



UTTAM KESHRI & CO.

Chartered Accountants

UTTAM KUMAR AGARWAL

B.COM (Hon's), F.C.A, DISA (ICAI)

Mem No. 059168



S-10, 2nd floor, G.S.Tower

Himatsingka Petrolpump Complex

A.T Road, Guwahati-781001

Ph.No.2606237(0),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, 2018, 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 that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order issued under section 143(11) of the Act.

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





UTTAM KESHRI & CO.

Chartered Accountants

UTTAM KUMAR AGARWAL

B.COM (Hon's), F.C.A, DISA(ICA)

Mem No. 059168



S-10, 2nd floor, G.S.Tower

Himatsingka Petrolpump Complex

A.T Road, Guwahati-781001

Ph.No.2606237(0),9435106442(M)

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 considers 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. 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.

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, 2018, 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 sub-section (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 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (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, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;





UTTAM KESHRI & CO.

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



S-10, 2nd floor, G.S.Tower
Himatsingka Petrolpump Complex
A.T Road, Guwahati-781001
Ph.No.2606237(0),9435106442(M)

- (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, 2018 which would impact its financial position;
 - ii. The Company did not have any long-term contracts as at March 31, 2018 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, 2018.
2. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For

UTTAM KESHRI & CO.

Chartered Accountants

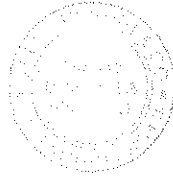
(Uttam Kumar Agarwal)

Proprietor

FRN NO. 324962E

Guwahati

The 14th Day of May 2018





UTTAM KESHRI & CO.

Chartered Accountants

UTTAM KUMAR AGARWAL

B.COM (Hon's), F.C.A, DISA(ICAI)

Mem No. 059168



S-10, 2nd floor, G.S.Tower

Himatsingka Petrolpump Complex

A.T Road, Guwahati-781001

Ph.No.2606237(0),9435106442(M)

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, 2018.

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, 2016 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.





UTTAM KESHRI & CO.

Chartered Accountants

UTTAM KUMAR AGARWAL

B.COM (Hon's), F.C.A, DISA(ICAI)

Mem No. 059168



S-10, 2nd floor, G.S.Tower

Himatsingka Petrolpump Complex

A.T Road, Guwahati-781001

Ph.No.2606237(0),9435106442(M)

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For

UTTAM KESHRI & CO.

Chartered Accountants

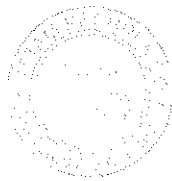
(Uttam Kumar Agarwal)

Proprietor

FRN NO. 324962E

Guwahati

The 14th Day of May 2018





UTTAM KESHRI & CO.

Chartered Accountants

UTTAM KUMAR AGARWAL

B.COM (Hon's), F.C.A, DISA(ICAI)

Mem No. 059168



S-10, 2nd floor, G.S.Tower

Himatsingka Petrolpump Complex

A.T Road, Guwahati-781001

Ph.No.2606237(0),9435106442(M)

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, 2018.

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.
(a) 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.
(b) The company does not own any immovable properties and hence no title deeds are held in the name of the company.
3. The company has no inventory and hence physical verification of stock is not applicable to the company.
4. 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
5. 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.
6. The Company has not accepted any deposit from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
7. 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.
8. (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 dues amounting to Rs,49,73,575/- on account of entry tax payable as on 31/03/2018. As explained to us such amount is not paid due to certain technical difficulties on account of rate of entry tax on set top box. Which need to clarified with sales tax department of Assam.
9. 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.





UTTAM KESHRI & CO.

Chartered Accountants

UTTAM KUMAR AGARWAL

B.COM (Hon's), F.C.A, DISA(ICAI)

Mem No. 059168



S-10, 2nd floor, G.S.Tower

Himatsingka Petrolpump Complex

A.T Road, Guwahati-781001

Ph.No.2606237(0),9435106442(M)

10. The Company has not raised any moneys 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.
11. 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.
12. The provisions of Clause 3(xi) of the Order are not applicable to the Company in respect of Managerial Remuneration paid during the year.
13. 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.
14. 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.
15. 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.
16. 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.
17. 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

