

**DEN NETWORKS LIMITED**  
**FINANCIAL STATEMENTS**  
**2022-23**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF DEN NETWORKS LIMITED**

#### **Report on the Audit of Standalone Financial Statements**

##### **Opinion**

We have audited the standalone financial statements of **DEN NETWORKS LIMITED** ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> 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 "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31<sup>st</sup> March 2023, its profit (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 Standalone 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 standalone 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 Standalone Financial Statements.

##### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended 31<sup>st</sup> March, 2023. This matter was addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key Audit Matter	How our audit addressed the key audit matter
<b>Recognition and disclosures of deferred tax assets</b>	
<p>The Company has recognised deferred tax assets of Rs. 1,114.69 Million during the year ended 31<sup>st</sup> March 2023, mainly resulting from provision for doubtful debts/advances/impairment, unabsorbed depreciation allowance, unused tax losses and other temporary differences. Assessment of Deferred Tax Assets is done by the management at the close of each financial year taking into account forecasts of future taxable profit and prior year results. The accounting for deferred tax assets is significant to our audit during the year since the Company makes judgements and estimates of forecasted taxable income in relation to the realization of deferred tax assets.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Considered the taxable profits of the Company in prior years and during the year and obtained details of carry forward losses and unabsorbed depreciation.</li> <li>• We tested management's assumptions used to determine that there is a reasonable certainty that deferred tax assets recognized in the balance sheet will be realized.</li> <li>• Tested the period over which the deferred tax assets would be recovered against future taxable income.</li> <li>• We have also tested the effectiveness of the Company's internal controls around the valuation of deferred tax assets.</li> <li>• We also assessed the adequacy and appropriateness of the disclosures in the standalone financial statements in note no. 23(B).</li> </ul>

### 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 standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 Standalone 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 standalone 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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.

From the matter communicated with those charged with governance, we determine that matter was of most significance in the audit of the standalone financial statements of the current year and is therefore the key audit matter. We describe this matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **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 standalone 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 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> 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 standalone financial statement of the Company and the operating effectiveness of such controls, refer to

our separate Report in “Annexure A”.

- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid or provided managerial remuneration to its directors during the year under the provisions of section 197 read with Schedule V to the Act.

- (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 standalone financial statements. Refer Note 24 & 38 to the standalone 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, as disclosed in the notes to the standalone 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, as disclosed in the notes to the standalone 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 were 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 1<sup>st</sup> April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31<sup>st</sup> March, 2023.

For **Chaturvedi & Shah LLP**

Chartered Accountants

Firm's Registration No. 101720W/W100355

**Vijay Napawaliya**

**Partner**

Membership No. 109859

UDIN: 23109859BGXRSZ7074

Place: New Delhi

Date : 14.04.2023

## **“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 to the members of DEN NETWORKS LIMITED on the standalone financial statements for the year ended 31<sup>st</sup> March, 2023)**

**Report on the Internal Financial Controls with reference to the aforesaid standalone 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 standalone financial statements of **DEN NETWORKS LIMITED** (“the Company”) as of 31<sup>st</sup> March 2023 in conjunction with our audit of the standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements and their operating effectiveness.



Our audit of internal financial controls with reference to standalone 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 standalone 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 standalone financial statements and such internal financial controls with reference to financial

statements were operating effectively as at 31<sup>st</sup> 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: 23109859BGXRSZ7074

Place: New Delhi

Date: 14.04.2023

**“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 1 under the heading ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of DEN NETWORKS LIMITED on the standalone financial statements for the year ended 31<sup>st</sup> March, 2023)**

- (i) In respect of its property, plant and equipment and Intangible Assets:
- 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 set top boxes, 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, all the 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 set top boxes is verified on the basis of the ‘active user’ status in the system. No material discrepancies were noticed on such verification as compared with the available records.
- In our opinion, other than for physical verification of set top boxes 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 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 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, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks against cash margin/fixed deposits. The Company is not required to file quarterly returns or statement with the banks. Therefore, clause (ii) (b) of paragraph 3 of the 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 complied with the provisions of Sections 186 of the Act as applicable, in respect of making investments. The Company has not provided guarantees or security or granted loans 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 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 and records examined by 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, Customs Duty, 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 31<sup>st</sup> 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, details of statutory dues referred to in sub-clause (a) which have not been deposited as on 31<sup>st</sup> March 2023 with the appropriate authority on account of any dispute are given below:-

