, on timing difference, being the difference between taxable incomes and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets in respect of un-absorbed depreciation and carry forward losses are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

#### **k) Earnings Per Share**

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except where the results would be anti dilutive.

## **AXOM COMMUNICATIONS & CABLE PRIVATE LIMITED**

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

#### **l) Retirement and other employee benefits**

The company's obligations towards various employee benefits have been recognized as follows:

##### **(i) Short term benefits**

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss of the year in which the related service is rendered

##### **(ii) Post employment benefit**

a) Monthly contributions to Provident funds which are defined contribution schemes are charged to Statement of Profit and Loss and deposited with the Provident Fund authorities on a monthly basis.

b) Monthly contributions to Employee State Insurance are provided at the rate prescribed by ESIC Laws and charged to Statement of Profit and Loss and deposited with the ESIC Authorities on a monthly basis.

c) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year or in case of plans administrated by insurers, based on contribution determined by the insurer. Actuarial gains / losses are immediately recognised in the statement profit and loss and are not deferred.

##### **(iii) Other Long term benefits**

Cost of a long term benefit by way of accumulating compensated absence that are expected to be availed after a period of 12 months from the period end are recognized when the employees render the service that increases their entitlement to future compensated absences. Such cost is recognized based on actual valuation of related obligation on the reporting date. Actuarial gains and losses for the period are recognized in the profit and loss account as income or expense.

##### **(iv) Termination benefit**

Cost of termination benefit is recognized only when the company has a present obligation as a result of a past event, it is probable that outflow of resources will be required to settle such obligation and the amount of the obligation can be reliably estimated.

#### **m) Provisions**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

#### **n) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

#### **o) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand, cheque in hand and short-term investments with an original maturity of three months or less.

#### **p) Segment Reporting Policies**

The company is a Multi System Operator providing Cable Television Network Services, and allied services which is considered as the only reportable segment. The company's operations are currently based only in the State of Assam and Meghalaya

2 Axom Communications & Cable Pvt. Ltd.  
Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

| Tangible assets                     |          |                     |                 |                  |                        |                  |                  |               |                        |                   | ( ₹ Thousands) |                   |
|-------------------------------------|----------|---------------------|-----------------|------------------|------------------------|------------------|------------------|---------------|------------------------|-------------------|----------------|-------------------|
| Gross block                         | Building | Plant and equipment | Computers       | Office equipment | Furniture and fixtures | Air conditioners | Studio equipment | Vehicles      | Leasehold improvements | Set top boxes     | IRD boxes      | Total             |
| Balance as at April 1, 2015         |          | 20,327.55           | 194.81          | 16.66            | 121.12                 |                  |                  | 343.59        |                        | 107,195.12        |                | 128,198.85        |
| Additions                           |          | 3,734.16            | 289.28          | 70.74            | 3,524.39               |                  |                  | -             |                        | 253,159.14        |                | 260,777.71        |
| Disposal                            |          |                     |                 |                  |                        |                  |                  |               |                        |                   |                | -                 |
| <b>Balance as at March 31, 2016</b> | -        | <b>24,061.71</b>    | <b>484.09</b>   | <b>87.40</b>     | <b>3,645.51</b>        | -                | -                | <b>343.59</b> | -                      | <b>360,354.26</b> | -              | <b>388,976.56</b> |
| Additions                           |          | 67,923.10           | 860.32          | 295.65           | 119.01                 |                  |                  |               |                        | 143,369.67        |                | 212,567.75        |
| Disposal                            |          |                     |                 |                  |                        |                  |                  |               |                        |                   |                | -                 |
| <b>Balance as at March 31, 2017</b> | -        | <b>91,984.81</b>    | <b>1,344.41</b> | <b>383.05</b>    | <b>3,764.52</b>        | -                | -                | <b>343.59</b> | -                      | <b>503,723.93</b> | -              | <b>601,544.31</b> |
| <b>Accumulated depreciation</b>     |          |                     |                 |                  |                        |                  |                  |               |                        |                   |                |                   |
| Balance as at April 1, 2015         |          | 4,835.76            | 101.71          | 3.73             | 29.31                  |                  |                  | 153.63        |                        | 17,866.06         |                | 22,990.19         |
| Charge for the year                 |          | 2,270.65            | 98.67           | 10.70            | 222.91                 |                  |                  | 31.44         |                        | 14,554.63         |                | 17,189.00         |
| Reversal on disposal of assets      |          |                     |                 |                  |                        |                  |                  |               |                        |                   |                | -                 |
| <b>Balance as at March 31, 2016</b> | -        | <b>7,106.40</b>     | <b>200.38</b>   | <b>14.44</b>     | <b>252.22</b>          | -                | -                | <b>185.06</b> | -                      | <b>32,420.70</b>  | -              | <b>40,179.20</b>  |
| Charge for the year                 |          | 6,839.96            | 271.85          | 55.57            | 350.66                 |                  |                  | 31.44         |                        | 56,599.15         |                | 64,148.62         |
| Reversal on disposal of assets      |          |                     |                 |                  |                        |                  |                  |               |                        |                   |                | -                 |
| <b>Balance as at March 31, 2017</b> | -        | <b>13,946.36</b>    | <b>472.23</b>   | <b>70.01</b>     | <b>602.87</b>          | -                | -                | <b>216.50</b> | -                      | <b>89,019.85</b>  | -              | <b>104,327.82</b> |
| <b>Net block</b>                    |          |                     |                 |                  |                        |                  |                  |               |                        |                   |                |                   |
| Balance as at March 31, 2016        | -        | <b>16,955.31</b>    | <b>283.71</b>   | <b>72.97</b>     | <b>3,393.29</b>        | -                | -                | <b>158.52</b> | -                      | <b>327,933.56</b> | -              | <b>348,797.36</b> |
| Balance as at March 31, 2017        | -        | <b>78,038.45</b>    | <b>872.19</b>   | <b>313.04</b>    | <b>3,161.64</b>        | -                | -                | <b>127.08</b> | -                      | <b>414,704.08</b> | -              | <b>497,216.49</b> |

