

INDEPENDENT AUDITOR'S REPORT

To the Members of Tatanet Services Limited

Report on the Audit of the Ind AS Financial Statements**Opinion**

We have audited the accompanying Ind AS financial statements of Tatanet Services Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of 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 Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as 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 with 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 provisions of the Act and the Rules thereunder, 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 audit opinion on the Ind AS financial statements.

Emphasis of matters

We draw your attention to the following:

- a) Note 42 to the Ind AS financial statements regarding composite scheme of arrangement between the Company, Nelco Limited ("the Holding Company") and Nelco Network Products Limited ("NNPL") which was approved by the National Company Law Tribunal ("NCLT") vide its order dated November 2, 2018 (the "Scheme"). As per the NCLT Order, the Company intimated the Registrar of the Companies ("RoC") about the approval of the Scheme by NCLT, stating that Department of Telecommunications ("DoT") approval was not yet obtained. The RoC records were, however, updated to reflect the Scheme as effective and the Company as "amalgamated" with the Holding Company. Based on legal advice obtained by the Company, the Company has approached NCLT to direct the RoC to amend their records to reinstate the Company to its earlier status and cancel the effect of the Scheme with immediate effect. The decision of NCLT is awaited. The scheme will be given effect to in the financial results on receipt of all necessary approvals.



- b) Note 40 to the Ind AS financial statements regarding the input tax credit balances under the Cenvat/Service tax/Sales tax considered fully recoverable by the management and no provision made against the same in the books based on the legal advice obtained. The Company has filed writ leave petition with the Hon'ble High Court of Bombay for allowing the Company's claim to carry forward these balances on transition to Goods and Services Tax (GST) for future set-off against GST payable. The matter is pending to be heard.

Our opinion is not modified in respect of these matters.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the Ind AS 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 such other information is materially inconsistent with the 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. We have nothing to report in this regard.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the [Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Second Amendment Rules, 2019.. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial 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 view 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 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 Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The financial statements of the Company for the year ended March 31, 2020, included in these financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 16, 2020.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 purposes 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity 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 by the Companies (Indian Accounting Standards) Second Amendment Rules, 2019;
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) The Company does not have any employees and accordingly the provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2021;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 33 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



S.R. BATLIBOI & ASSOCIATES LLP

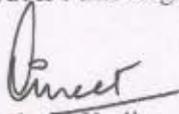
Chartered Accountants

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



Vineet Kedia

Partner

Membership Number: 212230

UDIN: 21212230AAAABH3613

Place of Signature: Mumbai

Date: April 28, 2021



Annexure 1 referred to in clause 1 of paragraph on the report on 'Other Legal and Regulatory Requirements' of our report of even date

Re: Tatanet Services Limited (the "Company")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) All property, plant and equipment were physically verified by the management of the Company in the previous year in accordance with a planned programme of verifying them once in a year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment/ fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to its products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (vii) (a) The Company has generally been regular in depositing with appropriate authorities. Undisputed statutory dues including provident fund, employees' state insurance, goods and service tax, income-tax, duty of custom, cess and other material statutory dues are applicable to it. The provisions relating to sales tax, service tax, value added tax and duty of excise are not applicable to the Company.
- (b) According to the information and explanations given to us by the management of the Company, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other material statutory dues were outstanding, as at March 31, 2021, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, value added tax, goods and service tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Period to which the amount relates	Amount (Rs in lacs)	Amount paid under protest / Adjusted against refund (Rs in lacs)	Maharashtra Sales Tax Tribunal
The Maharashtra Value Added Tax Act, 2002	Value Added tax	FY 2006-2008 & 2009-2011	3,319	-	Maharashtra Sales Tax Tribunal
The Maharashtra Value Added Tax Act, 2002	Value Added tax	FY 2008-2009	517	-	High court

- (viii) In our opinion and according to the information and explanations given to us by the management of the Company, the Company has not defaulted in repayment of dues to financial institutions, banks or government or dues to debenture holders.
- (ix) According to the information and explanations given to us by the management of the Company, term loans were applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer or debt instruments.
- (x) Based upon the audit procedures performed, for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us by the management of the Company, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given to us by the management, the Company does not have any employees and accordingly the provisions of section 197 read with Schedule V of the Act are not applicable and reporting under clause 3(xi) are not applicable and hence not commented upon.



S.R. BATLIBOI & ASSOCIATES LLP

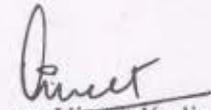
Chartered Accountants

- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us by the management of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Vineet Kedia

Partner

Membership Number: 212230

UDIN: 21212230AAAABH3613

Place of Signature: Mumbai

Date: April 28, 2021



Annexure 2 to the Independent Auditor's Report of even date on the Ind AS Financial Statements of Tatanet Services Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Tatanet Services Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these Ind AS financial statements 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 over financial reporting with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS 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 over financial reporting with reference to these Ind AS financial statements.



Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Ind AS Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS financial statements, 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 with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

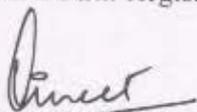
Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 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 issued by the ICAI.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Virjeet Kedia

Partner

Membership Number: 212230

UDIN: 21212230AAAABH3613

Place of Signature: Mumbai

Date: April 28, 2021



Tatanet Services Limited
Balance Sheet as at March 31, 2021
(Amount Rs in Lakhs, unless otherwise mentioned)

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PARTICULARS	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4(a)	3,445	3,436
(b) Capital work-in-progress	4(a)	362	281
(c) Right-of-use assets	4(b)	397	519
(d) Other intangible assets	4(a)	167	178
(e) Financial assets			
(i) Investments	5	5	5
(ii) Other financial assets	12(a)	17	17
(iii) Loans	11(a)	118	74
(f) Deferred tax assets (net)	6	103	86
(g) Non-current tax assets (net)	7	1,060	1,190
(h) Other non-current assets	8	101	100
Total non-current assets		5,775	5,886
Current assets			
(a) Financial assets			
(i) Trade receivables	9	2,485	3,560
(ii) Cash & cash equivalents	10	242	750
(iii) Loans	11(b)	11	1
(iv) Other financial assets	12(b)	435	383
(b) Other current assets	14	191	286
Total current assets		3,364	4,980
TOTAL ASSETS		9,139	10,866
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	15	490	490
(b) Other equity			
Reserve and surplus	16	2,067	1,561
Other reserve	16(a)	1	1
Total equity		2,558	2,052
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17(a)	-	141
(ii) Lease liabilities	4(b)	326	446
Total non-current liabilities		326	587
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17(b)	148	1,270
(ii) Trade payables			
(a) total outstanding dues of micro and small enterprises	18	-	-
(b) total outstanding dues other than (ii) (a) above		3,458	2,389
(iii) Lease liabilities	4(b)	119	105
(iv) Other financial liabilities	19	555	1,376
(b) Contract liabilities	13	1,848	2,668
(c) Other current liabilities	20	127	419
Total current liabilities		6,255	8,227
Total liabilities		6,581	8,814
TOTAL EQUITY AND LIABILITIES		9,139	10,866

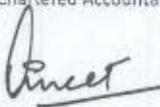
Summary of significant accounting policies.

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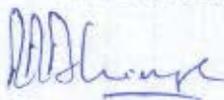
The accompanying notes are an integral part of the financial statements.

For S.R. Batliboi & Associates LLP
Firm Registration Number : 101049W/E300004
Chartered Accountants

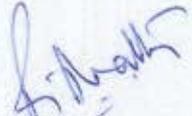
For and on behalf of the Board of Directors of
Tatanet Services Limited


Vineet Kedia
Partner
Membership No. 212230





R. R. Bhinge- Chairman
DIN- 00036557



P.J. Nath - Director
DIN-05118177

Place : Mumbai
Date : April 28, 2021

Place : Mumbai
Date : April 28, 2021

Tatanet Services Limited

Statement of Profit and Loss for the year ended March 31, 2021

(Amount Rs in Lakhs, unless otherwise mentioned)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	21	13,113	11,617
Other income	22	70	45
Total revenue		13,183	11,662
Expenses			
(a) Purchases of stock-in-trade		4	5
(b) Operating expenses	23	11,023	9,588
(c) Finance costs	24	196	313
(d) Depreciation and amortisation expense	25	757	598
(e) Other expenses	26	511	395
Total expenses		12,491	10,899
Profit before tax		692	763
Income tax expense			
- Current tax	35(a)		
Current tax on profits for the year		201	214
Adjustment of current tax for prior year		2	-
- Deferred tax	35(a)	(17)	(15)
		186	199
Profit after tax		506	564
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Changes in fair value of FVOCI equity instruments		-	-
- Income tax relating to the above		-	-
Total other comprehensive income		-	-
Total comprehensive income for the year		506	564
Earnings per equity share (Face Value Rs 10/- per share):(Basic and Diluted)	32	10.33	11.51

Summary of significant accounting policies.