<b>Name of Statute</b>	<b>Nature of Dues</b>	<b>Forum where Dispute is pending</b>	<b>Period to which the amount relates</b>	<b>Amount unpaid (Rs. in million)</b>
The Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	Additional Commissioner (Appeal)	April 2017 to June 2017	5.48
The Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	Commercial Tax Tribunal	April 2012 to March 2013	10.47
The Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	Additional Commissioner (Appeal)	April 2015 to March 2016	-
The Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	Deputy Commissioner	April 2016 to March 2017	-
Central Goods and Service Tax Act, 2017	Goods and Service Tax (GST)	Deputy Commissioner	April 2017 to March 2018	-
Central Goods and Service Tax Act, 2017	Goods and Service Tax (GST)	Additional/Joint Commissioner	July 2017 to March 2019	80.69
Uttarakhand Value Added Tax Act, 2005	Value Added Tax	Joint Commissioner (Appeals) State-Tax	April 2017 to June 2017	3.73
Maharashtra Value Added Tax, 2002	Value Added Tax and Central Sales Tax	Joint Commissioner of Sales Tax (Appeal)	April 2014 to March 2015	13.84

Kerala Value Added Tax, 2003	Value Added Tax	Deputy Commissioner of State Tax	April 2013 to March 2016	20.10
Karnataka Value Added Tax, 2003	Value Added Tax and Central Sales Tax	High Court	April 2008 to March 2009 and April 2011 to June 2017	315.86
Karnataka Value Added Tax, 2003	Value Added Tax and Central Sales Tax	Appellate Tribunal	April 2009 to March 2011	80.15
Jharkhand Value Added Tax, 2004	Value Added Tax	Assessing Officer (AO)	April 2014 to March 2016	93.09
Delhi Value Added Tax, 2004	Value Added Tax	Special Commissioner - Department of Trade & Taxes (Appeal)	April 2013 to March 2017	8.70
Bihar Value Added Tax, 2005	Value Added Tax	Joint Commissioner of State Tax	April 2012 to March 2014	31.55
Bihar Value Added Tax, 2005	Value Added Tax	Commercial Tax Tribunal	April 2014 to March 2015	-
Bihar Value Added Tax, 2005	Value Added Tax	Commercial Tax Tribunal	April 2015 to March 2017	17.76
<b>Sub Total of Sales Tax and Value Added Tax</b>				<b>681.42*</b>
<b>Name of Statute</b>	<b>Nature of Dues</b>	<b>Forum where Dispute is pending</b>	<b>Period to which the amount relates</b>	<b>Amount unpaid (Rs. in million)</b>
Custom Act, 1962	Custom Duty	Directorate of Revenue Intelligence	February 2012 to December 2016	-
<b>Sub Total of Custom Duty</b>				<b>-**</b>

Bihar Entertainment Tax Act 1948	Entertainment Tax	High Court	January 2016 to June 2017	22.76
Uttar Pradesh Cable Television Network (Regulation) Act 1995	Entertainment Tax	High Court	April 2013 to June 2017	121.37
The West Bengal Entertainment-Cum-Amusement Tax Act, 1982	Entertainment Tax	Senior Joint Commissioner	April 2014 to March 2016	1.26
<b>Sub Total of Entertainment Tax</b>				<b>145.39***</b>

\*Net of Rs. 170.78 million under protest.

\*\* Net of Rs. 87.59 million under protest.

\*\*\* Net of Rs. 164.90 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 in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix)
- a) In our opinion and according to the information and explanations given to us and books of accounts and records examined by us, the Company has not taken any loans or borrowing from 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 is no outstanding term loan at the beginning of the year. Therefore, provision of clause (ix) (c) of paragraph 3 of the Order is not applicable to the Company.
  - d) 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 that, *prima facie*, no funds raised on short-term basis have been used during the year for long-term purposes by the Company.
  - e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any

funds from any entity or person on account of or to meet the obligations of its subsidiaries and associates. The Company does not have any joint ventures.

- f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries and associates. The Company does not have any joint ventures.
  
- (x) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Therefore, provision of clause (x) of paragraph 3 of the Order is not applicable to the Company.  
  
b) In our opinion and according to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year under audit. Further amount raised during the year ended 31<sup>st</sup> March 2019 have been deployed pending application of proceeds.
  
- (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) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the 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 standalone financial statements etc. as required by the applicable accounting standards.
  
