

DEN BROADBAND LIMITED
FINANCIAL STATEMENTS
2022-23

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DEN BROADBAND LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of **DEN BROADBAND LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2023, the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 31st March 2023, its loss (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the 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 ("ICAI") 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

Information Other Than the Financial Statements and Auditors' 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 financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the 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.

Responsibilities of Management and Those Charged with Governance 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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 financial controls 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 the 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 ability of the Company 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 financial statements, including the disclosures, and whether the 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.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 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 other comprehensive income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March,

2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
- (g) According to the information and explanations given to us, during the year no managerial remuneration paid or provided by the Company.
- (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, 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 financial statements. Refer Note 23 to the financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (iv) (a) Management has represented to us that, to the best of it’s knowledge and belief, other than as disclosed in the notes to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) Management has represented to us that, to the best of it’s knowledge and belief, other than as disclosed in the notes to the financial statements no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2) (h) (iv) (a) & (b) contain any material misstatement.
- (v) The company has not declared or paid any dividend during the year.

- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm's Registration No. 101720W/W100355

Vijay Napawaliya
Partner
Membership No. 109859
UDIN: 23109859BGXRSR1182
Place: New Delhi
Date: 13th April, 2023

“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of Sub- section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial statements of **DEN BROADBAND LIMITED** (“the Company”) as of 31st March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 internal financial controls with reference to financial statements of the Company 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”) issued by the Institute of Chartered Accountants of India (“ICAI”) and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 with reference to 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to 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 with reference to 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2023, based on the internal control with reference to financial statements 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 ICAI.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm's Registration No. 101720W/W100355

Vijay Napawaliya

Partner

Membership No. 109859

UDIN: 23109859BGXRSR1182

Place: New Delhi

Date: 13th April, 2023

“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) In respect of its property, plant and equipment:
- a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment on the basis of available information.

(B) The Company has maintained proper records showing full particulars of intangible assets on the basis of available information.
 - b. The Company has a program of verification of property, plant and equipment to cover all items in a phased manner over a period of three years other than broadband customer premises equipment (CPE) which are in possession of customers/ third parties and distribution equipment comprising overhead and underground cables. Management is of the view that it is not possible to physically verify these assets due to their nature and location. Pursuant to the program, certain property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to us, the existence of CPE installed at customer premises is verified on the basis of the ‘active user’ status in the system. No material discrepancies were noticed on such verification.

In our opinion, other than for physical verification of broadband customer premises equipment (CPE) and distribution equipment referred to above, the frequency of verification of property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets.
 - c. The Company does not have any immovable properties of freehold or leasehold land and building. Therefore clause (i) (c) of Paragraph 3 of the said Order is not applicable to the Company.
 - d. According to information and explanations given to us and books of accounts and records examined by us, Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.
 - e. According to information and explanations given to us and representation given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) a. The Company does not have any inventory. Therefore, provision of clause (ii) of Paragraph 3 of the said Order is not applicable to the company.

b. As per the information and explanations given to us and books of accounts and records examined by us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets has been sanctioned. Therefore, clause (ii) (b) of Paragraph 3 of the said Order is not applicable to the Company.

- (iii) With respect to investments made or any guarantee or security provided or any loans or advances in the nature of loans, secured or unsecured, granted during the year by the Company to companies, firms, Limited Liability Partnerships or any other parties:
- a) As per the information and explanations given to us and books of accounts and records examined by us, during the year Company has not provided any loans or advances in the nature of loans, not provided any guarantee or security to companies, firms, Limited Liability Partnerships or any other entities. Therefore, the provision of clause 3(iii) (a),(c),(d),(e) and (f) of the Order are not applicable to the Company.
 - b) In our opinion and according to information and explanations given to us and on the basis of our audit procedures, during the year the investments made by the Company are, *prima facie*, not prejudicial to Company's interest. Company has not provided any guarantees or given security or granted any loans or advances in the nature of loans during the year.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantee or security to the parties covered under Section 185 of the Act. The Company has not provided guarantees or security to the parties covered under Section 186 of the Act during the year.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of Paragraph 3 of the said Order is not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and the Cost Records and Audit (Telecommunication Industry) Rules prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Duty of Customs, Cess and any other material statutory dues applicable to it to the appropriate authorities. There were no undisputed amounts payable in respect of such statutory dues outstanding as at 31st March, 2023 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) which have not been deposited with the appropriate authority on account of any dispute other than the dues related to sales tax, the details of which are given below:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount unpaid (Rs.in million)
Karnataka Value Added Tax Act, 2003	Value Added Tax and Central Sales Tax	Joint Commissioner of Commercial Taxes (Appeals)	June 2013 to March 2014	3.71*

* Net of Rs. 3.26 million under protest

(viii) According to the information and explanations given to us and as represented by the management, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix)

(a) In our opinion and according to the information and explanations given and books of accounts and records examined by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) In our opinion, and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given and records examined by us, no term loan was raised by the Company during the year and there are no outstanding term loans at the beginning of the year. Therefore, clause (ix) (c) of Paragraph 3 of the said Order is not applicable to the Company.

(d) In our opinion, and according to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company we report, *prima facie*, no funds raised on the short-term basis have been utilized for long term purpose by the Company during the year.

(e) Since Company does not have any subsidiaries, associates or joint ventures, the clause (ix) (e) of Paragraph 3 of the said Order is not applicable to the Company.

(f) Since Company does not have any subsidiaries, associates or joint ventures, the clause (ix) (f) of Paragraph 3 of the said Order is not applicable to the Company.

(x) (a) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Therefore, clause (x) of paragraph 3 of the said Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us and on the basis of our audit procedures, the Company has complied with requirements of section 42 of the Act with respect to issue of optionally convertible debentures on private placement basis and the *prima facie*, funds raised have been used for the purposes for which the funds were raised.

- (xi) (a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section 12 of section 143 of the Act has been filed by auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report .
- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company. Therefore the provisions of clause (xii) of Paragraph 3 of the said Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) In our Opinion, and according to the information and explanations given to us, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act, 2013.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary companies or associates, as applicable, or persons connected with them as referred to in section 192 of the Act.
- (xvi)
- a) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- b) In our opinion, and according to the information and explanations provided to us and on the basis of our audit procedures, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year as per the Reserve bank of India Act 1934.
- c) In our opinion, and according to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- d) The Group does not have any Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Direction, 2016 and hence the reporting under clause 3(xvi)(d) of the order is not applicable.
- (xvii) In our opinion, and according to the information and explanations provided to us, Company has incurred cash losses in the current financial year and in the immediately preceding financial year amounting to Rs. 131.81 million and Rs.18.93 million respectively.

- (xviii) There has been no resignation of the statutory auditors during the year. Therefore, clause (xviii) of Paragraph 3 of the said Order are not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to information and explanation given to us, Company is not required to spend the amount under the relevant provisions of Corporate Social responsibility (CSR) as defined in the Section 135 of the Act read with rules thereunder. Therefore, clause (xx) of Paragraph 3 of the said Order are not applicable to the Company.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm's Registration No. 101720W/W100355

Vijay Napawaliya

Partner

Membership No. 109859

UDIN: 23109859BGXRSR1182

Place: New Delhi

Date: 13th April, 2023

(Rs. in million)

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
A. Assets			
1. Non-current assets			
(a) Property, plant and equipment	3A	279.50	345.79
(b) Capital work-in-progress	3C	19.45	13.76
(c) Other Intangible assets	3B	3.93	0.94
(d) Financial assets			
(i) Other financial assets	4	1.15	2.51
(e) Non-current tax assets (net)	5	0.83	1.55
(f) Other non-current assets	6	82.35	50.47
Total non-current assets		387.21	415.02
2. Current assets			
(a) Financial assets			
(i) Current Investments	7	30.47	-
(ii) Trade receivables	8	2.95	4.13
(iii) Cash and cash equivalents	9	-	26.48
(iv) Bank balances other than cash and cash equivalents	10	47.86	195.68
(v) Other financial assets	4	0.28	7.55
(b) Other current assets	6	44.92	26.00
Total current assets		126.48	259.84
Total assets		513.69	674.86
B. Equity and liabilities			
Equity			
(a) Equity share capital	11	53.71	53.71
(b) Other Equity	12	183.86	403.46
Total equity		237.57	457.17
Liabilities			
1. Non-current liabilities			
(a) Provisions	14	7.13	8.56
(b) Other non-current liabilities	15	0.21	0.41
Total non-current liability		7.34	8.97
2. Current liabilities			
(a) Financial liabilities			
(i) Trade payables	16		
i. total outstanding dues to micro enterprises and small enterprises		1.34	1.48
ii. total outstanding dues to creditors other than micro enterprises and small enterprises		131.28	95.36
(ii) Other financial liabilities	13	11.27	4.29
(b) Provisions	14	0.29	0.32
(c) Other current liabilities	15	124.60	107.27
Total current liability		268.78	208.72
Total liabilities		276.12	217.69
Total equity and liabilities		513.69	674.86

