Cab-i-Net Communications Private Limited
Financial Statements
2020-21

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CAB-I-NET COMMUNICATIONS PRIVATE LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Cab-I-Net Communications Private Limited ("the Company") which comprise the Balance Sheet as at 31st March2021, the Statement of Profit and Loss (including the Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, Profit or Loss (financial performance including Other Comprehensive Income) and cash flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind As) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

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

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

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

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31st March 2021 and its profit (financial performance including Other Comprehensive Income) and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. **A**s required by the Companies (Audit Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement of matters specified in paragraphs 3 & 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, the 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 Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.

e) On the basis of written representations received from the directors, as on 31 March 2021 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2021 from being appointed as director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of internal financial controls over Financial Reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B"**

g) 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 efficiently as at March 31,2021, based on the internal control over financial reporting criteria established by the company.

h) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us.

1) The company does not have any pending litigation which would impact its financial position.
2) The company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

3) There was no amount to be transferred to investor education and protection fund by the company.

For Jameskutty and Associates
Chartered Accountants
F.R. No.008224S

Ettumanoor: 07th April 2021

Jameskutty Mathew FCA
Proprietor
Membership No.205093
UDIN:21205093AAAACP6155

ANNEXURE A

Annexure to the Independent Auditors' Report for the year ended 31st March 2021

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the Ind As financial statements of the Company for the year ended March 31, 2021:

1. **FIXED ASSESTS**

   (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

   (b) The Property, Plant and equipment have been physically verified by the management at reasonable intervals in accordance with regular programe of verification. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

   (c) Based on the review of the fixed assets register the company does not own any immovable property and consequently the clause requires no further comment.

2. **INVENTORIES**

   Since the company is a service oriented company, physical verification of inventory is not applicable and hence this clause requires no further comment.

3. **LOANS GIVEN**

   The Company has not granted any loans to companies, firms, limited liability partnership or other persons covered in the register maintained under section 189 of Companies Act 2013. Hence reporting as per clause 3(iii) (a), (b), &(c) does not arise.

4. **COMPLIANCE OF Sec 185 & 186**

   According to information and explanations given to us, the company has not entered any transaction which attracts compliance with the provisions of section 185 and 186 of the Companies Act 2013. Therefore paragraph 3(iv) of the order is not applicable to the company.

5. **PUBLIC DEPOSIT**

   According to information and explanations given to us, the company has not accepted any deposits during the year

6. **COST RECORDS**

   According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act 2013.

7. **STATUTORY DUES**

   According to information and explanations given to us, in respect of statutory dues:

   (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Sales-Tax, Wealth-Tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities.

(b) According to information and explanations given to us and on the basis of the records of the Company, there are no disputed dues in respect of income tax, sales tax or Goods and service tax or duty of customs or duty of excise or value added tax or cess to be deposited and not pending before any forum.

8. In our opinion and according to the information and explanations given to us the company has offered for assessment under income tax act1961 income recorded in books only.

9. The company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans during the year.

10. Based upon the audit procedures performed and the information and explanations given by the management we have not noticed or reported any fraud by the company or on the company by its officers or employees during the year.

11. In our opinion and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act,2013

12. The Company is not a Nidhi Company and this clause is not applicable to the company.

13. In our opinion, based on the audit procedures performed and the information and explanations given to us the transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where ever applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.

    However requirements of section 177 of the Companies Act, 2013 are not applicable to the company.

14. The company has very good internal control system considering nature of business involved. There is no lapses noticed

15. According to the information and explanations given to us, the company has not entered into non-cash transactions with directors/ person connected with the director during the year, for the acquisition of assets by assuming directly related liabilities, which in our opinion covered under the provisions of Section 192 of the Act

16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and this clause is not applicable to the company.

17. The company sold all its primary points, so the main operational area of the company was terminated.

18. There is no resignation of statutory auditor during the year under audit

19. Considering financial statement and Management plans we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date

20. The company is not coming under provisions of Sec135 of companies Act.

21. There is no consolidation of financial reports as on 31/03/2021

For Jameskutty and Associates
Chartered Accountants
F.R. No.008224S

Ettumanoor: 07th April 2021

Jameskutty Mathew FCA
Proprietor
Membership No.205093
UDIN: 21205093AAAACP6155

ANNEXURE B

THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF CAB-I-NET COMMUNICATIONS PRIVATE LIMITED

Report on the Internal Financial Controls under clause (i) of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls over financial reporting of Cab-I-Net Communications Private Limited ("the Company") as of 31 March, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on the 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 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitation of Internal Financial Controls Over Financial Reporting

Because of the inherent limitation 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 respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, 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 Jameskutty and Associates
Chartered Accountants
F.R. No.008224S

Ettumanoor: 07th April 2021

Jameskutty Mathew FCA
Proprietor
Membership No.205093
UDIN: 21205093AAAACP6155

CAB-I-NET COMMUNICATIONS PRIVATE LIMITED
CIN NO U64204KL2003PTC016398
Balance Sheet as at 31st March, 2021

Particulars	Note No.	As at 31-Mar-21 (Rs.' 000)	As at 31-Mar-20 (Rs.' 000)
A. ASSETS			
1. Non-Current Assets			
(a) Property, plant and equipment	3	0.00	2,397.40
(b) Other Intangible assets	3	-	550.90
		0.00	2,948.30
(d) Financial assets			
(i) Investments	4		
(ii) Others financial assets	5	812.72	1,343.64
(e) Non current tax assets	7	149.78	469.08
(g) Other non-current assets	8	-	11,369.73
		962.50	16,130.75
2. Current Assets			
(a) Financial Assets			
(i) Trade receivables	9	797.76	1,431.67
(ii) Loans	11	8,131.95	208.82
(iii) Cash and cash equivalents	12	34.58	79.56
(b) Other current assets	13	22.91	3,450.30
		8,987.20	5,170.35
Total Assets		**9,949.70**	**21,301.10**
B. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	20,000.00	20,000.00
(b) Other equity	15	(32,194.54)	(37,303.00)
		(12,194.54)	(17,303.00)
Liabilities			
1. Non-Current Liabilities			
(a) Deferred tax liabilities (net)	27	-	10.33
(b) Other non-current liabilities	17	-	11,955.27
Total non-current liabilities		-	11,965.60
2. Current Liabilities			
(a) Financial liabilities			
(i) Trade payables	18	18,378.52	23,244.92
(ii) Other financial liabilities	19	-	-
(b) Short term provisions	16	2,367.20	-
(c) Other current liabilities	20	1,398.52	3,393.58
Total current liabilities		22,144.24	26,638.50
Total liabilities		22,144.24	38,604.10
Total Equity and Liabilities		**9,949.70**	**21,301.10**

See accompanying notes forming part of the financial statements

In terms of our report attached
For Jameskutty & Associates
Chartered Accountants
ICAI Firm Registration No.: 008224S

For and on behalf of the Board of Directors of
CAB-I-NET COMMUNICATIONS PRIVATE LIMITED

Jameskutty Mathew
Proprietor
Membership No. 205093
Place: Ettumanoor
Dated: 07-04-2021
UDIN: 21205093AAAACP6155

Jaifer V K
Director
DIN No: 05340133
Place: Ponkunnam
Dated: 07-04-2021

Shankar Devarajan
Director
DIN No: 02112473
Place: Mumbai
Dated: 07-04-2021

CAB-I-NET COMMUNICATIONS PRIVATE LIMITED
CIN NO U64204KL2003PTC016398
Statement of Profit and Loss for the Year ended 31st March, 2021