**Axom Communications & Cable Pvt. Ltd.**

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

| 3                                   | <b>Intangible assets</b> |                             |                  |       | (₹ Thousands)    |
|-------------------------------------|--------------------------|-----------------------------|------------------|-------|------------------|
|                                     | Goodwill                 | Program/ film/ cable rights | Software         | Total |                  |
| <b>Gross block</b>                  |                          |                             |                  |       |                  |
| <b>Balance as at April 1, 2015</b>  |                          |                             |                  |       | -                |
| Additions                           |                          |                             |                  |       | -                |
| <b>Balance as at March 31, 2016</b> | -                        | -                           | -                |       | -                |
| Additions                           |                          |                             | 10,132.71        |       | 10,132.71        |
| <b>Balance as at March 31, 2017</b> | -                        | -                           | <b>10,132.71</b> |       | <b>10,132.71</b> |
| <b>Accumulated amortisation</b>     |                          |                             |                  |       |                  |
| <b>Balance as at April 1, 2015</b>  |                          |                             |                  |       | -                |
| Charge for the year                 |                          |                             |                  |       | -                |
| <b>Balance as at March 31, 2016</b> | -                        | -                           | -                |       | -                |
| Charge for the year                 | -                        | -                           | 861.03           |       | 861.03           |
| <b>Balance as at March 31, 2017</b> | -                        | -                           | <b>861.03</b>    |       | <b>861.03</b>    |
| <b>Net block</b>                    |                          |                             |                  |       |                  |
| <b>Balance as at March 31, 2016</b> | -                        | -                           | -                |       | -                |
| <b>Balance as at March 31, 2017</b> | -                        | -                           | <b>9,271.69</b>  |       | <b>9,271.69</b>  |

*(This space has been left blank intentionally)*

**Axom Communications & Cable Pvt. Ltd.**

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

| <b>4 Loans</b>                                 | <b>March 31, 2017</b> | <b>March 31, 2016</b> | <b>April 1, 2015</b> |
|--|-----------------------|-----------------------|----------------------|
|  | <b>₹ Thousands</b>    | <b>₹ Thousands</b>    | <b>₹ Thousands</b>   |
| <b>Security deposits</b>                       |                       |                       |                      |
| Unsecured, considered good                     | 589.94                | 357.00                | -                    |
| Doubtful                                       |                       | -                     | -                    |
|  | <u>589.94</u>         | <u>357.00</u>         | <u>-</u>             |
| Less: Provision for doubtful security deposits | -                     | -                     | -                    |
|  | <u><b>589.94</b></u>  | <u><b>357.00</b></u>  | <u><b>-</b></u>      |

| <b>5 Others- Fixed deposits</b>                                       | <b>March 31, 2017</b>  | <b>March 31, 2016</b>   | <b>April 1, 2015</b> |
|---|------------------------|-------------------------|----------------------|
|   | <b>₹ Thousands</b>     | <b>₹ Thousands</b>      | <b>₹ Thousands</b>   |
| Margin money deposit (pledged) and deposit with statutory authorities | -                      | -                       | -                    |
| Bank deposit with maturity upto twelve months                         | 9,000.00               | 18,000.00               | -                    |
|   | <u><b>9,000.00</b></u> | <u><b>18,000.00</b></u> | <u><b>-</b></u>      |

| <b>6 Trade receivables</b>         | <b>March 31, 2017</b>   | <b>March 31, 2016</b>   | <b>April 1, 2015</b> |
|------------------------------------|-------------------------|-------------------------|----------------------|
|                                    | <b>₹ Thousands</b>      | <b>₹ Thousands</b>      | <b>₹ Thousands</b>   |
| Unsecured, considered good         | 64,942.09               | 36,223.34               | -                    |
| Unsecured, considered doubtful     | 11,887.26               | -                       | -                    |
|                                    | <u>76,829.35</u>        | <u>36,223.34</u>        | <u>-</u>             |
| Less: Provision for doubtful debts | 11,887.26               | -                       | -                    |
|                                    | <u>64,942.09</u>        | <u>36,223.34</u>        | <u>-</u>             |
| <b>Other receivables</b>           |                         |                         |                      |
| Unsecured, considered good         |                         | -                       | -                    |
|                                    | <u><b>64,942.09</b></u> | <u><b>36,223.34</b></u> | <u><b>-</b></u>      |

**Note:**

i) During the current year, the Company has assigned and transferred specific accounts receivable balances amounting to ` Nil million (previous year ` 441.03 million) to its wholly owned subsidiary company as per the terms of the underlying agreement.

| <b>7 Cash and bank balances</b>                      | <b>Current</b>          | <b>Current</b>          | <b>Current</b>       |
|--|-------------------------|-------------------------|----------------------|
|  | <b>March 31, 2017</b>   | <b>March 31, 2016</b>   | <b>April 1, 2015</b> |
|  | <b>₹ Thousands</b>      | <b>₹ Thousands</b>      | <b>₹ Thousands</b>   |
| <b>Cash and cash equivalents</b>                     |                         |                         |                      |
| Cash on hand   | 6,105.73                | 4,228.61                | -                    |
| Cheques on hand                                      | 35,476.62               | -                       | -                    |
| Balances with banks                                  |                         |                         |                      |
| On current accounts                                  | 1,439.00                | 6,900.54                | -                    |
| In deposit account (with maturity upto three months) |                         | -                       | -                    |
|  | <u><b>43,021.36</b></u> | <u><b>11,129.15</b></u> | <u><b>-</b></u>      |

| <b>9 Others - unbilled revenue and interest accrued on fixed deposits</b> | <b>Non-current</b>     | <b>Non-current</b>    | <b>Non-current</b>   |
|---|------------------------|-----------------------|----------------------|
|   | <b>March 31, 2017</b>  | <b>March 31, 2016</b> | <b>April 1, 2015</b> |
|   | <b>₹ Thousands</b>     | <b>₹ Thousands</b>    | <b>₹ Thousands</b>   |
| <b>Others</b>   |                        |                       |                      |
| Interest accrued and not due on fixed deposits                            | -                      | -                     | -                    |
| Unbilled revenue  | 1,163.42               | -                     | -                    |
|   | <u><b>1,163.42</b></u> | <u><b>-</b></u>       | <u><b>-</b></u>      |