Guwahati

The 14th Day of May 2018



Axon Communications & Cable Pvt. Ltd.
Balance Sheet as at Mar 31, 2018

	Notes	Mar 31, 2018 ₹ Thousands	March 31, 2017 ₹ Thousands
A. Assets			
1. Non-current assets			
Fixed assets			
(a) Property, plant and equipment	2	553,467	497,216
(b) Capital work-in-progress	2	29,179	95,417
(c) Other intangible assets	3	14,758	9,272
(d) Intangible assets under development	3	-	-
(e) Financial assets			
(i) Investments	4	-	-
(ii) Loans	5	794	590
(iii) Others	6	-	-
(iv) Deferred Tax	6a	-	-
(f) Other non-current assets	7	-	-
Sub-total of Non-current assets		598,178	602,495
2. Current assets			
(a) Inventories	8	-	-
(b) Financial assets			
(i) Trade receivables	10	102,775	64,942
(ii) Investments	9	-	-
(iii) Cash and bank balances	11	31,562	43,021
(iv) Loans	13	5,328	3,020
(v) Others	12	41,436	10,163
(c) Current tax assets		-	-
(d) Other current assets	14	59,434	42,998
Sub-total of Current assets		240,735	166,145
Total assets		838,913	768,640
B. Equity and liabilities			
Equity			
(a) Equity share capital	15	2,500	2,500
(b) Other equity	16	109,776	62,244
(c) Non-controlling interests		-	-
Sub-total - Equity		112,276	64,744
Liabilities			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Long-term borrowings	17	22,813	83,745
(ii) Other financial liabilities	19	-	-
(b) Provisions	18	668	1,157
(c) Deferred tax liability (net)	18a	666	8,569
(d) Other non-current liabilities	20	459,656	387,501
Sub-total - Non-current liabilities		483,784	480,372
2. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	-	-
(ii) Trade payables	22	36,225	58,121
(iii) Other financial liabilities	23	133,369	133,261
(b) Other current liabilities	24	27,894	18,969
(c) Provisions	24a	46,165	10,774
Sub-total of current liabilities		242,853	221,124
Total equity and liabilities		838,913	768,640
Summary of significant accounting policies	1	0.00	(0.00)

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 Utram Keshri & Co.
Chartered Accountants

ICAI Firm Registration No: 324002E

Utram Kumar Agarwal

Proprietor

Membership Number: 059168



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

Suresh Kumar Sethiya
Director
DIN: 00349098

Sanjive Narain
Director
DIN: 00398660

Place: **COWAHATI**
Date: **14/05/2018**

Axom Communications & Cable Pvt. Ltd.
Statement of Profit and Loss for the period ended Mar 31, 2018

	Notes	Mar 31, 2018 ₹ Thousands	March 31, 2017 ₹ Thousands
Revenue			
Revenue from operations	25	357,626	245,557
Other income	26	6,210	2,873
Total revenue		363,836	248,430
Expenses			
Carriage sharing, pay channel and related costs	27	153,423	118,411
Employee benefits expense	28	12,337	9,971
Finance costs	29	4,548	2,428
Depreciation and amortisation expenses	30	83,290	59,182
Other expenses	31	47,707	22,826
Total expenses		301,305	212,818
Profit / (Loss) before prior period expenses		62,532	35,611
Prior period expenses		-	-
Profit / (Loss) before tax		62,532	35,611
X Tax Expenses		15,580	13,216
(a) Current Tax		23,483	10,058
(-) MAT credit entitlement		-	-
(b) Deferred Tax		(7,903)	395
(c) Short / (Excess) Provision for earlier years		-	2,763
XI Profit / (Loss) for the year		46,952	22,395
Other Comprehensive Income		581	-
Profit/(Loss) to Equity Share Holders		47,532	22,395
Profit / (Loss) per share after tax	36		
Basic		190.13	89.58
Diluted		190.13	89.58
Summary of significant accounting policies	1		

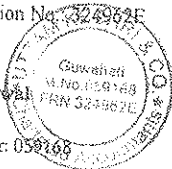
The accompanying notes are an integral part of these financial statements.

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. 7224962E

Uttam Kumar Agarwal
Proprietor
Membership Number: 050768



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

Suresh Kumar Sethiya
Director
DIN: 00349098

Sanjive Narain
Director
DIN: 00398660

Place: Guwahati
Date: 14/05/2018

Axom Communications & Cable Pvt. Ltd.
Cash Flow Statement for the year ended March 31, 2018


