DEN MALAYALAM TELENET PRIVATE LIMITED

FINANCIAL STATEMENTS

2018-19

Independent Auditor's Report

TO THE MEMBERS OF DEN MALAYALAM TELENET PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Den Malayalam Telenet Private Limited ("the Company") which comprise the Balance Sheet as at 31st March 2019, 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 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 standalone 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. Those 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 standalone 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 standalone Ind AS financial statements in accordance with Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncement issued by Institute of Chartered Accountants of India. These 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.

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

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 standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone 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.

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 standalone 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:

(i) in the case of the Balance sheet, of the state of affairs of the Company as at 31st March 2019

(ii) in the case of the Statement of Profit and Loss (financial performance including Other Comprehensive Income), of the loss for the year ended on that date.

(iii) in case of Cash flow Statement, of the cash flows for the year ended on that date and

(iv) Changes in equity for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the financial statements:

Note 2.18 of the financial statements which describe the uncertainty related to the appeals for the period 01/04/2007 to 31/08/2008 pending before the CESTA, Bangalore has been dismissed and the appeals relating to AY 2006-07 & 2007-08 pending before the Commissioner of Income tax (Appeals), Kochi Our opinion is not modified in respect of these matters.

The company has defaulted in the payment of statutory dues as explained in our annexure to auditor's report. Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. **A**s required by the Companies (Audit Report) Order, 2016 ("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, read with Companies (Indian Accounting Standards) Rules, 2015 as amended;

e) On the basis of written representations received from the directors, as on 31 March 2019 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2019 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 31,2019, 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 has pending litigations which would impact its financial position as stated under contingent liabilities relating to appeals relating to AY 2006-07 & 2007-08 pending before the Commissioner of Income tax (Appeals), Kochi. The appeals filed for period 01/04/2007 to 31/08/2008 before the CESTA, Bangalore has been dismissed by the Tribunal.

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.

R. SIVARAMAKRISHNAN AND Co.
Chartered Accountants
Firm's Registration No.007402S

R. Sivaramakrishnan FCA
Proprietor
Membership No.205244

Place: Kochi
Date: 05th April 2019

ANNEXURE A

Annexure to the Independent Auditors' Report for the year ended 31st March 2019

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, 2019:

1. **FIXED ASSESTS**

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

   (b) The Fixed Assets have been physically verified by the management at reasonable intervals in accordance with regular programme 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**

   According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of Companies Act, 2013.

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

   According to information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act 2013 in respect of loans, investments, guarantees and security.

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 not 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 disputed dues in respect of income tax and service tax pending before different forums as follows:-

   Service tax penalty of Rs. 11,20,907/- for the period 01/04/2007 to 31/08/2008. The Appeal filed by the company before the Tribunal has been dismissed and Income Tax demand of Rs. 12,05,722/- for the AY 2006-07 & 2007-08.

   (c) No Provision for Gratuity been made in the books of accounts. It was explained that there was no employees in the company during the year under audit.

8. In our opinion and according to the information and explanations given to us the company has not taken any loan either from financial institutions, banks and government and has not issued any debentures.
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. According to information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
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.

For **R Sivaramakrishnan and Co.**
Chartered Accountants
Firm Registration No:007402S

R. Sivaramakrishnan FCA
Proprietor
Membership No.205244

Place: Kochi
Date: 05th April 2019

ANNEXURE B

THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF DEN MALAYALAM TELENET PRIVATE LIMITED

Report on the Internal Financial Controls under clause (i) of Sub-section 3 of the the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls over financial reporting of Den Malayalam Telenet Private Limited ("the Company") as of 31 March, 2019 in conjunction with our audit of the standalone 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 2019, 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 **R Sivaramakrishnan and Co**
Chartered Accountants
Firm Registration No:007402S

R. Sivaramakrishnan FCA
Proprietor
Membership No.205244

Place: Kochi
Date: 05th April 2019

Balance Sheet as at 31st December, 2019

CIN NO U64204KL2004PTC016811

Particulars	Note No.	As at 31.03.2019 (Rs. '000)	As at 31.03.2018 (Rs. '000)
A. ASSETS			
1. Non-current assets			
Fixed Assets			
(a) Property, Plant and Equipment	3	895	1,806
(i) Investments	4		
(a) in Subsidiary		4,014	4,110
(ii) Others financial assets	5	349	349
(b) Non Current Tax Assets		-	
(c) Deferred tax assets	24	178	98
(d) Other non-current assets	7	2,067	2,877
		7,504	9,239
2. Current assets			
(a) Financial Assets			
(i) Trade receivables	8	2,683	2,491
(ii) Loan	6	4,094	1,519
(iii) Cash and cash equivalents	9	1,111	1,837
(b) Other current assets	10	596	591
		8,485	6,438
TOTAL Assets		**15,989**	**15,677**
B. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	11	11,927	11,927
(b) Other Equity		(21,886)	(20,297)
		(9,959)	(8,370)
Liabilities			
1. Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowing	12	1,003	1,003
(b) Provisions	13	351	351
(c) Deferred tax liabilities (net)	24	-	-
(d) Other non-current liabilities	14	787	1,024
Total non-current liabilities		2,141	2,378
2. Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	315	315
(ii) Trade payables	16	21,301	18,480
(iii) Other financial liabilities	17	175	182
(b) Other current liabilities	18	2,015	2,692
Total current liabilities		23,806	21,669
Total Liabilities		**25,947**	**24,047**
Total equity and liabilities		**15,989**	**15,677**