- (xiv) a) In our opinion, and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.  
  
b) We have considered the internal audit reports of the Company issued till the date of the audit report, for the year under audit.



- (xv) 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) In our opinion, and according to the information and explanations provided to us, the Group does not have any Core Investment Company (CIC) as part of the Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016. Therefore, provisions of clause (xvi) (d) of paragraph 3 of the Order are not applicable to the Company.
- (xvii) In our opinion, and according to the information and explanations provided to us, Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Therefore, provisions of clause (xviii) of paragraph 3 of the 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 standalone 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) With respect to Corporate Social Responsibilities contribution under section 135 of the Act:
- a) According to the information and explanations given to us and on the basis of our audit procedures, the Company has fully spent the required amount towards Corporate Social Responsibilities and there is no unspent amount for the year that were required to be transferred to a Fund specified in Schedule VII in compliance with second proviso to sub-section 5 of section 135 of the Act.

- b) According to the information and explanations given to us, the Company does not have any ongoing projects related to Corporate Social Responsibilities. Therefore, provisions of clause (xx) (b) of paragraph 3 of the 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: 23109859BGXRSZ7074

Place: New Delhi

Date: 14.04.2023

**DEN NETWORKS LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2023**

(Rs. in million)

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
<b>A. ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, plant and equipment	3A	2,695.66	2,433.86
(b) Capital work-in-progress	3C	252.45	177.28
(c) Other intangible assets	3B	58.49	55.75
(d) Financial assets			
(i) Investments	4	6,289.85	5,824.51
(ii) Other Financial assets	5	24.54	8.60
(e) Deferred tax assets (net)	23(B)	1,114.69	-
(f) Non-current tax assets (net)	6	69.74	307.08
(g) Other non-current assets	7	551.19	546.14
<b>Total non-current assets</b>		<b>11,056.61</b>	<b>9,353.22</b>
<b>2. Current assets</b>			
(a) Financial assets			
(i) Investments	8	13,172.32	18,411.77
(ii) Trade receivables	9	1,854.45	1,793.84
(iii) Cash and cash equivalents	10	20.71	213.20
(iv) Bank balances other than cash and cash equivalents	11	12,666.80	6,064.18
(v) Other financial assets	5	393.49	270.93
(b) Other current assets	7	291.99	240.76
<b>Total current assets</b>		<b>28,399.76</b>	<b>26,994.68</b>
<b>Total assets</b>		<b>39,456.37</b>	<b>36,347.90</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	12	4,767.66	4,767.66
(b) Other equity	13	29,603.12	26,642.36
<b>Total equity</b>		<b>34,370.78</b>	<b>31,410.02</b>
<b>Liabilities</b>			
<b>1. Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease Liabilities	40	255.12	-
(b) Provisions	15	96.10	107.85
(c) Other non-current liabilities	16	234.53	479.90
<b>Total non-current liabilities</b>		<b>585.75</b>	<b>587.75</b>
<b>2. Current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	40	20.85	-
(ii) Trade payables			
-dues of micro enterprises and small enterprises	17	4.81	1.97
-dues of creditors other than micro enterprises and small enterprises	17	3,172.65	2,992.83
(iii) Other financial liabilities	14	178.67	135.38
(b) Provisions	15	21.64	16.88
(c) Other current liabilities	16	1,101.22	1,203.07
<b>Total current liabilities</b>		<b>4,499.84</b>	<b>4,350.13</b>
<b>Total liabilities</b>		<b>5,085.59</b>	<b>4,937.88</b>
<b>Total equity and liabilities</b>		<b>39,456.37</b>	<b>36,347.90</b>

See accompanying notes to the standalone financial statements

1 to 43

**In terms of our report attached**

For **Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration Number : 101720W/W100355

**For and on behalf of the Board of Directors of  
DEN NETWORKS LIMITED**

**Vijay Napawaliya**

Partner

Membership No. 109859

**Sameer Manchanda**

Chairman and

Non-Executive Director

DIN : 00015459

**Saurabh Sancheti**

Non-Executive Director

DIN : 08349457

**Geeta Kalyandas Fulwadaya**

Non-Executive Director

DIN : 03341926

**Rahul Yogendra Dutt**

Independent Director

DIN : 08872616

**Rajendra Dwarkadas Hingwala**

Independent Director

DIN : 00160602

**Siddharth Achutan**

Independent Director

DIN : 00016278

**Archana Niranjn Hingorani**

Independent Director

DIN : 00028037

**S.N. Sharma**

Chief Executive Officer

**Satyendra Jindal**

Chief Financial Officer

**Hema Kumari**

Company Secretary

Date : 14 April, 2023

**DEN NETWORKS LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2023**

(Rs. in million)