	Particulars	Note No.	For the year ended 31-Mar-21	For the year ended 31-Mar-20
			(Rs.' 000)	(Rs.' 000)
1.	**REVENUE**			
	a. Revenue from operations	21	39,386.98	28,480.03
	b. Other income	22	13,604.78	154.21
2.	**TOTAL REVENUE**		**52,991.76**	**28,634.24**
3.	**EXPENSES**			
	a. Employee benefit expense	23	12,329.05	8,612.22
	b. Finance costs	24	-	-
	c. Depreciation	3	2,999.57	2,795.59
	d. Content cost		-	(154.05)
	e. Other expenses	25	32,287.58	32,865.44
4.	**TOTAL EXPENSES**		**47,616.20**	**44,119.20**
5.	**PROFIT/(LOSS) BEFORE EXCPETIONAL ITEM AND TAX EXPENSE (2-4)**		5,375.56	(15,484.96)
6.	Exceptional items	26	-	-
7.	**PROFIT BEFORE TAX (5-6)**		**5,375.56**	**(15,484.96)**
8.	**TAX EXPENSE**			
	a. Current tax expense			-
	b. Short provision for tax relating to prior years		277.43	172.26
	c. Deferred tax	27	(10.33)	78.68
	NET TAX EXPENSE		**267.10**	**250.94**
9.	**PROFIT AFTER TAX (7-8)**		5,108.46	(15,735.90)
10.	**Other Compreshensive Income**			
	(i) Items that will not be reclassified to Profit			
	- Deferred Tax on Remeasurements of the defined benefit obligation		-	-
	Total other compreshensive income		-	-
11.	**Total Comprehensive Income for the period (Comprising Profit and Other Comprehensive Income for the period) (9+10)**		**5,108.46**	**(15,735.90)**
12.	**Earnings per equity share**			
	(Face value of Rs. 100 per share)			
	Basic (Rs. per share)	32	25.54	(78.68)
	Diluted (Rs. per share)	32	25.54	(78.68)

See accompanying notes forming part of the Ind AS financial statements

In terms of our report attached
For Jameskutty & Associates
Chartered Accountants
ICAI Firm Registration No.: 008224S

For and on behalf of the Board of Directors of
CAB-I-NET COMMUNICATIONS PRIVATE LIMITED

Jameskutty Mathew
Proprietor
Membership No. 205093
Place: Ettumanoor
Dated: 07-04-2021
UDIN: 21205093AAAACP6155

Jaifer V K
Director
DIN No: 05340133
Place: Ponkunnam
Dated: 07-04-2021

Shankar Devarajan
Director
DIN No: 02112473
Place: Mumbai
Dated: 07-04-2021

CAB-I-NET COMMUNICATIONS PRIVATE LIMITED
CIN NO U64204KL2003PTC016398
Statement of Change in Equity for the Year ended March 31, 2021

A. Equity Share Capital

(Rs.' 000)

Particulars	As at 31-03-2021		As at 31-03-2020	
	No of shares	Amount	No of shares	Amount
Numbers of shares at the Beginning	2,00,000.00	20,000.00	2,00,000.00	20,000.00
Add: Shares issued during the year	-	-	-	
Numbers of shares at the End	2,00,000.00	20,000.00	2,00,000.00	20,000.00

B. Other equity

For the year ended March 31, 2021 (Rs.' 000)

	Reserves and Surplus			Other comprehensive income	Total
Particulars	Securities premium	Capital Redemption Reserve	Retained earnings	Actuarial Gain / (Loss)	
Balance at the beginning of the reporting year	-	-	(37,303.00)	-	(37,303.00)
Dividend and DDT adjusment from retained earning	-		-	-	-
Transfer to retained earnings	-	-	5,108.46	-	5,108.46
Balance at the end of the reporting year	**-**	**-**	**(32,194.54)**	**-**	**(32,194.54)**

For the year ended March 31, 2020

	Reserves and Surplus			Other comprehensive income	Total
Particulars	Securities premium	Capital Redemption Reserve	Retained earnings	Actuarial Gain / (Loss)	
Balance at the beginning of the reporting year	-	-	(21,567.10)	-	(21,567.10)
Transfer to retained earnings	-	-	(15,735.90)	-	(15,735.90)
Transfer of other comprehensive income to retained ea	-	-	-	-	-
Balance at the end of the reporting year	**-**	**-**	**(37,303.00)**	**-**	**(37,303.00)**

See accompanying notes forming part of the Ind AS financial statements

In terms of our report attached
For Jameskutty & Associates
Chartered Accountants
ICAI Firm Registration No.: 008224S

For and on behalf of the Board of Directors of
CAB-I-NET COMMUNICATIONS PRIVATE LIMITED

Jameskutty Mathew
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Dated: 07-04-2021

CAB-I-NET COMMUNICATIONS PRIVATE LIMITED
CIN NO U64204KL2003PTC016398
Cash Flow Statement for the year ended 31st March, 2021

		For the Year Ended 31-Mar-21 (Rs.' 000)	For the Year Ended 31-Mar-20 (Rs.' 000)
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit before tax	5,375.56	(15,484.96)
	Adjustments for:		
	Depreciation	2,999.57	2,795.59
	Liabilities/ excess provisions written back (net)	(6,941.15)	-
	Provision for doubtful debts	4,636.34	8,599.46
	Operating profit before working capital changes	**6,070.32**	**(4,089.91)**
	Changes in working capital:		
	Adjustments for (increase)/ decrease in operating assets:		
	Trade Receivables	(4,002.43)	(617.86)
	Other current financial assets	44.98	(79.56)
	Other current non- financial assets	3,427.39	721.57
	Other non current non-financial assets	11,369.73	(5,536.72)
	Adjustments for increase / (decrease) in operating liabilities:		
	Current financial Liabilities	2,074.75	961.87
	Current non-financial Liabilities	(1,995.06)	1,341.34
	Other non current non-financial Liabilities	(11,955.27)	6,876.80
	Short term provisions	2,367.20	-
	Cash generated from operations	**7,401.61**	**(422.47)**
	Taxes paid / (refunds)	41.87	(95.57)
	Net Cash generated from Operating Activities	7,443.48	(518.04)
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Capital expenditure on fixed assets, including capital advances	(51.27)	(418.92)
	Security deposit	530.92	252.06
	Net Cash used in Investing Activities	479.65	(166.86)
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from long term borrowings	-	-
	Finance costs	-	-
	Net Cash used in Financing Activities	-	-
	Net Increase/(Decrease) in Cash and Cash Equivalents	7,923.13	(684.90)
	Cash and Cash Equivalents at the beginning of the year	208.82	893.72
	Cash and Cash Equivalents at the end of the year	8,131.95	208.82
	Cash and Cash Equivalents at the end of the year comprise of:		
	Cash on Hand	-	0.18
	Balances with Banks in Current Accounts	8,131.95	208.64
		8,131.95	208.82

Note : The above Cash Flow Statement has been prepared under the indirect method set out in IND AS - 7 "Statement of Cash Flow" issued by the Central Government under Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (Companies Indian Accounting Standard Rules, 2015)

In terms of our report attached
For Jameskutty & Associates
Chartered Accountants
ICAI Firm Registration No.: 008224S

Jameskutty Mathew
Proprietor
Membership No. 205093
Place: Ettumanoor
Dated: 07-04-2021
UDIN: 21205093AAAACP6155

For and on behalf of the Board of Directors of
CAB-I-NET COMMUNICATIONS PRIVATE LIMITED

Jaifer V K
Director
DIN No: 05340133
Place: Ponkunnam
Dated: 07-04-2021

Shankar Devarajan
Director
DIN No: 02112473
Place: Mumbai
Dated: 07-04-2021

1. Background

Cab-I-Net Communications Pvt Ltd is a Company incorporated in India on August 22, 2003. The Company is primarily engaged in providing cable television distribution and other related services. It is a subsidiary of DEN Networks Limited w.e.f 16th May 2010 which is listed on BSE & NSE.

