

**Den Malayalam Telenet Private Limited**

**Financial Statements  
2021-22**

## **INDEPENDENT AUDITOR'S REPORT**

**To The Members of DEN Malayalam Telenet Private Limited**

**Report on audit of Financial Statements**

### **Opinion**

We have audited the accompanying Ind AS financial statements of DEN Malayalam Telenet Private Limited ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March 2022, 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 notes to financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31<sup>st</sup> March 2022 and its profit (financial performance including Other Comprehensive Income) and its cash flows for the year ended on that date.

### **Basis of Opinion**

We conducted our audit of the Ind AS Financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS financial statements section of our report. We are independent of the Company in accordance of the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provision of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

### **Emphasis of Matter**

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

The Penalty Appeals pending before Commissioner of Income tax Appeals (Kochi) relating to Assessment Year 2006-07 and 2007-08 has been settled during the year under Vivad se Viswas Scheme of the Income Tax Act.

Our Opinion is not modified in respect of these matters.

### **Other Information**

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

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

### **Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, Profit or Loss (financial performance including Other Comprehensive Income) and cash flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind As) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair and are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibility**

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

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

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

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.

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Audit Report) Order, 2020 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure A” a statement of matters specified in paragraphs 3 & 4 of the Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books.
- c. The Balance sheet, the Statement of Profit and Loss, and the Cash Flow statement dealt with by this report are in agreement with the books of account.
- d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e. On the basis of written representations received from the directors, as on 31 March 2022 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2021 from being appointed as director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of internal financial controls over Financial Reporting of the company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”
- g. In our opinion, the company has, in all material respects, an adequate internal financial control, system over financial reporting and such internal financial control over financial reporting were operating efficiently as at March 31, 2022, based on the internal control over financial reporting criteria established by the company.
- h. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act, as amended,
- i. 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.

The company does not have any pending litigation which would impact its financial position.

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.

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

For R. Sivaramakrishnan & Co.  
Chartered Accountants  
F.R.No.007402S

R. Sivaramakrishnan FCA  
Proprietor  
Membership No.205244  
9<sup>th</sup> April 2022  
Cochin  
UDIN: 22205244AGSEGF5318

**DEN MALAYALAM TELENET PRIVATE LIMITED****ANNEXURE A****Annexure to Independent Auditors' Report for the year ended 31<sup>st</sup> March 2022**

Referred to in paragraph 8 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, 2022:

**1. FIXEDASSESTS**

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

(b) The Property, Plant and equipment have been physically verified by the management at reasonable intervals in accordance with regular 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**

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

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

According to information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of the said transactions

**5. PUBLIC DEPOSIT**

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

**6. COST RECORDS**

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

## 7. STATUTORY DUES

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

- (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Sales-Tax, Wealth-Tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities.
  - (b) According to information and explanations given to us and on the basis of the records of the Company, there are no disputed dues in respect of income tax, sales tax or Goods and service tax or duty of customs or duty of excise or value added tax or cess to be deposited and not pending before any forum. The Income Tax Penalty Appeals pending before the CIT (Appeals) for the A.Ys 2006-07 & 2007-08 has been settled under Vivad se Viswas Scheme of the Income Tax Act vide Form 5 order dated 26.04.2021
  - (c) No provision for Gratuity has been made in the books of accounts as it was explained that there were no employees in the company during the year under audit.
8. According to the information and explanations given to us and records of the company examined by us, there is no Income Tax Assessment done under the Income Tax Act, 1961 during the year. Accordingly, paragraph 3(viii) of the order is not applicable.
  9. 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.
  10. 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. As per the information and explanations given to us by the management and based on our examination of the records, Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, compliance of section 42 and 62 of the acts does not arise. Therefore paragraph 3(x)(b) of the Order is not applicable to the Company.
  11. During the course of our examination of the books and records of the Company and according to the information and explanations given to us and on the basis of written representations obtained, we have neither come across any instance of material fraud on or by the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of any such case by the Management.
  12. The Company is not a Nidhi Company, and this clause is not applicable to the company.
  13. According to the information and explanations given to us, written representations obtained and records of the company examined by us, transactions with the related parties are in compliance with section 177 and section 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