Particulars	Note No.	Year Ended 31.03.2023	Year Ended 31.03.2022
<b>1. Income</b>			
(a) Revenue from operations	18	11,098.70	11,537.63
(b) Other income	19	1,210.15	1,217.03
<b>2. Total income</b>		<b>12,308.85</b>	<b>12,754.66</b>
<b>3. Expenses</b>			
(a) Cost of traded items		319.69	247.02
(b) Content cost		5,928.25	6,068.93
(c) Placement fees		1,371.81	1,377.92
(d) Employee benefits expense	20	631.95	623.44
(e) Finance costs	21	13.83	9.32
(f) Depreciation and amortisation expense	3A & 3B	769.57	897.26
(g) Other expenses	22	1,557.10	1,635.40
<b>4. Total expenses</b>		<b>10,592.20</b>	<b>10,859.29</b>
<b>5. Profit before tax (2-4)</b>		<b>1,716.65</b>	<b>1,895.37</b>
<b>6. Tax expense</b>			
(a) Current tax	23(A)(a)	-	-
(b) Deferred tax	23(A)(b)	(1,116.44)	-
<b>7. Total tax expense</b>		<b>(1,116.44)</b>	-
<b>8. Profit after tax (5-7)</b>		<b>2,833.09</b>	<b>1,895.37</b>
<b>9. Other comprehensive income</b>			
(A) Items that will not be reclassified to profit or loss:			
(i) Re measurement Gains / (Losses) on Defined benefit plans	26	10.39	(15.11)
(ii) Income tax effect on above		(2.61)	-
(B) Items that will be reclassified to profit or loss:			
(i) On Debt mutual funds and Bonds	13	119.03	68.22
(ii) Income tax effect on above		0.86	-
<b>10. Total other comprehensive income</b>		<b>127.67</b>	<b>53.11</b>
<b>11. Total comprehensive income for the year (8+10)</b>		<b>2,960.76</b>	<b>1,948.48</b>
<b>12. Earnings per equity share (EPS)</b> (Face value of Rs. 10 per share)			
Basic (in Rs.)	27	5.94	3.98
Diluted (in Rs.)		5.94	3.98

See accompanying notes to the standalone financial statements

1 to 43

**In terms of our report attached**

**For Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration Number : 101720W/W100355

**For and on behalf of the Board of Directors of  
DEN NETWORKS LIMITED**

**Vijay Napawaliya**

Partner

Membership No. 109859

**Sameer Manchanda**

Chairman and

Non-Executive Director

DIN : 00015459

**Saurabh Sancheti**

Non-Executive Director

DIN : 08349457

**Geeta Kalyandas Fulwadaya**

Non-Executive Director

DIN : 03341926

**Rahul Yogendra Dutt**

Independent Director

DIN : 08872616

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**Siddharth Achutan**

Independent Director

DIN : 00016278

**Archana Niranjn Hingorani**

Independent Director

DIN : 00028037

**S.N. Sharma**

Chief Executive Officer

**Satyendra Jindal**

Chief Financial Officer

**Hema Kumari**

Company Secretary

Date : 14 April, 2023

a. Equity share capital

Particulars	(Rs. in million)
	Amount
Balance at 1st April,2021	4,767.66
Changes in equity share capital during the year	
Issue of equity shares	-
<b>Balance at 31st March,2022</b>	<b>4,767.66</b>
Changes in equity share capital during the year	
Issue of equity shares	-
<b>Balance at 31st March,2023</b>	<b>4,767.66</b>

b. Other equity

Particulars	Reserves and Surplus			Other Comprehensive income	Total
	Securities premium	General reserve	Retained earnings		
Balance at 1st April,2021	34,111.81	202.86	(9,430.14)	(190.65)	24,693.88
Profit for the year	-	-	1,895.37	-	1,895.37
Other comprehensive income for the year	-	-	(15.11)	68.22	53.11
<b>Balance at 31st March,2022</b>	<b>34,111.81</b>	<b>202.86</b>	<b>(7,549.88)</b>	<b>(122.43)</b>	<b>26,642.36</b>
Profit for the year	-	-	2,833.09	-	2,833.09
Other Comprehensive income for the year	-	-	7.78	119.89	127.67
<b>Balance at 31st March,2023</b>	<b>34,111.81</b>	<b>202.86</b>	<b>(4,709.01)</b>	<b>(2.54)</b>	<b>29,603.12</b>