	March 30, 2018 ₹ Thousands	March 31, 2017 ₹ Thousands
Cash flow from operating activities		
Profit / (Loss) before tax		
Depreciation and amortisation expenses	62,532	55,611
Profit on sale of fixed assets / Earlier year Depreciation Adjustment	83,290	59,182
Provision for Retirement Benefit	-	(5,827)
Interest Paid & Borrowing cost	(502)	1,193
Bad Debts	4,498	2,360
Provision for Doubtful Debts & Advances	-	-
Provision for Doubtful Debts & Advance - Written Back	34,649	11,887
Interest on Fixed Deposit / Income Tax	-	-
Provisions for Expenses	(1,354)	(2,797)
	11,700	(2,510)
Operating profit before working capital changes	194,812	99,100
Movements in working capital:		
Increase / (Decrease) in trade payables	(21,895)	(16,555)
Decrease in other non-current liabilities	72,356	180,221
Increase in other current liabilities	(3,959)	(15,430)
Increase in trade receivables	(72,482)	(40,606)
Decrease / (Increase) in Short-term loans and advances given	(2,508)	(3,018)
(Increase)/decrease in loans and advances and other current assets	994	(12,096)
Cash generated from / (used in) operations	167,297	193,617
Direct taxes (paid)/refused (net)	(20,605)	(5,913)
Net cash flow from operating activities (A)	146,692	187,703
Cash flows from investing activities		
Purchase of fixed assets including capital advance		
Proceeds from sale of fixed assets	(78,768)	(294,567)
Purchase of non-current investments		
Interest received		
Investments in bank deposits (having original maturity of more than three months)	1,354	2,797
Advances to subsidiary companies (net)	(27,500)	9,000
Net cash used in from investing activities (B)	(104,914)	(282,771)
Cash flows from financing activities		
Proceeds from issuance of equity share capital		
Proceeds from issuance of shares warrants		
Proceeds from long-term borrowings		
Repayment of long-term borrowings		
Proceeds/(repayment) from short-term borrowings (net)	(46,740)	129,320
Interest and finance expenses paid	(4,498)	(2,360)
Net cash flow from financing activities (C)	(53,237)	126,560
Net increase in cash and cash equivalents (A + B + C)	(11,460)	31,892
Cash and cash equivalents at the beginning of the year	43,021	11,129
Cash and cash equivalents at the end of the year	31,562	43,021
	March 31, 2018	March 31, 2017
	₹ Thousands	₹ Thousands
Components of cash and cash equivalents		
Cash on hand		
Cheques on hand	1,146	6,106
With banks - on current account	20,384	55,477
Fixed deposit less than three months	10,031	1,439
Total cash and cash equivalents (note 20)	31,562	43,021
	0	(0)

Summary of significant accounting policies (refer note 3)

Notes


1. Figures in bracket indicate cash outflow.

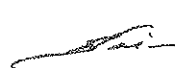
This is the cash flow statement referred to in our report of even date.

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

Uttam Kumar Agarwal
Proprietor
Membership Number: 059168



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


Suresh Kumar Sethiya
Director
DIN: 00349098


Sanjive Narain
Director
DIN: 00398660

Place: GUWAHATI
Date: 14/05/2018

AXOM COMMUNICATIONS & CABLE PRIVATE LIMITED
Notes to financial statements for the year ended 31st March 2018

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, broadband services and other related services. The Company is a subsidiary of Indian Cable Network Company Limited which is subsidiary of Siti Network Limited and hence Siti Network Limited is the ultimate holding company.

I Summary of Significant Accounting Policies

a) Basis of preparation

Statement of Compliance

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

Basis of Measurement

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

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

Current Vs non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current when it is :

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All the other assets are classified as non-current.

A liability is current when :

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

Functional and Presentation Currency

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

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

b) Use of Estimate

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

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

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. The company follows billing to LCO on count basis net of commission, if any, on its best estimates.

(ii) Carriage Income

Carriage Income is recognized on accrual basis over the terms of related agreement/ negotiations provided that there is no significant uncertainty regarding the realisable amount of consideration.

(iii) Income From Activation of Services

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



(iv) Sales of Goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects sales taxes, value added taxes and Goods & Service Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

(viii) Tax on Revenue

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

l) 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.

l) Retirement and other employee benefits

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme. For defined benefit retirement schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognised immediately in other comprehensive income. The service cost, net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

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 & Meghalaya.



Axom Communications & Cable Pvt. Ltd.

Summary of significant accounting policies and other explanatory information for the period ended Mar 31, 2018

2

Tangible assets

Gross block	Building	Plant and equipments	Computers	Office equipments	Furniture and fixtures	Air conditioners	Studio equipment	Vehicles	Leasehold improvements	Set top boxes	IRD boxes	(₹ Thousands)
												Total
Balance as at April 1, 2016	-	24,064.71	484.09	87.40	3,645.51	-	-	343.59	-	360,354.26	-	388,976.56
Additions	-	67,023.10	860.32	295.65	119.01	-	-	-	-	145,369.67	-	212,567.75
Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2017	-	91,988.81	1,344.41	383.05	3,764.52	-	-	343.59	-	505,723.93	-	601,544.31
Additions	-	2,289.37	140.62	19.09	62.65	-	-	58.24	-	134,444.58	-	137,014.56
Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at Mar 31, 2018	-	94,278.18	1,485.04	402.14	3,827.17	-	-	401.83	-	639,168.50	-	738,558.86
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at April 1, 2016	-	7,106.40	200.38	14.44	252.22	-	-	185.06	-	32,420.70	-	40,179.20
Charge for the year	-	6,839.86	271.85	55.57	350.66	-	-	31.44	-	56,599.15	-	64,148.62
Reversal on disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2017	-	13,946.36	472.23	70.01	602.87	-	-	216.50	-	89,019.85	-	104,327.82
Charge for the year	-	10,595.96	391.44	73.02	360.72	-	-	32.58	-	69,510.59	-	80,764.32
Reversal on disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at Mar 31, 2018	-	24,542.32	863.67	143.03	963.60	-	-	249.08	-	158,330.44	-	185,092.14
Net block	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2017	-	78,038.85	872.19	313.04	3,161.64	-	-	127.08	-	414,704.08	-	497,216.49
Balance as at Mar 31, 2018	-	69,731.86	621.57	259.11	2,863.58	-	-	152.75	-	479,538.07	-	553,466.72
	-	69,731.86	621.57	259.11	2,863.58	-	-	152.75	-	479,538.07	-	553,466.72