- 14.** According to the information and explanations given to us, written representations obtained and records of the company examined by us, the company does not need an Internal Audit System commensurate with the size and nature of its business.
- 15.** According to the information and explanations given to us, written representations obtained forms filed, registers & other records of the company examined by us, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
- 16.** The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) (a), 3(xvi) (b), 3(xvi) (c) and 3(xvi) (d) of the order is not applicable
- 17.** The company has no cash loss in the financial year and in the immediately preceding financial year.
- 18.** As there have not been any resignation of the statutory auditor during the year. Accordingly, the provisions of Clause 3 (xviii) of the Order are not applicable to the Company.
- 19.** On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We however state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- 20.** As the Company is not covered under the criteria mentioned in Section 135(1) of Companies Act, 2013. Accordingly the provisions of Clause 3 (xx) of the Order are not applicable to the Company.
- 21.** According to the information and explanations given to us, and based on our examination of the records, Company is not required to prepare consolidated financial statements. Accordingly the provision of Para 3(xxi) of the order is not applicable to the Company.

For R. Sivaramakrishnan & Co.  
Chartered Accountants  
F.R.No.007402S

R. Sivaramakrishnan FCA  
Proprietor  
Membership No.205244  
9<sup>th</sup> April 2022  
Cochin  
UDIN: 22205244AGSEGF5318

**ANNEXURE B****TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF DEN MALAYALAM TELENET PRIVATE LIMITED****Report on the Internal Financial Controls under clause (i) of the Companies Act, 2013 ("the Act")**

We have audited the Internal Financial Controls over financial reporting of DEN Malayalam Telenet Private Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on the date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Reporting issued by the "Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for

our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

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

### **Opinion**

In our opinion, the Company has, in all material respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India"

For R. Sivaramakrishnan & Co.  
Chartered Accountants  
F.R.No.007402S

R. Sivaramakrishnan FCA  
Proprietor  
Membership No.205244  
9<sup>th</sup> April 2022  
Cochin  
UDIN: 22205244AGSEGF5318

Den Malayalam Telenet Pvt Ltd  
BALANCE SHEET AS AT 31 March, 2022

Particulars	Note No.	As at 31.03.2022 (Rs.' 000)	As at 31.03.2021 (Rs.' 000)
<b>A. ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) Property, plant and equipment	3	36.50	85.35
(b) Capital work in progress		-	-
		<u>36.50</u>	<u>85.35</u>
(c) Financial assets			
(i) Others financial assets	4	133.35	133.35
(d) Non current tax assets	5	2.65	-
(e) Deferred tax assets (net)	25	1,011.47	441.95
(f) Other non-current assets	6	184.14	574.47
		<u>1,368.11</u>	<u>1,235.12</u>
<b>2. Current Assets</b>			
(a) Financial Assets			
(i) Trade receivables	7	2,672.32	2,658.41
(ii) Cash and cash equivalents	8	2,398.89	3,989.61
(iii) Other financial assets	9	4,007.65	4,014.33
(b) Other current assets	10	521.06	537.22
		<u>9,599.92</u>	<u>11,199.57</u>
<b>Total Assets</b>		<u><b>10,968.03</b></u>	<u><b>12,434.69</b></u>
<b>B. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	11	11,926.81	11,926.81
(b) Other equity	12	(25,751.56)	(27,095.54)
		<u>(13,824.75)</u>	<u>(15,168.73)</u>
<b>Liabilities</b>			
<b>1. Non-Current Liabilities</b>			
(a) Long term provisions	13	350.92	350.92
(b) Other non-current liabilities	14	182.78	388.70
<b>Total non-current liabilities</b>		<u>533.70</u>	<u>739.62</u>
<b>2. Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	-	150.00
(ii) Trade payables	16		
-total outstanding dues to creditors other than micro enterprises and small enterprises		23,292.77	26,050.92
(ii) Other financial liabilities	17	649.72	275.66
(b) Other current liabilities	18	316.59	387.22
<b>Total current liabilities</b>		<u>24,259.08</u>	<u>26,863.80</u>
<b>Total liabilities</b>		<u>24,792.78</u>	<u>27,603.42</u>
<b>Total Equity and Liabilities</b>		<u><b>10,968.03</b></u>	<u><b>12,434.69</b></u>

In terms of our report attached  
**R.Sivaramkrishnan & Co**  
Chartered Accountants  
ICAI Firm Registration No.:007402S

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

R .Sivaramkrishnan  
Proprietor  
Membership No.205244  
Place: Cochin  
Dated:09-04-2022

Director  
Shankar Devarajan  
DIN No:02112473  
Place: Mumbai  
Dated:09-04-2022