See accompanying notes forming part of the financial statements

As per our report of even date attached

For R Sivaramakrishanan & Co
Firm Regn No: 007402S
Chartered Accountants

For and on behalf of the Board of Directors of
Den Malayalam Telenet Pvt Ltd

R Sivaramakrishnan FCA
Proprietor
Membership No. 205244

Place: Cochin
Dated: 05-04-2019

Shankar Devarajan
Director
DIN No: 02112473

Place: Cochin
Dated: 05-04-2019

Pauly Jose T
Director
DIN No: 02542560

Place: Cochin
Dated: 05-04-2019

Statement of Profit and Loss for the year ended 31 March 2019

Particulars	Note No.	For the year ended 31.03.2019 (Rs. '000)	For the year ended 31.03.2018 (Rs. '000)
1. REVENUE			
(a) Revenue from operations	20	3,981	3,149
(b) Other income	21	-	5
2. TOTAL INCOME		3,981	3,155
3. EXPENSES			
(a) Content cost		-	14
(c) Finance costs	22	23	23
(d) Depreciation and amortisation expense	3	910	1,236
(e) Other expenses	23	4,710	4,794
4. TOTAL EXPENSES		5,643	6,066
5. PROFIT/(LOSS) BEFORE TAX (5-6)		(1,662)	(2,911)
6. TAX EXPENSE			
(a) Deferred tax		(9)	71
NET TAX EXPENSE		(9)	71
7. PROFIT / (LOSS) AFTER TAX (7-8)		(1,653)	(2,982)
8. Other Compreshensive Income			
(i) Items that will not be reclassified to Profit/(Loss)			
- Remeasurements of the defined benefit obligation		-	-
- Deferred Tax on Remeasurements of the defined benefit obligation		-	0
Total other compreshensive income		**-**	**-**
9. Total Comprehensive Income for the period (9+10)		**(1,653)**	**(2,982)**
10. Earnings per equity share (Face value of Rs. 10 per share)			
Basic (Rs. per share)		-1.39	-2.50
Diluted (Rs. per share)		-1.39	-2.50

See accompanying notes forming part of the financial statements

As per our report of even date attached
For R Sivaramakrishanan & Co
Firm Regn No: 007402S
Chartered Accountants

R Sivaramakrishnan FCA
Proprietor
Membership No. 205244

Place: Cochin
Dated: 05-04-2019

For and on behalf of the Board of Directors of
Den Malayalam Telenet Pvt Ltd

Shankar Devarajan
Director
DIN No: 02112473

Place: Cochin
Dated: 05-04-2019

Pauly Jose T
Director
DIN No: 02542560

Place: Cochin
Dated: 05-04-2019

Statement Cash Flow for the year ended March 31, 2019

		For the Year Ended March 31, 2019 (Rs. '000)	For the Year Ended March 31, 2018 (Rs. '000)
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/(Loss) before tax	(1,662)	(2,911)
	Adjustments for:		
	Depreciation and amortisation expense	910	1,236
	Finance costs	23	23
	Liabilities/ excess provisions written back (net)	-	-
	Provision for doubtful debts	2,225	523
	Fixed assets/ capital work in progress written off	-	-
	Profit on Sale of Fixed Assets	-	-
	Loss on Sale of Fixed Assets	-	-
	Net loss on foreign currency transactions and translation	-	-
	Profit from sale of current investment	-	-
	Dividend income from investments	-	-
	Interest income on income tax refund		
	Interest income on Fixed Deposit	-	-
	Operating profit before working capital changes	**1,496**	**(1,130)**
	Changes in working capital:		
	Adjustments for (increase)/ decrease in operating assets:		
	Trade Receivables	(2,418)	4,943
	Other current financial assets	-	-
	Other current non- financial assets	(5)	774
	Other Financial Assets	-	(5)
	Loan	(2,575)	25
	Other non current non-financial assets	810	590
	Adjustments for increase / (decrease) in operating liabilities:		
	Current financial Liabilities	(7)	35
	Current non-financial Liabilities	(677)	(224)
	Current tax liabilitites (Net)	-	-
	Trade Payable	2,821	(3,388)
	Other non current non-financial Liabilities	(244)	(335)
	Long Term Provisions	-	-
	Short term provisions	-	-
	Cash generated from operations	(799)	1,285
	Taxes paid / (received)	-	-
	Net Cash from Operating Activities	(799)	1,285
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Capital expenditure on fixed assets,	0	(0)
	Purchase of Investments	-	-
	Proceeds from sale of fixed assets	-	-
	Sale of investment	95	-
	Proceeds from sale of fixed assets	-	-
	Bank balances not considered as Cash and cash equivalents	-	-
	Purchase of long-term investments:	-	-
	- Subsidiaries	-	-
	- associates	-	-

Statement Cash Flow for the year ended March 31, 2019

	Proceeds from sale of long-term investments:	-	-
	- Subsidiaries	-	-
	- associates	-	-
	Dividend from long-term investments:	-	-
	Interest income on Fixed Deposit	-	-
	Advance for Investment	-	-
	Net Cash used in Investing Activities	95	(0)
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issue of equity shares	-	-
	Premium on Shares	-	-
	Proceeds/(Repayment) of short term borrowings	-	-
	Repayment of short term borrowings	-	-
	Proceeds/ (Repayment) from long term borrowings	-	-
	Repayment of long term borrowings	-	-
	Finance costs	(23)	(23)
	Payment of Equity dividend Iincluding Tax	-	-
	Repayment of long term borrowings	-	-
	Net Cash from Financing Activities	(23)	(23)
	Net Increase/(Decrease) in Cash and Cash Equivalents	(726)	1,263
	Cash and Cash Equivalents at the beginning of the period	1,837	574
	Cash and Cash Equivalents at the end of the period	1,111	1,837
	Cash and Cash Equivalents at the end of the period comprise of:		
	Cash on Hand	99	184
	Cheques on hand		
	Balances with Banks in Current Accounts	1,012	1,653
		1,111	1,837