[Handwritten signature]

Azom Communications & Cable Pvt. Ltd.
 Summary of significant accounting policies and other explanatory information for the period ended Mar 31, 2018

				(₹ Thousands)	
3	Intangible assets	Goodwill	Program / film/ cable rights	Software	Total
	Gross block				
	Balance as at April 1, 2016			10,132.71	10,132.71
	Additions			10,132.71	10,132.71
	Balance as at March 31, 2017			7,991.94	7,991.94
	Additions			18,124.66	18,124.66
	Balance as at Mar 31, 2018				
	Accumulated amortisation				
	Balance as at April 1, 2016			861.03	861.03
	Charge for the year			861.03	861.03
	Balance as at March 31, 2017			2,525.22	2,525.22
	Charge for the year			3,386.25	3,386.25
	Balance as at Mar 31, 2018				
	Net block				
	Balance as at March 31, 2017			9,271.69	9,271.69
	Balance as at Mar 31, 2018			14,738.41	14,738.41

(This space has been left blank intentionally)



Axom Communications & Cable Pvt. Ltd.
 Summary of significant accounting policies and other explanatory information for the period ended Mar 31, 2018

		Mar 31, 2018	March 31, 2017
		₹ Thousands	₹ Thousands
4	Non-current investments (Trade, unquoted) Long term investments (Valued at cost unless stated otherwise)		
	Aggregate amount of unquoted investments	-	-
	Aggregate amount of provision for diminution in the value of investments	-	-
5	Loans		
	Security deposits		
	Unsecured, considered good	794	590
	Doubtful	-	-
		794	590
	Less: Provision for doubtful security deposit	-	-
		794	590
6	Others- Fixed deposits		
	Margin money deposit (pledged) and deposit with statutory authorities	-	-
	Bank deposit with maturity upto twelve months	-	-
6a	Deferred Tax Assets		
		-	-
7	Other non-current assets		
	Capital advances	-	-
	Other advances	-	-
	Prepaid expenses	-	-
	Auxiliary cost of arranging for borrowings	-	-
8	Inventories (Valued at lower of cost or net realizable value)		
	Stores and spares	-	-
9	Current investments (Non trade, quoted)		
	Investments in mutual funds	-	-



10 Trade receivables

	Mar 31, 2018 ₹ Thousands	March 31, 2017 ₹ Thousands
Unsecured, considered good	102,775	64,942
Unsecured, considered doubtful	46,536	11,887
	149,311	76,829
Less: Provision for doubtful debts	46,536	11,887
Other receivables	102,775	64,942
Unsecured, considered good		
	102,775	64,942

11 Cash and bank balances

	Current Mar 31, 2018 ₹ Thousands	Current March 31, 2017 ₹ Thousands
Cash and cash equivalents		
Cash on hand		
Cheques on hand	1,146	6,106
Balances with banks	20,384	35,477
On current accounts		
In deposit accounts (with maturity upto three months)	10,031	1,439
	31,562	43,021

12 Others - unbilled revenue and interest accrued on fixed deposits

	Non-current Mar 31, 2018 ₹ Thousands	Non-current March 31, 2017 ₹ Thousands
Others		
Interest accrued and not due on fixed deposits	36,500	9,000
Bank deposit with maturity upto twelve months	4,936	1,163
Unbilled revenue	41,436	10,163

13 Loans and advances

	Short-term Mar 31, 2018 ₹ Thousands	Short-term March 31, 2017 ₹ Thousands
Advances recoverable in cash or kind		
Unsecured, considered good		
Other advances	5,528	3,020
Doubtful		
Advances to distribution companies		
Less: Provision for doubtful advances		
	5,528	3,020
	5,528	3,020

14 Other loans and advances (Unsecured, considered good)

Ancillary cost of arrangement for borrowings		
Advance tax	38,502	17,096
Prepaid Expenses	3,055	2,391
Balances with statutory authorities	17,877	23,511
	59,434	42,998



[Handwritten signature]

[Handwritten signature]

15 Share capital

	Mar 31, 2018 ₹ Thousands	March 31, 2017 ₹ Thousands
Authorized share capital		
50,000,000 (Previous year 50,000,000) equity shares of ₹ 10 each	50,000	50,000
Total authorised capital	50,000	50,000
Issued share capital		
25,00,000 (Previous year 25,00,000) equity shares of ₹ 10 each	2,500	2,500
Total issued capital	2,500	2,500
Subscribed and fully paid up capital		
25,00,000 (Previous year 25,00,000) equity shares of ₹ 10 each fully paid up	2,500	2,500
Shares warrants	-	-
Total paid up capital	2,500	2,500