See accompanying notes to the standalone financial statements

1 to 43

In terms of our report attached

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number : 101720W/W100355

For and on behalf of the Board of Directors of

DEN NETWORKS LIMITED

Vijay Napawaliya

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Chairman and  
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S.N. Sharma

Chief Executive Officer

Satyendra Jindal

Chief Financial Officer

Hema Kumari

Company Secretary

Date : 14 April, 2023

(Rs. in million)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
<b>A. Cash flow from operating activities</b>		
Net profit before tax as per statement of profit and loss	1,716.65	1,895.37
Adjustments for :		
Depreciation and amortisation expense	769.57	897.26
Finance costs	13.83	9.32
Provision for impairment in value of investments	-	64.49
Provision for capital work-in-progress	-	19.42
Net (gain)/loss on foreign currency transactions and translation	0.11	(0.26)
Allowance on trade receivables and advances	1.28	71.49
(Profit)/ Loss on disposal of property, plant and equipment	(1.73)	(2.01)
Interest income	(568.97)	(120.30)
Net gain on sale of current investments and income on current investments	(493.23)	(1,082.12)
(Gain)/ Loss on sale of non-current investments	(118.59)	43.64
Dividend income	(26.07)	(2.33)
Liabilities/ excess provisions written back (net)	(195.83)	(202.96)
<b>Operating profit before working capital changes</b>	<b>1,097.02</b>	<b>1,591.01</b>
Changes in working capital:		
<u>Adjustments for (increase)/ decrease in operating assets:</u>		
Trade receivables	82.01	924.00
Other Receivables	(88.48)	(83.82)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	207.00	(1,021.84)
Other Payables	(352.27)	(460.14)
Provisions	3.39	3.21
<b>Cash generated from operations</b>	<b>948.67</b>	<b>952.42</b>
Net income tax refunds/(paid)	263.18	14.73
<b>Net cash flow from/ (used in) operating activities</b>	<b>(A) 1,211.85</b>	<b>967.15</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on property, plant and equipment	(773.36)	(787.27)
Proceeds from sale of property, plant and equipment	(13.42)	5.72
Bank balances not considered as Cash and cash equivalents		
- Placed	(5,378.87)	(5,730.60)
- matured	245.07	753.50
Purchase of Investments	(13,385.49)	(33,549.05)
Sale of Investments	19,217.74	36,989.88
Purchase of non-current investments in subsidiaries	(770.00)	(830.00)
Proceeds from disposal of non-current investments		
- Subsidiaries and associates	448.14	452.62
Dividend Received	26.07	2.33
Movement in Loans (Net)	-	382.28
Interest received	109.52	128.74
<b>Net cash from / (used in) investing activities</b>	<b>(B) (274.60)</b>	<b>(2,181.85)</b>



(Rs. in million)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
<b>C. Cash flow from financing activities</b>		
Lease Payments	(25.20)	-
Fixed Deposit Pledged (Net)	(1,104.54)	962.80
Finance costs	-	(2.63)
<b>Net cash from / (used in) financing activities</b>	<b>(1,129.74)</b>	<b>960.17</b>
	<b>(C)</b>	
Net (decrease)/increase in cash and cash equivalents	<b>(192.49)</b>	<b>(254.53)</b>
Cash and cash equivalents as at the beginning of the year	213.20	467.73
<b>Cash and cash equivalents at the end of the year (See note 10)*</b>	<b>20.71</b>	<b>213.20</b>
* Comprises:		
a. Cash in hand	0.08	0.08
b. Balance with scheduled banks		
i. in current accounts	20.63	213.12
	<b>20.71</b>	<b>213.20</b>

See accompanying notes to the standalone Financial Statements

1 to 43

**For Chaturvedi & Shah LLP**  
Chartered Accountants  
Firm Registration Number : 101720W/W100355

**For and on behalf of the Board of Directors**  
**DEN NETWORKS LIMITED**

**Vijay Napawaliya**  
Partner  
Membership No. 109859

**Sameer Manchanda**  
Chairman and  
Non-Executive Director  
DIN : 00015459

**Saurabh Sancheti**  
Non-Executive Director  
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**Geeta Kalyandas Fulwadaya**  
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**S.N. Sharma**  
Chief Executive Officer

**Satyendra Jindal**  
Chief Financial Officer

**Hema Kumari**  
Company Secretary

**DEN NETWORKS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH'2023**

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**1. Corporate information**

DEN NETWORKS LIMITED (hereinafter referred to as 'the Company' or 'DEN') was incorporated in India on 10 July, 2007 and is primarily engaged in distribution of television channels through digital cable distribution network. The Company is having its registered office at Unit No.116, First Floor,C Wing Bldg. No.2 Kailas, Industrial Complex L.B.S Marg, Park Site Vikhroli(W), Mumbai- 400079.