Note: The above Cash Flow Statement has been prepared under the indirect method set out in IND AS - 07 “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)

As per our report of even date attached
For R Sivaramakrishanan & Co
Firm Regn No: 007402S
Chartered Accountants

R Sivaramakrishnan FCA
Proprietor
Membership No. 205244

Place: Cochin
Dated: 05-04-2019

For and on behalf of the Board of Directors of
Den Malayalam Telenet Pvt Ltd

Shankar Devarajan
Director
DIN No: 02112473

Place: Cochin
Dated: 05-04-2019

Pauly Jose T
Director
DIN No: 02542560

Place: Cochin
Dated: 05-04-2019

Statement of Change in Equity for the Year ended March 31, 2019

A. Equity Share Capital

For the Year Ended 31st March, 2019 **(Rs. '000)**

Balance as at 01st April, 2018	Changes in equity share capital during the year	Balance as at 31st March, 2019
11,927	**-**	**11,927**

For the Year Ended 31st March, 2018 **(Rs. '000)**

Balance as at 01st April, 2017	Changes in equity share capital during the year	Balance as at 31st March, 2018
11,927	**-**	**11,927**

B. Other Equity **(Rs. '000)**

	Reserves and Surplus					Other comprehensive income	Total
Particulars	**Securities premium**	**General reserve**	**Equity-settled employee benefits reserve**	**Capital Redemption Reserve**	**Retained earnings**	**Actuarial Gain / (Loss)**	
Balance at the beginning of April 1, 2018	9,102	-	-	-	(29,398)	-	(20,296)
Premium on shares issued during the year	-	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-	-
ESOP compensation expense	-	-	-	-	-	-	-
Equity instruments of other entity	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(1,653)	-	(1,653)
Transfer to retained earnings	-	-	-	-	-	-	
Redemption of Preference shares-CRR	-	-	-	-	-	-	-
Balance at the end of March 31, 2019	9,102	-	-	-	(30,988)	-	(21,886)

Statement of Change in Equity for the Year ended March 31, 2016 **(Rs. '000)**

	Reserves and Surplus					Other comprehensive income	Total
Particulars	**Securities premium**	**General reserve**	**Equity-settled employee benefits reserve**	**Capital Redemption Reserve**	**Retained earnings**	**Actuarial Gain / (Loss)**	
Balance at the beginning of April 1, 2017	9,102	-	-	-	(26,416)	-	(17,314)
Premium on shares issued during the year	-	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-	-
ESOP compensation expense	-	-	-	-	-	-	-
Equity instruments of other entity	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(2,982)	-	(2,982)
Transfer to retained earnings	-	-	-	-	-	-	
Redemption of Preference shares-CRR	-	-	-	-	-	-	-
Balance at the end of March 31, 2018	9,102	-	-	-	(29,399)	-	(20,297)

See accompanying notes forming part of the financial statements

Notes to the financial statements for the year ended 31st December, 2019

1. Background

DEN Malayalam Telenet Private Limited is a Company incorporated in India on 29th Jan 2004. 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 1st May 2008 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.

Notes to the financial statements for the year ended 31st December, 2019

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 equipment	3 to 10 years
d. Furniture and fixtures	6 years
e. Vehicles	6 years
f. Leasehold improvements	Lower of the useful life and the period of the lease.
g. Fixed assets acquired through business purchase	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 rights	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

Notes to the financial statements for the year ended 31st December, 2019

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

Notes to the financial statements for the year ended 31st December, 2019

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 employee state insurance scheme, gratuity fund and compensated absences.

a. Defined contribution plans

The Company's contribution 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

Notes to the financial statements for the year ended 31st December, 2019

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

Notes to the financial statements for the year ended 31st December, 2019

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

Notes to the financial statements for the year ended 31st December, 2019

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 currentwhen 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 monthsafter 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.

Deferred tax assets and liabilities are classified as non - current assets and liabilities.

Notes to the financial statements for the year ended 31st December, 2019

3A Property, plant and equipment **(Rs. '000)**

	As at 31 March, 2019	As at 31 March, 2018	As at 1 April, 2017
Carrying amounts of :			
Leasehold Improvements	-	-	-
Plant and equipment	-		
Headend and distribution equipment	895	1,757	2,936
Set top boxes*	-	-	-
Modems and routers	-	-	-
Building	-	-	-
Computers	-	2	14
Office and other equipment	-	-	-
Furniture and Fixtures	(0)	(0)	(0)
Vehicles	0	46	92
	895	**1,806**	**3,042**
Capital work in progress	-	-	-
	895	**1,806**	**3,042**

(Rs. '000)

	Leasehold Improve-ments	Plant and equipment						Furni-ture and Fixtures	Vehicles	Total
		Headend and dis-tribution equipment	Set top boxes*	Building	Modems and routers	Com-puters	Office and other equipment			
Deemed cost										
Balance at 1 April, 2017	-	**2,936**	-	-	-	**14**	-	**(0)**	**92**	**3,042**
Additions	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Balance at 31 March, 2018	-	**2,936**	-	-	-	**14**	-	**(0)**	**92**	**3,042**
Additions	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Balance at 31 March, 2019	-	**2,936**	-	-	-	**14**	-	**(0)**	**92**	**3,042**
Accumulated depreciation										
Balance at 1 April, 2017	-	-	-	-	-	-	-	-	-	**NA**
Depreciation expenses	-	(1,179)	-	-	-	(11)	-	-	(46)	**(1,236)**
Elimination on disposals of assets	-	-	-	-	-	-	-	-	-	-
Balance at 31 March, 2018	-	**(1,179)**	-	-	-	**(11)**	-	-	**(46)**	**(1,236)**
Depreciation expenses	-	(862)	-	-	-	(2)	-	-	**(46)**	**(910)**
Eliminated on disposals of assets	-	-	-	-	-	-	-	-	-	-
Balance at 31 March, 2019	-	**(2,041)**	-	-	-	**(14)**	-	-	**(92)**	**(2,146)**
Carrying amount										
Balance at 1 April, 2017	-	2,936	-	-	-	14	-	(0)	92	**3,042**
Additions	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Depreciation expenses	-	(1,179)	-	-	-	(11)	-	-	(46)	**(1,236)**
Balance at 31 March, 2018	-	**1,757**	-	-	-	**2**	-	**(0)**	**46**	**1,806**
Additions	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	(862)	-	-	-	(2)	-	-	(46)	**(910)**
Balance at 31 March, 2019	-	**895**	-	-	-	-	-	**(0)**	**0**	**895**