**8 Loans and advances**

|  | Short-term<br>March 31, 2017<br>₹ Thousands | Short-term<br>March 31, 2016<br>₹ Thousands | Short-term<br>April 1, 2015<br>₹ Thousands |
|--|---|---|--|
| Other advances   | 3,020.08                                    | 2.50  | -  |
|  | 3,020.08                                    | 2.50  | -  |
|  | <b>3,020.08</b>                             | <b>2.50</b>                                 | -  |
| <b>10 Other loans and advances (Unsecured, considered good)</b>  |   |   |  |
| Ancillary cost of arranging for borrowings   | -   | -   | -  |
| Advance tax  | 17,095.63                                   | 15,957.27                                   | -  |
| Prepaid Expenses   | 2,391.27                                    | -   | -  |
| Balances with statutory authorities  | 23,511.06                                   | 15,202.89                                   | -  |
|  | <b>42,997.97</b>                            | <b>31,160.16</b>                            | -  |
| <b>11 Share capital</b>  |   |   |  |
|  | March 31, 2017<br>₹ Thousands               | March 31, 2016<br>₹ Thousands               | April 1, 2015<br>₹ Thousands               |
| <b>Authorised share capital</b>  |   |   |  |
| 50,000,000 (Previous year: 50,000,000) equity shares of ₹ 10 each  | 50,000,000.00                               | 50,000,000.00                               | -  |
| 10,000,000 (Previous year: 10,000,000) preference shares of ₹ 1 each   | 0   | -   | -  |
| <b>Total authorised capital</b>  | <b>50,000,000.00</b>                        | <b>50,000,000.00</b>                        | -  |
| <b>Issued share capital</b>  |   |   |  |
| 25,00,000 (Previous year 25,00,000) equity shares of ₹ 10 each   | 2,500,000.00                                | 2,500,000.00                                | -  |
| 0  | 0   | -   | -  |
| 23,436 (Previous year 23,436) 7.25% Non-cumulative redeemable preference shares  | 0   | -   | -  |
| <b>Total issued capital</b>  | <b>2,500,000.00</b>                         | <b>2,500,000.00</b>                         | -  |
| <b>Subscribed and fully paid up capital</b>  |   |   |  |
| 25,00,000 (Previous year 25,00,000) equity shares of ₹ 10 each fully paid up   | 2,500.00                                    | 2,500.00                                    | -  |
| 23,436 (Previous year 23,436) 7.25% Non-cumulative redeemable preference shares  | -   | -   | -  |
| Shares warrants  | -   | -   | -  |
| <b>Total paid up capital</b>   | <b>2,500.00</b>                             | <b>2,500.00</b>                             | -  |
| Forfeited equity shares 1,227,123 (Previous year 1,227,123) equity shares of ₹ 1 each  | -   | -   | -  |
|  | <b>2,500.00</b>                             | <b>2,500.00</b>                             | -  |
| <b>12 Other Equity</b>   |   |   |  |
|  | March 31, 2017<br>₹ Thousands               | March 31, 2016<br>₹ Thousands               | April 1, 2015<br>₹ Thousands               |
| Deficit in the Statement of profit and loss  |   |   |  |
| Balance at the beginning of the year   | 45,676.09                                   | 35,494.28                                   | -  |
| Add: Adjustment on account of change in useful life of tangible assets (settop box) depreciation charge pursuant to implementation of Schedule II of the Companies Act, 2013 (refer note 12(ii)) | (5,827.49)                                  | -   | -  |
| Add: Loss for the year   | 22,395.17                                   | 10,181.81                                   | -  |
| Balance at the end of the year   | <b>62,243.76</b>                            | <b>45,676.09</b>                            | -  |
|  | <b>62,243.76</b>                            | <b>45,676.09</b>                            | -  |
| <b>13 Long-term borrowings</b>   |   |   |  |
|  | March 31, 2017<br>₹ Thousands               | March 31, 2016<br>₹ Thousands               | April 1, 2015<br>₹ Thousands               |
| <b>(a) Term loans from banks (Secured)</b>   |   |   |  |
| Term loans   | 47,970.06                                   | -   | -  |
| Finance lease obligations  | 35,775.38                                   | -   | -  |
|  | <b>83,745.44</b>                            | -   | -  |
| <b>The above amount includes</b>   |   |   |  |
| Secured borrowings   | 83,745.44                                   | -   | -  |
| <b>Net amount</b>  | <b>83,745.44</b>                            | -   | -  |
| <b>14 Provisions</b>   |   |   |  |