The equity shares of the Company are listed on two of the stock exchanges in India i.e NSE and BSE.

**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.

**(ii) Basis of preparation and presentation**

The standalone 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,

**DEN NETWORKS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH'2023**

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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:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the assets or liability.

**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 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 Input tax 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.

**DEN NETWORKS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH'2023**

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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. Set top boxes (STBs)               | 8 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 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

**DEN NETWORKS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH'2023**

---

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 and non-compete fees represents amounts paid to local cable operators/distributors to acquire rights over a particular area for a specified period of time. Other intangible assets include software.

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, and 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. | Non-compete fees            | 5 years |

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.

**DEN NETWORKS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH'2023**

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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**

The Company derives revenues primarily by providing service in respect of distribution of television channels through digital cable distribution network.

Revenue is recognized on satisfaction of performance obligation upon transfer of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products 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 products to the customer or when the product 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 product shipped.

**DEN NETWORKS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH'2023**

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Service revenue comprises:

(i) Subscription income from digital and analog subscribers, placement of channels, advertisement revenue, fees for rendering management, technical and consultancy services and other related services.

(ii) Activation fees on Set top boxes (STBs) is deferred and recognized over the period of customer relationship on activation of boxes.

(iii) Amounts billed for services in accordance with contractual terms but where revenue is not recognized, have been classified as advance billing and disclosed under current liabilities.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct product or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

Revenue in excess of invoicing are classified as contract assets ("unbilled revenue") while invoicing in excess of revenues are classified as contract liabilities ("unearned and deferred revenue").

## **2.08 Other income**

### Dividend income and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a 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 Share-based payment arrangements**

### Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

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The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

**2.10 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).

In case of an asset, expense or income where a non-monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognised. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary



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items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Treatment of exchange differences

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

**2.11 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.

**Investment in subsidiaries**

A subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Investments in subsidiaries are carried at cost less impairment. Cost comprises price paid to acquire the investment and directly attributable cost.

**Investment in associates**

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The investment in associates are carried at cost less impairment. The cost comprises price paid to acquire the investment and directly attributable cost.

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Transition to Ind AS

The Company had elected to continue with the carrying value of all of its equity investments 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.

**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

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disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

**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".

**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.

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Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, 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 dividend or interest earned on the financial asset and is included in the 'Other income'. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

**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, 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. 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

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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.

**2.12 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.

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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.

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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'.

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'.

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.

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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.

**2.13 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



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is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

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 employee's periods of service in accordance with Ind AS 19.

**2.14 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

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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.

**2.15 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.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

**2.16 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.

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**2.17 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.

**2.18 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, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. 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,

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based on tax rates that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

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 carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

**2.19 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).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**2.19.1 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.

**2.19.2 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.

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2.19.3 Contingent liabilities acquired in a business combination

Contingent liabilities (if any) acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation.

**2.20 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.

**2.21 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.

**2.22 Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the Company's Financial Statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

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.

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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 forwardlooking 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 the 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 Company's assets such as Financial Assets and Non-financial Assets, the Company has considered internal and external information. The Company has evaluated impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there

**DEN NETWORKS LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH'2023**

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is no significant impact on its financial statements and the Company expects to recover the carrying amount of all its 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.

Classification of Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an options to extend the lease if the Company is reasonably certain to exercise that options; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that options. In assessing whether the company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Control and significant influence

Whether the Company, through voting rights and potential voting rights attached to shares held, or by way of shareholders' agreements or other factors, has the ability to direct the relevant activities of the subsidiaries, or jointly direct the relevant activities of its joint ventures or exercise significant influence over associates.

**DEN NETWORKS LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH'2023**

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**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 Standard Issued But Not Effective**

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.