See accompanying notes to the financial statements

1 to 40

In term of our report of even date attached
For **Chaturvedi & Shah LLP**
Firm Registration Number:101720W/W100355

For and on behalf of the Board of Directors of
DEN Broadband Limited

Vijay Napawaliya
Partner
Membership No.: 109859

Munish Singla
Director
DIN: 02703417

Kunal Verma
Director
DIN: 06366347

Date : 13-04-2023

Jeevan Sapkota
Company Secretary

(Rs. in million)

Particulars	Notes No.	For the year ended 31.03.2023	For the year ended 31.03.2022
1 Income			
(a) Revenue from operations	17	414.73	629.29
(b) Other income	18	6.84	3.15
2 Total Income		421.57	632.44
3 Expenses			
(a) Leaseline expenses		84.33	76.18
(b) Distributor incentive expenses		107.55	148.66
(c) Employee benefit expense	19	57.11	68.11
(d) Finance costs	20	-	20.76
(e) Depreciation and amortisation expense	3D.	128.35	173.61
(f) Other expenses	21	304.39	337.66
4 Total expenses		681.73	824.98
5 Loss before tax (2-4)		(260.16)	(192.54)
6 Tax expenses			
(a) Current tax		-	-
(b) Deferred tax		-	-
7 Total tax expenses		-	-
8 Loss after tax (5-7)		(260.16)	(192.54)
9 Other comprehensive income			
(i) Items that will not be reclassified to profit or loss:			
(a) Remeasurement gain/loss on the defined benefit plan	26	0.56	0.58
10 Total other comprehensive income		0.56	0.58
11 Total comprehensive Income for the Year (8+10)		(259.60)	(191.96)
12 Earnings per equity share	25		
(Face value of Rs. 10 per share)			
Basic (in Rs.)		(48.43)	(35.84)
Diluted (in Rs.)		(48.43)	(35.84)

See accompanying notes to the financial statements 1 to 40

In term of our report of even date attached
For Chaturvedi & Shah LLP
Firm Registration Number:101720W/W100355

For and on behalf of the Board of Directors of
DEN Broadband Limited

Vijay Napawaliya
Partner
Membership No.: 109859

Munish Singla
Director
DIN: 02703417

Kunal Verma
Director
DIN: 06366347

Jeevan Sapkota
Company Secretary

Date : 13-04-2023

A. Equity share capital

(Rs. in million)

Particulars	
Balance as at 31 March 2021	53.71
Changes in equity share capital during the year	
Issue of equity shares	-
Balance as at 31 March 2022	53.71
Changes in equity share capital during the year	
Issue of equity shares	-
Balance as at 31 March 2023	53.71

B. Other equity

(Rs. in million)

Particulars	Instrument Classified as Equity	Reserves and Surplus		Total
	Convertible Debentures	Securities premium	Retained earnings	
Balance as at 31 March 2021	-	1,661.43	(1,526.01)	135.42
Profit/(Loss) for the year	-	-	(192.54)	(192.54)
Other comprehensive income for the year	-	-	0.58	0.58
Total comprehensive income for the year	-	-	(191.96)	(191.96)
Issue of Optional Fully Convertible Debentures (OFCD)	460.00	-	-	460.00
Balance as at 31 March 2022	460.00	1,661.43	(1,717.97)	403.46
Profit/(Loss) for the year	-	-	(260.16)	(260.16)
Other comprehensive income for the year	-	-	0.56	0.56
Total comprehensive income for the year	-	-	(259.60)	(259.60)
Issue of Optional Fully Convertible Debentures (OFCD)	40.00	-	-	40.00
Balance as at 31 March 2023	500.00	1,661.43	(1,977.57)	183.86

See accompanying notes to the financial statements

1 to 40

In term of our report of even date attached
For **Chaturvedi & Shah LLP**
Firm Registration Number:101720W/W100355

For and on behalf of the Board of Directors of
DEN Broadband Limited

Vijay Napawaliya
Partner
Membership No.: 109859

Munish Singla
Director
DIN: 02703417

Kunal Verma
Director
DIN: 06366347

Jeevan Sapkota
Company Secretary

Date : 13-04-2023

	(Rs. in million)	
Particulars	Year ended 31.03.2023	Year ended 31.03.2022
A. Cash flow from operating activities		
Loss before tax	(260.16)	(192.54)
Adjustments for :		
Liabilities/ excess provisions written back (net)	(5.48)	(48.67)
Interest income earned on financial assets that are not designated as at fair value through profit or loss	(2.76)	(2.55)
Loss / (Gain) on sale of property, plant and equipment	0.18	(0.42)
Interest on income tax refund	(0.10)	(0.18)
Depreciation and amortisation expense	128.35	173.61
Finance costs	-	20.76
Allowance on trade receivables	0.08	-
Advances written off	0.01	0.08
Net (gain)/loss on foreign currency transactions and translation	-	0.08
Net gain on sale of current investments	(3.98)	-
Operating Profit/ (Loss) before working capital changes	(143.86)	(49.83)
Changes in working capital:		
<u>Adjustments for (increase)/ decrease in operating assets:</u>		
Trade receivables	1.18	3.03
Other receivables	(42.26)	(49.97)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	41.26	19.16
Other payable	24.64	13.51
Provisions	(0.90)	0.53
Cash used in operations	(119.94)	(63.57)
Net income tax refunds	0.82	0.73
Net cash used in operating activities (A)	(119.12)	(62.84)
B. Cash flow from investing activities		
Capital expenditure on property, plant and equipment including capital advances	(72.23)	(45.30)
Proceeds from sale of property, plant and equipment	0.78	1.24
Purchase of Investments	(540.92)	-
Sale of Investments	514.43	-
Fixed Deposits Placed	-	(150.02)
Fixed Deposits Matured	150.02	25.10
Interest received	2.76	2.55
Net cash used in investing activities (B)	54.84	(166.43)
C. Cash flow from financing activities		
Fixed deposit earmarked (net)	(2.20)	0.05
Borrowings- current (Net)	-	(185.07)
Proceeds from issue of Optionally Fully Convertible Debentures	40.00	460.00
Finance cost	-	(21.47)
Net cash from financing activities (C)	37.80	253.51
Net (decrease)/increase in cash and cash equivalents	(A+B+C) (26.48)	24.24
Cash and cash equivalents as at the beginning of the year	26.48	2.24
Cash and cash equivalents as at the end of the year	0.00	26.48
* Comprises:		
a. Cash on hand	-	-
b. Balance with scheduled banks		
- in current accounts	-	26.48
	-	26.48

See accompanying notes to the financial statements

1 to 40

In term of our report of even date attached
For **Chaturvedi & Shah LLP**
Firm Registration Number:101720W/W100355

For and on behalf of the Board of Directors of
DEN Broadband Limited

Vijay Napawaliya
Partner
Membership No.: 109859

Munish Singla
Director
DIN: 02703417

Kunal Verma
Director
DIN: 06366347

Jeevan Sapkota
Company Secretary

Date : 13-04-2023

1. Corporate information

DEN BROADBAND LIMITED (hereinafter referred to as 'the Company'), erstwhile known as Den Broadband Private Limited, was incorporated on 5 December 2011 under the Companies Act 1956, with the registrar of company, NCT of Delhi & Haryana. The Company is having its registered office at 236, Okhla Industrial Area, Phase III, New Delhi - 110020. The Company is a wholly owned subsidiary of DEN NETWORKS LIMITED and was set up to primarily engage in provision of broadband services.