|  | March 31, 2017<br>₹ Thousands | March 31, 2016<br>₹ Thousands | April 1, 2015<br>₹ Thousands |
|--|-------------------------------|-------------------------------|------------------------------|
| <b>Provision for employee benefits (Refer Note 31)</b>                               |                               |                               |                              |
| Provision for gratuity   | 1,057.84                      | -                             | -                            |
| Provision for compensated absences   | 98.94                         | -                             | -                            |
|  | <b>1,156.78</b>               | <b>-</b>                      | <b>-</b>                     |
| <b>15 Deferred tax liability (net)</b>   |                               |                               |                              |
|  | March 31, 2017<br>₹ Thousands | March 31, 2016<br>₹ Thousands | April 1, 2015<br>₹ Thousands |
|  | 8,569.13                      | 8,173.97                      | -                            |
|  | <b>8,569.13</b>               | <b>8,173.97</b>               | <b>-</b>                     |
| <b>16 Other liabilities</b>  |                               |                               |                              |
|  | March 31, 2017<br>₹ Thousands | March 31, 2016<br>₹ Thousands | April 1, 2015<br>₹ Thousands |
| Interest free deposits from customers  | 387,300.69                    | 207,079.84                    | -                            |
|  | <b>387,300.69</b>             | <b>207,079.84</b>             | <b>-</b>                     |
| <b>17 Trade payables</b>   |                               |                               |                              |
|  | March 31, 2017<br>₹ Thousands | March 31, 2016<br>₹ Thousands | April 1, 2015<br>₹ Thousands |
| - Total outstanding dues of micro enterprises and small enterprises; and enterprises | 58,120.53                     | 74,675.41                     | -                            |
|  | <b>58,120.53</b>              | <b>74,675.41</b>              | <b>-</b>                     |
| <b>18 Other financial liabilities</b>  |                               |                               |                              |
|  | March 31, 2017<br>₹ Thousands | March 31, 2016<br>₹ Thousands | April 1, 2015<br>₹ Thousands |
| Book overdraft   | 12,899.86                     | 21,645.06                     | -                            |
| Holding company - Indian Cable Net Company Limited                                   | 75,606.72                     | 32,985.40                     | -                            |
| Ultimate Holding company - SITI Cable Network Limited                                | 43,463.82                     | 41,385.50                     | -                            |
| Purvanchal Communications Pvt. Ltd.  | 1290.80                       | 415.94                        | -                            |
|  | <b>133,261.20</b>             | <b>96,431.89</b>              | <b>-</b>                     |
| <b>19 Other Current Liabilities</b>  |                               |                               |                              |
|  | March 31, 2017<br>₹ Thousands | March 31, 2016<br>₹ Thousands | April 1, 2015<br>₹ Thousands |
| Advances from customers  | -                             | 16,684.93                     | -                            |
| Payable for statutory liabilities (refer note 8 (i) below)                           | 17,994.79                     | 6,968.76                      | -                            |
| Payable for Contractual Liability  | 973.71                        | -                             | -                            |
|  | <b>18,968.50</b>              | <b>23,653.69</b>              | <b>-</b>                     |
| <b>20 Provisions</b>   |                               |                               |                              |
|  | March 31, 2017<br>₹ Thousands | March 31, 2016<br>₹ Thousands | April 1, 2015<br>₹ Thousands |
| <b>Provision for employee benefits (Refer Note 31)</b>                               |                               |                               |                              |
| Provision for gratuity   | 33.35                         | -                             | -                            |
| Provision for compensated absences   | 3.12                          | -                             | -                            |
| Provision for Taxation   | 10,057.99                     | 2,012.05                      | -                            |
| Provision for Expenses   | 679.44                        | 3,189.27                      | -                            |
|  | <b>10,773.89</b>              | <b>5,201.32</b>               | <b>-</b>                     |

**Axom Communications & Cable Pvt. Ltd.**

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

**21 Revenue from operations**

|  | March 31, 2017    | March 31, 2016    |
|--|-------------------|-------------------|
|  | ₹ Thousands       | ₹ Thousands       |
| Sale of services                       |                   |                   |
| Subscription income                    | 120,435.73        | 54,170.76         |
| Advertisement income                   | -                 | -                 |
| Carriage income                        | 123,299.29        | 103,449.39        |
| Other networking and management income | 1,822.03          | -                 |
|  | <b>245,557.05</b> | <b>157,620.15</b> |

**22 Other income**

|                                | March 31, 2017  | March 31, 2016 |
|--------------------------------|-----------------|----------------|
|                                | ₹ Thousands     | ₹ Thousands    |
| Interest income on             |                 |                |
| Bank deposits                  | 2,796.54        | -              |
| Excess provisions written back | 0.19            | 1.51           |
| Other non-operating income     | 75.80           | -              |
|                                | <b>2,872.53</b> | <b>1.51</b>    |

**23 Carriage sharing, pay channel and related costs**

|                                      | March 31, 2017    | March 31, 2016   |
|--------------------------------------|-------------------|------------------|
|                                      | ₹ Thousands       | ₹ Thousands      |
| Pay Channel Expenses                 | 78,069.29         | 62,883.31        |
| Lease Rental & Right to Usage Charge | 19,957.25         | 17,377.98        |
| VC Card Licence/Software Fees        | 11,318.66         | -                |
| Other Operational Expenses           | 9,065.79          | 5,114.45         |
|                                      | <b>118,410.99</b> | <b>85,375.73</b> |