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

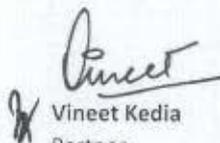
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Firm Registration Number : 101049W/E300004

Chartered Accountants

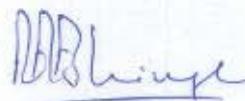
For and on behalf of the Board of Directors

Tatanet Services Limited

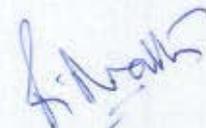

Vineet Kedia
Partner

Membership No. 212230





R. R. Bhinge- Chairman
DIN- 00036557



P.J. Nath - Director
DIN-05118177



Place : Mumbai

Date : April 28, 2021

Place : Mumbai

Date : April 28, 2021

Tatanet Services Limited**Statement of Changes in Equity for the year ended March 31, 2021***(Amount Rs in Lakhs, unless otherwise mentioned)***A. Equity share capital**

Equity shares of Rs. 10 each issued, subscribed and fully paid.

Particulars	Amount
As at April 1, 2019	490
Change in equity share capital	-
As at March 31, 2020	490
Change in equity share capital	-
As at March 31, 2021	490

B. Other Equity

Particulars	Attributable to equity shareholders		Total
	Reserves & Surplus	Other Reserves	
	Retained earnings	FVOCI Equity instrument	
As at March 31, 2019	997	1	998
Profit for the year	564	-	564
Other comprehensive income for the year	-	-	-
As at March 31, 2020	1,561	1	1,562
Profit for the year	506	-	506
Other comprehensive income for the year	-	-	-
As at March 31, 2021	2,067	1	2,068

Summary of significant accounting policies.

2

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

For S.R. Batliboi & Associates LLP

Firm Registration Number : 101049W/E300004

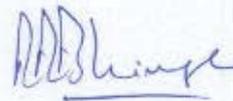
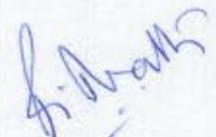
Chartered Accountants

For and on behalf of the Board of Directors of

Tatanet Services Limited


Vineet Kedia
Partner

Membership No.212230



R. R. Bhinge- Chairman
DIN- 00036557

P.J. Nath - Director
DIN-05118177

Place : Mumbai

Date : April 28, 2021

Place : Mumbai

Date : April 28, 2021

Tatanet Services Limited
Statement of Cash Flows for the year ended March 31, 2021
(Amount Rs in Lakhs, unless otherwise mentioned)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	692	763
Adjustments for to reconcile profit before tax to net cash flows		
Depreciation and amortisation	757	598
Finance costs	196	313
Interest income	(20)	(1)
Unrealised foreign exchange (gain) / loss	(7)	11
Unrealised market to market (gain) / loss on forward contracts	8	(8)
Bad debts	10	9
Impairment allowance (allowance for bad and doubtful debts)	79	42
Sundry balances and deposits written back	(39)	-
Operating profit before working capital changes	1,676	1,727
Movement in capital		
- (Increase) / Decrease in trade receivables	986	(1,165)
- (Increase) / Decrease in loans	(54)	(22)
- (Increase) / Decrease in other non current assets	(1)	(10)
- (Increase) / Decrease other current financial assets	(60)	(123)
- (Increase) / Decrease in other assets	95	(192)
- Increase / (Decrease) in contract liabilities	(820)	801
- Increase/ (Decrease) in other current liabilities	(292)	318
- Increase/ (Decrease) in trade payables	1,115	576
Cash generated from operations	2,645	1,910
Direct taxes paid (net of refunds)	(73)	(588)
Net cash flow generated from/(used in) operating activities (A)	2,572	1,322
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase for property, plant and equipment / Intangible assets	(1,545)	(1,086)
Interest received	20	1
Bank balances not considered as cash and cash equivalents-Deposits placed	-	(1)
Net cash flow generated from/(used in) investing activities (B)	(1,525)	(1,086)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	293	1,933
Repayments of borrowings	(1,333)	(1,575)
Principal payment of lease liabilities	(106)	(90)
Interest payment of lease liabilities	(46)	(56)
Finance cost paid	(139)	(205)
Net cash flow generated from/(used in) financing activities (C)	(1,331)	7
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(284)	243
Cash and cash equivalents at the beginning of the year	526	283
Cash and cash equivalents at the end of the year (refer note 1 below)	242	526

Note:

1) Cash and cash equivalents as per above comprise of the following:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Balances with banks :-		
In current accounts	202	680
(b) Cheques on hand	40	70
(c) Bank overdraft	-	(224)
Total - Cash and cash equivalents as per statement of cash flows	242	526

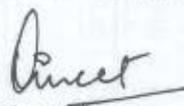
Summary of significant accounting policies.

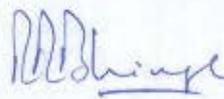
The accompanying notes are an integral part of the financial statements.

2

For S.R. Batliboi & Associates LLP
 Firm Registration Number : 101049W/E300004
 Chartered Accountants

For and on behalf of the Board of Directors of
 Tatanet Services Limited


 Vineet Kedia
 Partner
 Membership No. 212230



R. R. Bhinge - Chairman
 DIN- 00036557



P. J. Nath - Director
 DIN-05118177

Place : Mumbai
 Date : April 28, 2021



Place : Mumbai
 Date : April 28, 2021

1. Corporate Information

Tatanet Services Limited (herein after referred to as "TNSL") is a 100% subsidiary of Nelco Limited (a subsidiary of Tata Power Company Limited).

TNSL is in the business of providing domestic satellite communication services to closed user group (CUG) networks via Satellite System on non-exclusive basis within the territorial boundary of India under the VSAT License granted by Department of Telecommunications (D.O.T.), Government of India.

TNSL provides service through its central hubs located at Mahape & Dehradun. TNSL also provides Internet Services under the PAN India ISP License.

2. Summary of Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

a. Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015) and other relevant provisions of the Act as amended from time to time.

b. Historical Cost Convention

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities that is measured at fair value.

c. New and amended Standards adopted by the Company

During the year no new accounting standards have been adopted by the Company.

During the previous year, the Company has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2019:

- Ind AS 116, Leases,
- Uncertainty over Income Tax Treatments – Appendix C to Ind AS 12, Income Taxes,
- Plan amendment, curtailment or settlement- Amendment to Ind AS 19, Employee Benefits,
- Amendment to Ind AS 12, Income Taxes,
- Amendment to Ind AS 23, Borrowing costs.

The company had to change its accounting policies following the adoption of Ind AS 116. The other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.2. a. Property, plant and equipment

All items of property, plant and equipment are carried at historical cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition or construction, including duties and non-refundable taxes and expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use. Subsequent expenditure are added to existing assets carrying amount or recognised 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 the statement of profit and loss during the reporting period in which they are incurred.



8

b. Capital work-in-progress

Projects under which property, plant and equipment which are not ready for their intended use are carried at cost, comprising direct cost and related incidental expenses net of accumulated impairment loss, if any.

c. Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their estimated residual value, over their estimated useful lives.

The useful lives and residual values are as prescribed under schedule II to Companies Act, 2013 except for the following type of assets where useful life is considered as per management estimate, based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, replacements generally required from the point of view of operational effectiveness.

Type of Assets	Useful Life
<u>Plant & Machinery</u>	
RF and Baseband	10-12 years
Networking devices	6 years
VSAT Antenna and parts	15 years
<u>Office Equipment</u>	
Computer Hardware	3 Years

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss within Other Income / Other Expenses.