2. Significant accounting policies

2.01 Basis of preparation

(i) Statement of Compliance

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 Share based payments, leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

2.02 Cash and cash equivalents

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

2.03 Cash flow statement

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

2.04 Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or 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 derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful life is taken in accordance with Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

a. Headend and distribution equipment		6 -15 years
b. Modems and routers [broadband customer premises equipment (CPE)]		5 years
c. Computers	3 years and 6 years	
d. Office and other equipment	3 to 10 years	
e. Furniture and fixtures	6 years	
f. Vehicles	6 years	
g. Leasehold improvements	Lower of the useful life and the remaining period of the lease.	

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Transition to Ind AS

The Company had elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1 April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.05 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Distribution network rights represents amounts paid to distributors to acquire rights over a particular area for a specified period of time. Other intangible assets includes software and licence fee.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Useful lives of intangible assets

Estimated useful life of the intangible assets are:

- | | |
|-------------------------------------|--------------------------------------|
| a. Distribution network rights | 5 years |
| b. Software | 5 years |
| c. Licence fee for internet service | Over the period of licence agreement |

Transition to Ind AS

The Company had elected to continue with the carrying value of all of its intangible assets recognised as of 1 April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.06 Impairment of tangible and intangible assets

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

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

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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

2.07 Revenue recognition

Revenue is recognized upon transfer of control of goods (equipment) or rendering of services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as a part of contract.

Generally, control is transfer upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Service revenue comprises subscription income from internet subscribers and other related services. Income from services is recognized upon completion of services as per the terms of contracts with the customers. Period based services are accrued and recognized pro-rata over the contractual period. Activation fees on modem and routers is deferred and recognized over the period of customer relationship on activation of modems. Amounts billed for services in accordance with contractual terms but where revenue is not recognized, have been classified as deferred revenue and disclosed under current liabilities. Revenue from prepaid internet service plans, which are active at the end of accounting period, is recognized on time proportion basis.

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned and deferred revenue ("contract liability") is recognized when there is billing in excess of revenues.

2.08 Other income

Interest income

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.09 Foreign Currencies

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

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalised as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).

Treatment of exchange differences

The exchange differences on monetary items are recognised in Profit or Loss in the period in which they arise.

2.10 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

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

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables and other contractual rights to receive cash or other financial assets and financial guarantees not designated as at FVTPL.

For trade receivables or any contractual right to receive cash or another financial assets that result from transactions that are within the scope of Ind AS 115 "Revenue from Contracts with Customers", the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109 "Financial Instruments". This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

2.11 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

a) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

b) Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

c) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

d) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.12 Employee benefit costs

Retirement benefits costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- b. net interest expense or income; and
- c. remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Contributions from employees or third parties to defined benefit plans

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

- If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability (asset).
- If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the Company reduces service cost by attributing the contributions to periods of service using the attribution method required by Ind AS 19 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the Company reduces service cost in the period in which the related service is rendered / reduces service cost by attributing contributions to the employees' periods of service in accordance with Ind AS 19.

2.13 Segment information

The Company determines reportable segment based on information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segmental performance. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments.

2.14 Leases

The Company, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset.

The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.

The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

2.15 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest 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 recognised in profit or loss in the period in which they are incurred.

2.16 Earnings per share

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

2.17 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.18 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

2.18.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.18.2 Restructurings

A restructuring provision is recognised when the Company has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

2.19 Share issue expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account, if any is expensed in the Statement of Profit and Loss.

2.20 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.21 Use of estimates

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

For cash-settled share based payments, a liability is recognized for the goods or service acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in profit or loss for the year.

2.22 Critical accounting judgements and key sources of estimation uncertainty

Critical accounting judgements

The following are the critical judgements, apart from those involving estimations that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Contingent liabilities

Assessment of whether outflow embodying economic benefits is probable, possible or remote. [See note 23(b)]

Property Plant and Equipment/ Intangible Assets

Estimates are involved in determining the cost attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management. Property, Plant and Equipment/Intangible Assets are depreciated/ amortised over their estimated useful life, after taking into account estimated residual value. Management reviews the estimated useful life and residual values of the assets annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The useful life and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological and future risks. The depreciation/ amortisation for future periods is revised if there are significant changes from previous estimates.

Recoverability of Trade Receivables

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

Provisions

The timing of recognition and quantification of the liability (including litigations) requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

Fair value measurements and valuation processes

In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Impairment of Financial and Non-Financial Assets

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. In case of non-financial assets, assessment of impairment indicators involves consideration of future risks. Further, the company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

Estimation uncertainty relating to global health pandemic

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In assessing the recoverability of group's assets such as Financial assets and Non Financial Assets, the group have considered internal and external information. The group have evaluated impact of this pandemic on it's business operations and based on it's review and current indicators of future economic conditions, there is no significant impact on it's financial statements and the group expects to recover the carrying amount of all it's assets.

Recognition of Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

Estimation of Defined benefit obligation

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

2.23 Operating Cycle

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

2.24 Recent accounting pronouncements

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2023

Amendment to Existing issued Ind AS

- i. Ind AS 101- First time adoption of Indian Accounting Standards
- ii. Ind AS 102 – Share-based Payment
- iii. Ind AS 103 – Business Combinations
- iv. Ind AS 107 – Financial Instruments Disclosures
- v. Ind AS 109 - Financial Instruments
- vi. Ind AS 115 – Revenue from Contracts with Customers
- vii. Ind AS 1 – Presentation of Financial Statements
- viii. Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- ix. Ind AS 12 – Income Taxes
- x. Ind AS 34 - Interim Financial Reporting

Application of above standards are not expected to have any significant impact on the Company's financial statements.

3A Property, plant and equipment

(Rs. in million)

Particulars	Tangible Assets							Total
	Leasehold Improvements	Headend and distribution	Modems and routers	Computers	Office and other equipment	Furniture and fixtures	Vehicles	
Gross carrying amount								
Balance as at 31 March 2021	0.49	1,471.12	363.27	6.51	24.88	1.60	0.24	1,868.11
Additions	-	18.86	20.88	2.26	3.04	-	-	45.04
Disposals	-	(6.45)	(14.54)	(0.03)	(1.23)	-	-	(22.25)
Balance as at 31 March 2022	0.49	1,483.53	369.61	8.74	26.69	1.60	0.24	1,890.90
Additions	-	32.10	26.53	1.94	1.44	-	-	62.01
Disposals	-	(5.52)	(1.86)	(1.35)	(1.25)	(0.01)	-	(9.99)
Balance as at 31 March 2023	0.49	1,510.11	394.28	9.33	26.88	1.59	0.24	1,942.92
Accumulated depreciation								
Balance as at 31 March 2021	0.47	1,070.02	300.59	5.70	15.45	1.44	0.24	1,393.91
Depreciation expense	0.02	140.22	29.17	0.68	2.44	0.10	-	172.63
Elimination on disposals of assets	-	(5.79)	(14.54)	(0.03)	(1.07)	-	-	(21.43)
Balance as at 31 Mar 2022	0.49	1,204.45	315.22	6.35	16.82	1.54	0.24	1,545.11
Depreciation expense	-	98.28	24.81	1.41	2.81	0.03	-	127.34
Elimination on disposals of assets	-	(4.92)	(1.86)	(1.35)	(0.89)	(0.01)	-	(9.03)
Balance as at 31 March 2023	0.49	1,297.81	338.17	6.41	18.74	1.56	0.24	1,663.42
Net Carrying amount								
Balance as at 31 March 2022	-	279.08	54.39	2.39	9.87	0.06	-	345.79
Balance as at 31 March 2023	-	212.30	56.11	2.92	8.14	0.03	-	279.50

Notes to the financial statements for the year ended 31 March, 2023

(Rs. in million)