**Axom Communications & Cable Pvt. Ltd.**

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

| <b>24 Employee benefits expense</b>               |                       |                       |
|---|-----------------------|-----------------------|
|   | <b>March 31, 2017</b> | <b>March 31, 2016</b> |
|   | <b>₹ Thousands</b>    | <b>₹ Thousands</b>    |
| Salaries, allowances and bonus                    | 8,503.33              | 9,389.48              |
| Contributions to provident and other funds        | 545.57                | -                     |
| Employee benefits expenses                        |                       |                       |
| Staff welfare expenses                            | 922.04                | 601.96                |
|   | <b>9,970.94</b>       | <b>9,991.44</b>       |
| <b>25 Finance costs</b>                           |                       |                       |
|   | <b>March 31, 2017</b> | <b>March 31, 2016</b> |
|   | <b>₹ Thousands</b>    | <b>₹ Thousands</b>    |
| Interest  | 2,250.96              | -                     |
| Bank charges                                      | 177.38                | 758.60                |
| Amortisation of borrowing and ancillary costs     | -                     | -                     |
|   | <b>2,428.33</b>       | <b>758.60</b>         |
| <b>26 Depreciation and amortisation expenses</b>  |                       |                       |
|   | <b>March 31, 2017</b> | <b>March 31, 2016</b> |
|   | <b>₹ Thousands</b>    | <b>₹ Thousands</b>    |
| Depreciation of tangible assets (Refer note 12)   | 58,321.13             | 17,189.00             |
| Amortisation of intangible assets (Refer note 13) | 861.03                | -                     |
|   | <b>59,182.16</b>      | <b>17,189.00</b>      |
| <b>27 Other expenses</b>                          |                       |                       |
|   | <b>March 31, 2017</b> | <b>March 31, 2016</b> |
|   | <b>₹ Thousands</b>    | <b>₹ Thousands</b>    |
| Rent  | 4,285.40              | 2,934.60              |
| Rates and taxes                                   | 616.70                | 35.61                 |
| Communication expenses                            | 259.52                | 175.74                |
| Repairs and maintenance                           |                       |                       |
| - Network   | -                     | -                     |
| - Building  | -                     | -                     |
| - Others  | 438.44                | 412.25                |
| Electricity and water charges                     | 837.28                | 1,267.38              |
| Legal, professional and consultancy charges       | 1,282.23              | 200.31                |
| Printing and stationery                           | 902.39                | 400.46                |
| Service charges                                   | 201.05                | 43.33                 |
| Travelling and conveyance expenses                | 904.13                | 997.07                |
| Auditors' remuneration*                           | 100.00                | 60.00                 |
| Vehicle expenses                                  | -                     | -                     |
| Insurance expenses                                | -                     | 18.45                 |
| Provision for doubtful debts**                    | 11,887.26             | -                     |
| Provision for doubtful advances                   | -                     | -                     |
| Advertisement and publicity expenses              | 13.70                 | 14.18                 |
| Commission charges and incentives                 | -                     | -                     |
| Bad debts   | -                     | 4,185.07              |
| Program production expenses                       | -                     | -                     |
| Other operational cost                            | -                     | -                     |
| Business and sales promotion                      | 791.79                | 10,009.05             |
| Exchange fluctuation loss (net)                   | -                     | -                     |
| Miscellaneous expenses                            | 305.88                | 133.16                |
|   | <b>22,825.78</b>      | <b>20,886.65</b>      |
| <b>*Auditors' remuneration</b>                    |                       |                       |
| as an auditor                                     | 75.00                 | 60                    |
| Limited review fees                               | 25.00                 | -                     |
| for other services (certifications)               | -                     | -                     |
| for reimbursement of expenses                     | -                     | -                     |
|   | <b>100.00</b>         | <b>60.00</b>          |

\*\* Provision for doubtful debts aggregating ₹ 11887.26 'thousand (Previous year ₹ NIL 'Thousands).

**Axom Communications & Cable Pvt. Ltd.**  
**NOTES TO BALANCE SHEET AS ON MARCH 31, 2017**

**Note 28: Tax Expenses**

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

|   | (₹) 000s      |
|---|---------------|
|   | Mar-17        |
| Income tax related to items recognised directly in the statement of profit and loss |               |
| Current tax - current year  | 10,058        |
| -earlier years  | 2,763         |
| Deferred tax charge / (benefit)   | 395           |
| <b>Total</b>  | <b>13,216</b> |
| Effective tax rate  | 33.06%        |

income tax expense at the Company's effective income tax rate for the year ended 31 March, 2017 and 31 March, 2016 is as follows:

|   | Mar-17        |
|---|---------------|
| Profit before tax   | 35,611        |
| Income tax  |               |
| Statutory income tax on profit                                    | 11,774        |
| Tax effect on non-deductible expenses                             | 26,010        |
| Additional allowances for tax purposes                            | (27,726)      |
| Others / Deferred Tax effect                                      | 395           |
| Effect of exempt income and income tax at lower rates             | -             |
| Tax effect for earlier years                                      | 2,763         |
| <b>Tax expense recognised in the statement of profit and loss</b> | <b>13,216</b> |

Deferred tax recognised in statement of other comprehensive income

| For the year ended 31 March             | Mar-17 |
|---|--------|
| Employee retirement benefits obligation | (552)  |

The applicable tax rate is the standard effective corporate income tax rate in India. The tax rate is 33.06% (33.06%) for the year ended 31 March, 2017. Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. For analysis of the deferred tax balances (after offset) for financial reporting purposes refer note 4.

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

Deferred tax recognised in statement of profit and loss

| For the year ended 31 March             | Mar-17     |
|---|------------|
| Employee retirement benefits obligation | (552)      |
| Allowances for credit losses            | -          |
| Depreciation and amortisation           | 4,878      |
| Other disallowances                     | (3,930)    |
| <b>Total</b>                            | <b>395</b> |

| Reconciliation of deferred tax assets / (liabilities) net: | Mar-17         |
|--|----------------|
| Opening balance  | (8,174)        |
| Deferred tax (charge)/credit recognised in                 |                |
| -Statement of profit and loss                              | (395)          |
| -Recognised in other comprehensive income                  | -              |
| <b>Total</b>   | <b>(8,569)</b> |

**Axom Communications & Cable Pvt. Ltd.**

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

**29 Fair value measurements**

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

**Accounting classification and fair values**

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

|  | March 31, 2017 |       |                | March 31, 2016 |       |                |
|--|----------------|-------|----------------|----------------|-------|----------------|
|  | FVTPL          | FVOCI | Amortised cost | FVTPL          | FVOCI | Amortised cost |
| <b>₹ ('000)</b>  |                |       |                |                |       |                |
| <b>A. Financial instruments by category</b>              |                |       |                |                |       |                |
| <b>Financial assets (Non Current &amp; Current)</b>      |                |       |                |                |       |                |
| Bank deposits  | -              | -     | 9,000          | -              | -     | 18,000         |
| Security deposits  | -              | -     | 590            | -              | -     | 357            |
| Unbilled revenues  | -              | -     | 1,163          | -              | -     | -              |
| Trade receivables  | -              | -     | 64,942         | -              | -     | 36,223         |
| Cash and cash equivalents                                | -              | -     | 43,021         | -              | -     | 11,129         |
| <b>Total financial assets</b>                            | -              | -     | <b>118,717</b> | -              | -     | <b>65,709</b>  |
| <b>Financial liabilities (Non Current &amp; Current)</b> |                |       |                |                |       |                |
| Borrowings (current, financial liabilities)              | -              | -     | 83,745         | -              | -     | -              |
| Trade payables   | -              | -     | 58,121         | -              | -     | 74,675         |
| <b>Total financial liabilities</b>                       | -              | -     | <b>141,866</b> | -              | -     | <b>74,675</b>  |