2.3 Intangible assets

Intangible assets purchased are measured at cost as of the date of acquisition less accumulated amortisation and accumulated impairment, if any. The Company amortises intangible assets using straight line method over the following periods.

- License Fees – VSAT : Over the license period of 20 years
- License Fees – ISP : Over the license period of 15 years
- Testing software : 5 years

2.4 Impairment of non-financial Assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.5 Financial instrument

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.

A. Financial assets

a. Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.



8

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 2.10 Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments):

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from



impairment are recognised in the profit or loss. The Company's financial assets at amortised cost includes trade receivables, and loan to an associate and loan to a director included under other non-current financial assets.

Financial assets at fair value through OCI (FVTOCI) (debt instruments):

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- i. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- ii. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial assets designated at fair value through OCI (equity instruments):

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

c. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either



- i. the Company has transferred substantially all the risks and rewards of the asset, or
- ii. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

d. Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions – see Note 27
- Debt instruments at fair value through OCI – see Note 5
- Trade receivables and contract assets – see Note 9

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Also, the Company recognises allowances for any expected losses on account of non-recovery from customers on specific cases based on management estimates.

e. Income recognition

Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.



Dividend

Dividend income from investments is recognised when the right to receive dividend has been established.

B. Financial liabilities

a. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

b. Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (Loans and borrowings):

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 17.

c. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.



2.6 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdraft. Bank overdraft are shown within borrowings in current liabilities in the balance sheet.

2.7 Trade receivable

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.8 Trade and other payables

These amounts represent liabilities for goods and services received by the Company prior to the end of reporting period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using effective interest method.

2.9 Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.10 Revenue recognition

The Company earns revenue from providing domestic satellite communication services to closed user group (CUG) networks via Satellite System on non-exclusive basis (Bandwidth Services).

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services.

Revenue from bandwidth services is provided over the period of time, where it is received and consumed simultaneously by the customers and accordingly revenue is recognized over the period of performance and in the accounting period in which the services are rendered.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

2.11 Foreign currency translation

a. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statement is presented in Indian rupee (INR), which is TNSL's functional and presentation currency.

b. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the statement of profit and loss.



Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income / other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

2.12 Income Tax

The Income tax expenses or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

a. Current Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b. Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax assets and liabilities are not recognised if it arises from initial recognition of an asset or liability in a transaction other than business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise these temporary differences and losses.

Deferred tax positions are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.



2.13 Leases

Till March 31, 2019

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

With effect from April 1, 2019

As a lessee

From April 1, 2019, leases are recognised as right-of-use assets and a corresponding liability at the date at which the lease asset is available for use by the company. Contracts may contain lease and non-lease component. The company allocates the consideration in the contract to lease and non-lease component based on their relative standalone prices. Assets and liabilities are initially measured on the present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable by the company under residual value guarantees.
- the exercise price of purchase option if the company is reasonably certain to exercise the option and
- payment of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting points, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with Risk-free interest rate adjusted for credit risk for leases held by the Company, which doesn't have recent third party financing, and
- makes adjustments specific to the lease e.g. term, security etc

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of use assets are measured at cost comprising the following;

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct cost, and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on straight



line basis. If the company is reasonably certain to exercise purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all the leases of low value assets are recognised as expense on a straight-line basis in profit and loss. Short term leases are leases with a term of lease term of 12 months or less.

2.14 Borrowing

Borrowing are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is breach of a material provision of a long-term loan agreement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

2.15 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed in the period in which they are incurred.

2.16 Provisions and contingent liabilities

a. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.



The measurement of provision for restructuring includes only direct expenditure arising from the restructuring, which are both necessary entailed by the restructuring and not associated with the ongoing activities of the Company.

b. Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle, or a reliable estimate of the amount cannot be made.

c. Contingent Assets

A contingent asset is disclosed, where an inflow of economic benefits is probable.

2.17 Segment reporting

The board of directors assesses performance of the Company as Chief Operating Decision Maker.

The Company has identified one reportable segment "Network System" based on information reviewed by CODM. Refer Note No. 39 for segment information presented.

2.18 Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.19 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.20 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

3 Critical estimates and judgments

In the application of the Company's accounting policies, which are described in note 2 above, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period



of the revision and future periods if the revision affects both current and future periods.

In the following areas the management of the Company has made critical judgements and estimates.

a) Revenue recognition

- The Company along with its Group Companies, contracts with customers for transfer multiple goods and services. The Company assesses the goods / services promised in a contract which relates to Group Company and identifies its own distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- In view of the contracts involving the performance obligation by the Company and the Group Companies, management uses judgement to determine an appropriate standalone selling price for its' performance obligation. The transaction price to each performance obligation is allocated on the basis of the relative standalone selling price of each distinct goods or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered.
- Contract fulfilment costs are expensed as incurred.

b. Useful lives of property, plant and equipment and Intangible assets

The Company reviews the useful lives and carrying amount of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

c. Expected Credit Loss on trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables. (Refer Note 9).

d. Recognition of deferred tax assets

Deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management assumes that taxable profits will be available while recognising deferred tax assets.

e. Estimation of Provisions & Contingent Liabilities

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial



settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the original estimated as provision or contingent liability. (Refer Note 33).

- e. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Assessing whether a contract contains a lease requires significant judgment. Significant judgement is also required in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.



8

Tatanet Services Limited

Notes annexed to and forming part of Financial Statements for the year ended March 31, 2021

(Amount Rs. in Lakhs, unless otherwise mentioned)

Note 4 (a) : Property, plant and equipment, intangible assets and capital work in progress

Description	Cost				Accumulated Depreciation / Amortisation			Net Block	
	As at April 01, 2020	Additions	Disposals	As at March 31, 2021	As at April 01, 2020	Depreciation / Amortisation for the year	Disposals	As at March 31, 2021	As at March 31, 2020
i. Property, plant and equipment									
Plant and machinery	5,134 (3,299)	568 (1,835)	39	5,663 (5,134)	1,700 (1,284)	559 (416)	39	3,443 (3,434)	3,434 (2,015)
Office equipment	22 (22)	2	-	24 (22)	20 (16)	2 (4)	-	2 (2)	2 (6)
Total - Property, plant and equipment (i)	5,156 (3,321)	570 (1,835)	39	5,687 (5,156)	1,720 (1,300)	561 (420)	39	3,445 (3,436)	3,436 (2,021)
ii. Other intangible assets									
Testing software	334 (263)	63 (71)	-	397 (334)	162 (109)	71 (53)	-	164 (172)	172 (154)
Licenses	21 (21)	-	-	21 (21)	15 (12)	3 (3)	-	3 (6)	6 (9)
Total Other intangible assets (ii)	355 (284)	63 (71)	-	418 (355)	177 (121)	74 (56)	-	167 (178)	178 (163)
Total - Property, plant and equipment and Other intangible assets (i+ii)	5,511 (3,605)	633 (1,906)	39	6,105 (5,511)	1,897 (1,421)	635 (476)	39	3,612 (3,614)	3,614 (2,184)
iii. Capital work-in-progress									
								362 (281)	281 (294)
Grand total (i+ii+iii)								3,974 (3,895)	3,895 (2,478)

Figures in (brackets) represents previous year's figures.

Notes :

(i) Property, plant and equipment pledged as security

Refer to note 31 for information on property, plant and equipment pledged as security by the Company.

(ii) Contractual obligations

Refer to note 34 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) Capital work-in-progress

Capital work-in-progress mainly comprises of components related to plant and machinery.