3B Other intangible assets

Particular	Intangible Assets			Total
	Distribution and network rights	Software	Licence fee for internet	
Gross carrying amount				
Balance as at 31 March 2021	5.19	8.83	1.86	15.88
Additions	-	-	-	-
Disposals	-	-	-	-
Adjustments	-	-	-	-
Balance as at 31 March 2022	5.19	8.83	1.86	15.88
Additions	-	1.00	3.00	4.00
Disposals	-	-	-	-
Adjustments	-	-	-	-
Balance as at 31 March 2023	5.19	9.83	4.86	19.88
Accumulated Amortisation				
Balance as at 31 March 2021	5.19	7.08	1.69	13.96
Amortisation expense	-	0.89	0.09	0.98
Disposals	-	-	-	-
Balance as at 31 March 2022	5.19	7.97	1.79	14.94
Amortisation expense	-	0.91	0.10	1.01
Disposals	-	-	-	-
Balance as at 31 March 2023	5.19	8.88	1.89	15.95
Net Carrying amount				
Balance as at 31 March 2022	0.00	0.86	0.07	0.94
Balance as at 31 March 2023	0.00	0.95	2.97	3.93

Notes to the financial statements for the year ended 31 March, 2023

3C Capital Work in Progress (CWIP) Net of Provision for Impairment of CWIP of Rs 21.17 million

a) Ageing schedule as at 31st March 2023:

(Rs. in million)

CWIP	Outstanding for following periods from				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	19.45	-	-	-	19.45
Projects temporarily suspended	-	-	-	-	-
Total	19.45	-	-	-	19.45

a) Ageing schedule as at 31st March 2022:

(Rs. in million)

CWIP	Outstanding for following periods from				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	13.76	-	-	-	13.76
Projects temporarily suspended	-	-	-	-	-
Total	13.76	-	-	-	13.76

Notes to the financial statements for the year ended 31 March, 2023

<i>Particulars</i>	<i>(Rs. in million)</i>	
	For the year ended 31.03.2023	For the Year ended 31.03.2022
3D. Depreciation and amortisation expense		
a) Depreciation expense (See note 3A)	127.34	172.63
b) Amortisation expense (See note 3B)	1.01	0.98
Total	128.35	173.61

Particulars	(Rs. in million)	
	As at 31.03.2023	As at 31.03.2022
4. Other financial assets		
<u>Non-Current</u>		
(i) Security deposits	1.15	2.51
Total	1.15	2.51
<u>Current</u>		
(i) Security deposits		
- Considered goods	0.28	1.55
- Considered doubtful	0.03	0.06
Less: Impairment allowance for security deposit	(0.03)	(0.06)
	0.28	1.55
(ii) Unbilled revenue		
- from others	-	4.53
(iii) Others		
- Receivable on sale of property, plant and equipment	-	1.47
Total	0.28	7.55
5. Non current tax assets (net)		
(i) Advance tax including TDS recoverable	0.83	1.55
Total	0.83	1.55
6. Other assets		
<u>Non-current</u>		
(i) Prepaid expenses	-	0.81
(ii) Deposit against case with VAT Authority	3.26	3.26
(iii) Deposit with DOT towards AGR Fees *	79.09	46.40
(iv) Capital advances	0.31	0.31
Less: Impairment allowance for capital advances	(0.31)	(0.31)
Total	82.35	50.47
<p>* By way of the Amendment dated 31.03.2021, the Department of Telecommunications ("DoT") has unilaterally amended the definition of "Adjusted Gross Revenue" ("AGR") in the License to remove the exclusion that was granted to revenue from pure internet services which hitherto was available since 2006. Similarly under current Unified Licence DOT requires License Fee to be paid on revenue from Pure Internet services.</p> <p>Company's position is that the amendments are contrary to law and no License Fee on revenue from pure internet services is payable. However, in order to obviate any coercive action against the company, including by way of interest and penalties, the company has made payment of license fee "Under Protest" by inclusion of revenue from pure internet service.</p>		
<u>Current</u>		
(i) Prepaid expenses	11.00	11.36
(ii) Balance with government authorities	32.66	13.18
(iii) Supplier advances	1.85	2.36
Less: Impairment allowance for supplier advance	(0.59)	(0.90)
	1.26	1.46
Total	44.92	26.00
7. Current Investments		
	As at 31.03.2023	As at 31.03.2023
	No. of Units	(Rs. in million)
	No. of Units	(Rs. in million)
Investment in Mutual Funds - Unquoted - Carried at FVTPL		
(i) Kotak Low Duration Direct Growth	9,955.84	30.47
	-	-
Total	30.47	-

Particulars	(Rs. in million)	
	As at 31.03.2023	As at 31.03.2022
8. Trade receivables		
(i) Trade receivables considered good - unsecured	2.95	4.13
(ii) Trade receivables which have significant increase in credit Risk	11.37	10.99
	14.32	15.12
Less: Provision for credit impaired / expected credit loss	(11.37)	(10.99)
Total	2.95	4.13

Notes:

a) The average credit period on sales of services is 0-180 days. No interest is charged on any overdue trade receivables.

Trade Receivable ageing as at 31st March 2023 (Rs. in million)

Particulars	Outstanding for following periods from due date of payment*					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
i) Undisputed Trade receivables – considered good	2.95	-	-	-	-	2.95
ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	2.95	-	-	-	-	2.95

*Net of Provisions

Trade Receivable ageing as at 31st March 2022 (Rs. in million)

Particulars	Outstanding for following periods from due date of payment*					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
i) Undisputed Trade receivables – considered good	4.13	-	-	-	-	4.13
ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	4.13	-	-	-	-	4.13

*Net of Provisions

b) Movement in the provision for credit impaired

Balance at the beginning of the year	(10.99)	(17.72)
Movement in provision for credit impaired	(0.38)	6.73
Less: Excess provision written back during the year	-	-
Balance at the end of the year	(11.37)	(10.99)

c) The concentration of credit risk is limited due to the fact that the customer base is large.

Particulars	(Rs. in million)	
	As at 31.03.2023	As at 31.03.2022

9. Cash and cash equivalents

(i) Cash in hand	-	-
(ii) Balance with scheduled banks - in current accounts*	-	26.48
	-	26.48

* As on 31st Mar'2023 the Balance with banks is Rs 3,621.

10. Bank balances other than cash and cash equivalents

(i) in deposit accounts - original maturity more than 3 months	-	150.02
(ii) in earmarked accounts - Balances held as margin money or security against guarantees and other commitments	47.86	45.66
	47.86	195.68

Particulars	(Rs. in million)	
	As at 31.03.2023	As at 31.03.2022
11. Equity share capital		
Equity share capital	53.71	53.71
	<u>53.71</u>	<u>53.71</u>
Authorised share capital:		
60,00,000 (As at 31 March 2022 : 60,00,000) equity shares of Rs. 10 each with voting rights	60.00	60.00
	<u>60.00</u>	<u>60.00</u>
Issued and subscribed capital comprises:		
53,71,555 (As at 31 March 2022 : 53,71,555) equity shares of Rs. 10 each fully paid up with voting rights	53.71	53.71
	<u>53.71</u>	<u>53.71</u>
Fully paid equity shares:	Number of shares	Share capital
Balance as at 1 April 2021	53,71,555	53.71
Add: Issue of shares	-	-
Balance as at 31 March 2022	53,71,555	53.71
Add: Issue of shares	-	-
Balance as at 31 March 2023	<u>53,71,555</u>	<u>53.71</u>

Of the above:

- Fully paid equity shares, which have a par value of Rs. 10, carry one vote per share and carry a right to dividends.
- Details of shares held by each shareholder holding more than 5% shares:
- Details of share held by each shareholder holding more than 5%

Names of the shareholders	As at 31.03.2023		As at 31.03.2022	
	No of shares	% Holding	No of shares	% Holding
Fully paid equity shares with voting rights:				
DEN Networks Limited (Holding Company)	53,71,549	100%	53,71,549	100%
Shares held with nominee shareholders	6		6	

- The Company has one class of equity shares having a par value of Rs. 10 per share. Each equity shareholder is eligible for one vote per share held and dividend as and when declared by the Company. Interim dividend is paid as and when declared by the Board. Final dividend is paid after obtaining shareholder's approval. Dividends are paid in Indian Rupees. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount in proportion to their shareholding.

e. Shareholding of Promoters

As at 31st March 2023

Sr. No.	Class of equity Shares	Promoter's Name	Nos. of shares at the beginning of the year	Change during the year	Nos. of shares at the end of the year	% of total shares	% change during the year
1	Fully paid equity shares of Rs 10 each	Den Networks Limited [*]	53,71,555	-	53,71,555	100%	0%
	Total		53,71,555	-	53,71,555	100%	0%