16 Other Equity

	Mar 31, 2018 ₹ Thousands	March 31, 2017 ₹ Thousands
Foreign currency monetary item translation difference account		
Balance at beginning of the year	-	-
Add: Recognised during the year	-	-
Less: Amortised during the year	-	-
Balance at the end of the year	-	-
Securities premium account		
Balance at the beginning of the year	-	-
Add: Received on issue of equity shares on conversion of Warrants and OPFDs (refer note 4(i))	-	-
Less: Adjustment of expenses incurred on issue of equity shares	-	-
Balance at the end of the year	-	-
Employee stock options reserve		
Balance at the beginning of the year	-	-
Add: Shares based payment expenses	-	-
Balance at the end of the year	-	-
General reserve		
Balance at the beginning of the year	-	-
Add: Transferred from employee stock option reserve	-	-
Balance at the end of the year	-	-
Surplus / (Deficit) in the Statement of profit and loss		
Balance at the beginning of the year	62,244	45,676
Add: Adjustment on account of change in useful life of tangible assets (setup box) depreciation charge pursuant to implementation of Schedule II of the Companies Act, 2013 (refer note 12(a))	-	(5,827)
Add: Profit / (Loss) for the year	47,532	22,395
Balance at the end of the year	109,776	62,244

17 Long-term borrowings

	Mar 31, 2018 ₹ Thousands	March 31, 2017 ₹ Thousands
(a) Term loans from banks (Secured)		
Term loans		
Buyer's credits	-	47,970
Finance lease obligations	-	-
Unsecured loan	22,813	35,775
The above amount includes	22,813	83,745
Secured borrowings	22,813	83,745
Net amount	22,813	83,745



A handwritten signature in black ink, appearing to be a stylized 'S' or similar character.

A handwritten signature in black ink, appearing to be a stylized 'S' or similar character.

18	Provisions		
	Provision for employee benefits (Refer Note 31)		
	Provision for gratuity	513	1,058
	Provision for compensated absences	155	99
		668	1,157
18a	Deferred tax liability (net)		
		666	8,569
		666	8,569
19	Other financial liabilities		
	Creditors for capital goods		
20	Other liabilities		
	Interest free deposits from customers	459,636	387,301
		459,636	387,301
21	Short-term borrowings		
	Secured		
	Loans repayable on demand from banks		
	Unsecured		
	Optionally fully convertible debenture from promoter group company		
22	Trade payables		
	Total outstanding dues of micro enterprises and small enterprises; and	36,225	58,121
	Total outstanding dues of creditors other than micro enterprises and small enterprises		
		36,225	58,121
23	Other financial liabilities		
	Current maturities of long-term borrowings (Refer note 7)		
	Current maturities of finance lease obligations (Refer note 7)		
	Bank overdraft	815	12,900
	Creditors for capital goods		
	Holding company - Indian Cable Net Company Limited	82,318	75,607
	Ultimate Holding company - SITI Cable Network Limited	47,417	43,464
	Purvanchal Communications Pvt. Ltd. & Sanjeev Narkin (HUF)	2,819	1,291
		133,369	133,261
24	Other Current Liabilities		
	Advances from customers	18,310	
	Payable for statutory liabilities	7,700	17,995
	Payable for Contractual Liability	1,685	974
		27,695	18,969
24a	Provisions		
	Provision for employee benefits (Refer Note 31)		
	Provision for gratuity	15	33
	Provision for compensated absences	9	3
	Provision for Taxation	33,762	10,058
	Provision for Expense	12,379	679
		46,165	10,774



Axom Communications & Cable Pvt. Ltd.

Summary of significant accounting policies and other explanatory information for the period ended Mar 31, 2018

25 Revenue from operations

	Mar 31, 2018 ₹ Thousands	March 31, 2017 ₹ Thousands
Sale of services		
Subscription income	206,716	120,436
Carriage income	100,833	123,299
Activation and Set top boxes pairing charges	41,468	-
Other operating revenue		
Other networking and management income	5,556	1,822
Scrap sales	3,053	-
	<u>357,626</u>	<u>245,557</u>

26 Other income

	Mar 31, 2018 ₹ Thousands	March 31, 2017 ₹ Thousands
Interest income on		
Bank deposits	1,354	2,797
Others	-	-
Excess provisions written back	4,856	0
Profit on sale of fixed assets	-	-
Other non-operating income	-	76
	<u>6,210</u>	<u>2,873</u>

27 Carriage sharing, pay channel and related costs

	Mar 31, 2018 ₹ Thousands	March 31, 2017 ₹ Thousands
Pay Channel Expenses	85,622	78,069
Lease Rental & Right to Usage Charge	35,303	19,957
VC Card Licence/Software Fees	15,661	11,319
Other Operational Expenses	16,836	9,066
	<u>153,423</u>	<u>118,411</u>