2

Tatanet Services Limited

Notes annexed to and forming part of Financial Statements for the year ended March 31, 2021

(Amount: Rs in Lakhs, unless otherwise mentioned)

Note 4(b) : Right of use assets and lease liability

The Company has taken premises on lease along with certain equipment for term of five years. The Company is restricted from assigning and subleasing the leased assets.

a. Right of use assets

Description	As at April 01, 2020	Cost			As at March 31, 2021	Amortisation			Net Block		
		Adjustment for change in accounting policy	Additions	Disposals		As at March 31, 2021	Amortisation for the year	Disposals	As at March 31, 2021	As at March 31, 2020	
Leasehold premises & equipment	641	-	-	-	641	122	-	-	244	-	519
	-	(584)	(57)	-	(641)	(122)	-	-	(122)	(519)	-
Total	641		(57)		641	122			244		519
	-		(57)	-	(641)	(122)	-	-	(122)	(519)	-

b. Lease liability

Description	As at April 1, 2020	During the year			As at March 31, 2021
		Additions	Accrued finance	Payments	
Leasehold premises & equipment	551	-	46	152	445
	(584)	(57)	(56)	(146)	(551)
Total	551		46	152	445
	(584)	(57)	(56)	(146)	(551)
Current	105				119
	(101)				(105)
Non Current	446				326
	(483)				(446)
Total	551				445
	(584)				(551)

c. Amount recognised in Statement of profit or loss

Amount recognised in Statement of profit or loss	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of Right-of-use assets	122	122
Interest on lease liabilities	46	56
Expenses related to short term leases	12	7

d. Amount recognised in statement of cash flows

Amount recognised in statement of cash flows	Year ended March 31, 2021	Year ended March 31, 2020
Total cash outflow of leases	(152)	(146)



Tatanet Services Limited

Notes annexed to and forming part of Financial Statements for the year ended March 31, 2021

(Amount Rs in Lakhs, unless otherwise mentioned)

Note 5: Investments - Non current

Particulars	As at March 31, 2021		As at March 31, 2020	
	Numbers	Amount	Numbers	Amount
Investment in equity instruments (unquoted, fully paid, carried at FVOCI)				
Equity shares in Zoroastrian Co-operative Bank Limited	2,000	5	2,000	5
Total equity instruments		5		5
Total investments		5		5
Aggregate amount of unquoted investments		5		5
Aggregate amount of impairment in the value of investments		-		-

Note 6: Deferred tax assets (net)

Particulars	As at March 31, 2021		As at March 31, 2020	
Deferred tax assets				
Allowance for doubtful debts - trade receivables		37		16
Disallowance under Section 40(a)(ia) of the Income Tax Act 1961		34		31
Property plant and equipment and intangible assets, lease assets		19		28
Expenditure incurred on proposed merger and amalgamation u/s 35 DD of the Income Tax Act 1961		1		1
Disallowance of forex gain/loss		-		1
Lease liability		112		138
Total		203		215
Deferred tax liability				
Right of use assets		100		129
Total		100		129
		103		86

Deferred tax is recognised at 25.17 % (previous year at 25.17 %) which is the applicable corporate tax rate substantially enacted as at year end.

Movement in deferred tax assets/ (Deferred Tax Liability)

Particulars	Allowance for doubtful debts trade receivables	Disallowance under section 40(a)(ia) of The Income Tax Act, 1961	Property Plant and Equipment and Intangible Assets	Expenditure incurred on proposed merger and amalgamation u/s 35 DD	Disallowance of unrealised forex gain	Lease liability	Right of use assets	Total
At March 31, 2019	7	14	51	1	(2)	-	-	71
(Charged)/credited to statement of profit and loss	9	17	(23)	-	3	138	(129)	15
At March 31, 2020	16	31	28	1	1	138	(129)	86
(Charged)/credited to statement of profit and loss	21	3	(9)	-	(1)	(26)	29	17
At March 31, 2021	37	34	19	1	-	112	(100)	103



8

Tatanet Services Limited

Notes annexed to and forming part of Financial Statements for the year ended March 31, 2021

(Amount Rs in Lakhs, unless otherwise mentioned)

Note 7: Non-current tax assets (net)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance		816
Add : Tax deducted at source and advance tax (net of provision for tax of Rs. 798 lakhs (March 2020, Rs. 595 lakhs)	1,190	
Less: Income tax refund	492	588
Less: Current tax payable for the year	(419)	-
Closing Balance	(203)	(214)
	1,060	1,190

Note 8 : Other non current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with government authorities (refer note 40)	85	85
Prepaid expenses	16	15
Total	101	100

Note 9: Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables from contract with customers	2,630	3,626
Trade receivables from contract with customers- related party (refer note no 36)	-	-
Less : Impairment allowance (allowance for bad and doubtful debts)	(145)	(66)
Total	2,485	3,560

Break-up of security details

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables considered good – Secured	-	-
Trade receivables considered good – Unsecured	2,630	3,626
Trade receivables which have significant increase in credit risk	-	-
Trade receivables – credit impaired	-	-
Total	2,630	3,626
Impairment allowance (allowance for bad and doubtful debts)	(145)	(66)
Total	2,485	3,560

Note:

1. Trade receivables are dues in respect of services rendered in the normal course of business.
2. The Normal credit period allowed by the Company ranges from 0 to 30 days.
3. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a detailed analysis of trade receivables.
4. There are no dues by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.



8

Tatanet Services Limited

Notes annexed to and forming part of Financial Statements for the year ended March 31, 2021

(Amount Rs in Lakhs, unless otherwise mentioned)

Note 10: Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Balances with banks - in current accounts	202	680
(b) Cheques on hand	40	70
Total	242	750

Note 11(a) : Loans - Non current

Particulars	As at March 31, 2021	As at March 31, 2020
Loans receivable considered good - unsecured		
Security deposits	118	74
Total	118	74

Break-up of security details

Particulars	As at March 31, 2021	As at March 31, 2020
Loans considered good - Secured	-	-
Loans considered good - Unsecured	118	74
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	118	74
Less : Loss allowance	-	-
Total	118	74

Note 11(b) : Loans - Current

Particulars	As at March 31, 2021	As at March 31, 2020
Loans receivable considered good - unsecured		
Security deposits	11	1
Total	11	1

Break-up of security details

Particulars	As at March 31, 2021	As at March 31, 2020
Loans considered good - Secured	-	-
Loans considered good - Unsecured	11	1
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	11	1
Less : Loss allowance	-	-
Total	11	1

Note 12 (a) : Other financial assets - Non-current

Particulars	As at March 31, 2021	As at March 31, 2020
Other bank balances in earmarked accounts		
Balances held as margin money against bank guarantees	17	17
Total	17	17

Note 12 (b) : Other financial assets - Current

Particulars	As at March 31, 2021	As at March 31, 2020
Unbilled revenue	433	374
Accrued interest	2	1
Fair value of foreign exchange forward contract	-	8
Total	435	383



8

Tatanet Services Limited**Notes annexed to and forming part of Financial Statements for the year ended March 31, 2021***(Amount Rs in Lakhs, unless otherwise mentioned)***Note 13 : Contract liabilities- current**

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Advances received from customers	982	1,000
Deferred revenue	866	1,668
Total	1,848	2,668

Note:**1. Significant changes in contract liabilities**

Contract liabilities have been decrease due to decrease in advance received from customers and deferred revenue for the services to be rendered in next year.

2. Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current period relates to a carried forward contract liabilities and how much relates to performance obligation satisfied in prior year.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Satellite communication services		
Revenue recognised that was included in contract liability balance at the beginning of the period	2,668	1,829
Revenue recognised from performance obligations satisfied in previous periods	-	-

Note 14 : Other current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	19	30
Advance to suppliers	10	-
Balance with government authorities	162	256
Total	191	286



8

Tatanet Services Limited

Notes annexed to and forming part of Financial Statements for the year ended March 31, 2021

(Amount Rs in Lakhs, unless otherwise mentioned)

Note 15 :Equity share capital

Particulars	As at	As at	As at	As at
	Marrch 31, 2021	March 31, 2020	Marrch 31, 2021	March 31, 2020
	No. of Shares (In lakhs)	No. of Shares (In lakhs)	Amount	Amount
Authorised:-				
Equity shares of Rs. 10/- each	50	50	500	500
Total	50	50	500	500
Issued, subscribed & paid up:-				
Equity shares of Rs. 10/- each fully paid	49	49	490	490
Total	49	49	490	490

Notes:

(i) Movement in equity share capital

Particulars	No. of Shares (In Lakhs)	Amount
As at April 1, 2019	49	490
Shares issued during the year	-	-
As at March 31, 2020	49	490
Shares issued during the year	-	-
As at March 31, 2021	49	490

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates

Particulars	As at		As at	
	Marrch 31, 2021		March 31, 2020	
	Number of shares (In Lakhs)	Amount	Number of shares (In lakhs)	Amount
Nelco Limited - Holding company (100% share holding)	49	490	49	490

(iii) Terms and rights attached to equity shares

The Company has issued 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. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution of dividend and proceeds on liquidation will be in proportion to the number of equity shares held by the shareholders.