2 Significant accounting policies

2.01 Basis of preparation

(i) Statement of Compliance and basis of preparation

The financial statements of the company Comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (Companies Indian Accounting Standard Rules, 2015) and other relevant provisions of the Act. These financial statements are the company's has first Ind AS financial statements and as covered by IND As 101 (first time adoption of Indian Accounting standards).

For all periods upto and including the year ended d March 31, 2016, the Company prepared its financial statements in accordance with the Accounting Standards as notified under section 133 of the companies act 2013, read together with the companies (accounts) rules 2014 (herein after referred to as Indian GAAP financial statements). These financial statements for the year ended 31st march 2017 are the first the company has prepared in accordance with Ind AS (refer note no. ....for information on how the company has adopted IndAS).

(ii) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for certain financial assets that is measured at FVTPL.

2.02 Use of estimates

The preparation of the financial statements in conformity with Ind As requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

2.03 Cash and cash equivalents (for purpose of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition) and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.04 Cash flow statement

Cash flows are reported using indirect method, whereby Profit before tax reported under statement of profit/ (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information.

2.05 Property, plant and equipment

All the items of property, plant and equipment are stated at historical cost net off cenvat credit less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Intangible assets acquired in business combinations are stated at fair value as determined by the management of the Company on the basis of valuation by expert valuers, less accumulated amortization. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

Goodwill on acquisition is included in intangible assets is not amortized but it is tested for impairment annually. The goodwill is carried at cost less accumulated impairment losses.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.
Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

a. Headend and distribution equipment	6 -15 years
b. Set top boxes (STBs)	8 years
c. Office and other	3 to 10 years
d. Furniture and fixtures	6 years
e. Vehicles	6 years
f. Leasehold	Lower of the useful life and the period of the lease.
g. Fixed assets acquired through business	5 years as estimated by an approved valuer

The management believes that useful lives as given above represent the period over which management expects to use these assets.
Depreciation methods, useful life's and residual values are reviewed at each reporting date and adjusted, if appropriate

Intangible assets are amortized over their estimated useful life on straight line method as follows:

a. Distribution network	5 years
b. Software	5 years
c. License fee for internet service	Over the period of license agreement
d. Non compete fees	5 years

2.06 Revenue recognition

Revenue is measured at the fare value of consideration received or receivable. Amount disclosed as revenue are net of return, trade allowances, rebates, service taxes and amount collected on behalf of third parties.

The company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been mapped for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transection and specifics of each arrangements.

i. Income from operations

1. Service revenue comprises subscription income from digital and analog subscribers, placement of channels, advertisement revenue, fees for rendering management, technical and consultancy services and other related services. Income from services is recognized based on percentage completion method as per terms of the contract with the customer. Period based services are accrued and recognized pro-rata over the contractual period.
2. Activation fees on Set top boxes (STBs) is recognized on activation of boxes over the life of the STBs. Activation fees received in advance and deferred over the period of life of the STB has been considered as deferred revenue in current and non-current liabilities at respective places.
3. Amounts billed for services in accordance with contractual terms but where revenue is not recognized, have been classified as advance billing and disclosed under current liabilities.

ii. Sale of equipment

Revenue relating to sale of equipment is recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of equipment to customers. Sales exclude sales tax and value added tax.

2.07 Other income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable,. Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

2.08 Foreign exchange gains and losses

The functional currency for the Company is INR determined as the currency of the primary economic environment in which it operates. For the Company, the functional currency is the local currency of the country in which it operates, i.e. INR which is also presentation currency of the company.

In preparing the financial statements the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Treatment of exchange differences

The exchange differences arising on settlement / restatement of monetary items in foreign currency are taken into Statement of Profit and Loss.

2.09 Financial instruments

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

2.09.1 Initial recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

2.09.2 Subsequent measurement

(i) Financial assets carried at amortised cost

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

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising at the time of subsequent measurement are recognising in the statement of profit or loss.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

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

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for financial liabilities recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments

(v) Derecognition of financial assets/liabilities

If financial assets is primarily derecognized when the right to receive the cash flows from the assets has expired or the company has transferred the rights to receive cash flows from the assets. IF financial liabilities is derecognized when the obligation under the liability is discharged or cancelled or expired.

(vi) Impairment of financial assets

In accordance with IND AS 109, the company applies expected credit loss method (ECL) for measurement and recognition impairment loss on the financial assets that are debt instruments and trade receivables.

(vii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.10 Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated

a. Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees. The company pays provident fund contributions to publically administered provident funds as per local regulations. The company has no further payment obligations once the contributions has been paid. The contribution accounted for as defined contribution plans and are recognised as employee benefits expenses when they are due.

b Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Measurement of the net defined benefit liability, which comprises actuarial gains and losses are recognised immediately in other comprehensive income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

c. Short term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange of services rendered by employees are recognised during the year when the employee renders the services. These benefits include salaries, bonus, leave travel allowance and performance incentives.

d Other Long term employee benefits

The Liabilities for earned leave and sick leave are not expected to settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of service provided by the employees upto end of the reporting period using the projected unit credit method. The benefits are using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit & Loss. The Obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

2.11 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset (net of income earned on temporary deployment of funds) are capitalised as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

2.12 Leases

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases.

2.13 Earnings per share

'Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.14 Taxes on income

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.14.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Current income tax relating to items recognized directly in the equity is recognised in equity and not in statement of profit and loss." The Company current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.14.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit using balance sheet approach. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill. Deferred tax relating to items recognised in other comprehensive income and directly in equity is recognised in correlation to the underlying transaction."

Deferred Tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the end of the reporting period. Further the carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient profit will be available

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

2.15 Impairment of assets

2.15.1 Financial Assets

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

2.15.2 Non financial assets

Intangible assets and property, plant and equipment Property plant

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.16 Provisions and contingencies

A provision is recognised if as a result of a past event the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.

2.17 Fair value measurement

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or a liability acting in their best economic interest. The Company used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/ profit in case of financial assets or liabilities.

2.18 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing/ utilizing the credits.

2.19 Operating Cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.20 Current Versus Non Current Classification :

i. The assets and liabilities in the Balance Sheet are based on current/ non - current classification. An asset as current
when it is:

1 Expected to be realized or intended to be sold or consumed in normal operating cycle
2 Held primarily for the purpose of trading
3 Expected to be realized within twelve months after the reporting period, or
4 Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months
after the reporting period

All other assets are classified as non - current.

ii A liability is current when:

1. Expected to be settled in normal operating cycle
2. Held primarily for the purpose of trading
3. Due to be settled within twelve months after the reporting period, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are treated as non - current.