Notes to the financial statements for the year ended 31st December, 2019

3B Other Intangibe Assets **(Rs. '000)**

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Carrying amounts of :			
Goodwill	-	-	-
Distribution and network rights	-	-	-
Software	-	-	-
Licence fee for internet service	-	-	-
Non compete fees	-	-	-
	-	-	-

	Goodwill	Distribution and network rights	Software	Licence fee for internet service	Non compete fees	Total
Deemed cost						
Balance at 1 April, 2015	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance at 31 March, 2016	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance at 31 March, 2017	-	-	-	-	-	-
Accumulated depreciation						
Balance at 1 April, 2015	-	-	-	-	-	-
Depreciation expenses	-	-	-	-	-	-
Elimination on disposals of assets	-	-	-	-	-	-
Balance at 31 March, 2016	-	-	-	-	-	-
Depreciation expenses	-	-	-	-	-	-
Eliminated on disposals of assets	-	-	-	-	-	-
Balance at 31 March, 2017	-	-	-	-	-	-
Carrying amount						
Balance at 1 April, 2015	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Depreciation expenses	-	-	-	-	-	-
Balance at 31 March, 2016	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-
Balance at 31 March, 2017	-	-	-	-	-	-

Notes to the financial statements for the year ended 31st December, 2019

	Particulars	As at 31.03.2019 (Rs. '000)	As at 31.03.2018 (Rs. '000)
4.	**Non-current investments**		
	a. Trade and unquoted - Investments in equity shares (Carried at FVTPL)		
	i. of subsidiary	**4,014**	**4,110**
	Provision for diminution in value of investments	-	-
	ii. of joint venture companies		-
	b. Trade and unquoted - Investments in preference shares (Carried at FVTPL)		
	ii. of subsidiaries		
	c. Investment in partnership firms (Refer Note below)		
	(A)	**4,014**	**4,110**
	d. Others	**-**	**-**
		4,014	**4,110**

	Particulars	As at 31.03.2019 (Rs. '000)	As at 31.03.2018 (Rs. '000)
5.	**Other financial assets**		
	Considered good		
	a. Security deposits	349	349
	c. Loans to employees		
	d. Loans to subsidiaries		
	e. Advance for investments	-	-
		349	**349**
		349	**349**
		-	**-**

	Particulars	As at 31.03.2019 (Rs. '000)	As at 31.03.2018 (Rs. '000)
6.	**Loans**		
	Non - Current		
	Loans to Associates		
	Loans to employees	-	-
	Other Loans and Advances considered Good	-	-
	Other Loans and Advances considered Doubtful	-	-
	Provision for doubtful	-	-
		-	**-**
	Current		
	Loans to Associates		
	Loans to Subsidiary	-	-
	Loans to employees	-	-4
	Other Loans and Advances considered Good	4,094	1,523
	Other Loans and Advances considered Doubtful	-	-
	Provision for doubtful	-	-
		4,094	**1,519.05**

Notes to the financial statements for the year ended 31st December, 2019

	Particulars	As at 31.03.2019 (Rs. '000)	As at 31.03.2018 (Rs. '000)
7.	**Other non-current assets**		
	Other non-financial assets		
	i. Considered good		
	a. Receivable on sale of fixed assets	-	-
	b Capital advances	-	-
		-	
	Less: Provision for doubtful advances	-	
		-	
	c. Security deposits	-	-
	d. Loans and advances to employees	-	-
	i. Considered good		
	ii. Doubtful	-	-
		-	-
	Less: Provision for doubtful loans and advances	-	
		-	-
	e. Loans and advances to related parties (Considered good)	-	-
	i. Considered good	-	-
	ii. Doubtful	-	-
		-	-
	Less: Provision for doubtful loans and advances	-	
	f. Prepaid expenses	1,711	1,918
	g. Advance Tax	356	960
	Advance Tax - Wealth Tax	-	-
		2,067	**2,877**
	ii. Considered doubtful		
	a. Other loans and advances	-	
	b. Capital advances		
	Less: Provision for doubtful advances	-	-
		2,067	**2,877**

	Particulars	As at 31.03.2019 (Rs. '000)	31.03.2018 (Rs. '000)
	As at		
8.	**Trade receivables (Unsecured)**		
	Current		
	Trade receivables		
	(a) secured, considered good		
	(b) unsecured, considered good	2,683	2,491
	(c) Doubtful	14,453	14,091
	Allowance for doubtful debts (Expected credit loss allowance)	(14,453)	(14,091)
		2,683	**2,491**
	Movements in the allowance for doubtful debts		
	Opening balance of provision bad and doubtful debts	14,091	13,569
	Add: Provision for bad and doubtful debts made during the year	362	523
	Less: Excess provision written back during the year		-
	Closing balance of provision for bad and doubtful debts	**14,453**	**14,091**