Ind AS 101 – First-time Adoption of Indian Accounting Standards

Ind AS 102 – Share-based Payment

Ind AS 103 – Business Combinations

Ind AS 107 – Financial Instruments Disclosures

Ind AS 109 – Financial Instruments

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 1 – Presentation of Financial Statements

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

Ind AS 12 – Income Taxes

Ind AS 34 - Interim Financial Reporting

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



**DEN NETWORKS LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**

**3A. Property, plant and equipment**

(Rs. in million)

Particulars	OWN ASSETS						Right of Use Assets		Total
	Leasehold improvements	Plant and equipment				Furniture and fixtures	Vehicles	Building	
		Headend and distribution equipment	Set top boxes	Computers	Office and other equipment				
<b>Gross Carrying Amount</b>									
<b>Balance at 1st April, 2021</b>	<b>24.33</b>	<b>1,420.70</b>	<b>9,683.81</b>	<b>96.49</b>	<b>89.01</b>	<b>5.87</b>	<b>8.77</b>	<b>9.90</b>	<b>11,338.88</b>
Additions	-	90.24	573.86	60.19	22.22	1.25	-	-	747.76
Deductions	-	(21.81)	(11.02)	(0.01)	(3.24)	(0.38)	-	-	(36.46)
<b>Balance at 31st March, 2022</b>	<b>24.33</b>	<b>1,489.13</b>	<b>10,246.65</b>	<b>156.67</b>	<b>107.99</b>	<b>6.74</b>	<b>8.77</b>	<b>9.90</b>	<b>12,050.18</b>
Additions	-	144.60	519.15	39.70	24.77	0.09	2.69	287.34	1,018.34
Deductions	-	(10.52)	(4,024.49)	(2.44)	(6.49)	(0.95)	(7.93)	-	(4,052.82)
<b>Balance at 31st March, 2023</b>	<b>24.33</b>	<b>1,623.21</b>	<b>6,741.31</b>	<b>193.93</b>	<b>126.27</b>	<b>5.88</b>	<b>3.53</b>	<b>297.24</b>	<b>9,015.70</b>
<b>Accumulated Depreciation</b>									
<b>Balance at 1st April, 2021</b>	<b>22.72</b>	<b>794.74</b>	<b>7,853.21</b>	<b>31.59</b>	<b>48.42</b>	<b>2.77</b>	<b>8.67</b>	<b>9.90</b>	<b>8,772.02</b>
Depreciation expenses	1.61	143.69	694.97	23.28	12.51	0.93	0.06	-	877.05
Deductions	-	(18.38)	(10.98)	(0.01)	(3.00)	(0.38)	-	-	(32.75)
<b>Balance at 31st March, 2022</b>	<b>24.33</b>	<b>920.05</b>	<b>8,537.20</b>	<b>54.86</b>	<b>57.93</b>	<b>3.32</b>	<b>8.73</b>	<b>9.90</b>	<b>9,616.32</b>
Depreciation expenses	-	142.37	544.32	29.28	15.70	0.96	0.06	20.86	753.55
Deductions	-	(8.94)	(4,024.43)	(2.36)	(5.55)	(0.62)	(7.93)	-	(4,049.83)
<b>Balance at 31st March, 2023</b>	<b>24.33</b>	<b>1,053.48</b>	<b>5,057.09</b>	<b>81.78</b>	<b>68.08</b>	<b>3.66</b>	<b>0.86</b>	<b>30.76</b>	<b>6,320.04</b>
<b>Net Carrying amount</b>									
<b>Balance at 31st March, 2022</b>	-	<b>569.08</b>	<b>1,709.45</b>	<b>101.81</b>	<b>50.06</b>	<b>3.42</b>	<b>0.04</b>	-	<b>2,433.86</b>
Additions	-	144.60	519.15	39.70	24.77	0.09	2.69	287.34	1,018.34
Disposals	-	(1.58)	(0.06)	(0.08)	(0.94)	(0.33)	-	-	(2.99)
Depreciation expense	-	142.37	544.32	29.28	15.70	0.96	0.06	20.86	753.55
<b>Balance at 31st March, 2023</b>	-	<b>569.73</b>	<b>1,684.22</b>	<b>112.15</b>	<b>58.19</b>	<b>2.22</b>	<b>2.67</b>	<b>266.48</b>	<b>2,695.66</b>

In accordance with the Indian Accounting Standard (Ind AS -36 ) " Impairment of Assets", the management during the year carried out an exercise of identifying the assets that may have been impaired in accordance with the said Ind AS . On the basis of this review carried out by the management, there was no impairment loss on property, plant and equipment during the year ended 31st March, 2023.