Director  
Pauly Jose T  
DIN No: 02542560  
Place: Cochin  
Dated:09-04-2022

Particulars	Note No.	For the year ended 31.03.2022 (Rs.' 000)	For the year ended 31.03.2021 (Rs.' 000)
<b>1. REVENUE</b>			
a. Revenue from operations	19	2,712.00	3,937.30
b. Other income	20	351.20	956.26
<b>2. TOTAL REVENUE</b>		<b>3,063.20</b>	<b>4,893.56</b>
<b>3. EXPENSES</b>			
a. Finance costs	22	6.90	15.00
b. Depreciation and amortisation expense			
c. Depreciation	3	48.85	237.87
c. Subscription share/ charges	21	953.75	1,166.71
d. STB Activation Charges	21	404.11	427.05
e. Other expenses	23	875.13	1,012.76
<b>4. TOTAL EXPENSES</b>		<b>2,288.74</b>	<b>2,859.39</b>
<b>5. PROFIT/(LOSS) BEFORE EXCPECTIONAL ITEM AND TAX EXPENSE (2-4)</b>		<b>774.46</b>	<b>2,034.17</b>
6. Exceptional items	24	-	-
<b>7. PROFIT BEFORE TAX (5-6)</b>		<b>774.46</b>	<b>2,034.17</b>
<b>8. TAX EXPENSE</b>			
a. Current tax expense		-	-
b. Short provision for tax relating to prior years			
c. Deferred tax	25	(569.52)	223.49
<b>NET TAX EXPENSE</b>		<b>(569.52)</b>	<b>223.49</b>
<b>9. PROFIT AFTER TAX (7-8)</b>		<b>1,343.98</b>	<b>1,810.68</b>
<b>10. Other Comprehensive Income</b>			
(i) Items that will not be reclassified to Profit			
-Remeasurements of the defined benefit obligation		-	-
- Deferred Tax on Remeasurements of the defined benefit obligation		-	-
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>11. Total Comprehensive Income for the period (Comprising Profit and Other Comprehensive Income for the period) (9+10)</b>		<b>1,343.98</b>	<b>1,810.68</b>
<b>12. Earnings per equity share</b> (Face value of Rs. 10 per share)			
Basic (Rs. per share)	30	1.13	1.52
Diluted (Rs. per share)	30	1.13	1.52

See accompanying notes forming part of the Ind AS financial statements

In terms of our report attached  
**R.Sivaramakrishnan & Co**  
Chartered Accountants  
ICAI Firm Registration No.:007402S

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

R .Sivaramakrishnan  
Proprietor  
Membership No.205244  
Place: Cochin  
Dated:09-04-2022

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DIN No: 02542560  
Place: Cochin  
Dated:09-04-2022

Den Malayalam Telenet Pvt Ltd  
STATEMENT OF CHANGE IN EQUITY

## A. Equity Share Capital

Particulars	(Rs.' 000)			
	As at 31.03.2022		As at 31.03.2021	
	No of shares	Amount	No of shares	Amount
Numbers of shares at the Beginning	11,92,681	11,926.81	11,92,681	11,926.81
Add: Shares issued during the year	-	-	-	-
Numbers of shares at the End	11,92,681	11,926.81	11,92,681	11,926.81

## B. Other equity

For the year ended March 31, 2022

Particulars	Reserves and Surplus			Other comprehensive income	Total
	Securities premium	Capital Redemption Reserve	Retained earnings	Actuarial Gain / (Loss)	
Balance at the beginning of the reporting year	9,101.96	-	(36,197.50)	-	(27,095.54)
Transfer to retained earnings	-	-	1,343.98	-	1,343.98
<b>Balance at the end of the reporting year</b>	<b>9,101.96</b>	<b>-</b>	<b>(34,853.52)</b>	<b>-</b>	<b>(25,751.56)</b>

For the year ended March 31, 2021

Particulars	Reserves and Surplus			Other comprehensive income	Total
	Securities premium	Capital Redemption Reserve	Retained earnings	Actuarial Gain / (Loss)	
Balance at the beginning of the reporting year	9,101.96	-	(38,008.18)	-	(28,906.22)
Transfer to retained earnings	-	-	1,810.68	-	1,810.68
<b>Balance at the end of the reporting year</b>	<b>9,101.96</b>	<b>-</b>	<b>(36,197.50)</b>	<b>-</b>	<b>(27,095.54)</b>

In terms of our report attached  
**R.Sivamakrishnan & Co**  
Chartered Accountants  
ICAI Firm Registration No.:007402S