28 Employee benefits expense

	Mar 31, 2018 ₹ Thousands	March 31, 2017 ₹ Thousands
Salaries, allowances and bonus	9,984	8,503
Contributions to provident and other funds	856	546
Employee benefits expenses		
Staff welfare expenses	1,497	922
	<u>12,337</u>	<u>9,971</u>

29 Finance costs

	Mar 31, 2018 ₹ Thousands	March 31, 2017 ₹ Thousands
Interest	3,710	2,251
Bank charges	50	68
Interest-Others	787	109
	<u>4,548</u>	<u>2,428</u>



(Signature)

(Signature)

Axon Communications & Cable Pvt. Ltd.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

32 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 2018:

A. Financial instruments by category	31-Mar-18			31-Mar-17			₹ ('000)
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	
Financial assets (Non Current & Current)							
Bank deposits	-	-	36,500	-	-	-	9,000
Security deposits	-	-	794	-	-	-	590
Unbilled revenues	-	-	4,936	-	-	-	1,163
Trade receivables	-	-	102,775	-	-	-	64,942
Cash and cash equivalents	-	-	31,562	-	-	-	43,021
Total financial assets	-	-	176,567	-	-	-	118,717
Financial liabilities (Non Current & Current)							
Borrowings (current, financial liabilities)	-	-	22,813	-	-	-	83,745
Trade payables	-	-	36,225	-	-	-	58,121
Total financial liabilities	-	-	59,037	-	-	-	141,866

*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.

Z 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, 2018	March 31, 2017
Low credit risk	Trade receivables	102,775	64,942



[Handwritten signature]

[Handwritten signature]

Axom Communications & Cable Pvt. Ltd.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

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, 2018

Ageing

Trade receivables

as at March 31, 2018

₹ ('000)		
Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
46,536	46,536	-

Ageing

Trade receivables

Reconciliation of loss allowance provision - Trade receivables

Loss allowance on March 31, 2017

Changes in loss allowance

Loss allowance on March 31, 2018

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

₹ ('000)	
11,887	
34,649	
46,536	

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	₹ ('000)					
	March 31, 2018			March 31, 2017		
	Less than one year	One to two years	More than two years	Less than one year	One to two years	More than two years
Non-derivatives						
Borrowings (current financial liabilities)	12,962	-	-	13,473	-	-
Trade payables	36,225	-	-	58,121	-	-
Total non-derivative liabilities	49,187	-	-	71,593	-	-

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, 2018

3 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, 2018	March 31, 2017
Cash and cash equivalents (refer note 9)	31,562	43,021
Total cash (A)	31,562	43,021
Borrowings (current, financial liabilities) (refer note 14)	12,962	13,473
Total borrowing (B)	12,962	13,473
Net debt (C=B-A)	(18,599)	(29,548)
Total equity	109,776	62,244
Total capital (equity + net debts) (D)	91,177	32,695
Gearing ratio (C/D)	-20%	-90%



A handwritten signature in black ink.

A handwritten signature in black ink.

Axom Communications & Cable Pvt. Ltd.
NOTES TO BALANCE SHEET AS ON MARCH 31, 2018

Note 33: Tax Expenses

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

	(₹) 000s Mar-18	(₹) 000s Mar-17
Income tax related to items recognised directly in the statement of profit and loss		
Current tax - current year	23,483	10,058
-earlier years	-	2,763
Deferred tax charge / (benefit)	(7,903)	395
Total	15,580	13,216
Effective tax rate	27.55%	33.06%

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

	Mar-18	Mar-17
Profit before tax	62,532	35,611
Income tax		
Statutory income tax on profit	17,229	11,774
Tax effect on non-deductible expenses	32,697	26,010
Additional allowances for tax purposes	(26,223)	(27,726)
Others / Deferred Tax effect	(7,903)	395
Effect of exempt income and income tax at lower rates	-	-
Tax effect for earlier years	-	2,763
Tax expense recognised in the statement of profit and loss	15,801	13,216

Deferred tax recognised in statement of other comprehensive income

For the year ended 31 March	Mar-18	Mar-17
Employee retirement benefits obligation	66	(552)

The applicable tax rate is the standard effective corporate income tax rate in India. The tax rate is 27.55% (33.06%) for the year ended 31 March, 2018. Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. For analysis of the deferred tax balances (after offset) for financial reporting purposes refer note #

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

Deferred tax recognised in statement of profit and loss

For the year ended 31 March	Mar-18	Mar-17
Employee retirement benefits obligation	66	(552)
Allowances for credit losses	-	-
Depreciation and amortisation	922	4,878
Other disallowances	(8,892)	(4,325)
Total	(7,903)	-

Reconciliation of deferred tax assets / (liabilities) net:	Mar-18	Mar-17
Opening balance	(8,569)	(8,569)
Deferred tax (charge)/credit recognised in		
-Statement of profit and loss	7,903	-
-Recognised in other comprehensive income	-	-
Total	(666)	(8,569)



[Handwritten signature]

AXOM COMMUNICATIONS & CABLE PRIVATE LIMITED

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

34 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 31st Mar 2018 together with interest paid or payable under this Act have not been given.