3. Property, plant and equipment

	As at 31-Mar-21	As at 31-Mar-20
Carrying amounts of :		
a) Leasehold Improvements	-	-
b) Plant and equipment		
(i) Headend and distribution equipment	0.00	2,152.79
(ii) Set top boxes	-	-
(iii) Computers	(0.00)	41.44
(iv) Office and other equipment	-	69.48
c) Furniture and fixtures	0.00	133.69
	0.00	**2,397.40**
d) Capital work-in-progress	-	-
	0.00	**2,397.40**

(Rs.' 000)

	Plant and equipment				
	Headend and distribution equipment	**Computers**	**Office and other equipment**	**Furniture and fixtures**	**Total**
Gross Block					
Balance at 1 April, 2019	9,958.41	322.71	166.92	397.19	**10,845.23**
Additions	398.30	19.41	1.21	-	**418.92**
Disposals	-	-	-	-	**-**
Balance at 31 March, 2020	**10,356.71**	**342.12**	**168.13**	**397.19**	**11,264.15**
Additions	51.27	-	-	-	**51.27**
Disposals	-	-	-	-	**-**
Balance at 31 March, 2021	**10,407.98**	**342.12**	**168.13**	**397.19**	**11,315.42**
Accumulated depreciation					
Balance at 1 April, 2019	(5,670.54)	(238.93)	(53.01)	(178.94)	**(6,141.42)**
Depreciation expenses	(2,533.38)	(61.75)	(45.64)	(84.56)	**(2,725.33)**
Elimination on disposals of assets	-		-	-	**-**
Balance at 31 March, 2020	**(8,203.92)**	**(300.68)**	**(98.65)**	**(263.50)**	**(8,866.75)**
Depreciation expenses	(2,204.06)	(41.44)	(69.48)	(133.69)	**(2,448.67)**
Eliminated on disposals of assets	-	-	-	**-**	**-**
Balance at 31 March, 2021	**(10,407.98)**	**(342.12)**	**(168.13)**	**(397.19)**	**(11,315.42)**
Provision for Impairment					
Balance at 1 April, 2019	**-**	**-**	**-**	**-**	**-**
Impairment expenses	-	-	-	-	**-**
Balance at 31 March, 2020	**-**	**-**	**-**	**-**	**-**
Impairment expenses	-	-	-	-	**-**
Balance at 31 March, 2021	**-**	**-**	**-**	**-**	**-**
Carrying amount					
Balance at 1 April, 2019	4,287.87	83.78	113.91	218.25	**4,703.81**
Additions	398.30	19.41	1.21	-	**418.92**
Disposals	-	-	-	-	**-**
Depreciation expenses	(2,533.38)	(61.75)	(45.64)	(84.56)	**(2,725.33)**
Balance at 31 March, 2020	**2,152.79**	**41.44**	**69.48**	**133.69**	**2,397.40**
Additions	51.27	-	-	-	**51.27**
Disposals	-	-	-	-	**-**
Depreciation expense	(2,204.06)	(41.44)	(69.48)	(133.69)	**(2,448.67)**
Impairment expenses	-	-	-	-	**-**
Balance at 31 March, 2021	**0.00**	**(0.00)**	**-**	**0.00**	**0.00**

3B Other intangibe assets

(Rs.' 000)

	As at 31-Mar-21	As at 31-Mar-20
Carrying amounts of :		
Goodwill	-	527.45
Distribution and network rights		
Software	-	23.45
Licence fee for internet service		
Non compete fees		
	-	**550.90**

	Goodwill	Software	Licence fee for internet service	Non compete fees	Total
Deemed cost					
Balance at 1 April, 2019	**998.62**	**434.62**	**-**	**-**	**1,433.24**
Additions	-	-	-	-	**-**
Disposals	-	-	-	-	**-**
Balance at 31 March, 2020	**998.62**	**434.62**	**-**	**-**	**1,433.24**
Additions	-	-	-	-	**-**
Disposals	-	-	-	-	**-**
Balance at 31 March, 2021	**998.62**	**434.62**	**-**	**-**	**1,433.24**
Accumulated depreciation					
Balance at 1 April, 2019	**(423.13)**	**(388.95)**	**-**	**-**	**(812.08)**
Depreciation expenses	(48.04)	(22.22)	-	-	**(70.26)**
Elimination on disposals of assets	-	-	-	-	**-**
Balance at 31 March, 2020	**(471.17)**	**(411.17)**	**-**	**-**	**(882.34)**
Depreciation expenses	**(527.45)**	**(23.45)**			**(550.90)**
Eliminated on disposals of assets	-	-	-	-	**-**
Balance at 31 March, 2021	**(998.62)**	**(434.62)**	**-**	**-**	**(1,433.24)**
Carrying amount					
Balance at 1 April, 2019	575.49	45.67	-	-	621.16
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Depreciation expenses	(48.04)	(22.22)	-	-	(70.26)
Balance at 31 March, 2020	**527.45**	**23.45**	**-**	**-**	**550.90**
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Depreciation expense	(527.45)	(23.45)	-	-	(550.90)
Balance at 31 March, 2021	**-**	**-**	**-**	**-**	**-**

Particulars	As at 31-Mar-21 (Rs.' 000)	As at 31-Mar-20 (Rs.' 000)
4. Non-current investments		
a. Trade and unquoted - Investments in equity shares (Carried at Amortized Cost)		
i. of subsidiary	-	-
	-	**-**
5. Other financial assets		
Considered good		
a. Security deposits	812.72	1,343.64
b. Advance for investments	-	-
	812.72	1,343.64
Considered doubtful		
a. Advance for investments	-	-
Provision against advance for Investment	-	-
	-	-
	812.72	**1,343.64**
6. Bank deposits		
a. Fixed Deposit Account (maturity more than 12 months)	-	-
	-	**-**
7. Non current tax assets		
a. Advance tax	149.78	469.08
	149.78	**469.08**
8. Other non-current assets		
i. Considered good		
a. Prepaid expenses	-	11,369.73
b. Deposits against cases with		
i. Sales tax authorities*	-	-
ii. Service tax authorities*		-
	-	**11,369.73**

Particulars	As at 31-Mar-21 (Rs.' 000)	As at 31-Mar-20 (Rs.' 000)
9. Trade receivables (Unsecured)		
Current		
Trade receivables		
(a) Trade Receivables considered good - Secured	-	-
(b) Trade Receivables considered good - Unsecured	797.76	1,431.67
(c) Trade Receivables which have significant increase in Credit Risk		
(d) Trade Receivables - credit impaired	9,418.61	13,361.53
(e) Provision for doubtful debts/ expected credit loss	(9,418.61)	(13,361.53)
	797.76	**1,431.67**
9a. Movement in the allowance for doubtful debts		
Balance at beginning of the year	13,361.53	5,022.10
Add: Provided during the year		8,339.43
Less: Reversed on account of balances written off	(3,942.92)	-
Balance at end of the year	**9,418.61**	**13,361.53**
9b. Trade receivables breakup (net of allowances)		
Of the above, trade receivables from:		
- Related Parties		
Less: Provision for doubtful trade receivables	-	-
Total	**-**	**-**
- Others	10,216.37	14,793.20
Less: Provision for doubtful trade receivables	9,418.61	13,361.53
Total	**797.76**	**1,431.67**
10. Loans		
Current		
a. Loan to related party	-	-
	-	-
11. Cash and cash equivalents		
a. Cash on hand	-	0.18
b. Balance with banks		
i. in current accounts	8,131.95	208.64
	8,131.95	**208.82**
12. Other financial assets		
i. Considered good		
a. Advances to employees	-	-
b. Unbilled Revenue	34.58	79.56
c. Interest accrued and due on fixed deposits	-	-
d. Interest accrued and due on Loans*	-	-
	34.58	**79.56**
13. Other current assets		
a. Prepaid expenses	-	1,079.59
b. Balance with government authorities		
i. Other advances	22.91	
c. i. Deferred Cost	-	912.44
d. Balances with government authorities		
i. Service Tax credit receivable	-	1,458.27
	22.91	**3,450.30**