(iv) Details of shareholder holding more than 5% shares in the company :

Name of the shareholder	As at Marrch 31, 2021		As at March 31, 2020	
	Number of shares (In Lakhs)	Amount	Number of shares (In Lakhs)	Amount
Nelco Limited - Holding Company (100% share holding)	49	490	49	490

(v) There are no shares bought back or allotted either as fully paid up by way of bonus shares or allotted under any contract without payment received in cash during 5 years immediately preceding March 31, 2021.



2

Tatanet Services Limited**Notes annexed to and forming part of Financial Statements for the year ended March 31, 2021***(Amount Rs in Lakhs, unless otherwise mentioned)***Note 16 : Reserve and surplus**

Particulars	As at March 31, 2021	As at March 31, 2020
Retained earnings - refer (i) below	2,067	1,561
Total	2,067	1,561

(i) Retained earnings

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	1,561	997
Net profit for the year	506	564
Closing balance	2,067	1,561

Note 16 (a) : Other reserve - Reserve for FVOCI equity instrument

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	1	1
Changes in fair value of FVOCI equity instruments	-	-
Closing balance	1	1

Retained earnings

The same reflects surplus/ (deficit) after taxes in the Statement of Profit and Loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

Reserve for FVOCI equity Instruments

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earning when those assets have been disposed off.



8

Tatanet Services Limited

Notes annexed to and forming part of Financial Statements for the year ended March 31, 2021

(Amount: Rs in Lakhs, unless otherwise mentioned)

Note 17: Borrowings

(a) Non current

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
(i) Long term loans from banks	-	141
Total	-	141

Notes

The terms of repayment of loans are stated below:

Particulars	As at March 31, 2021	As at March 31, 2020	Terms of Repayment	Rate of Interest	Nature of Security
ICICI Bank Ltd	-	141	Repayable in quarterly equal instalments till March, 2022	1-MCLR 1 year +1.30%	Exclusive charge over the assets, financed by rupee term loan.

(b) Current

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
(i) Bank overdraft	-	224
(ii) Buyers credit	-	158
	-	382
Unsecured		
(i) Term loans from banks	-	300
(ii) Loan from holding company	148	588
	148	888
Total	148	1,270

Notes:

The Term loans from banks are repayable on demand. Repayment schedule is as follows :

Particulars	As at March 31, 2021	As at March 31, 2020	Terms of Repayment	Rate of Interest (p.a)	Nature of Security
Bank Overdraft - Axis Bank	-	224	On demand	3 Months MCLR +1.70%	1) First charge over current assets of the Company. 2) First charge over fixed assets of the company (excluding the assets funded by Zoroastrian Bank) and negative lien on commercial VSAT license. 3) Corporate Guarantee of Nelco Ltd.
Buyers credit - Axis Bank	-	158	6 months	2.75%	1) First charge over current assets of the Company. 2) First charge over fixed assets of the company (excluding the assets funded by Zoroastrian Bank) and negative lien on commercial VSAT license. 3) Corporate Guarantee of Nelco Ltd.
Term loan from ICICI	-	300	On demand	MCLR 1 year+ 1.30%	Unsecured
Loan from holding company	148	588	On demand	10.45%	Unsecured
Total	148	1,270			

The carrying amount of financial and non-financial assets pledged as security for current and non current borrowings. (refer note 31)



8

Tatanet Services Limited

Notes annexed to and forming part of Financial Statements for the year ended March 31, 2021

(Amount Rs in Lakhs, unless otherwise mentioned)

Net debt reconciliation

Particulars	As at March 31, 2021	As at March 31, 2020
Cash & cash equivalents	242	750
Bank overdraft	-	(224)
Current borrowings	(148)	(1,051)
Non current borrowings (including current maturities of long term debt)	(141)	(282)
Lease liability	(445)	(551)
Net debts	(492)	(1,358)

Particulars	Other assets	Liabilities from financial activities			Total
	Cash & Bank overdrafts	Current borrowings	Non current borrowings (including current maturities of long term debt)	Lease obligation	
Net debt as at April 1, 2019	283	(547)	(423)	(584)	(1,271)
Acquisition -leases	-	-	-	(57)	(57)
Cash flow	243	(499)	141	90	(25)
Interest expenses	(35)	(82)	(22)	(56)	(195)
Interest paid	35	77	22	56	190
Net debt as at March 31, 2020	526	(1,051)	(282)	(551)	(1,358)
Cash flow	(284)	899	141	106	862
Interest expenses	(40)	(32)	(22)	(46)	(140)
Interest paid	40	36	22	46	144
Net debt as at March 31, 2021	242	(148)	(141)	(445)	(492)



8

Tatanet Services Limited**Notes annexed to and forming part of Financial Statements for the year ended March 31, 2021***(Amount Rs in Lakhs, unless otherwise mentioned)***Note 18 : Trade payables - Current**

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables:		
Total outstanding dues of micro enterprises and small enterprises (refer note 39)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	943	850
Trade payables to related parties (refer note 36)	2,515	1,539
Total	3,458	2,389

Note 19 : Other financial liabilities - Current

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of long term debt	141	141
Interest accrued	64	53
Capital creditors	350	1,182
Total	555	1,376

Note 20 : Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues payable	127	419
Total	127	419



Tatanet Services Limited

Notes annexed to and forming part of Financial Statements for the year ended March 31, 2021

(Amount Rs in Lakhs, unless otherwise mentioned)

Note 21 : Revenue from operations

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations (net)		
Revenue from contracts with customer		
- Satellite communication services	12,983	11,598
- Internet services	121	12
- Sale of goods	9	6
- Other service income	-	1
Total	13,113	11,617

Reconciliation of revenue recognised with contract price:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contract price	13,113	11,617
Adjustments for:		
Contract liabilities	-	-
Total	13,113	11,617

Note 22 : Other income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest income:		
- On bank deposits	1	1
- On income tax refund	19	-
	20	1
Others		
Liabilities/Provisions no longer required, written back	39	-
	39	-
Other gains and losses		
Foreign exchange gain (net)	19	36
Mark to market gain on derivatives	(8)	8
	11	44
Total	70	45



8

Tatanet Services Limited

Notes annexed to and forming part of Financial Statements for the year ended March 31, 2021

(Amount Rs in Lakhs, unless otherwise mentioned)

Note 23 : Operating expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
License fees to D.O.T (as revenue share)	1,575	1,403
Transponder charges	5,493	4,241
Connectivity charges	110	101
ISP monitoring & support charges	3	9
Network management fees	1,527	1,887
Marketing services fees	2,315	1,947
Total	11,023	9,588

Note 24 : Finance costs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Interest on		
(i) Borrowings	65	141
(ii) Leased liabilities	46	56
(iii) Others	29	61
(b) Guarantee commission to Holding Company	12	15
(c) Bank charges	44	40
Total	196	313

Note 25 : Depreciation and amortisation expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
On property, plant and equipment (refer note 4(a))	561	420
On intangible assets (refer note 4(a))	74	56
On right-of-use assets (refer note 4(b))	122	122
Total	757	598

Note 26 - Other expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Power and fuel	19	17
Rent [refer note 4(b)]	12	7
Repairs to machinery	182	175
Insurance	2	2
Professional & legal charges	44	(7)
Provision for doubtful debts (written back)	79	42
Bad debts written off	10	9
Corporate social responsibility expenses (refer note 37)	12	-
Directors sitting fees	7	4
Auditors remuneration (refer note below)	12	18
Sales commission	79	83
Other expenses	53	45
Total	511	395

Note : Auditors remuneration (excluding Goods and Service Tax)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Payments to the auditors comprises		
- Audit Fee	6	9
- Tax audit fee	1	1
- Certification and other fee	5	8
- Other		
- For reimbursement of expenses	*	*
Total	12	18

*figures are below rounding off norm adopted by the Company.