35 Value of Imports calculated on CIF Basis

	Mar 31, 2018	March 31, 2017	March 31, 2016
	₹ Thousands	₹ Thousands	₹ Thousands
Particulars			
Capital Goods	-	62,653	-
		62,653	-

36 Earnings Per Share (EPS)

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

	Mar 31, 2018	March 31, 2017	March 31, 2016
	₹ Thousands	₹ Thousands	₹ Thousands
Total operations for the year before prior period			
Profit/(loss) after tax	47,532	22,395	10,182
Net profit/(loss) for calculation of basic EPS	47,532	22,395	10,182
Net profit as above	47,532	22,395	10,182
Add : dividends on convertible preference shares & tax thereon	-	-	-
Add : interest on bonds convertible into equity shares (net of tax)	-	-	-
Net profit/(loss) for calculation of diluted EPS	47,532	22,395	10,182
Weighted average number of equity shares in calculating basic EPS	No. 250,000	No. 250,000	No. 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	250,000	250,000	250,000
Earnings Per Share in INR (Nominal Value per equity shares Rs. 10/-)			
Basic Earning Per Share	190.13	89.58	40.73
Diluted Earning Per Share	190.13	89.58	40.73

37 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.5,44,971/-

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:

PARTICULARS	₹ Thousands	
	As on 31st March 2018	As on 31st Mar 2017
Present Value of Obligation at the beginning of the period	1,091,188	-
Interest Cost	84,567	-
Current Service Cost	135,106	1,091,188
Benefits paid (if any)	-	-
Actuarial (gain)/loss	(783,100)	-
Present Value of Obligation at the end of the	527,761	1,091,188

PARTICULARS	₹ Thousands	
	As on 31st March 2018	As on 31st Mar 2017
Present Value of Obligation at the end of the	527,761	1,091,188
Fair Value of plan assets at the end of the period	-	-
Net Liability/(assets) recognised in Balance Sheet and related analysis	527,761	1,091,188
Funded Status	(527,761)	(1,091,188)

PARTICULARS	₹ Thousands	
	As on 31st March 2018	As on 31st Mar 2017
Interest Cost	84,567	-
Current Service Cost	135,106	1,091,188
Expected return on Plan Assets	-	-
Net Actuarial (gain)/loss recognised in the period	(783,100)	-
Expenses to be recognised in the Profit & loss	(563,427)	1,091,188

Period	₹ Thousands	
	As on 31st March 2018	As on 31st Mar 2017
Current Liability	14,970	33,350
Non Current Liability	512,791	1,057,838
Total Liability	527,761	1,091,188

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

Period	As on 31st March 2018	As on 31st Mar 2017
--------	-----------------------	---------------------



(Handwritten signature)

AXOM COMMUNICATIONS & CABLE PRIVATE LIMITED

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

Discount rate	7.75%	7.50%
Salary Growth Rate	5.00%	5.00%
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected rate of return	-	-
Withdrawal rate (Per Annum) (18 to 30 Yrs)	5.00%	2.00%
Withdrawal rate (Per Annum) (30 to 44 Yrs)	3.00%	-
Withdrawal rate (Per Annum) (44 to 60 Yrs)	2.00%	-

(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 2018	As on 31st Mar 2017
Present Value of Obligation at the beginning of the period	102,057	-
Interest Cost	7,909	-
Current Service Cost	72,540	102,057
Benefits paid (if any)	-	-
Actuarial (gain)/loss	(18,571)	-
Present Value of Obligation at the end of the	163,935	102,057

PARTICULARS	₹ Thousands	
	As on 31st March 2018	As on 31st Mar 2017
Present Value of Obligation at the end of the	163,935	102,057
Fair Value of plan assets at the end of the period	-	-
Net Liability/(assets) recognised in Balance Sheet and related analysis	163,935	102,057
Funded Status	(163,935)	(102,057)

PARTICULARS	₹ Thousands	
	As on 31st March 2018	As on 31st Mar 2017
Interest Cost	7,909	-
Current Service Cost	72,540	102,057
Expected return on Plan Assets	-	-
Net Actuarial (gain)/loss recognised in the period	(18,571)	-
Expenses to be recognised in the Profit & loss Account	61,878	102,057

Period	₹ Thousands	
	As on 31st March 2018	As on 31st Mar 2017
Current Liability	8,706	3,119
Non Current Liability	155,229	98,938
Total Liability	163,935	102,057

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

Period	₹ Thousands	
	As on 31st March 2018	As on 31st Mar 2017
Discount rate	7.75%	7.50%
Salary Growth Rate	5.00%	5.00%
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected rate of return	-	-
Withdrawal rate (Per Annum) (18 to 30 yrs)	5.00%	2.00%
Withdrawal rate (Per Annum) (30 to 44 yrs)	3.00%	-
Withdrawal rate (Per Annum) (44 to 60 yrs)	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.