As at 31st March 2022

Sr. No.	Class of equity Shares	Promoter's Name	Nos. of shares at the beginning of the year	Change during the year	Nos. of shares at the end of the year	% of total shares	% change during the year
1	Fully paid equity shares of Rs 10 each	Den Networks Limited [*]	53,71,555	-	53,71,555	100%	0%
	Total		53,71,555	-	53,71,555	100%	0%

* including nominee shareholders

	(Rs. in million)	
	As at 31.03.2023	As at 31.03.2022
12. Other equity		
Securities premium	1,661.43	1,661.43
Deficit in statement of profit and loss	(1,977.57)	(1,717.97)
Optionally Fully Convertible Debentures (OFCD) classified in equity	500.00	460.00
	183.86	403.46
a. Securities premium		
i. Opening balance	1,661.43	1,661.43
ii. Add : Addition / Deletion	-	-
	(A) 1,661.43	1,661.43
b. Deficit in Statement of profit and loss		
i. Opening balance	(1,717.97)	(1,526.01)
ii. Add: Profit / (loss) for the year	(260.16)	(192.54)
iii. Other comprehensive income arising from remeasurement of defined benefit	0.56	0.58
iv. Closing balance	(B) (1,977.57)	(1,717.97)
c. Optionally Fully Convertible Debentures (OFCD) classified in equity*		
i. Opening balance	460.00	-
ii. Add : Addition / Deletion	40.00	460.00
	(C) 500.00	460.00
	(A+B+C) 183.86	403.46

*Note :

1. Debenture 1 :

A) **Conversion Terms** : 15,333,333 Zero% Optionally Fully Convertible Debentures (OFCD) shall be converted into 1 (one) Equity Share of Rs. 10/- each at a premium of Rs.20/- per equity share at any time after 5 years from date of issue (28.03.2022), at the option of the Issuer, but not later than 20 years from the date of allotment (28.03.2022) of the OFCD.

B) **Redemption Terms** : If not opted for conversion each OFCD shall be redeemable at Rs. 30/- at any time after expiry of 30 days from the date of allotment (28.03.2022) at the option of the Issuer, but not later than 20 years from the date of allotment (28.03.2022) of the OFCD.

C) Above OFCD are issued to Holding Company.

2. Debenture 2 :

A) **Conversion Terms** : A) Conversion Terms : 20,00,000 Zero% Optionally Fully Convertible Debentures (OFCD) shall be converted into 1 (one) Equity Share of Rs. 10/- each at a premium of Rs.10/- per equity share at any time after 5 years from date of issue (24.11.2022), at the option of the Issuer, but not later than 20 years from the date of allotment (24.11.2022) of the OFCD..

B) **Redemption Terms** : If not opted for conversion each OFCD shall be redeemable at Rs. 20/- at any time after expiry of 30 days from the date of allotment (24.11.2022) at the option of the Issuer, but not later than 20 years from the date of allotment (24.11.2022) of the OFCD.

C) Above OFCD are issued to Holding Company.

Particulars	(Rs. in million)	
	As at 31.03.2023	As at 31.03.2022
13. Other financial liabilities		
Current		
a. Security deposit received	8.02	0.01
b. Payables on purchase of property, plant and equipment	0.43	0.96
c. Dues to employees	2.82	3.32
	<u>11.27</u>	<u>4.29</u>
14. Provisions		
Non-current		
Employee benefits		
- Gratuity (Note No. 26)	4.92	5.65
- Compensated absences	2.21	2.91
	<u>7.13</u>	<u>8.56</u>
Current		
Employee benefits		
- Gratuity (Note No. 26)	0.20	0.21
- Compensated absences	0.09	0.11
	<u>0.29</u>	<u>0.32</u>
15. Other liabilities		
Non-current		
a. Deferred revenue	0.21	0.41
Total	<u>0.21</u>	<u>0.41</u>
Current		
a. Deferred revenue	34.63	37.30
b. Statutory remittances	2.45	2.97
c. Other payables		
(i) Indirect Tax Payable and Other #	82.35	49.66
(ii) Advances from customers	5.17	17.34
Total	<u>124.60</u>	<u>107.27</u>
# refer note no. 6		

Particulars	(Rs. in million)	
	As at 31.03.2023	As at 31.03.2022
16. Trade payables		
Trade payables		
a. total outstanding dues of micro, small and medium enterprises	1.34	1.48
b. total outstanding dues of creditors other than micro, small and medium enterprises	131.28	95.36
	<u>132.62</u>	<u>96.84</u>

Trade Payable ageing as at 31st March 2023

(Rs. in million)

Particulars	Outstanding from due date of payment				Total
	< 1 year	1-2 years	2-3 years	>3 years	
(i) MSME	-	-	-	-	-
(ii) Others	75.28	0.56	0.14	0.03	76.01
(iii) Disputed-MSME	-	-	-	-	-
(iv) Disputed-Others	-	-	-	-	-
Total	75.28	0.56	0.14	0.03	76.01

Trade Payable ageing as at 31st March 2022

(Rs. in million)

Particulars	Outstanding from due date of payment				Total
	< 1 year	1-2 years	2-3 years	>3 years	
(i) MSME	-	-	-	-	-
(ii) Others	27.38	0.67	0.04	0.02	28.11
(iii) Disputed-MSME	-	-	-	-	-
(iv) Disputed-Others	-	-	-	-	-
Total	27.38	0.67	0.04	0.02	28.11

		(Rs. in million)	
Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022	
17. Revenue from operations			
a. Sale of services (see note below)	408.61	579.99	
b. Other operating revenue			
i. Liabilities/ excess provisions written back (net)	5.48	48.67	
ii. Miscellaneous income	0.64	0.63	
Total	414.73	629.29	
Note :			
Sale of services comprises			
a. Internet revenue	408.15	579.38	
b. Activation revenue	0.46	0.61	
Total	408.61	579.99	
18. Other income			
a. Interest income earned on financial assets that are recognised at			
i. on bank deposits	2.53	2.14	
ii. Other	0.23	0.41	
b. Interest income on income tax refund	0.10	0.18	
c. Other gains and losses			
i. Profit on sale/ disposal of property plant and equipment	-	0.42	
ii. Unrealised gain on current investments	0.22	-	
iii. Profit From Sale of Current Investment	3.76	-	
Total	6.84	3.15	
19. Employee benefit expense			
a. Salaries and allowances	50.27	60.70	
b. Contribution to provident and other funds	2.33	2.86	
c. Gratuity expense	1.13	1.29	
d. Staff welfare expenses	3.38	3.26	
Total	57.11	68.11	
20. Finance costs			
Interest on loans from related parties	-	20.76	
Total	-	20.76	
21. Other expenses			
a. Rent and hire charges	76.70	76.63	
b. Repairs and maintenance			
i. Plant and equipment	16.85	18.45	
ii. Others	10.64	13.17	
c. Electricity charges	19.12	14.61	
d. Legal and professional charges	1.08	0.84	
e. Payment to auditors			
i. Statutory Audit Fees	0.69	0.60	
ii. Tax Audit Fees	0.13	0.11	
iii. Certification Work	0.48	-	
f. Contract service charges	131.26	149.47	
g. Printing and stationery	0.16	0.12	
h. Travelling and conveyance	1.49	1.29	
i. Advertisement, publicity and business promotion	2.82	2.34	
j. Collection handling charges	2.24	3.96	
k. Communication expenses	0.41	0.32	
l. Security charges	2.23	1.65	
m. Freight and labour charges	0.90	0.84	
n. Insurance	0.53	0.76	
o. Rates and taxes	33.41	50.01	
p. Allowance on advances & trade receivables	0.08	0.08	
q. Loss on sale/ disposal of Property , Plant and Equipment	0.18	-	
r. Miscellaneous expenses	2.99	2.41	
Total	304.39	337.66	
21.01 Allowance on advances & trade receivables			
a. Doubtful trade receivables & advances written Off	0.01	1.28	
b. Allowance on advances & trade receivables written back	(0.34)	(1.20)	
	(0.33)	0.08	
c. Allowance on advances & trade receivables	0.41	-	
Total	0.08	0.08	