Particulars	As at 31-Mar-21 (Rs.' 000)	As at 31-Mar-20 (Rs.' 000)
14. EQUITY SHARE CAPITAL		
A. AUTHORISED		
2,00,000 Equity Shares of Rs. 100/- each	20,000.00	20,000.00
B. ISSUED, SUBSCRIBED AND FULLY PAID UP		
2,00,000 Equity Shares of Rs. 100/- each, fully paid up	20,000.00	20,000.00
	20,000.00	**20,000.00**

a) The reconciliation of the number of shares outstanding and the amount of share capital:

Particulars	As at 31.03.2021		As at 31.03.2020	
	No of shares	Amount	No of shares	Amount
Numbers of shares at the Beginning	2,00,000	20,000.00	2,00,000	20,000.00
Add: Shares issued during the year	-	-	-	
Numbers of shares at the End	2,00,000	20,000.00	2,00,000	20,000.00

b) Shares held by holding/ultimate holding company and/or their

Particulars	As at 31.03.2021		As at 31.03.2020	
	No of shares	Amount	No of shares	Amount
Den Networks Limited*	1,02,039	10,203.90	1,02,039	10,203.90
Futuristic Media and Entertainment	97,961	9,796.10	-	-
Numbers of shares at the End	2,00,000	20,000.00	1,02,039	10,203.90

* Including Shares held by nominees

Futuristic Media and Entertainment Limited is Subidiary Company of Den Networks Limited

1 Futuristic Media and Entertainment Limited is holding 49% stake in total paid-up share capital of the Company as at 31.03.2021

c) c) Number of Shares held by each shareholder having more than 5% shares:

Name of Shareholder	As at 31.03.2021		As at 31.03.2020	
	No of shares	% Holding	No of shares	% Holding
Den Networks Limited*	1,02,039	51%	1,02,039	51%
Anil Kumar V.S	-	0%	24,088	12%
Ajith Kumar S Ambalayam	-	0%	18,354	9%
Saji Sebastian	-	0%	18,000	9%
Ravindranathan Nair V.S	-	0%	18,840	9%
Futuristic Media Entertainment Limited*	97,961	49%	-	0%

* Including Shares held by nominees

d) The company has only one class of equity shares having a par value of Rs. 100 per share. Each holder of equity shares is entitled to one vote per share. Equity Shareholders are eligible to dividend proposed by the Board of

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

15. Other Equity
For the year ended March 31, 2021 **(Rs.' 000)**

	Reserves and Surplus		Other comprehensive income	Total
Particulars	**Securities Premium**	**Retained earnings**	**Actuarial Gain / (Loss)**	
Balance at the beginning of the reporting year	-	(37,303.00)	-	(37,303.00)
Dividend and DDT adjusment from RE		-		-
Transfer to retained earnings	-	5,108.46	-	5,108.46
Transfer of other comprehensive income to retained earning	-	-	-	-
	-	**(32,194.54)**	**-**	**(32,194.54)**

Other Equity
For the year ended March 31, 2020

	Reserves and Surplus		Other comprehensive income	Total
Particulars	**Securities Premium**	**Retained earnings**	**Actuarial Gain / (Loss)**	
Balance at the beginning of the reporting year	-	(21,567.10)	-	(21,567.10)
Transfer to retained earnings	-	(15,735.90)	-	(15,735.90)
Transfer of other comprehensive income to retained earning		-	-	-
Balance at the end of the reporting year	**-**	**(37,303.00)**	**-**	**(37,303.00)**

Particulars	As at 31-Mar-21 (Rs.' 000)	As at 31-Mar-20 (Rs.' 000)
16. Provisions		
Long-term provisions		
a. Provision for employee benefits		
i. Provision for gratuity	-	-
	-	**-**
Short-term provisions		
a. Provision for employee benefits		
i. Provision for gratuity	2,367.20	-
	2,367.20	**-**
17. Other non-current liabilities		
a. Deferred revenue	-	11,955.27
	-	**11,955.27**
18. Trade payables		
Trade payables - Other than acceptances		
a. total outstanding dues of micro enterprises and small	-	-
b. total outstanding dues of creditors other than micro		
-Payable for goods and services	18,378.52	23,244.92
	18,378.52	**23,244.92**
18a Trade payable breakup		
Of the above, trade payable to:		
- Related Parties	-	-
- Others	18,378.52	23,244.92
Total	**18,378.52**	**23,244.92**
19. Other financial liabilities		
a. Payables on purchase of property, plant & equipment	-	-
b. Payable for salaries and wages	-	1,367.27
c. Others	-	(1,367.27)
	-	**-**
20. Other current liabilities		
a. Deferred revenue	-	1,101.33
b. Statutory remittances	1,326.84	496.10
c. Other payables		
i Security deposits received	-	35.00
i. Advances from customers	71.68	393.88
ii. Others	-	1,367.27
	1,398.52	**3,393.58**

	Particulars	For the year ended 31-Mar-21 (Rs.' 000)	For the year ended 31-Mar-20 (Rs.' 000)
21.	**REVENUE FROM OPERATIONS**		
	a. Sale of services (See note below)	39,386.98	28,480.03
		39,386.98	**28,480.03**
	Note:		
	Sale of services comprises:		
	a. Placement income	-	
	b. Subscription income	21,447.27	21,938.72
	c. Activation income	12,600.36	2,334.74
	d. Leaseline Income	620.29	668.72
	e. Other income	4,719.06	3,537.85
		39,386.98	**28,480.03**
22.	**OTHER INCOME**		
	a. Interest income		
	b. Liabilities/ excess provisions written back	6,941.15	-
	c. Miscellaneous income	6,663.63	154.21
		13,604.78	**154.21**
23.	**EMPLOYEE BENEFIT EXPENSE**		
	a. Salaries and allowances	8,686.70	7,430.28
	b. Contribution to provident and other funds	1,275.15	1,181.94
	c. Gratuity expense	2,367.20	-
	d. Staff welfare expenses	-	-
	***Figures net of GST**	**12,329.05**	**8,612.22**
24.	**FINANCE COSTS**		
	a. Interest on delayed payment	-	-
		-	**-**
25.	**OTHER EXPENSES**		
	a. Rent and hire charges	762.13	712.67
	b. Repairs and maintenance		
	i. Plant and machinery	526.71	522.17
	ii. Others	903.76	4,376.80
	c. Electricity expense	2,200.66	2,407.96
	d. Consultancy, professional and legal charges*	1,439.28	1,261.69
	e. Brokerage/ commission	-	6.60
	f. Subscription share/ charges	6,830.52	9,885.43
	g. STB Activation Charges	13,619.90	3,013.51
	h. Printing and stationery	84.81	43.10
	i. Travelling and conveyance	988.40	1,201.85
	j. Telecommunication expenses	100.35	118.95
	k. Rates and taxes	2.50	41.51
	l. Provision for doubtful debts	-	8,339.43
	m. Provision for diminution in value of investments in subsidia	-	-
	n. Bad debts written off	4,636.34	260.03
	o. Expenditure on corporate social responsibility	-	-
	p. Miscellaneous expenses	192.22	673.74
		32,287.58	**32,865.44**

* Consultancy, professional and legal charges includes Auditor's remuneration as under :

		For the year ended 31-Mar-21 (Rs.' 000)	For the year ended 31-Mar-20 (Rs.' 000)
	a. To statutory auditors		
	: Statutory audit fee	70.00	65.00
	: Tax audit fee	50.00	45.00
		120.00	**110.00**
26.	**EXCEPTIONAL ITEM**	NIL	NIL