Tatanet Services Limited

Notes annexed to and forming part of Financial Statements for the year ended March 31, 2021

(Amount Rs in Lakhs, unless otherwise mentioned)

Note 27 : Fair Value Measurements

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The 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 are disclosed in the financial statements.

The carrying amount of all financial assets and liabilities appearing in the financial statements is reasonable approximation of fair value. The following tables presents the carrying value and fair value of each category of financial assets and liabilities.

The Company's assets and liabilities which are measured at amortised cost for which fair values are disclosed:

Particulars	As at March 31, 2021			As at March 31, 2020		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Investments	-	5	-	-	5	-
Trade receivable	-	-	2,485	-	-	3,560
Cash and cash equivalents	-	-	242	-	-	750
Other bank balances	-	-	17	-	-	17
Loans (Security deposit)	-	-	11	-	-	1
Unbilled revenue	-	-	433	-	-	374
Mark to market derivative assets	-	-	-	8	-	-
Other financial assets	-	-	2	-	-	-
Total financial assets	-	5	3,190	8	5	4,703
Financial liabilities						
Borrowings (including current maturities of long term debt)	-	-	289	-	-	1,552
Trade payables	-	-	3,458	-	-	2,389
Capital creditors	-	-	350	-	-	1,182
Interest accrued	-	-	64	-	-	53
Total financial liabilities	-	-	4,161	-	-	5,176

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value- recurring fair value measurement at March 31, 2021	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial instrument at FVOCI					
Investment in equity shares	5	-	-	5	5
Financial instrument at FVPL					
Mark to market derivative assets	12(b)	-	-	-	-
Total financial assets		-	-	5	5
Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2021					
Financial assets					
Other bank balances	12(a)	-	-	17	17
Total financial assets		-	-	17	17
Financial liabilities					
Borrowings (including current maturities of long term debts)	17 & 19	-	-	289	289
Total financial liabilities		-	-	289	289
Financial assets and liabilities measured at fair value- recurring fair value measurement at March 31, 2020					
Financial assets					
Financial instrument at FVOCI					
Investment in equity shares	5	-	-	5	5
Total Financial assets		-	-	5	5
Financial assets and liabilities measured at amortised cost for which fair values are disclosed at March 31, 2020					
Financial Assets					
Other bank balance	12(a)	-	-	17	17
Total Financial Assets		-	-	17	17
Financial liabilities					
Borrowings (including current maturities of long term debts)	17 & 19	-	-	1,552	1,552
Total Financial liabilities		-	-	1,552	1,552



Tatanet Services Limited**Notes annexed to and forming part of Financial Statements for the year ended March 31, 2021***(Amount Rs in Lakhs, unless otherwise mentioned)*

Except for those financial assets/liabilities mentioned in the above table, the Company considers that the carrying amounts of financial assets / liabilities recognised in the financial statements approximate their fair values, due to their short term nature. For financial assets that are measured at fair value, the carrying amounts are equal to the fair values.

Level 1 - Level 1 Hierarchy includes financial instruments measured using quoted price. This includes listed equity instruments, traded bonds, mutual funds that have quoted price.

Level - 2 The fair value of financial instruments that are not traded in an active market is determined using valuation technique which maximize the use of observable market data and rely as little as possible on entity - specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level -3 If one or more of the significant inputs is not based on observable market data, the instrument is include in level 3.

(ii) Valuation technique used to determine fair value

a) Specific valuation technique used to value financial instruments include:

- The use of quoted market price or dealer quotes for similar instruments.

- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

b) During the current year, there is no significant movement in the items of fair value measurements categorised within Level 3 of the fair value hierarchy. c) The Fair value for investment in unquoted equity share were calculated based on risk adjusted discounted rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

d) The fair value of borrowings were calculated based on discounted cash flow using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to inclusion of unobservable inputs including own credit risk.

(iii) Valuation processes

The finance department of the Company performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. Discussions of valuation processes and results are held between the Management and the finance team at least once every three months, in line with the company's reporting periods.

(iv) Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying Amounts	Fair Value	Carrying Amounts	Fair Value
Financial assets				
Other bank balances	17	17	17	17
Total financial assets	17	17	17	17
Financial liabilities				
Borrowings (Including current maturities of long term debt)	289	289	1,552	1,552
Total financial liabilities	289	289	1,552	1,552

The carrying amounts of cash and cash equivalent, other bank balances, other financial assets, trade payables are considered to be the same as their fair values, due to their short-term nature.

The Fair value of Loans, Trade Receivables, Borrowings and Other financial liabilities were calculated based on cash flows discounted using a current deposit rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see (ii) and (iii) above.



8

Note 28 : Financial Risk Management

The company's activities expose it to market risk, liquidity risk and credit risk.

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to support its operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, foreign currency risk, liquidity risk and credit risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Risk management committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The Risk management committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

This note explains the sources of risk which the entity is exposed to and how the entity manage the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, Loans, financial assets measured at amortised cost.	Ageing analysis, credit ratings	Diversification of bank deposit, credit limits
Liquidity risk	Borrowings, Trade Payables and other Financial liabilities	Rolling cash flow forecast	Availability of bank credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupees (INR)	Rolling cash flow forecast Sensitivity analysis	Monitoring Foreign currency fluctuation, Availing Forward Contracts.
Market risk -interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Availability of borrowing facilities at fixed rate, Periodic monitoring of variable interest rates

(A) Credit risk

Credit risk is the risk that counterparty will not meet its obligation 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), deposits with bank and financial institution, Loans and deposits with third party, Foreign exchange transactions and other financial instruments / assets.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. It considers reasonable and supportive forward looking information such as: adverse changes in business, changes in the operating results of the counterparty, change to the counterparty's ability to meet its obligations etc. Financial assets are written off when there is no reasonable expectation of recovery.

(i) Credit risk management**Financial assets**

The Company maintains exposure in cash and cash equivalents, term deposits with banks and Security deposits with counterparties. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company.

The Company's maximum exposure to credit risk as at March 31, 2021 and March 31, 2020 is the carrying value of each class of financial assets as disclosed in the financial statements.

Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the Impairment loss or gain. The Company uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables.

Four customers each as at March 31, 2021 and three customers as at March 31, 2020 individually contributed to more than 5% of the total balance of trade receivables. Receivable (Gross) from these customers was Rs. 996 Lakhs and Rs. 1,031 Lakhs as at March 31, 2021 and March 31, 2020 respectively.

The amount of Trade receivable outstanding as at March 31, 2021 and March 31, 2020 is as follows:

Particulars	Not Due	0-180 days	181 - 365 days	More than 365 days	Total
As at March 31, 2021	1,163	1,119	348	-	2,630
As at March 31, 2020	2,528	853	124	121	3,626

(ii) Reconciliation of loss allowances provision - Trade receivable

Loss allowances as at April 1, 2019	24
Changes in loss allowances	42
Loss allowances as at March 31, 2020	66
Changes in loss allowances	79
Loss allowances as at March 31, 2021	145

During the year the company has written off trade receivable amounting to Rs. 10 Lakhs (March 2020 Rs. 9 Lakhs).

Management does not expect any significant loss from non-performance by counterparties on credit granted during the financial year that has not been provided for.

Other than trade receivables

Management believes that the parties from which the receivables are due have strong capacity to meet the obligations and risk of default is negligible or nil and accordingly no significant provision for expected credit loss has been recorded.

Credit risk from balances with bank and financial institutions is managed by the Company's treasury department in accordance with the Company's policy.

(B) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due through rolling cash flow forecast. Also, the Company has unutilized credit limits with banks.