Den Broadband Limited

Notes to the financial statements for the year ended 31 March, 2023

Particulars	(Rs. in million)	
	Year ended 31.03.2023	Year ended 31.03.2022
22. Income taxes		
A. Income tax recognised in Statement of Profit and Loss		
(a) The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit/(Loss) before tax	(260.16)	(192.54)
Income tax expense calculated	(65.48)	(48.46)
Effect of unused tax losses, timing difference and tax offsets not recognised as deferred tax asset	65.48	48.46
Total tax expense charged/(credited) in Statement of Profit and Loss	-	-

B. Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Particulars	(Rs. in million)	
	As at 31.03.2023	As at 31.03.2022
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following (refer note below):		
- tax losses (revenue in nature)	320.15	185.67
- unabsorbed depreciation (revenue in nature)	1,132.55	999.06
- deductible temporary differences		
i. Property, plant and equipment and other intangible assets	487.75	490.47
ii. Provision for employee benefits	7.42	8.88
iii. Impairment allowance for doubtful balances	12.30	12.26
iv. Deferred revenue	0.53	0.74
	1,960.70	1,697.08

Note:

Detail of temporary differences, unused tax losses and unused tax credits for which no deferred tax asset is recognised in the balance sheet:

Particulars	(Rs. in million)	
	As at 31.03.2023	As at 31.03.2022
Deferred tax assets with no expiry date	1,132.55	999.06
Deferred tax assets with expiry date	828.15	698.02
	1,960.70	1,697.08

Particulars	(Rs. in million)	
	As at 31.03.2023	As at 31.03.2022
23. Commitments and contingent liabilities		
a. Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	0.19	0.93
b. Contingent liabilities		
(i) Guarantees		
Bank guarantees	28.91	24.71
(ii) Claims against the Company not acknowledged as debts*		
Demand raised by karnataka commercial Tax authorities for Payment of VAT	6.97	6.97

* The company has paid deposit under protest towards the above claims of Rs. 3.26 millions.

24. Segment information

- I. The Company is engaged in the business of providing "internet services". The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocates resources based on the analysis of the various performance indicators of the Company as a single unit. Therefore there is no reportable segment for the Company, in accordance with the requirements of Ind AS 108- 'Operating Segment Reporting', notified under the Companies (Indian Accounting Standard) Rules, 2015.

II. Geographical information

- a. The Company is domiciled in India. The amount of its revenue from operations from external customers broken down by location of customers is stated below:

Geography	(Rs. in million)	
	Year ended 31.03.2023	Year ended 31.03.2022
India	408.61	579.99
Outside India	-	-
	408.61	579.99

- b. Information regarding geographical non-current assets* is as follows:

Geography	(Rs. in million)	
	As at 31.03.2023	As at 31.03.2022
India	385.23	410.96
Outside India	-	-
	385.23	410.96

*Non-current assets exclude financial assets, non current tax assets (net) and deferred tax assets (net).

- c. Information about major customers:

No single customer contributed 10% or more to the Company's revenue during the years ended 31 March, 2023 and 31 March, 2022.

25. Earning per equity share (EPS)*

	Year ended 31.03.2023	Year ended 31.03.2022
(i) Loss for the year (Rs. in million)	(260.16)	(192.54)
(ii) Loss attribute to equity shareholders (Rs. in million)	(260.16)	(192.54)
(iii) Weighted average number of equity share outstanding during the year	53,71,555	53,71,555
(iv) Basic and diluted earning per share(Rs.)	(48.43)	(35.84)
(v) Face value per share(Rs.)	10.00	10.00

Potential equity shares from conversion of Debentures are anti-dilutive as their conversion would decrease the loss per share . Therefore, the effects of anti-dilutive potential equity shares are ignored in calculating diluted earnings per share.

26. Employee benefit plans**(i) Defined contribution plans**

The company operates defined contribution retirement benefit plans for all its qualifying employees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The total expense recognised in profit or loss of Rs. 2.28 million (previous year Rs. 2.83 million) for provident fund contributions and Rs. 0.03 million (previous year Rs. 0.03 million) for Employee State Insurance Scheme contributions represents contributions payable to these plans by the Company at rates specified in the rules of the plans. As at 31 March, 2023, contributions of Rs. .40 million (as at 31 March, 2022: Rs. 0.48 million) due in respect of 2022-23 (2021-22) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

(ii) Defined benefit plans**Gratuity plan**

Gratuity liability arises on retirement, withdrawal, resignation, and death of an employee. The aforesaid liability is calculated on the basis of 15 days salary (i.e. last drawn salary plus dearness allowance) for each completed year of service or part thereof in excess of 6 months, subject to a maximum of Rs. 2 million (previous year Rs. 2 million) Vesting occurs upon completion of 5 years of service.

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

The gratuity plan typically exposes the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest risk A decrease in the bond interest rate will increase the plan liability.

Longevity risk The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will

No other post-retirement benefits are provided to these employees

In respect of the plan in India, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out as at 31 March, 2023 by KP Actuaries and Consultants , Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Den Broadband Limited
Notes to the financial statements for the year ended 31 March, 2023

26. Employee benefit plans (contd.)

a) The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuations as at	
	31.03.2023	31.03.2022
Discount rate(s)	7.60%	7.09%
Expected rate(s) of salary increase	6.00%	6.00%
Decrement adjusted remaining working life (years)	12.46	14.35
Average remaining working life (years)	17.21	18.32
Retirement age (years)	58	58
Mortality Table	IALM (2012 14)	IALM (2012 14)
Mortality Withdrawal Rates (Per Anum)	3%	2%

The following tables set out the unfunded status of the defined benefit scheme and amounts recognised in the Company financial statements as at 31 March, 2023:

b) Amounts recognised in Statement of Profit and Loss in respect of these defined benefit plans are as follows:

Particulars	(Rs. in million)	
	Year ended	
	31.03.2023	31.03.2022
Service cost		
- Current service cost	0.72	0.90
Net interest expense	0.41	0.39
Components of defined benefit costs recognised in profit or loss	1.13	1.29
Remeasurement on the net defined benefit liability		
- Actuarial (gains) / losses arising from changes in demographic assumptions	0.05	-
- Actuarial (gains) / losses arising from changes in financial assumptions	(0.30)	(0.10)
- Actuarial (gains) / losses arising from experience adjustments	(0.31)	(0.48)
Components of defined benefit costs recognised in other comprehensive income	(0.56)	(0.58)
Total	0.57	0.71

The current service cost and the net interest expense for the year are included in the employee benefits expense line item in the Statement of Profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

c) The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows.

Particulars	(Rs. in million)	
	As at	
	31.03.2023	31.03.2022
Present value of funded defined benefit obligation	5.12	5.86
Net liability arising from defined benefit obligation	5.12	5.86
- Current portion of the above	0.20	0.21
- Non current portion of the above	4.92	5.65

d) Movements in the present value of the defined benefit obligation are as follows:

Particulars	(Rs. in million)	
	Year ended	
	31.03.2023	31.03.2022
Opening defined benefit obligation	5.86	5.60
Current service cost	0.72	0.90
Interest cost	0.41	0.39
Remeasurement (gains)/losses:		
- Actuarial (gains) / losses arising from changes in demographic assumptions	0.05	-
- Actuarial (gains) / losses arising from financial assumption	(0.30)	(0.10)
- Actuarial (gains) / losses arising from experience adjustments	(0.31)	(0.48)
Benefits paid	(1.31)	(0.45)
Closing defined benefit obligation	5.12	5.86

e) Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

i) If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by Rs. 0.28 million (increase by Rs. 0.26 million) [as at 31 March, 2022: decrease by Rs. 0.37 million (increase by Rs. 0.34 million)]

ii) If the expected salary growth increases (decreases) by 0.50%, the defined benefit obligation would increase by Rs. 0.28 million (decrease by Rs. 0.27 million) [as at 31 March, 2022: increase by Rs. 0.37 million (decrease by Rs. 0.35 million)]

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

f) The average duration of the benefit obligation represents average duration for active members at 31 March, 2023: 12.36 years (as at 31 March, 2022: 14.35 years).