27. Current Tax and Deferred Tax

(a) Income Tax Expense

Particulars	Year ended 31-Mar-21	Year ended 31-Mar-20
Current Tax:		
Current Income Tax Charge	-	
Income Tax for earlier years	277.43	172.26
Deferred Tax		
In respect of current year origination and reversal of temporary differences	(10.33)	78.68
Total Tax Expense recognised in profit and loss account	**267.10**	**250.94**

(c) Movement of Deferred Tax

(i) Movement of Deferred Tax for 31.03.2021 **(Rs.' 000)**

Particulars	As at 01.04.2020	Recognised in statement of profit and Loss	As at 31.03.2021
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	-	-	-
	-	**-**	**-**
Tax effect of items constituting deferred tax assets			
Employee Benefits - Gratuity	-	-	-
Other financial asset	(10.33)	10.33	-
	(10.33)	**10.33**	**-**
Net Tax Asset (Liabilities)	**(10.33)**	**10.33**	**-**

(ii) Movement of Deferred Tax for 31.03.2020

Particulars	As at 01.04.2019	Recognised in statement of profit and Loss	As at 31.03.2020
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment		-	-
	-	**-**	**-**
Tax effect of items constituting deferred tax assets			
Employee Benefits - Gratuity		-	-
Financial Assets	68.34	(78.67)	(10.33)
	68.34	**(78.67)**	**(10.33)**
Net Tax Asset (Liabilities)	**68.34**	**(78.67)**	**(10.33)**

(c) Numerical Reconciliation between average effective tax rate and applicable tax rate : **(Rs.' 000)**

	As at March 31, 2021		As at March 31, 2020	
Particulars	**Amount**	**Tax Rate**	**Amount**	**Tax Rate**
Profit Before Exceptional items and tax expenes	**5,375.56**	**25.17%**	**(15,484.96)**	**25.17%**
Exceptional items	-		**-**	
Profit Before tax expenses	**5,375.56**		**(15,484.96)**	
Tax on above	1,352.92		(3,897.25)	
Tax Impacts of the followings				
Permanent Differences	-		46.73	
Unused losses for which no DTA recognized	-		3,493.70	
Short provision for tax relating to prior years	277.43		172.26	
Related to Property, Plant & Equipment	303.91		248.36	
Related to Deferred Revenue			187.14	
CF Losses Utilized	(674.81)			
Effect of expenses that are not deductible in determining taxable profit	(992.35)			
	267.10		250.94	
Tax Expense debited to P&L A/c				
Tax relating to prior years	277.43		172.26	
Deferred Tax	(10.33)		78.68	
Tax Expense	267.10		250.94	

	Particulars	Year ended 31.03.2021 (Rs. in '000)	Year ended 31.03.2020 (Rs. in '000)
Income taxes			
A	**Income tax recognised in Consolidated Statement of Profit and Loss**		
(a)	**Current tax**		
	In respect of current year	-	
	In respect of prior years	277.43	172.26
		277.43	172.26
(b)	**Deferred tax [See note 28(C)]**		
	In respect of current year	(10.33)	78.68
	Write-downs (reversals of previous write-downs) of deferred tax assets		-
		(10.33)	78.68
	Total tax expense charged/(credited) in Profit and Loss	**267.10**	**250.94**
(c)	**The income tax expense for the year can be reconciled to the accounting profit as follows:**		
	Profit/(Loss) before tax	5375.56	(15484.96)
	Income tax expense calculated	1352.92	(3897.25)
	Permanent Differences	0.00	46.73
-	Effect of income that is exempt from taxation		
-	Related to Property plant and Equipment	303.91	248.36
-	Related to Deferred Revenue	0.00	187.14
-	Effect of expenses that are not deductible in determining taxable profit	(992.35)	0.00
-	Effect of unused tax losses, timing difference and tax offsets not recognised as		3493.70
-	Rounding off		0.02
-	Effect on deferred tax balances due to the change in income tax rates	0.00	
-	Carried forward losses utilised	(674.81)	
		(10.33)	78.69
	Adjustments recognised in the current year in relation to the current tax of prior years	277.43	172.26
	Total tax expense charged/(credited) in Statement of Profit and Loss	**267.10**	**250.95**

The tax rate used for the 2020-2021 and 2019-2020 reconciliations above is the corporate tax rate of 25.168% payable by corporate entities in India on taxable profits under the Indian tax law.

(D) Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following (refer note below):

		Year ended 31.03.2021	Year ended 31.03.2020
-	tax losses (revenue in nature)	-	3,435.15
-	tax losses (capital in nature)	-	
-	unused tax credits	-	
-	unabsorbed depreciation (revenue in nature)	2,877.88	2,123.97
-	deductible temporary differences		
i.	Property, plant and equipment and other intangible assets	-	53,751.34
		10,017.10	8,809.55
ii.	Provision for employee benefits	2,367.20	-
iii.	Impairment allowance for doubtful balances	9,418.61	13,361.53
iv.	Deferred revenue	-	12,241.13
		24,680.79	**93,722.67**

Note:

Detail of temporary differences, unused tax losses and unused tax credits for which no deferred tax asset is recognised

	Year ended 31.03.2021	Year ended 31.03.2020
Deferred tax assets with no expiry date	2,877.88	2,123.97
Deferred tax assets with expiry date*	21,802.91	91,598.70
	24,680.79	**93,722.67**

* These would expire between financial year ended NA

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Employee benefit plans
Defined benefit plans

Gratuity plan

Gratuity liability arises on retirement, withdrawal, resignation, and death of an employee. The aforesaid liability is calculated on the basis of 15 days salary (i.e. last drawn salary plus dearness allowance) for each completed year of service or part thereof in excess of 6 months, subject to a maximum of Rs. 20 Lac. Vesting occurs upon completion of 5 years of service.

The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit method with actuarial valuations being carried out at each balance sheet date.

The following tables set out the unfunded status of the defined benefit scheme and amounts recognised in the Company financial statements as at 31 March, 2020:

1.1 (a): Changes in Present Value of Obligations: **(Rs. '000)**

Period	Year ended 31 March 2021	Year ended 31 March 2020
Present value of the obligation at the beginning of the period	-	-
Interest cost	-	-
Current service cost	2,367.20	-
Benefits paid (if any)	-	-
Actuarial (gain)/loss	-	-
Present value of the obligation at the end of the period	2,367.20	-

1.1 (b): Bifurcation of total Actuarial (gain) / loss on liabilities

Period	From: 01/04/2020 To: 31/03/2021	From: 01/04/2019 To: 31/03/2020
Actuarial gain / losses from changes in Demographics assumptions (mortality)	Not Applicable	Not Applicable
Actuarial (gain)/ losses from changes in financial assumptions	-	-
Experience Adjustment (gain)/ loss for Plan liabilities	-	-
Total amount recognized in other comprehensive Income	-	-

1.2: Key results (The amount recognized in the Balance Sheet):

Period	As on: 31/03/2021	As on: 31/03/2020
Present value of the obligation at the end of the period	2,367.20	-
Fair value of plan assets at end of period	-	-
Net liability/(asset) recognized in Balance Sheet and related analysis	2,367.20	-
Funded Status	(2,367.20)	-

1.3 (a): Expense recognized in the statement of Profit and Loss:

Period	From: 01/04/2020 To: 31/03/2021	From: 01/04/2019 To: 31/03/2020
Interest cost	-	-
Current service cost	2,367.20	-
Expected return on plan asset	-	-
Expenses to be recognized in the statement of profit and loss account	2,367.20	-