PARTICULARS	Thousands	
	Mar 31, 2018	March 31, 2017
Audit Fees	50	50
Tax Audit Fees	25	25
Limited Review Fees	25	25
TOTAL	100	100

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

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

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

42 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.

43 Related Party Disclosure

List of parties where control Exists

- a Ultimate Holding Company
Sri Cable Network Limited
- b Holding Company
Indian Cable Net Company Limited
- c Fellow Subsidiaries of Holding Company
- Sincable Broadband South Limited
- Central Bombay Cable Network Limited



[Handwritten signature]

AXOM COMMUNICATIONS & CABLE PRIVATE LIMITED

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

- Wire & Wireless Tisul Satellite Pvt Ltd
- Master Channel Community Network Pvt. Ltd
- Siti Jai Maa Durga Communications Pvt. Ltd
- Siti Bhatia Network Entertainment P.Ltd.
- Siti Krishna Digital Media Pvt. Ltd.
- Siti Jony Digital Cable Network Pvt. Ltd.
- Siti Gunur 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 Kramal 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
 - Purnanchal Communication Pvt. Ltd.
 - AM Television Pvt. Ltd.
 - Dollys Cable Network
 - GB Cable TV Service
 - Akshar Cable Network
 - Sanjive Narain (HUF)
 - Axom Motors LLP
- h Key Managerial Personnel
 - Mr. Sanjive Narain Director
 - Mr. Suresh Kumar Sethiya Director
 - Mr. Surendra Kumar Agarwala Director
 - Mr. Sunil Nihalani Director
 - Mr. Gautam Bharali Director

Transactions with related parties

₹ Thousands

Particulars	Indian Cable Net Co Ltd	Siti Cable Network Ltd	AM Television Pvt. Ltd.	Purnanchal Communication Pvt. Ltd.	Dollys Cable Network	GB Cable TV Service	Indinet Services Pvt. Ltd.	Akshar Cable Network	Sanjive Narain (HUF)	Meghali Baruah Narain
Balance as at 01-04-2017	(75,687)	(43,464)	-	(1,291)	4,469	1,230	-	2,849	-	-
Expense paid by	-	-	-	-	-	-	-	-	-	-
Expenses paid on behalf of	-	-	-	-	-	-	-	-	-	-
Expenses Reimbursed to	-	-	-	-	-	-	-	-	-	-
Expenses reimbursed by	(2)	(22)	-	-	-	-	-	-	-	-
Equity Contributions in Cash	-	-	-	-	-	-	-	-	-	-
Transferred from Others	-	-	-	-	2,207	31	-	2,498	-	-
Issue of Equity Shares	-	-	-	-	-	-	-	-	-	-
Payment for purchase of material and services	81,681	114	-	5,585	-	-	350	-	1,055	-
Purchase of material & Services	(87,791)	(4,045)	-	(7,512)	-	-	(300)	-	(1,055)	-
Interest Accrued by	-	-	-	-	-	-	-	-	-	-
Sale of service and materials	-	-	367	-	15,435	45,492	-	22,285	-	-
Rebate & Discount Provided	-	-	-	-	-	-	-	-	-	-
Payment Received for sale of services/other receivables	-	-	(4)	-	(13,349)	(39,934)	-	(16,319)	-	-
Advances Issued	-	-	-	-	-	-	-	-	-	-
Balance as at 31-03-2018	(82,318)	(47,417)	304	(2,819)	8,762	6,809	30	11,313	-	-

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

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



For Axom Communications & Cable Pvt Ltd

Suresh Kumar Sethiya
Director
DIN: 00349098

Sanjive Narain
Director
DIN: 00398660

Place -
Date -

Axom Communications & Cable Pvt. Ltd.

Summary of significant accounting policies and other explanatory information for the period ended Mar 31, 2018

Note : 45

	Mar 31, 2018 ₹ Thousands	March 31, 2017 ₹ Thousands	
OTHER COMPREHENSIVE INCOME			
A (i) Items that will not be reclassified to Profit or Loss			
Remeasurements of the net defined benefit plans as under			
Remeasurement of employee benefit obligations			
(ii) Income Tax relating to items that will not be reclassified to profit or loss	801.67	-	
B (i) Items that will be reclassified to profit or loss			
(ii) Income Tax relating to items that will be reclassified to profit or loss	(220.88)		
TOTAL COMPREHENSIVE INCOME	580.79	-	-



A large, stylized handwritten signature in black ink, located to the right of the accountant's stamp.