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

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

i) The gratuity plan is unfunded.

j) Experience on actuarial gain/(loss) for benefit obligations :

Particulars	(Rs. in million)				
	Gratuity				
	Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2019
Present value of DBO	5.12	5.86	5.60	6.23	4.65
Funded status [Surplus / (Deficit)]	(5.12)	(5.86)	(5.60)	(6.23)	(4.65)
Experience gain / (loss) adjustments on plan liabilities	0.56	0.58	1.30	0.01	0.86

27 Related Party Disclosures

I. List of related parties

a. Holding Company

Den Networks Limited

b. Other related party

Futuristic Media and Entertainment Limited

DEN Saya Channel Network Limited

Hathway Cable and Datacom Limited

Hathway Digital Limited

Reliance Jio Infocomm Limited

Reliance Projects & Property Management Services Limited

Reliance Retail Limited

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

(Rs. in million)

Particulars	Den Networks Limited	Futuristic Media and Entertainment Limited	Reliance Jio Infocomm Ltd	Reliance Projects & Property Management Services Limited	Reliance Retail Limited	Hathway cable and Datacom Limited	Hathway Digital Limited	Grand total
A. Transactions during the year								
i. Loan taken during the year	- (275.50)	-	-	-	-	-	-	- (275.50)
ii. Loan paid during the year	- (460.57)	-	-	-	-	-	-	- (460.57)
iii. Interest costs	- (20.76)	-	-	-	-	-	-	- (20.76)
iv. Lease line expense	-	-	76.10 (69.59)	-	-	-	-	76.10 (69.59)
v. Sale of equipment	- (0.58)	-	-	-	-	(11.93)	(0.02)	- (12.53)
vi. Purchase of equipment	0.54 (1.23)	-	-	-	-	0.80	-	1.34 (1.23)
vii. Sale of CWIP	-	-	-	-	-	-	-	-
viii. Optional Fully Convertible Debentures	40.00 (460.00)	-	-	-	-	-	-	40.00 (460.00)
ix. Other	6.50 (1.87)	- (0.06)	0.22 (0.13)	0.39 (1.12)	0.04 (0.03)	1.77 (1.36)	-	8.92 (4.57)

27 Related Party Disclosures (contd.)

(Rs. in million)

Particulars	Den Networks Limited	Futuristic Media and Entertainment Limited	Reliance Jio Infocomm Ltd	Reliance Projects & Property Management Services Limited	Reliance Retail Limited	Hathway cable and Datacom Limited	Hathway Digital Limited	Grand total
B. Outstanding balances at year end								
i. Other financial assets								
31 March, 2023	-	-	-	-	-	-	-	-
31 March, 2022	-	-	-	-	-	-	-	-
iii. Trade payables								
31 March, 2023	33.15	-	51.77	0.05	-	0.58	-	85.55
31 March, 2022	(3.33)	(0.04)	(26.28)	(0.04)	(0.01)	-	-	(29.70)
iv. Other financial Liabilities								
31 March, 2023	-	-	-	-	-	-	-	-
31 March, 2022	-	(0.01)	-	-	-	-	-	(0.01)
v. Optional Fully Convertible Debentures								
31 March, 2023	500.00	-	-	-	-	-	-	500.00
31 March, 2022	460.00	-	-	-	-	-	-	460.00
vi. Trade receivable								
31 March, 2023	0.43	-	-	-	-	0.00	-	0.43
31 March, 2022	(0.63)	(0.02)	-	-	-	(1.47)	-	(2.12)

28. Financial Instruments

(a) Capital management

The Company's management reviews the capital structure of the Company on periodical basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. The Company monitors the capital structure using gearing ratio which is determined as the proportion of net debt to total equity.

The capital structure of the Company consists of net debt (borrowings - Nil, and offset by cash and bank balances in notes 9, 10) and total equity of the Company.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans. The funding requirements are met through a mixture of equity, internal fund generation, non-current and current borrowings. The Company's policy is to use non-current and current borrowings to meet anticipated funding requirements.

Gearing ratio

The gearing at end of the reporting period was as follows

Particulars	(Rs. in million)	
	As at 31.03.2023	As at 31.03.2022
Debt		
Borrowings	-	-
Less:		
Bank balances other than cash and cash equivalents (See Note 10)	47.86	195.68
Cash and cash equivalents (See Note 9)	-	26.48
Net debt	(47.86)	(222.16)
Total equity	237.57	457.17
Net debt to equity ratio	N/A	N/A

(b) Financial risk management objective and policies

Financial assets and liabilities:

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

As at 31 March, 2023

Financial assets	(Rs. in million)			
	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Current investments	30.47	-	-	30.47
Cash and cash equivalents	-	-	-	-
Bank balances other than cash and cash equivalents	47.86	-	-	47.86
Trade receivables	2.95	-	-	2.95
Security deposits	1.43	-	-	1.43
	82.71	-	-	82.71

Financial liabilities	(Rs. in million)			
	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Borrowings - current	-	-	-	-
Trade payables	132.62	-	-	132.62
Other financial liabilities - non-current	-	-	-	-
Other financial liabilities - current	11.27	-	-	11.27
	143.89	-	-	143.89

As at 31 March, 2022

Financial assets	(Rs. in million)			
	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Cash and cash equivalents	26.48	-	-	26.48
Bank balances other than cash and cash equivalents	195.68	-	-	195.68
Trade receivables	4.13	-	-	4.13
Security deposits	4.06	-	-	4.06
Other financial assets - current	6.00	-	-	6.00
	236.35	-	-	236.35

Financial liabilities	(Rs. in million)			
	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Borrowings - current	-	-	-	-
Trade payables	96.84	-	-	96.84
Other financial liabilities - non-current	-	-	-	-
Other financial liabilities - current	4.29	-	-	4.29
	101.13	-	-	101.13

(c) Risk management framework

The Company is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The objective of the Company's risk management framework is to manage the above risks and aims to :

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- provide management with reliable information on the Company's risk exposure
- improve financial returns

(i) Market risk

Market risk is the risk that the fair value of financial instrument will fluctuate because of change in market price. Market risk comprises of three types of risks - interest risk, foreign currency, and other price risk such as equity price risk.

The Company's activities expose it primarily to interest rate risk, currency risk and other price risk such as equity price risk. The financial instruments affected by market risk includes : Fixed deposits, borrowings and other current financial liabilities.

(ii) Liquidity risk

The Company requires funds both for short-term operational needs as well as for long-term investment needs.

	(Rs. in million)			
	As at 31 March, 2023			Total
	<1 year	1-3 Years	> 3 Years	
Current				
- Borrowings	-	-	-	-
- Trade payables	132.62	-	-	132.62
- Other financial liabilities	11.27	-	-	11.27
Total	143.89	-	-	143.89

	(Rs. in million)			
	As at 31 March, 2022			Total
	<1 year	1-3 Years	> 3 Years	
Current				
- Borrowings	-	-	-	-
- Trade payables	96.84	-	-	96.84
- Other financial liabilities	4.29	-	-	4.29
Total	101.13	-	-	101.13

(iii) Foreign currency risk

Foreign exchange risk comprises of risk that may arise to the Company because of fluctuations in foreign currency exchange rates. Fluctuations in foreign currency exchange rates may have an impact on the statement of profit and loss. As at the year end, the Company was exposed to foreign exchange risk arising from foreign currency payables and buyer's credit denominated in foreign currency availed by the Company.

(iv) Interest rate risk

The Company is exposed to interest rate risk on current and non-current borrowings and fixed deposits outstanding as at the year end. The Company's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by current market interest rates. The borrowings of the Company are principally denominated in Indian Rupees. These exposures are reviewed by appropriate levels of management on a monthly basis. The Company invests in fixed deposits to achieve the Company's goal of maintaining liquidity, carrying manageable risk and achieving satisfactory returns.

The exposure of the Company's financial liabilities as at 31 March, 2023 to interest rate risk is as follows:

				(Rs. in million)
	Floating rate	Fixed rate	Non interest bearing	Total
Non current				
Borrowings	-	-	-	-
Current				
Borrowings	-	-	-	-
	-	-	-	-
Fixed deposits	-	47.86	-	47.86
<u>Weighted average interest rate (per annum)</u>	<u>Floating rate</u>	<u>Fixed rate</u>		
Others	NA	NA		

The exposure of the Company's financial liabilities as at 31 March, 2022 to interest rate risk is as follows:

				(Rs. in million)
	Floating rate	Fixed rate	Non interest bearing	Total
Non current				
Borrowings	-	-	-	-
Current				
Borrowings	-	-	-	-
	-	-	-	-
Fixed deposits	-	195.68	-	195.68
<u>Weighted average interest rate (per annum)</u>	<u>Floating rate</u>	<u>Fixed rate</u>		
Others	NA	NA		

(v) Other price risk

The Company is not exposed to other price risks such as equity price risk at the end of the reporting period.