1.3 (b): Other comprehensive (income) / expenses (Remeasurement)

Period	From: 01/04/2020 To: 31/03/2021	From: 01/04/2019 To: 31/03/2020
Actuarial (gain)/loss - obligation	-	-
Actuarial (gain)/loss - plan assets	-	-
Total Actuarial (gain)/loss	-	-

1.4: Experience adjustment:

Period	From: 01/04/2020 To: 31/03/2021	From: 01/04/2019 To: 31/03/2020
Experience Adjustment (Gain) / loss for Plan liabilities	-	-
Experience Adjustment Gain / (loss) for Plan assets	-	-

2.1: The assumptions employed for the calculations are tabulated:

Period	**From: 01/04/2020 To: 31/03/2021**	**From: 01/04/2019 To: 31/03/2020**
Discount rate	7.75 % per annum	7.75 % per annum
Salary Growth Rate	8.00 % per annum	8.00 % per annum
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected rate of return	0	0
Withdrawal rate (Per Annum)	5.00% p.a.(18 to 30 Years)	3.00% p.a.(18 to 30 Years)
Withdrawal rate (Per Annum)	5.00% p.a. (30 to 44 Years)	2.00% p.a. (30 to 44 Years)
Withdrawal rate (Per Annum)	5.00% p.a. (44 to 58 Years)	1.00% p.a. (44 to 58 Years)

2.2: Current liability:

Period	**As on: 31/03/2021**	**As on: 31/03/2020**
Current Liability (Short Term)*	-	-
Non Current Liability (Long Term)	2,367.20	-
Total Liability	2,367.20	-

* Current Liability: It is probable outlay in next 12 months as required by the Companies Act.

2.3: Effect of plan on entity's future cash flows

2.3 (a): Funding arrangements and funding policy

Not Applicable

2.3 (b): Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

01 Apr 2019 to 31 Mar 2020	141
01 Apr 2020 to 31 Mar 2021	11
01 Apr 2021 to 31 Mar 2022	80
01 Apr 2022 to 31 Mar 2023	420
01 Apr 2023 to 31 Mar 2024	60
01 Apr 2024 Onwards	874

2.4: Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Period	**Liability**	**% Change**
Defined Benefit Obligation (Base)	0 @ Salary Increase Rate : 8%, and discount rate :7.75%	-
Liability with x% increase in Discount Rate [% Change]	0 [(5)%], x=1.00%	5%
Liability with x% decrease in Discount Rate [% Change]	0 [6%], x=1.00%	6%
Liability with x% increase in Salary Growth Rate [% Change]	0 [6%], x=1.00%	6%
Liability with x% decrease in Salary Growth Rate [% Change]	0 [(5)%], x=1.00%	5%
Liability with x% increase in Withdrawal Rate [% Change]	0 [(2)%], x=1.00%	2%
Liability with x% decrease in Withdrawal Rate [% Change]	0 [2%], x=1.00%	2%

Notes:

a. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

b The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

c The gratuity plan is unfunded.

29. Managerial remuneration forming part of employee benefits expense for the year ended 31 March, 2021 is Rs. ___NIL__________ [Previous year Rs. ___NIL______].

30. Operating Lease

The Company has entered into a cancellable operating lease for office premises. The lease rental expenses recognised in the Statement of Profit and Loss for the year is Rs. ____NIL___________ [Previous year Rs. ____NIL________].

31. Disclosures as per the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

	Particulars	Year ended 31-03-2021 (Rs.' 000)	Year ended 31-03-2020 (Rs.' 000)
(a)	(i) the principal amount remaining unpaid to any supplier	-	-
	(ii) interest due thereon '	-	-
(b)	interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and the amount of payment made to the supplier beyond the appointed day.	-	-
(c)	interest due and payable for the period of delay in making payment other than the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d)	interest accrued and remaining unpaid	-	-
(e)	further interest remaining due and payable even in the succeeding years for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

32. Earnings per equity share (EPS)*

	Particulars	Year ended 31.03.2021	Year ended 31.03.2020
a.	Net Profit attributable to equity shareholders	5,108.46	(15,735.90)
b.	Weighted average number of equity shares outstanding used in computation of basic EPS	2,00,000.00	2,00,000.00
c.	Basic Profit per equity share of Rs. 100 each (in Rs.)	25.54	(78.68)
d.	Weighted average number of equity shares and equity equivalent shares outstanding used in computing diluted EPS	2,00,000.00	2,00,000.00
e.	Diluted Earnings per equity share of Rs. 100 each (in Rs.)	25.54	(78.68)

* There are no potential equity shares as at 31.03.2021 (nil at 31.03.2020)

33. Financial Instruments

(a) Financial risk management objective and policies

This section gives an overview of the significance of financial instruments for the company and provides additional information on the balance sheet.

Financial assets and liabilities:

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

As at 31.03.2021 **(Rs.' 000)**

Financial assets	Amortised Cost	FVTOCI	FVTPL	Total carrying value
Cash and cash equivalents	8,131.95	-	-	8,131.95
Trade receivables	797.76	-	-	797.76
Security deposits	812.72	-	-	812.72
Investments	-	-	-	-
Bank Balances	-	-	-	-
Other current financial assets	34.58	-	-	34.58
	9,777.01	**-**	**-**	**9,777.01**

Financial liabilities	Amortised Cost	FVTOCI	FVTPL	Total carrying value
Trade payables	18,378.52	-	-	18,378.52
Other current financial liabilities	-	-	-	-
	18,378.52	**-**	**-**	**18,378.52**

As at 31.03.2020

Financial assets	Amortised Cost	FVTOCI	FVTPL	Total carrying value
Cash and cash equivalents	208.82	-	-	208.82
Trade and other receivables	1,431.67	-	-	1,431.67
Security deposits	1,343.64	-	-	1,343.64
Advance for investments	-	-	-	-
Investments	-	-	-	-
Current Loans	-			-
Bank Balances	-	-	-	-
Other current financial assets	79.56	-	-	79.56
	3,063.69	**-**	**-**	**3,063.69**

Financial liabilities	Amortised Cost	FVTOCI	FVTPL	Total carrying value
Short term borrowings	-			-
Trade payables	23,244.92	-	-	23,244.92
Other current financial liabilities	-	-	-	-
	23,244.92	**-**	**-**	**23,244.92**

(b) Risk management framework

The Company’s principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The Company’s principal financial assets include Investment, trade and other receivables and cash and bank balances that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Company’s senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial assets will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial Assets affected by market risk include loans and borrowings, deposits and derivative financial instruments.

Liquidity risk

The company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening the balance sheet. The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the company.

(Rs.' 000)

As at 31.03.2021	<1 year	> 1 Year	Total
Current			
- Trade payables	18,378.52	-	18,378.52
- Other current financial liabilities	-	-	-
Total	**18,378.52**	**-**	**18,378.52**

As at 31.03.2020	<1 year	> 1 Year	Total
Current			
- Borrowings	-	-	-
- Trade payables	23,244.92	-	23,244.92
- Other current financial liabilities	-	-	-
Total	**23,244.92**	**-**	**23,244.92**

Counterparty and concentration of credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The company is exposed to credit risk for receivables, cash and cash equivalents, short-term investments and loans and advances.

Credit risk on receivables is limited as most of the portion of receivables is pertaining to fellow subsidiairy or holding/ ultimate holding Company. The history of trade receivables shows a negligible provision for bad and doubtful debts.