Notes to the financial statements for the year ended 31st December, 2019

	Particulars	As at 31.03.2019 (Rs. '000)	As at 31.03.2018 (Rs. '000)
9.	**Cash and cash equivalents***		
	a. Cash on hand	99	184
	b. Cheques on hand	-	-
	b. Balance with scheduled banks		
	in current accounts	1,012	1,653
	in deposit accounts	-	-
	Cash and cash equivalent as per balance sheet	**1,111**	**1,837**
	Less : Bank over draft		
	Cash and cash equivalent as per cash flows	**1,111**	**1,837**

	Particulars	As at 31.03.2019 (Rs. '000)	As at 31.03.2018 (Rs. '000)
10.	**Other current assets**		
	Other non-financial assets		
	a. Prepaid expenses	596	587
	b. Balance with government authorities		
	i. CENVAT credit receivable	-	4
	ii. VAT credit receivable	-	-
	iii. Service tax credit receivable	-	-
	c. Others		
	i. Supplier advances	-	-
	ii. Other advances	-	-
		596	**591**
	ii. Considered doubtful		
		596	**591**

	Particulars	As at 31.03.2019 (Rs. '000)	As at 31.03.2018 (Rs. '000)
11.	**SHARE CAPITAL**		
	AUTHORISED		
	12,00,000 Equity Shares of Rs. 10/- each	12,000	12,000
	ISSUED, SUBSCRIBED AND FULLY PAID UP		
	1,192681 Equity Shares of Rs. 10/- each, fully paid up	11,927	11,927
		11,927	**11,927**

a) The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2019 and March 31,2018 is set out below:

(Rs. '000)

Particulars	March 31, 2019 No of shares	March 31, 2019 Amount	March 31, 2018 No of shares	March 31, 2018 Amount
Numbers of shares at the Beginning	1,192,681	11,927	1,192,681	11,927
Add: Shares issued during the year	-	-	-	
Numbers of shares at the End	**1,192,681**	**11,927**	**1,192,681**	**11,927**

Notes to the financial statements for the year ended 31st December, 2019

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

(Rs. '000)

Particulars	March 31, 2019		March 31, 2018	
	No of shares	Amount	No of shares	Amount
Den Networks Limited (Holding Company)*	608,265	6,083	608,265	6,083

* Including 4 Shares held by nominees

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

Particulars	March 31, 2019		March 31, 2018	
	No of shares	% Holding	No of shares	% Holding
Den Networks Limited (Holding Company)	608,265	51.00	608,265	51.00

d) The company has only one class of equity shares having a par value of Rs. 10 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 Directors as approved by Shareholders in the ensuing Annual General Meeting.

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.

Particulars	As at 31.03.2019 (Rs. '000)	As at 31.03.2018 (Rs. '000)
12. LONG-TERM BORROWINGS		
a. Term loans (Secured and at amortised Cost)*		
i. from banks (See footnote i)	-	-
ii. from financial institution (See footnote ii)		
iii. from other parties (See footnote iii)	-	-
b. Long-term maturities of finance lease obligations (See note 32)	-	-
(Secured by hypothecation of assets purchased under finance lease agreement and payable in equal monthly installments. Applicable rate of interest is 8.55%)		
c. Loans from related parties	**1,003**	**1,003**
Unsecured (Repayable on Demand)		
c. Other loans		
Vehicle Loans		
(Secured by hypothecation of vehicles and payable in equal monthly installments. The loan is repayable in 1 to 24 installments ending in Mar-2018. Applicable rate of interest is 9.71% to 10.96%)		
Unsecured (See footnote iv)		
d. **Unsecured at FVTPL**		
a. Redeemable preference shares*	-	-
b. Preference shares (issued on ….) of Rs. 10 each fully paid up	-	-
e. Buyers credit on imports		
(Secured by first pari passu charge on fixed assets of the Company existing and proposed and second pari passu charge on all current assets of the Company).		
	1,003	**1,003**

* Nature and Maturity profile with respect to long term loans as follows:

Nature of Loan	Term Loan From Syndicate Bank

Notes to the financial statements for the year ended 31st December, 2019

	Particulars	As at 31.03.2019	As at 31.03.2018
		(Rs. '000)	**(Rs. '000)**
13.	**Provisions**		
	Long-term provisions		
	Provision for employee benefits		
	Provision for compensated absences	-	-
	Provision for gratuity {Refer No. 28}[See note 34 (B) (i)]	351	351
	Provision for Fringe Benefit Tax	-	
	Provision for Wealth Tax	-	
	Provision for Income Tax	-	
	Others	-	-
		351	**351**
	Short-term provisions		
	Provision for employee benefits		
	Provision for gratuity {Refer No. 28}	-	-
		-	**-**

	Particulars	As at 31.03.2019	As at 31.03.2018
		(Rs. '000)	**(Rs. '000)**
14.	**Other non-current liabilities**		
	Other non-financial liabilities		
	a. Trade Payables:		
	- Micro and small enterprises (Refer note 8)	-	-
	a. Trade Payables	-	-
	Others Liabilities:		
	a. Advances from customers	-	-
	Deferred revenue	787	1,023.83
	Others	-	-
		787	**1,024**

	Particulars	As at 31.03.2019	As at 31.03.2018
		(Rs. '000)	**(Rs. '000)**
15.	**Borrowings**		
	Short-term borrowings (secured) at amortised Cost		
	a. Loans repayable on demand from banks		
	- from banks	-	-
	b. Buyers credit on imports (See footnote i to iv under Note 10)**		
	Secured	-	-
	c. Loans from Related Parties	165	165
	d. Loans from Holding	150	150
	e. Other Loans	-	-
		315	**315**

Notes to the financial statements for the year ended 31st December, 2019

	Particulars	As at 31.03.2019 (Rs. '000)	As at 31.03.2018 (Rs. '000)
16.	**Trade payables**		
	Trade payables - Other than acceptances*		
	a. total outstanding dues of micro enterprises and small enterprises	-	-
	b. total outstanding dues of creditors other than micro enterprises and small enterprises		
	- Payable for goods and services	21,301	18,480
	Salary Payable	**21,301**	**18,480**
	* No outstanding dues to micro, small and medium enterprises.		