Tatanet Services Limited
Notes annexed to and forming part of Financial Statements for the year ended March 31, 2021
(Amount Rs in Lakhs, unless otherwise mentioned)
(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at	
	March 31, 2021	March 31, 2020
Floating rate		
Expiring within one year (Bank overdraft, Term Loans and other facilities)	2,552	1,589
Total	2,552	1,589

(ii) Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Less than 1 Year	1 - 2 Years	2 Year and Above	Total
March 31, 2021				
Non - Derivative				
Borrowings (including current maturities)	289	-	-	289
Lease liability	119	135	191	445
Trade payables	3,458	-	-	3,458
Other financial liabilities	350	-	-	350
Interest accrued but not due on borrowings	64	-	-	64
Total Non derivative liabilities	4,280	135	191	4,606
Derivative (Net Settled)				
Foreign exchange forward contract	-	-	-	-
Total derivative liabilities	-	-	-	-

Contractual maturities of financial liabilities	Less than 1 Year	1 - 2 Years	2 Year and Above	Total
March 31, 2020				
Non - Derivative				
Borrowings (including current maturities)	1,411	141	-	1,552
Lease liability	105	119	327	551
Trade payables	2,389	-	-	2,389
Other financial liabilities	1,182	-	-	1,182
Interest accrued but not due on borrowings	53	-	-	53
Total Non derivative liabilities	5,140	260	327	5,727
Derivative (Net Settled)				
Foreign exchange forward contract	-	-	-	-
Total derivative liabilities	-	-	-	-

(C) Market Risk
(i) Foreign currency risk

Company is exposed to foreign exchange risk arising from direct transactions in foreign currency and also indirectly through transactions denominated in foreign currency though settled in functional currency (INR), primarily with respect to the US Dollar (USD). Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR).

The risk is measured through a forecast of highly probable foreign currency cash flows

(a) Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period are as follows

Particulars	Foreign Currency	As at March 31, 2021		As at March 31, 2020	
		In foreign currency	Rs in Lakhs	In foreign currency	Rs in Lakhs
Financial liabilities					
Trade payables and capex creditors	USD	1	98	4	278
Buyers credit	USD	-	-	2	158
Derivative liabilities					
Buy foreign currency	USD	-	-	(2)	(159)
Net exposure to foreign currency liabilities	USD	1	98	4	267
Financial assets					
Trade receivables	USD	(1)	(64)	(11)	(860)
Net exposure to foreign currency assets	USD	(1)	(64)	(11)	(860)

*figures are below rounding off norm adopted by the Company.

(b) Sensitivity

The Sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	Impact on profit after tax	
	As at March 31, 2021	As at March 31, 2020
USD sensitivity		
INR/USD - Increase by 5% (March 31, 2020 - 5%)*	(6)	(42)
INR/USD - Decrease by 5% (March 31, 2020 - 5%)*	6	42

* Holding all other variables constant

(ii) Cash Flow and fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the company to cash flow interest rate risk.



Tatanet Services Limited

Notes annexed to and forming part of Financial Statements for the year ended March 31, 2021

(Amount Rs in Lakhs, unless otherwise mentioned)

(a) Interest rate risk exposure

The exposure of the company's borrowings to interest rate changes at the end of the reporting period are as follows.

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Variable rate borrowings	291	1,552
Fixed rate borrowings	-	-
Total borrowings	291	1,552

(b) Sensitivity

Profit or loss is sensitive to higher / lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Impact on profit after tax	
	As at	As at
	March 31, 2021	March 31, 2020
Interest Rate - Increase by 100 basis points*	(2)	(12)
Interest Rate - Decrease by 100 basis points*	2	12

* Holding all other variables constant

(iii) Price Risk

The company does not have any financial instrument which is exposed to change in price.

Note 29 : Capital Management

Risk Management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Loan covenants

Under the terms of the major borrowing facilities, the company is required to comply with the following financial covenants:

Ratio of Total Outside Liabilities (TOL) to Total Net worth (TNW) should be less than 4 as on March 31, 2021 and as on March 31, 2020.

The company has complied with these covenants throughout the reporting period, As at March 31, 2021 the ratio of TOL to TNW was 2.08 (March 2020: 3.63)

Note 30 : Offsetting Financial Assets And Financial Liabilities

There are no financial assets and liabilities which are eligible for offset under any arrangement.

Collateral against borrowings

Current Assets and Fixed Assets of the Company are pledged as security against debt facilities from the lender. For carrying amount of assets pledged as security refer note 31.

Note 31 : Assets Pledged As Security

The carrying amounts of assets pledged as security for current and non-current borrowings are :

Particulars	Notes	(Rs. in Lakhs)	
		As at	As at
		March 31, 2021	March 31, 2020
Current assets			
First charge			
Trade receivables	9	2,485	3,560
Cash & cash equivalents	10	242	750
Loans	11(b)	11	1
Other Financial Assets	12(b)	435	383
Other current assets	14	191	286
Total current assets pledged as security		3,364	4,980
Non current assets			
First charge			
Other Financial assets	12(a)	17	17
Fixed assets			
Plant & Machinery	4(a)	3,443	3,434
Office Equipment	4(a)	2	2
Intangible Assets	4(a)	167	178
Capital Work in Progress	4(a)	362	281
Total Non current assets pledged as security		3,991	3,912
Total assets pledged as security		7,355	8,892



8

Tatanet Services Limited

Notes annexed to and forming part of Financial Statements for the year ended March 31, 2021

(Amount Rs in Lakhs, unless otherwise mentioned)

Note 32 : Earnings per share (EPS)

Sr.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a.	Weighted Average Number of Shares at the beginning and end of the Year (Nos.)	49,00,000	49,00,000
b.	Net Profit after tax available for Equity Share holders (Rs in Lakhs)	506	564
c.	Basic and diluted earnings Per Share (Rs)	10.33	11.51

Note 33 : Contingent liabilities:

Sr.	Particulars	As at March 31, 2021	As at March 31, 2020
a.	Claims against the company not acknowledged as debt comprises of:		
	i) Sales Tax claims disputed by the company relating to issues of applicability and classification	3,836	3,836
	ii) Claims from Vendor	168	168
	Future cash outflows in respect of above matters are determinable only on receipt of judgments/ decisions pending at various forums / authorities		
	Total	4,004	4,004

The above figures for contingent liabilities do not include amounts towards certain additional penalties/interest that may devolve on the Company in the event of an adverse outcome as the same is subjective and not capable of being presently quantified. Unless otherwise stated below, the management believes that, based on legal advice, the outcome of these contingencies will be favourable and that a loss is not probable, further outflow of resources is not probable in either cases. The Company does not have any contingent assets at the balance sheet date.

Note 34 : Capital and other commitments

Sr.	Particulars	As at March 31, 2021	As at March 31, 2020
a.	Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances paid)	88	267
b.	Estimated amount of contracts remaining to be executed on other account and not provided for (net of advances paid)	174	4

Note 35: Current and deferred tax

(a) Statement of profit and loss

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Income tax expense		
<u>Current tax</u>		
Current tax on profits for the year	203	214
Total current tax expense	203	214
<u>Deferred tax</u>		
Decrease / (increase) in deferred tax assets	(17)	(15)
Total deferred tax expenses / (benefit)	(17)	(15)
Income tax expense	186	199

(b) Reconciliation of tax expense and accounting profit multiplied by India's tax rates:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax	692	763
Statutory tax rate (%)*	25.17%	25.17%
Tax at Indian tax rate	174	192
- Tax provision created for earlier years	2	-
- On deferred tax assets recognised in previous period	5	-
- On account of disallowance of interest on TDS	-	*
- Provision not allowed under Income Tax Act, 1961	4	1
- Change in income tax rate	-	6
- Other	1	-
Total tax expense	186	199

*A new Section 115BAA has been inserted in the Income Tax Act 1961 with effect from financial year 2019-2020. Section 115BAA allows every domestic company an option to pay income tax at the rate of 22% (effective tax rate is 25.17% including surcharge and cess) subject to certain specified conditions. Accordingly, in the current year, the company has availed concessional tax rate under section 115BAA of the Income Tax Act 1961 and made provision for income tax in the financial statement.

(c) No aggregate amounts of current and deferred tax have arisen in the reporting periods which have not been recognised in statement of profit and loss or other comprehensive income but directly debited/ (credited) to equity.