(vi) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk primarily arises from trade receivables, balances with banks and security deposits. The credit risk on bank balances is limited because the counterparties are banks with good credit ratings. Trade receivables consist of a large number of customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Company's policies on assessing expected credit losses is detailed in notes to accounting policies. (See note 2.10)

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

30. Expenditure on Corporate Social Responsibility (CSR)

The company has incurred losses during the financial year and in earlier year also. Therefore, company has no obligations to contribute to any corporate social responsibility.

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

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

Particulars	(Rs. in million)	
	As at 31.03.2023	As at 31.03.2022
(a) (i) the principal amount remaining unpaid to any supplier	1.34	1.48
(ii) interest due thereon	-	-
(b) interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and the amount of payment made to the supplier beyond the appointed day.	-	-
(c) interest due and payable for the period of delay in making payment other than the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) interest accrued and remaining unpaid	-	-
(e) further interest remaining due and payable even in the succeeding years for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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

33. Reconciliation of liabilities arising from financing activities

The table below details the changes in Company's liabilities arising from financing activities, including both cash and non-cash

As at 31 March, 2023				(Rs. in million)
Particulars	As at 31.03.2022	Cash Flow	Non-cash Changes	As at 31.03.2023
Non-current borrowings	-	-	-	-
Current borrowings	-	-	-	-
Total liabilities from financing activities	-	-	-	-

As at 31 March, 2022				(Rs. in million)
Particulars	As at 31.03.2021	Cash Flow	Non-cash Changes	As at 31.03.2022
Non-current borrowings	-	-	-	-
Current borrowings	185.07	(185.07)	-	-
Total liabilities from financing activities	185.07	(185.07)	-	-

34. Fair value measurement

i) Financial assets and financial liabilities that are not measured at fair value are as under:

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	-	-	26.48	26.48
Bank balances other than cash and cash equivalents	47.86	47.86	195.68	195.68
Trade receivables	2.95	2.95	4.13	4.13
Security deposits	1.43	1.43	4.06	4.06
Other financial assets - current	-	-	6.00	6.00
Financial liabilities				
Trade payables	132.62	132.62	96.84	96.84
Other financial liabilities - non-current	-	-	-	-
Other financial liabilities - current	11.27	11.27	4.29	4.29

Note :

The carrying value of the above financial assets and financial liabilities carried at amortised cost approximate these fair value.

ii) Fair value hierarchy of assets measured at fair value as at 31 March, 2023 and 31 March, 2022 is as follows:

Particulars	As at 31.03.2023	(Rs. In million)			Valuation Techniques
		Level 1	Level 2	Level 3	
Financial assets					
Investment in mutual funds	30.47	30.47	-	-	Based on NAV report issued by the fund manager.
Total financial assets	30.47	30.47	-	-	

Particulars	As at 31.03.2022	(Rs. In million)			Valuation Techniques
		Level 1	Level 2	Level 3	
Financial assets					
Investment in mutual funds	-	-	-	-	Based on NAV report issued by the fund manager.
Total financial assets	-	-	-	-	

35 Ratio Analysis

S.n.	Particulars	As at 31.03.2023	As at 31.03.2022	% Changes
1	Current Ratio	0.47	1.19	-60%
2	Debt-Equity Ratio	-	-	NA
3	Debt service coverage ratio	-	(9.27)	NA
4	Return on equity ratio	-75%	-60%	25%
5	Inventory turnover ratio*	NA	NA	NA
6	Trade receivable turnover ratio	115.43	131.37	-12%
7	Trade payable turnover ratio	4.33	5.10	-15%
8	Net capital turnover ratio	(8.96)	(4.51)	99%
9	Net profit ratio	-63%	-31%	103%
10	Return on capital employed	-136%	-68%	100%
11	Return on Investment	9%	1%	800%

- a) **Current Ratio** decreased due to decrease in bank balance during the current Financial Year.
- b) **Return on Equity ratio** decreased due to increase in loss during the year.
- c) **Net capital turnover ratio** decreased due to reduction in sales during the current year.
- d) **Net profit ratio** decreased due to increase in loss during the Current Year in comparison to previous year.
- e) **Return on capital employed** decreased due to Increase in Loss during the current year as turnover reduced in current year.
- f) **Return on Investment** Increased due to in other income during the current year and decrease in cash and bank balance.

* No inventory in Company

36 Formula for computation of ratios are as follows:

S.no.	Particulars	Formula
1	Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
2	Debt-Equity Ratio	$\frac{\text{Total Debt}}{\text{Total Equity}}$
3	Debt Service Coverage Ratio	$\frac{\text{Earning before Interest, Tax \& Exceptional Items}}{\text{Interest Expense + Principal Repayments made during the period for long term loans}}$
4	Return on Equity Ratio	$\frac{\text{Profit after Tax (Attributable to Owners)}}{\text{Average Net worth}}$
5	Inventory Turnover Ratio	$\frac{\text{Cost of goods sold}}{\text{Average Inventories of Finished Goods, Stock-in Process and stock in trade}}$
6	Trade Receivables Turnover Ratio	$\frac{\text{Value of Sales \& Services}}{\text{Average Trade Receivable}}$
7	Trade Payables Turnover Ratio	$\frac{\text{Cost of Servies + Other Expenses}}{\text{Average Trade Payables}}$
8	Net Capital Turnover Ratio	$\frac{\text{Value of Sales \& Services}}{\text{Average Working Capital}}$
9	Net Profit Ratio	$\frac{\text{Profit after Tax}}{\text{Value of Sales \& Services}}$
10	Return on Capital Employed	$\frac{\text{Profit after Tax + Deferred Tax Expense (Income) + Finance Cost (-) Other Income (-)}}{\text{Share of Profit / (Loss) of Associates}} \div \text{Average Capital Employed**}$
11	Return on Investment	$\frac{\text{Other Income (Excluding Divided)}}{\text{Average Cash, Cash equivalent \& Other marketable securities}}$

** Capital Employed includes Equity, Borrowings, Deferred Tax Liabilities, Creditors for Capital Expenditure and reduced by investments, Cash and Cash Equivalents, Capital Work in Progress and Intangible Assets under Development.

37. Other Statutory Information

- (i) There are no balance outstanding on account of any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- (ii) The Company does not have any capital work-in-progress or Intangible assets under development whose completion is overdue or has exceeded its cost compared to original plan.
- (iii) The Company has not advanced or loaned or invested fund to any other persons or entities including foreign entities (intermediary) with the understanding that intermediary shall :
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiary) or
 - (b) provided any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (iv) The Company has not received any fund from any person or entities including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act, 1961.

Den Broadband Limited**Notes to the financial statements for the year ended 31 March, 2023****38. Revenue from Contracts with Customers**

The Company disaggregates revenue from contracts with customers by type of products and services, geography and timing of revenue recognition.

Revenue disaggregation by type of goods and services is given note no.17.

(A) Revenue disaggregation by geography is as follows:

Geography	(Rs. in million)	
	For the year ended 31.03.2023	For the year ended 31.03.2022
India	408.61	579.99
Outside India	-	-
	408.61	579.99

Geographical revenue is allocated based on the location of the customers.

(B) Revenue disaggregation by timing of revenue recognition is as follows

Timing of Revenue Recognition	(Rs. in million)	
	For the year ended 31.03.2023	For the year ended 31.03.2022
Service transferred over time	408.61	579.99
Goods transferred at a point in time	-	-
	408.61	579.99

39. Previous year figure have been regrouped/rearranged/reclassified wherever necessary to make them comparable.

40. The financial statements were approved for issue by the Board of Directors on 13th April 2023.

In term of our report of even date attached
For **Chaturvedi & Shah LLP**
Firm Registration Number:101720W/W100355

For and on behalf of the Board of Directors of
DEN Broadband Limited

Vijay Napawaliya
Partner
Membership No.: 109859

Munish Singla
Director
DIN: 02703417

Kunal Verma
Director
DIN: 06366347

Jeevan Sapkota
Company Secretary

Date : 13-04-2023