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

**Financial risk management objectives and policies**

**Financial risk management**

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

**A. Credit risk**

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

**Credit risk management**

**Credit risk rating**

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

A: Low credit risk on financial reporting date

B: High credit risk

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

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

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

| Credit rating   | Particulars       | ₹ ('000)       |                |
|-----------------|-------------------|----------------|----------------|
|                 |                   | March 31, 2017 | March 31, 2016 |
| Low credit risk | Trade receivables | 64,942         | -              |

## **Axom Communications & Cable Pvt. Ltd.**

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

#### **Concentration of trade receivables**

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

#### **Credit risk exposure**

##### **Provision for expected credit losses**

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

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

Expected credit loss for trade receivables under simplified approach  
as at March 31, 2017

|                   | ₹ ('000)                                   |                        |   |
|-------------------|--|------------------------|---|
| Ageing            | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
| Trade receivables | 11,887                                     | 11,887                 | -   |

as at March 31, 2016

|                   | ₹ ('000)                                   |                        |   |
|-------------------|--|------------------------|---|
| Ageing            | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
| Trade receivables | -  | -                      | -   |

Reconciliation of loss allowance provision – Trade receivables

|                                  | ₹ ('000) |
|----------------------------------|----------|
| Loss allowance on March 31, 2016 | -        |
| Changes in loss allowance        | 11,887   |
| Loss allowance on March 31, 2017 | 11,887   |

#### **B.Liquidity risk**

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

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

#### **(ii) Maturities of financial liabilities**

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 | March 31, 2017     |                  |                     | March 31, 2016     |                  |                     |
|---|--------------------|------------------|---------------------|--------------------|------------------|---------------------|
|   | 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 (current, financial liabilities)     | -                  | -                | -                   | -                  | -                | -                   |
| Trade payables                                  | 58,121             | -                | -                   | 74,675             | -                | -                   |
| <b>Total non-derivative liabilities</b>         | <b>58,121</b>      | <b>-</b>         | <b>-</b>            | <b>74,675</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, foreign currency transactions and does not have any derivative transactions.

**Axom Communications & Cable Pvt. Ltd.****Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017****Capital management****Risk Management**

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Company's policy is to use current and non-current borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of the gearing ratio which is net debt divided by total capital (equity plus net debt). The Company is not subject to any externally imposed capital requirements. Net debt are non-current and current borrowings as reduced by cash and cash equivalents, other bank balances and current investments. Equity comprises all components including other comprehensive income.

| Particulars   | ₹ ('000)        |                 |
|---|-----------------|-----------------|
|   | March 31, 2017  | March 31, 2016  |
| Cash and cash equivalents (refer note 9)                    | 43,021          | 11,129          |
| <b>Total cash (A)</b>                                       | <b>43,021</b>   | <b>11,129</b>   |
| Borrowings (current, financial liabilities) (refer note 14) | -               | -               |
| <b>Total borrowing (B)</b>                                  | <b>(0)</b>      | <b>-</b>        |
| <b>Net debt (C=B-A)</b>                                     | <b>(43,021)</b> | <b>(11,129)</b> |
| Total equity  | 62,244          | 45,676          |
| <b>Total capital (equity + net debts) (D)</b>               | <b>19,222</b>   | <b>34,547</b>   |
| <b>Gearing ratio (C/D)</b>                                  | <b>-224%</b>    | <b>-32%</b>     |

**AXOM COMMUNICATIONS & CABLE PRIVATE LIMITED**
**Notes to financial statements for the year ended 31<sup>st</sup> MAR 2017**
**30 Details of dues to micro and small enterprises as defined under the MSMED Act 2006.**

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

**31 Value of Imports calculated on CIF Basis**

| Particulars   | FY 2016-17  | FY 2015-16  |
|---------------|-------------|-------------|
|               | ₹ Thousands | ₹ Thousands |
| Capital Goods | 62,653      | -           |
|               | 62,653      | -           |

**32 Earnings Per Share (EPS)**

The following reflects the profit and share data used in the basic and diluted EPS computations:

|   | FY 2016-17  | FY 2015-16  |
|---|-------------|-------------|
|   | ₹ Thousands | ₹ Thousands |
| <b>Total operations for the year before prior period</b>            |             |             |
| Profit/ (loss) after tax  | 22,395      | 10,182      |
| <b>Net profit/ (loss) for calculation of basic EPS</b>              | 22,395      | 10,182      |
| Net profit as above   | 22,395      | 10,182      |
| Add : dividends on convertible preference shares & tax thereon      | -           | -           |
| Add : interest on bonds convertible into equity shares (net of tax) | -           | -           |
| <b>Net profit/ (loss) for calculation of diluted EPS</b>            | 22,395      | 10,182      |
|   | No.         | No.         |
| Weighted average number of equity shares in calculating basic EPS   | 250,000     | 250,000     |

**Effect of dilution:**

Convertible preference shares

Convertible bonds

Stock options granted under ESOP

**Weighted average number of eq. shares in calculating diluted EPS**

|   |         |         |
|---|---------|---------|
|   | -       | -       |
|   | -       | -       |
|   | -       | -       |
| <b>Weighted average number of eq. shares in calculating diluted EPS</b> | 250,000 | 250,000 |

**Earnings Per Share in INR (Nominal Value per equity shares Rs. 10/-)**

Basic Earning Per Share

Diluted Earning Per Share

|       |       |
|-------|-------|
| 89.58 | 40.73 |
| 89.58 | 40.73 |

**33 Gratuity and other employment benefit plans**
**Defined contribution plan**

Contribution to defined contribution plan, recognised as expense for the year are as under :-  
Employer's contribution to provident fund Rs 5,55,096/-