Tatanet Services Limited

Notes annexed to and forming part of Financial Statements for the year ended March 31, 2021

(Amount Rs in Lakhs, unless otherwise mentioned)

Note 36 : Related party transactions

The disclosure pertaining to the related party transactions as required by Ind AS 24 "Related Party Disclosure", as applicable to the company are indicated below:

Promoter of ultimate holding company

Tata Sons Private Limited, India

Ultimate holding company

The Tata Power Company Limited, India

Holding company :

The Company is controlled by the following entity

Name	Nature of Relationship	Place of incorporation	Ownership Interest	
			As at March 31, 2021	As at March 31, 2020
Nelco Limited	Immediate parent entity	India	100%	100%

Subsidiary of holding Company

Nelco Network Products Limited, India

Directors of the company

(i) Key managerial personnel

Mr. P.J. Nath - Managing Director of Nelco Limited

(ii) Independent and non-executive directors

Mr. R.R Bhinge (Non- Executive Director)

Mr. P.J. Nath (Non Executive Director)

Ms. Hema Hattangady (Independent Director upto 27 January 2020)

Mr. Ajay Kumar Panday (Independent Director w.e.f. 28 January 2020)

Transactions with Directors of the company

Particulars	(Rs. in Lakhs)	
	March 31, 2021	March 31, 2020
(i) Non Executive and Independent Director Directors sitting fees	7	4
Total compensation	7	4

Details of transactions between the Company and other related parties are disclosed below :

Particulars	Nelco Limited (Holding Company)	Nelco Network Products Limited (Subsidiary of holding Company)	The Tata Power Company Limited, India (Ultimate holding company)	Tata Sons Private Limited (Promoter of Holding Company)
Services Received by the company	3,854	-	-	-
Purchase of goods	(3,854)	(-)	(-)	(-)
Services provided by the company	4	(-)	(-)	(-)
Purchase of property, plant and equipment	(-)	1	1	(-)
Interest on Loans taken	8	(-)	(1)	(-)
Loans received during the year (net)	(849)	(-)	(-)	(-)
Loans repaid during the year (net)	23	(-)	(-)	(-)
Reimbursements received	(50)	(-)	(-)	(-)
Guarantees and Collaterals refunded	293	(-)	(-)	(-)
	(93)	(-)	(-)	(-)
	734	(-)	(-)	(-)
	-	(-)	(-)	(-)
	113	(-)	(-)	(-)
	(144)	(-)	(-)	(-)
	(800)	(-)	(-)	(-)

8



Tatanet Services Limited

Notes annexed to and forming part of Financial Statements for the year ended March 31, 2021

(Amount Rs in Lakhs, unless otherwise mentioned)

Balances outstanding as on March 31, 2021

Particulars	Nelco Limited	Nelco Network Products Limited	The Tata Power Company Limited, India	Tata Sons Private Limited
	(Holding Company)	(Subsidiary of holding Company)	(Ultimate holding company)	Promoter of ultimate holding company
Creditors (Net)	2,515	-	-	-
Capex creditors	(1,539)	(-)	-	(15)
	9	-	-	-
Debtors	(1,001)	(-)	-	-
	-	-	1	-
Loans	-	(-)	-	-
	148	-	-	-
Accrued interest	(588)	(-)	-	-
	-	-	-	-
Guarantees and collaterals outstanding	(5)	(-)	-	-
	5,950	-	-	-
	(5,950)	(-)	-	-

Note : Figures in brackets pertain to the previous year ended March 31, 2020



2

Tatanet Services Limited**Notes annexed to and forming part of Financial Statements for the year ended March 31, 2021***(Amount Rs in Lakhs, unless otherwise mentioned)***Note 37: Corporate Social Responsibility**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) Gross amount required to be spent by the Company during the year	12	-
b) Amount approved by the Board to be spent during the year	12	-
c) Amount spend in cash during the year ending March 31, 2021	-	-
i) Construction/acquisition of an asset	-	-
ii) On purpose other than (i) above	-	-
Contribution to Tata Education and Development Trust	12	-
Total (C=i+ii)	12	-
d) Amount yet to be paid in cash (d=a-c)	-	-

Note 38: Segment Information**Description of segments and principal activities**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors. The company has identified one reportable segment "Network System" based on the information reviewed by CODM. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year is as reflected in the Financial Statements as of and for the year ended March 31, 2021 and March 31, 2020.

One external customers as at March 31, 2021 and one external customers as at March 31, 2020 contributed to more than 10% of the total revenue. Revenue from these customers Rs 2,037 Lakhs and Rs 1,348 Lakhs for the year ended March 31, 2021 and March 31, 2020 respectively. These revenues are attributed to the network system segment.

Note 39: Disclosure required under Micro, Small and Medium Enterprises Development Act, 2006 (the Act)

There are no Micro and Small Enterprises to whom the company owes dues, which are outstanding as at March 31, 2021. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the company.

Note 40: As a part of transition to Goods Services Tax (GST) in June 2017, the Company carried forward the Cenvat/Service tax/Sales tax input credit balance for future set-off against GST payable aggregating to Rs. 85 Lakhs. However, due to technical glitch on the GSTN portal, the Company could not file the Tran 1 Form within the prescribed period including the extended filing period. The Company filed a writ petition in the Hon'ble High Court of Bombay for allowing the carry forward of the input credit balances and hearing is going on. In view of the multiple judgements by various High Courts in India on this matter which supports the Company's claim and based on the advice received from independent legal counsel, the Company expects to recover this input credit balance. In view of this, no provision has been made in the books of account against the recoverability of these balances.

Note 41: The Company has considered the possible effects that may result from COVID-19 in the preparation of these financial results. The Company continued to provide Satellite Communication Services as it is considered as an essential service being part of "Telecommunication, internet Services and cable services" with relevant permissions from the relevant authorities. Considering the revival of economic activity, improvement in customer order flow and based on the information available, the management has evaluated and considered the possible impact of the aforesaid situation on the business of the Company, including adjustment to the financial statements. Considering the above and Company's current financial position, there is no material uncertainty on the Group's ability to do business as a going concern and there are no impairment indicators for any of the assets of the Company. The Company continues to monitor any material changes to future economic conditions and they may be different from the estimates made as on the date of the financial results.



2

Tatanet Services Limited

Notes annexed to and forming part of Financial Statements for the year ended March 31, 2021

(Amount Rs in Lakhs, unless otherwise mentioned)

Note 42: Amalgamation

The Board of Directors of the Company at its meeting held on September 01, 2017 had approved the draft composite Scheme of Arrangement and Amalgamation amongst the Company, Nelco Limited (Holding Company), and Nelco Network Products Limited (Wholly owned subsidiary of Holding Company) and their respective shareholders and creditors ("The Scheme"). Upon approval of the scheme by regulatory authorities, the Company will stand merged and amalgamated on a going concern basis with Nelco Limited ("Transferee Company") w.e.f April 01, 2017 ('the appointed date') in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 read with other applicable provisions of the Companies Act, 2013 and rules thereunder.

During the year the National Company Law Tribunal ("NCLT") approved the Scheme on November 2, 2018. As per the NCLT Order, the Company intimated the Registrar of the Companies ("RoC") about the approval of the Scheme by NCLT, stating that Department of Telecommunications ("DoT") approval has not received. The RoC records were, however, updated to reflect the Scheme as effective and Company as "amalgamated" with the Nelco Limited. Based on legal advice, the Company has approached NCLT to direct the RoC to amend their records to reinstate Company to its earlier status and cancel the effect of the Scheme with immediate effect. The decision of NCLT is awaited. Pending necessary approvals, the Scheme has not been given effect to in the financial statements for the year ended March 31, 2021.

Note 43: The audit of financial statement of the Company for the previous year was carried out by a firm of Chartered Accountants other than S.R. Batliboi and Associates LLP.

Note 44: Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

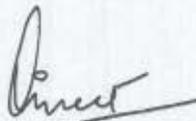
Note 45: Previous year's figures have been regrouped/reclassified, wherever necessary, to conform to the current year's classification.

Signature to Notes forming part of Standalone Financial Statements "1" to "45"

For S.R. Batliboi & Associates LLP

Firm Registration Number : 101049W/E300004

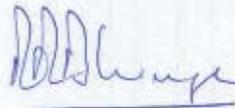
Chartered Accountants



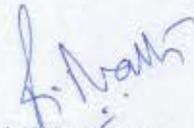
Vineet Kedia
Partner
Membership No. 212230



For and on behalf of the Board of Directors of
Tatanet Services Limited



R. R. Bhinge- Chairman
DIN- 00036557



P.J. Nath - Director
DIN-05118177



Place : Mumbai
Date : April 28, 2021

Place : Mumbai
Date : April 28, 2021