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

R .Sivamakrishnan  
Proprietor  
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Place: Cochin  
Dated:09-04-2022

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 March, 2022**

	For the Year Ended 31.03.2022 (Rs.' 000)	For the Year Ended 31.03.2021 (Rs.' 000)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	774.46	2,034.17
<b>Adjustments for:</b>		
Depreciation	48.85	237.87
Finance costs	6.90	15.00
Liabilities/ excess provisions written back (net)	270.00	956.27
Provision for doubtful debts	-	454.26
Interest income on Fixed Deposit	(81.20)	-
<b>Operating profit before working capital changes</b>	<b>1,019.01</b>	<b>3,697.57</b>
<b>Changes in working capital:</b>		
<u>Adjustments for (increase)/ decrease in operating assets:</u>		
Trade Receivables	(13.91)	(289.58)
Other current financial assets	6.68	(14.33)
Other current non- financial assets	16.16	(9.48)
Other non current financial assets	-	107.50
Other non current non-financial assets	387.68	946.89
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Current financial Liabilities	(2,654.09)	(1,470.54)
Current non-financial Liabilities	(70.63)	(111.56)
Other non current non-financial Liabilities	(355.92)	(277.26)
<b>Cash generated from operations</b>	<b>(1,665.02)</b>	<b>2,579.21</b>
Taxes paid / (refunds)	-	-
<b>Net Cash generated from Operating Activities</b>	<b>(1,665.02)</b>	<b>2,579.21</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Dividend from long-term investments:	-	-
Interest income on Fixed Deposit	81.20	-
<b>Net Cash used in Investing Activities</b>	<b>81.20</b>	<b>-</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long term borrowings	-	-
Finance costs	(6.90)	(15.00)
Payment of Equity dividend including Tax	-	-
Dividend distribution tax paid	-	-
<b>Net Cash used in Financing Activities</b>	<b>(6.90)</b>	<b>(15.00)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(1,590.72)</b>	<b>2,564.21</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>3,989.61</b>	<b>1,425.40</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>2,398.89</b>	<b>3,989.61</b>
<b>Cash and Cash Equivalents at the end of the year comprise of:</b>		
Cash on Hand	-	-
Balances with Banks in Current Accounts	2,398.89	3,989.61
	<b>2,398.89</b>	<b>3,989.61</b>

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

In terms of our report attached  
**R.Sivaramkrishnan & Co**  
ICAI Firm Registration No.:007402S  
Chartered Accountants

R .Sivaramkrishnan  
Proprietor  
Membership No.205244  
UDIN 22205244AGSEGF5318  
Place: Cochin  
Dated:09-04-2022

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

Director  
Shankar Devarajan  
DIN No:02112473  
Place: Mumbai  
Dated:09-04-2022

Director  
Pauly Jose T  
DIN No: 02542560  
Place: Cochin  
Dated:09-04-2022

## 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

#### (ii) Basis of measurement

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

### 2.02 Use of estimates

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

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

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

### 2.04 Cash flow statement

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

### 2.05 Property, plant and equipment

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

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

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

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

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

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

a. Headend and distribution equipment	6 -15 years
b. Set top boxes (STBs)	8 years
c. Office and other 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













































**37. Capital Management**

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans.

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

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

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

	As at 31/03/22	As at 31/3/21
	(Rs.' 000)	(Rs.' 000)
Long-term borrowings	-	-
Current maturities of long term debt	-	-
Cash and cash equivalents	2,398.89	3,989.61
<b>Net debt (a)</b>	<b>(2,398.89)</b>	<b>(3,989.61)</b>
<b>Total Equity (b)</b>	<b>(13,824.75)</b>	<b>(15,168.73)</b>
<b>Net debt to equity ratio (c = a/b)</b>	NA	NA

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

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

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

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

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

Relevant Act/Law	Major Issues Involved	Period of Litigation	Tax Demanded	Deposit under protest	Current Status of Case	Authority Where Pending
	Nil	Nil	Nil	Nil	Nil	

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

**44. EXCEPTIONAL ITEMS**

Exceptional items of Rs. Nil Thousands comprise:

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

In terms of our report attached  
**R.Sivaramkrishnan & Co**  
 Chartered Accountants  
 ICAI Firm Registration No.:007402S

R .Sivaramkrishnan  
**Proprietor**  
 Membership No.205244  
 Place: Cochin  
 Dated:09-04-2022

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

Director  
 Shankar Devarajan  
 DIN No:02112473  
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