MSME Disclosure in notes to accounts	As at 31-03-2019 (Rs. '000)	As at 31-03-2018 (Rs. '000)
The following details relating to micro, small and medium enterprises shall be disclosed in the notes:-		
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and 3	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Explanation.- The terms 'appointed day', 'buyer', 'enterprise', 'micro enterprise', 'small enterprise' and 'supplier', shall have the same meaning as assigned to them under clauses (b), (d), (e), (h), (m) and (n) respectively of section 2 of the Micro, Small and Medium Enterprises Development Act, 2006.".	-	-

	Particulars	As at 31.03.2019 (Rs. '000)	As at 31.03.2018 (Rs. '000)
17.	**Other financial liabilities**		
	a. Current maturities of secured term loans (See footnote i below)		
	b. Buyers credit on imports (See footnote ii below)	-	-
	c. Current maturities of finance lease obligations (See footnote i below and note 33)	-	-
	d. Current maturities of other secured loans (See footnote i below)	-	-
	e. Current maturities of other unsecured loans (See footnote i below)	-	-
	f. Balance consideration payable on investments	-	-
	g. Interest accrued and due on borrowings	-	-
	h. Interest accrued but not due on borrowings	16	20
	i. Payables on purchase of fixed assets	-	-
	j. Security Deposit Received	159	162
	k. Book overdraft	-	-
	l. Share application money pending allotment	-	-
		175	**182**

Notes to the financial statements for the year ended 31st December, 2019

	Particulars	As at 31.03.2019	As at 31.03.2018
		(Rs. '000)	(Rs. '000)
18.	**Other current liabilities**		
	Other non financial liabilities		
	a. Deferred revenue	212	226
	b. Statutory Liablities	107	579
	c. Other payables		
	Share Application Money [inexcess of authorized share capital]	-	-
	Advances from customers	-	-
	i Others	1,696	1,888
		2,015	**2,692**

	Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
		(Rs. '000)	(Rs. '000)
20.	**REVENUE FROM OPERATIONS**		
	a. Operating revenue	3,981	3,127
	b. Other operating revenue		
	i. Liabilities/ excess provisions written back	-	-
	ii. Miscellaneous income	-	23
		3,981	**3,149**

	Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
		(Rs. '000)	(Rs. '000)
21.	**OTHER INCOME**		
	a. Interest income		
	i. on fixed deposits	-	-
	ii. on loans to others	-	5
	iii. from investments in subsidiaries (see note 30(II)A)	-	-
		-	**5**

	Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
		(Rs. '000)	(Rs. '000)
22.	**FINANCE COSTS**		
	a. Exchange differences regarded as an adjustment to borrowing cost	-	-
	b. Other borrowing costs	23	23
		23	**23**

Notes to the financial statements for the year ended 31st December, 2019

	Particulars	For the year ended 31.03.2019 (Rs. '000)	For the year ended 31.03.2018 (Rs. '000)
23.	**OTHER EXPENSES**		
a.	Cost of traded items	-	-
b.	Distributor commission/ incentive	-	-
c.	Rent and hire charges	97	107
d.	Repairs and maintenance		
	i. Plant and machinery	-	482
	ii. Others	-	-
e.	Power and fuel	28	60
f.	Director's sitting fees	-	-
g.	Consultancy, professional and legal charges*	162	274
h.	Expenditure on corporate social responsibility	-	-
i.	Brokerage/ commission	19	19
j.	Subscription share/ charges	658	996
k.	Contract service charges	75	114
l.	Printing and stationery	-	-
m.	Travelling and conveyance	75	108
n	Advertisement, publicity and business promotion	-	-
o	Communication expenses	-	-
p	Leaseline/bandwidth expenses	-	-
q	Security charges	-	-
r	Freight and labour charges	-	-
s	Insurance	-	1
t	Rates and taxes	934	1,722
u	STB Activation charges	172	359
v	Provision for doubtful trade receivables and advances	362	523
w	Bad trade receivables and advances written off	1,863	-
x.	Provision for diminution in value of investments in subsidiary companies	-	-
y.	Fixed assets/ capital work in progress written off	-	-
z.	Loss on sale/ disposal of fixed assets	-	-
aa	Loss on sale of investment	-	-
ab	Net loss on foreign currency transactions and translation	-	
ac	Miscellaneous expenses	264	29
ad	Prior period expense (net)	-	-
ae	Corporate Social Responsibility Expenses	-	-
		4,710	**4,794**

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

a.	To statutory auditors		
	For audit	55	50
	For other services	-	-
		55	**50**

Notes to the financial statements for the year ended 31st December, 2019

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
	(Rs. '000)	(Rs. '000)
24. Current Tax and Deferred Tax		
(a) Income Tax Expense		
Current Tax:		
Current Income Tax Charge	-	-
Deferred Tax		
In respect of current year origination and reversal of temporary differences	(80)	(52)
	(80)	**(52)**
Total Tax Expense recognised in profit and loss account	**(80)**	**(52)**

(b) Movement of Deferred Tax

(i) Movement of Deferred Tax for 31.03.2019 (Rs. '000)

Particulars	Opening Balance	Recognised in profit and Loss	Regognised in OCI	Closing balance
	Year ended 31.03.2019			
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	363	-		363
Other financial asset	-	-		-
	363	**-**	**-**	**363**
Tax effect of items constituting deferred tax assets				
Employee Benefits	18	-	-	18
Share issue expenses	-	-		-
Doubtful debts/advances/impairment	-	-		-
Deferred Revenue	-	-		-
Other financial asset	(430)	80		(350)
Other Items	147	-		147
	(266)	**80**	**-**	**(186)**
Net Tax Asset (Liabilities)	**98**	**80**	**-**	**178**