**Defined benefit plan**

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

| a. Present value of obligations                            | ₹ Thousands           |                     |
|--|-----------------------|---------------------|
|  | As on 31st March 2017 | As on 31st Mar 2016 |
| <b>PARTICULARS</b>   |                       |                     |
| Present Value of Obligation at the beginning of the period | -                     | -                   |
| Interest Cost  | -                     | -                   |
| Current Service Cost                                       | 1,091,188             | -                   |
| Benefits paid (if any)                                     | -                     | -                   |
| Actuarial (gains)/loss                                     | -                     | -                   |
| Present Value of Obligation at the end of the period       | 1,091,188             | -                   |

| b. Net Asset / (Liability) recognized in the balance sheet              | ₹ Thousands           |                     |
|---|-----------------------|---------------------|
|   | As on 31st March 2017 | As on 31st Mar 2016 |
| <b>PARTICULARS</b>  |                       |                     |
| Present Value of Obligation at the end of the period                    | 1,091,188             | -                   |
| Fair Value of plan assets at the end of the period                      | -                     | -                   |
| Net Liability/(assets) recognised in Balance Sheet and related analysis | -                     | -                   |
| Funded Status   | (1,091,188)           | -                   |

| c. Expense Recognised in the statement of profit & loss account | ₹ Thousands           |                     |
|---|-----------------------|---------------------|
|   | As on 31st March 2017 | As on 31st Mar 2016 |
| <b>PARTICULARS</b>  |                       |                     |
| Interest Cost   | -                     | -                   |
| Current Service Cost  | 1,091,188             | -                   |
| Expected return on Plan Assets                                  | -                     | -                   |
| Net Actuarial (gain)/loss recognised in the period              | -                     | -                   |
| Expenses to be recognised in the Profit & loss Account          | 1,091,188             | -                   |

| d. Liability           | ₹ Thousands           |                     |
|------------------------|-----------------------|---------------------|
|                        | As on 31st March 2017 | As on 31st Mar 2016 |
| <b>Period</b>          |                       |                     |
| Current Liability      | 33,350                | -                   |
| Non Current Liability  | 1,057,838             | -                   |
| <b>Total Liability</b> | 1,091,188             | -                   |

e. The assumptions employed by actuary for the calculations are tabulated

| Period                       | ₹ Thousands           |                     |
|------------------------------|-----------------------|---------------------|
|                              | As on 31st March 2017 | As on 31st Mar 2016 |
| Discount rate                | 7.50%                 | -                   |
| Salary Growth Rate           | 5.00%                 | -                   |
| Mortality                    | IALM 2006-08 Ultimate | -                   |
| Expected rate of return      | -                     | -                   |
| Withdrawal rate ( Per Annum) | 2.00%                 | -                   |

**AXOM COMMUNICATIONS & CABLE PRIVATE LIMITED**

**Notes to financial statements for the year ended 31<sup>st</sup> MAR 2017**

(ii) The detail of employee benefit for the period in respect of leave encashment which is funded defined benefit plan is as under:

| PARTICULARS  | ₹ Thousands           |                     |
|--|-----------------------|---------------------|
|  | As on 31st March 2017 | As on 31st Mar 2016 |
| Present Value of Obligation at the beginning of the period | -                     | -                   |
| Interest Cost  | -                     | -                   |
| Current Service Cost                                       | 102,057               | -                   |
| Benefits paid (if any)                                     | -                     | -                   |
| Actuarial (gains)/loss                                     | -                     | -                   |
| Present Value of Obligation at the end of the period       | 102,057               | -                   |

| PARTICULARS   | ₹ Thousands           |                     |
|---|-----------------------|---------------------|
|   | As on 31st March 2017 | As on 31st Mar 2016 |
| Present Value of Obligation at the end of the period                    | 102,057               | -                   |
| Fair Value of plan assets at the end of the period                      | -                     | -                   |
| Net Liability/(assets) recognised in Balance Sheet and related analysis | -                     | -                   |
| Funded Status   | (102,057)             | -                   |

| PARTICULARS  | ₹ Thousands           |                     |
|--|-----------------------|---------------------|
|  | As on 31st March 2017 | As on 31st Mar 2016 |
| Interest Cost  | -                     | -                   |
| Current Service Cost                                   | 102,057               | -                   |
| Expected return on Plan Assets                         | -                     | -                   |
| Net Actuarial (gain)/loss recognised in the period     | -                     | -                   |
| Expenses to be recognised in the Profit & loss Account | 102,057               | -                   |

| Period                | ₹ Thousands           |                     |
|-----------------------|-----------------------|---------------------|
|                       | As on 31st March 2017 | As on 31st Mar 2016 |
| Current Liability     | 3,119                 | -                   |
| Non Current Liability | 98,938                | -                   |
| Total Liability       | 102,057               | -                   |

e. The assumptions employed by actuary for the calculations are tabulated:

| Period                       | As on 31st March 2017 | As on 31st Mar 2016 |
|------------------------------|-----------------------|---------------------|
| Discount rate                | 7.50%                 | -                   |
| Salary Growth Rate           | 5.00%                 | -                   |
| Mortality                    | IALM 2006-08 Ultimate | -                   |
| Expected rate of return      | -                     | -                   |
| Withdrawal rate ( Per Annum) | 2.00%                 | -                   |

a. Discount Rate is based on the prevailing market yield of Indian Government Securities' as the balance sheet as date for expected term of obligation.

b. Salary Escalation rate is based on estimates of future salary increases taking into consideration of inflation, seniority, promotion and other relevant factors.

**34 Payment to Auditors (accrued)**

| PARTICULARS         | ₹ Thousands |            |
|---------------------|-------------|------------|
|                     | FY 2016-17  | FY 2015-16 |
| Audit Fees          | 50          | 60         |
| Tax Audit Fees      | 25          | -          |
| Limited Review Fees | 25          | -          |
| <b>TOTAL</b>        | <b>100</b>  | <b>60</b>  |

35 There is no amount due to any Small Scale Industrial Undertakings as at Mar 31, 2016.

36 Net balances of Loans & Advances, Trade Receivables, Trade Payables, and other assets & liabilities are subject to confirmation.

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

38 During the PY 2014 - 2015, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company has revised the estimated useful life of its assets to align the useful life with those specified in Schedule II and continuing with charging depreciation on the same basis without making any change in the method of depreciation.