None of the company's cash equivalents are past due or impaired. Regarding trade and other receivables, and other non-current assets, there were no indications as at 31.03.2021, that defaults in payment obligations will occur.

Of the year ended 31.03.2021 and 31.03.2020, Trade and other receivables balance the following were past due but not impaired:

(Rs.' 000)

As at 31.03.2021	Due less than 6 months	Due greater than 6 months	Total
Trade Receivables	797.77	(0.01)	797.76
Security Deposits	-	812.72	812.72
Other current financial assets	34.58	-	34.58
	832.35	**812.71**	**1,645.06**

As at 31.03.2020	Due less than 6 months	Due greater than 6 months	Total
Trade Receivables	1,390.80	40.87	1,431.67
Security Deposits	-	1,343.64	1,343.64
Current Loans	-	-	-
Other current financial assets		79.56	79.56
			-
	1,390.80	**1,464.07**	**2,854.87**

(a) Receivables are deemed to be past due or impaired with reference to the company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer.

(b) The credit quality of the company's customers is monitored on an ongoing basis and assessed for impairment where indicators of such impairment exist. The solvency of the debtor and their ability to repay the receivable is considered in assessing receivables for impairment. Where receivables have been impaired, the company actively seeks to recover the amounts in question and enforce compliance with credit terms.

34. In the opinion of the Management, Current Assets, Loans and Advances are of the value stated, if realized in the ordinary course of business.

35 Related Party Transactions

i) In accordance with the requirements of Accounting Standard – 18 on Related Party Disclosures, the names of the related parties where control exists and with whom transactions have taken place during the year and description of relationships as identified and certified by the management are given below:

a) Holding Company
DEN Networks Limited
Futuristic Media and Entertainment Limited

b) Key management personnel

Jaifer V K	Director
Shankar Devarajan	Director

c) Persons having substansial interest in the company

d) Companies under the common control of the holding company

ii) The following transactions were carried out during the period with the related parties in the ordinary course **(Amount in Rs.)**

Particulars	Holding Company	Companis Under Common Control		Total
		Den Malayalam Telenet Pvt	Den Broadband Pvt Ltd	
Operational Administrative and Other Cost*	**2,04,62,427**		-	*2,04,62,427*
	(1,29,29,443)	-	-	*(1,29,29,443)*
Operating Revenue*	**1,87,284**	-	-	*1,87,284*
	(6,76,639)	-	-	*(6,76,639)*
Other Income	-			-
				-
Capital Work in progress				-
				-
Salary	-	-	-	-
	-	-	-	-
Rent	-	-	-	-
Closing Balances				
Trade Receivables	**5,79,215**	-	2,18,549	*7,97,764*
	(12,69,450)	-	-	*(12,69,450)*
Unbilled Revenues	34,578	-	-	*34,578*
	(37,878)	-	-	*(37,878)*
Other Current Assets				-
	(10,78,150)			*(10,78,150)*
Trade Payables	**1,82,39,698**	**7,602**		*1,82,47,300*
	(1,85,83,415)	*(7,602)*	-	*(1,85,91,017)*
Other Current Liabilities	**-**	-	-	-
		-	-	-

(Previous Year Figures are in Bracket)
**Figures net of GST*

36. Capital 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.
The funding requirements are met through a mixture of equity, internal fund generation, convertible and non convertible debt securities, and other short term borrowings. The Company's policy is to use short term and long-term borrowings to meet anticipated funding requirements.

The Company monitors capital on the basis of the net debt to equity ratio. The Company is not subject to any externally imposed capital requirements.

Net debt are long term and short term debts as reduced by cash and cash equivalents (including restricted cash and cash equivalents) and short-term investments. Equity comprises all components of equity without any exclusion.

The following table summarizes the capital of the Company:

	As at 31 March, 2021	As at 31 March, 2020
	(Rs.' 000)	(Rs.' 000)
Long-term borrowings	-	-
Current maturities of long term debt	-	-
Cash and cash equivalents	8,131.95	208.82
Net debt (a)	**(8,131.95)**	**(208.82)**
Total Equity (b)	**(12,194.54)**	**(17,303.00)**
Net debt to equity ratio (c = a/b)	NA	NA

37. The Company is a 'Multi System Operator' providing cable television network and allied services and hence has only one reportable segment. The operations of the Company are located in India.

38. Certain Credit balances included in Current Liabilities are pending for confirmation and consequential reconciliation.

39. Sundry debtors/ Advances as at the Balance Sheet date in view of management represent bonafide sums due by debtors for services arising on or before that date and advances for value to be received in cash or in kind respectively. The balances however are subject to confirmation from respective parties except related parties who have confirmed the balance outstanding in their account.

40. The debit / credit balances in group Companies including DEN Networks Limited have been grouped under Trade payable, Other liability and Trade receivable on 'gross' basis as in the previous year.

41. Following are the details of ongoing litigations with UP VAT and Service Tax Departmnet. Based on its own assessment, the management is of view that it has a very strong case against the same and no VAT and Service tax is payable by the Company. No provision has accordingly been made against this demand.

NIL in year ending Mar 2021and Nil in Previous year ending Mar 2020

42. "Pursuant to TRAI notification, Digital Addressable System(DAS) has been implemented in the territory of the company under phase-III w.e.f 01 Jan, 2016. Cab-I-Net Communications Private Limited "the Parent Company and the MSO" has the DAS licence for the said territory. Therefore, as per the mutual agreement, the parent company has billed to the LCOs of the company and has been charged on back to back basis by its subsidiaries. There is no impact on the profitability of the company due to billing by its subsidiaries on back to back basis."

43. The Company has total investments of Rs. _zero___ lac in subsidiary companies. The management of the Company expects that these subsidiary companies will have positive cash flows to adequately sustain its operations in the foreseeable future. Having regard to the long term investment and strategic involvement no provision for diminution of these investments has been considered necessary.

44. Previous year figures have been regrouped/reclassified wherever considered necessary, to make them comparable with current year figures.

45. Note on Merger

The Composite Scheme of Amalgamation and Arrangement between the Holding company - Den Networks Limited ("Den"), Hathway Cable and Datacom Limited ("Hathway"), TV18 Broadcast Limited ("TV18"), Network18 Media & Investments Limited ("Network18"), Media18 Distribution Services Limited ("Media18"), Web18 Digital Services Limited ("Web18") and Digital18 Media Limited ("Digital18") ("Scheme") have been approved by the Board of Directors of the respective companies on 17th February 2020. This composite scheme is subject to relevant statutory approval. However, said merger does not have impact on the financial statement of the company as on 31.03.2021.

46. Impact of Pandemic COVID 19

The outbreak of Coronavirus (COVID -19) has impacted businesses globally. The company being service provider of one of the "Essential Services – Television Broadcasting & Distribution" was able to operate under normal course of business during the period of Nationwide Lockdown with minimal impact on operations. In assessing the recoverability of Company's assets such as Investments, Loans, Trade receivables, based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets as of 31st march'21. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

In terms of our report attached
For Jameskutty & Associates
Chartered Accountants
ICAI Firm Registration No.: 008224S

For and on behalf of the Board of Directors of
CAB-I-NET COMMUNICATIONS PRIVATE LIMITED

Jameskutty Mathew
Proprietor
Membership No. 205093
Place: Ettumanoor
Dated: 07-04-2021
UDIN: 21205093AAAACP6155

Jaifer V K
Director
DIN No: 05340133
Place: Ponkunnam
Dated: 07-04-2021

Shankar Devarajan
Director
DIN No: 02112473
Place: Mumbai
Dated: 07-04-2021