(ii) Movement of Deferred Tax for 31.03.2018 (Rs. '000)

Particulars	Opening Balance	Recognised in profit and Loss	Regognised in OCI	Closing balance
	Year ended 31.03.2018			
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	363	-		363
Other financial asset	-	-		-
	363	**-**		**363**
Tax effect of items constituting deferred tax assets				
Employee Benefits	18	-	-	18
Share issue expenses		-		-
Doubtful debts/advances/impairment	-	-		-
Deferred Revenue		-		-
Financial Assets	(482)	52		(430)
Other Items	147	-		147
	(318)	**52**	**-**	**(266)**
Net Tax Asset (Liabilities)	**45**	**52**	**-**	**98**

Notes to the financial statements for the year ended 31st December, 2019

(c) Numerical Reconciliation between average effective tax rate and applicable tax rate :

(Rs. '000)

Particulars	**As at March 31, 2019**		**As at March 31, 2018**	
	Amount	**Tax Rate**	**Amount**	**Tax Rate**
Profit Before tax from Continuing Operations	**(1,662)**	**25.75%**	**(2,911)**	**32.45%**
Income Tax using the Company's domestic Tax rate #	(428)		(944)	
Tax Effect of :				
- Share of profit of equity-accounted investees reported net of tax				
- Non deductible Expenses	140,264		0.3	
- Tax - Exempt income				
- Tax Incentives and concessions				
- Current Year Losses for which no deferred Tax Asset is recognised				
Recognition of Tax Effect of Previously unrecognised tax losses				
Changes in recognised deductible temporary differences	-9.0		71	
Changes in estimates related to prior years				
Unrecognised MAT Credit				
Income Tax recognised In P&L from Continuing Operations (Effective Tax Rate)	**(419)**		**(873)**	

Particulars	**As at 31.03.2019 (Rs. '000)**	**As at 31.03.2018 (Rs. '000)**
25. Capital commitments and contingent liabilities		
a. Capital commitments		
Estimated amount of contracts remaining to be executed on tangible capital assets (net of advances)		
b. Contingent liabilities		
i) Claims against the Company not acknowledged as debts*		
ii) Guarantees		
iii) Other money for which the Company is contingently liable		

c. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

26. Related Party Disclosures

I. List of related parties

a Holding Company

1 DEN Networks Limited

b Associate entities

c Persons having substansial interest in the company

1	sajan G Malayil	Director
2	Pauly Jose T	Director

d Key managerial personnel

1	sajan G Malayil	Director
2	Pauly Jose T	Director

e. Companies under the common control of the holding company

1 Den CabINEt communication Pvt Ltd
2 DenCiti Channle pvtLtd
3 Den Kattakad Telecasting & cimmunication pvt Ltd
4 Dn Malabar Cable vision Opvt Ltd
5 MTN Star vision Cable

Notes to the financial statements for the year ended 31st December, 2019

II. Transactions/ outstanding balances with related parties during the year

Particulars	Holding Company	Associates entities	Persons having substantial interest in the company	Key managerial Personnel sajan G Malayail	Key managerial Personnel Pouly jose	Companis Under Common Control
A. Transactions during the year						
i. Operating revenue	-					
For the Year ended 31 March 2019						
For the Year ended 31 March 2018	-					
other income	-	-	-	-	-	-
For the Year ended 31 March 2019		1,101,600				
For the Year ended 31 March 2018	72,564	367,200				
ii STB Activation cost	-					
For the Year ended 31 March 2019	74,553					
For the Year ended 31 March 2018	113,680					
iii Other expenses						
For the Year ended 31 March 2019	22,500					
For the Year ended 31 March 2018	22,500					
iv Subscription share charges						
For the Year ended 31 March 2019	658,004					
For the Year ended 31 March 2018	996,113					
Total	-	-	-	-	-	-
B. Outstanding balances at year end						
i. Trade payables						-
For the Year ended 31 March 2019	21,217,555	367,096				
For the Year ended 31 March 2018	18,027,725	326,044				
ii. Loans						
For the Year ended 31 March 2019	150,000	94,070		66,083	99,164	
For the Year ended 31 March 2018	150,000	94,070		66,083	99,164	
iii. Other Current Liabilities						
For the Year ended 31 March 2019	121,617					
For the Year ended 31 March 2018	103,555					
Total		-	-	-	-	-
iv. Trade receivables	-					
For the Year ended 31 March 2019	4,896,764	367,096				
For the Year ended 31 March 2018	1,420,134	415,666				

(Rs. '000)

	Particulars	**Year ended 31.03.2019**
29.	**Earnings per equity share (EPS)***	
	a. Profit/(Loss) for the year attributable to Owners of the Company	(1,653)
	b. Weighted average number of equity shares outstanding used in computation of basic EPS	1,193
	c. Basic earning per share from continuing operations	(1)
	d. Weighted average number of equity shares and equity equivalent shares outstanding used in computing diluted EPS	1,193
	e. Diluted earning per share from continuing operations	(1)

*** There are no potential equity shares as at 31 March, 2019**

****There is no discontinued operation of the company**

Notes to the financial statements for the year ended 31st December, 2019

25. 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. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument.