**AXOM COMMUNICATIONS & CABLE PRIVATE LIMITED**
**Notes to financial statements for the year ended 31<sup>st</sup> MAR 2017**
**39 Related Party Disclosure**

List of parties where control Exists

- a Ultimate Holding Company**  
Siti Cable Network Limited
- b Holding Company**  
Indian Cable Net Company Limited
- c Fellow Subsidiaries of Holding Company**  
Siticable Broadband South Limited  
Central Bombay Cable Network Limited  
Wire & Wireless Tisai Satellite Pvt Ltd  
Master Channel Community Network Pvt Ltd  
Siti Jai Maa Durge Communications Pvt. Ltd  
Siti Bhatia Network Entertainment P Ltd  
Siti Krishna Digital Media Pvt Ltd  
Siti Jony Digital Cable Network Pvt Ltd  
Siti Guntur Digital Network Pvt Ltd  
Siti Faction Digital Pvt Ltd  
Siti Jind Digital Media Pvt Ltd  
Siti Global Pvt Ltd  
Siti Broadband Services Pvt Ltd  
Siti Kranal Digital Media Network Pvt Ltd  
Siti Digital Network Pvt Ltd  
Siti Chhattisgarh Multimedia Pvt Ltd  
Siti Vision Digital Media Private Limited
- d Fellow Subsidiary Companies**  
Indinet Service Pvt Ltd  
Siti Maurya Cable Net Company Pvt Ltd
- e Entities with Significant Influence**  
• Meghali Baruah Narain
- g Entities in which Directors Interested**  
• Purvanchal Communication Pvt Ltd  
• AM Television Pvt Ltd  
• Dollys Cable Network  
• GB Cable TV Service  
• Akshat Cable Network  
• Sanjive Narain (HUF)
- h Key Managerial Personnel**  
• Mr. Sanjive Narain Director  
• Mr. Suresh Kumar Sethiya Director  
• Mr. Anil Malhotra Director  
• Mr. Anil Jain Director  
• Mr. Gautam Bharali Director

**Transactions with related parties**

₹ Thousands

| Particulars  | Indian Cable Net Co Ltd | Siti Cable Network Ltd | AM Television Pvt. Ltd. | Purvanchal Communication Pvt. Ltd. | Dollys Cable Network | GB Cable TV Service | Akshat Cable Network | Sanjive Narain (HUF) | Meghali Baruah Narain |
|--|-------------------------|------------------------|-------------------------|------------------------------------|----------------------|---------------------|----------------------|----------------------|-----------------------|
| <b>Balance as at 01-04-2016</b>                        | (32,985)                | (41,385)               | -                       | (416)                              | 686                  | 134                 | -                    | -                    | -                     |
| Expense paid by  | (1)                     |                        |                         |                                    |                      |                     |                      |                      |                       |
| Expenses paid on behalf of                             | 51                      |                        |                         |                                    |                      |                     |                      |                      |                       |
| Expenses Reimbursed to                                 |                         |                        |                         |                                    |                      |                     |                      |                      |                       |
| Expenses reimbursed by                                 | (10,681)                | (23)                   |                         |                                    |                      |                     |                      |                      |                       |
| Equity Contribution in Cash                            |                         |                        |                         |                                    |                      |                     |                      |                      |                       |
| Issue of Equity Shares                                 |                         |                        |                         |                                    |                      |                     |                      |                      |                       |
| Payment for purchase of material and services          | 66,441                  |                        |                         | 3,397                              |                      |                     |                      | 1,080                |                       |
| Purchase of material & Services                        | (98,431)                | (2,055)                |                         | (4,272)                            |                      |                     |                      | (1,080)              |                       |
| Interest Accrued by                                    |                         |                        |                         |                                    |                      |                     |                      |                      |                       |
| Sale of service and materials                          | -                       |                        | 361                     |                                    | 8,479                | 1,096               | 4,186                |                      |                       |
| Rebate & Discount Provided                             | -                       |                        |                         |                                    |                      |                     |                      |                      |                       |
| Payment Received for sale of services/other recoveries | -                       |                        | (361)                   |                                    | (4,696)              |                     | (1,337)              |                      |                       |
| Advance to/from  | -                       |                        |                         |                                    |                      |                     |                      |                      |                       |
| <b>Balance as at 31-03-2017</b>                        | <b>(75,607)</b>         | <b>(43,464)</b>        | <b>-</b>                | <b>(1,291)</b>                     | <b>4,469</b>         | <b>1,230</b>        | <b>2,849</b>         | <b>-</b>             | <b>-</b>              |

**AXOM COMMUNICATIONS & CABLE PRIVATE LIMITED****Notes to financial statements for the year ended 31<sup>st</sup> MAR 2017**

40 Previous years figures have been regrouped and/or rearranged wherever necessary

41 Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016

During the year, the company had specified bank notes or other denomination note as defined in the MCA notification G S R 308(E) dated March 31, 2017

| Particulars                           | ₹ Thousands |                          |        |
|---------------------------------------|-------------|--------------------------|--------|
|                                       | SBNs        | other denomination notes | Total  |
| Closing cash in hand as on 08 11 2016 | 2,459       | 16                       | 2,475  |
| (+) Permitted receipts                | -           | 12,059                   | 12,059 |
| (-) Permitted payments                | 49          | 1,413                    | 1,462  |
| (-) Amount deposited in Banks         | 2,410       | 9,800                    | 12,210 |
| Closing cash in hand as on 30 12 2016 | -           | 861                      | 861    |

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

42 Prior period expenses Rs 666 Thousands and Prior period income Rs 2,368 Thousands has been considered in respective expenses and income as per IND AS

43 As explained to us a search proceedings was conducted on 09 06 2015 at companies registered office by Income Tax Department, Guwahati the outcome of which is yet to received

Notes to account referred to in our report of even date is annexed

For Uttam Keshri & Co.  
Chartered Accountants  
ICAI Firm Registration No : 324962E

Uttam Kumar Agarwal  
Proprietor  
Membership Number: 059168

Place - Guwahati  
Date -

For Axom Communications & Cable Pvt Ltd

Suresh Kumar Sethiya  
Director  
DIN: 00349098

Gautam Bharali  
Director  
DIN: 03538144