Financial assets and liabilities:

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

As at 31 March, 2019 **(Rs. '000)**

Financial assets*	FVTPL	FVTOCI	Amortised Cost	Total carrying value
Cash and cash equivalents	1,111			1,111
Trade receivables	2,683			2,683
Security deposits	349			349
Other current financial asset	-			-
	4,144	-	-	4,144

Financial liabilities*	FVTPL	FVTOCI	Amortised Cost	Total carrying value
Non current borrowings			1,003	1,003
Current borrowings			315	315
Trade payables	21,301			21,301
Other current financial liabilities	-		16	16
	21,301	-	1,335	22,636

As at 31 March, 2018 **(Rs. '000)**

Financial assets*	FVTPL	FVTOCI	Amortised Cost	Total carrying value
Cash and cash equivalents	1,837			1,837
Current investments				-
Trade and other receivables	2,491			2,491
Loans				-
Security deposits	349			349
Other current financial asset	-			-
	4,677	-	-	4,677

Financial liabilities*	FVTPL	FVTOCI	Amortised Cost	Total carrying value
Long term borrowings			1,003	1,003
Short term borrowings			315	315
Trade payables	18,480			18,480
Other current financial liabilities	-		20	20
	18,480	-	1,339	19,818

As at 31 March, 2017 **(Rs. '000)**

Financial assets*	FVTPL	FVTOCI	Amortised Cost	Total carrying value
Cash and cash equivalents	574			574
Trade and other receivables	7,957			7,957
Loans				-
Security deposits	345			345
Other current financial asset			-	-
	8,875	-	-	8,875

Notes to the financial statements for the year ended 31st December, 2019

Financial liabilities*	FVTPL	FVTOCI	Amortised Cost	Total carrying value
Long term borrowings			1,003	1,003
Short term borrowings			315	315
Trade payables	-			-
Other current financial liabilities	-		-	-
	-	-	1,318	1,318

Fair Value hiearchy

The fair values of the financial assets and liabilities are include at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1 Fair value of cash and cash equivelent, trade receivables, trade payables, other payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments.

2 Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rates and individual credit wortiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

3 All Financial Instruments with related parties are considered to be arisien from transaction which are at Arm's Length. Therefore, the same has been considered at fair value.

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liablities.

Level 2 Inputs other than quoted prices included within level 1 that are observable for the assets or liability either directly (i.e as prices) or indirectly (i.e derived from prices).

Level 3 Inputs for the assets or liabilities that are not based on observable market data(unobservable inputs).

(b) FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES:

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables and advances from Customers. The Company's principal financial assets include Investment, loans and advances, 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.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Notes to the financial statements for the year ended 31st December, 2019

Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

Financial Instruments and Cash Deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the Management on regular basis.

Liquidity Risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, Letter of Credit and working capital limits.

			As at March 31, 2019		
	<1 year	**1-3 Years**	**3-5 Years**	**> 5 Years**	**Total**
Non - Current					
Borrowings		-			-
Current					
- Borrowings	-			315	315
- Trade Payable	382	20,919			21,301
- Other Fianancial Liability	-	175			175
Total	**382**	**21,094**	**-**	**315**	**21,791**

			As at March 31, 2018		
	<1 year	**1-3 Years**	**3-5 Years**	**> 5 Years**	**Total**
Non - Current					
- Borrowings		-			-
Current					
Borrowings	-			315	315
Trade Payable	-	18,480			18,480
Other Fianancial Liability	-	182			182
Total	**-**	**18,662**	**-**	**315**	**18,977**

Foreign exchange risk

Foreign exchange risk comprises of the risk that may arise to the Company because of fluctuations in foreign currency exchange rates. Fluctuations in foreign currency exchange rates may have an impact on the statements of profit or loss. As on 31 March, 2016, the Company is exposed to foreign exchange risk arising from the foreing vendors and buyer's credit denominated in foreign currency obtained by Company for financing purposes.

As at 31 March 2019	**As at 31 March 2018**			
	Financial assets	**Financial liabilities**	**Financial assets**	**Financial liabilities**
USD	-	-	-	-
Equivalent INR	-	-	-	-

The Company's exposure to foreign currency arises where the company holds monetary assets and liabilities denominated in a currency different to the functional currency, with US dollar being the non-functional currency. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rate, liquidity and other market changes.

The results of Company's operations may be affected largely by fluctuations in the exchange rates between the Indian Rupee against the US dollar. The foreign exchange rate sensitivity is calculated by the aggregation of the net foreign exchange rate exposure with a simultaneous parallel foreign exchange rates shift in the currencies by 1% against the functional currency of the Company.

Notes to the financial statements for the year ended 31st December, 2019

For the year ended March31,2017 and March31,2016, every percentage point depreciation/ appreciation in the exchange rate between the Indian rupee and U.S.dollar,has affected the Company's incremental operating margins by approximately 3.29% and 4.96% respectively.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion in to functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

(iii) **Interest Rate Risk**

The exposure of the company's financial liabilities as at March 31, 2017 to interest rate risk is as follows:

	Floating Rate	Fixed Rate	Non Interest Bearing	Total
Current				
- Borrowings				-
	-	-	-	-

Weighted average interest rate 1.70% - 2.0%

The exposure of the company's financial liabilities as at March 31, 2016 to interest rate risk is as follows:

	Floating Rate	Fixed Rate	Non Interest Bearing	Total
Current				
- Borrowings	-			-
	-	-	-	-

Weighted average interest rate 1.70% - 2.0%

As per our report of even date attached
For R Sivaramakrishanan & Co
Firm Regn No: 007402S
Chartered Accountants

R Sivaramakrishnan FCA
Proprietor
Membership No. 205244

Place: Cochin
Dated: 05-04-2019

For and on behalf of the Board of Directors of
Den Malayalam Telenet Pvt Ltd

Shankar Devarajan
Director
DIN No: 02112473

Place: Cochin
Dated: 05-04-2019

Pauly Jose T
Director
DIN No: 02542560

Place: Cochin
Dated: 05-04-2019