**DEN NETWORKS LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023****3B. Intangible assets****(Rs. in million)**

<b>Particulars</b>	<b>Distribution and network rights</b>	<b>Software</b>	<b>Non compete fees</b>	<b>Total</b>
<b>Gross Carrying amount</b>				
<b>Balance at 1st April, 2021</b>	<b>92.73</b>	<b>85.02</b>	<b>4.00</b>	<b>181.75</b>
Additions	-	55.94	-	55.94
Deductions	-	-	-	-
<b>Balance at 31st March, 2022</b>	<b>92.73</b>	<b>140.96</b>	<b>4.00</b>	<b>237.69</b>
Additions	14.50	4.26	-	18.76
Deductions	-	-	-	-
<b>Balance at 31st March, 2023</b>	<b>107.23</b>	<b>145.22</b>	<b>4.00</b>	<b>256.45</b>
<b>Accumulated Amortisation</b>				
<b>Balance at 1st April, 2021</b>	<b>89.63</b>	<b>69.91</b>	<b>2.19</b>	<b>161.73</b>
Amortisation expense	2.61	16.90	0.70	20.21
Deductions	-	-	-	-
<b>Balance at 31st March, 2022</b>	<b>92.24</b>	<b>86.81</b>	<b>2.89</b>	<b>181.94</b>
Amortisation expense	1.55	13.77	0.70	16.02
Deductions	-	-	-	-
<b>Balance at 31st March, 2023</b>	<b>93.79</b>	<b>100.58</b>	<b>3.59</b>	<b>197.96</b>
<b>Net Carrying amount</b>				
<b>Balance at 31st March, 2022</b>	<b>0.49</b>	<b>54.15</b>	<b>1.11</b>	<b>55.75</b>
Additions	14.50	4.26	-	18.76
Disposals	-	-	-	-
Amortisation expense	1.55	13.77	0.70	16.02
<b>Balance at 31st March, 2023</b>	<b>13.44</b>	<b>44.64</b>	<b>0.41</b>	<b>58.49</b>

## DEN NETWORKS LIMITED

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

## 3C. Capital Work-in-Progress (CWIP)

a) Ageing schedule as at 31st March 2023:

(Rs. in million)

CWIP	Outstanding for following periods from*				Total
	Less Than 1 year	1-2 years	2-3 years	more than 3 years	
Projects in progress	252.45	-	-	-	252.45
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>252.45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>252.45</b>

b) Ageing schedule as at 31st March 2022:

(Rs. in million)

CWIP	Outstanding for following periods from*				Total
	Less Than 1 year	1-2 years	2-3 years	more than 3 years	
Projects in progress	177.28	-	-	-	177.28
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>177.28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>177.28</b>

\* Net of provision for impairment

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.

## 4. Investments

Particulars	in number	As at	in number	As at
		31.03.2023		31.03.2022
		(Rs. in million)		(Rs. in million)
<b>A. i. Unquoted investments in equity shares (all fully paid) of subsidiaries - at cost</b>				
1 Futuristic Media and Entertainment Limited (face value of Rs 10 per share)	11,61,028	644.38	11,61,028	644.38
2 Mahavir Den Entertainment Private Limited (face value of Rs 10 per share)	1,09,236	17.11	1,09,236	17.11
3 Den Ambey Cable Networks Private Limited (face value of Rs 10 per share)	45,838	153.34	45,838	153.34
4 Den-Manoranjan Satellite Private Limited (face value of Rs 100 per share)	-	-	3,570	138.61
5 Meerut Cable Network Private Limited (face value of Rs 10 per share)	51,000	83.41	51,000	83.41
6 Mahadev Den Cable Network Limited (face value of Rs 10 per share)	-	-	45,900	28.03
7 Den Mod Max Cable Network Private Limited (face value of Rs 10 per share)	-	-	26,300	12.27
8 Den Kashi Cable Network Limited (face value of Rs 10 per share)	-	-	25,501	5.01
9 Den Enjoy Cable Networks Private Limited (face value of Rs 10 per share)	8,89,950	89.99	8,89,950	89.99
10 Den F K Cable TV Network Private Limited (face value of Rs 10 per share)	58,148	39.27	58,148	39.27
11 Den Satellite Cable TV Network Limited (face value of Rs 10 per share)	-	-	31,265	5.33
12 Drashti Cable Network Limited (face value of Rs 10 per share)	-	-	27,325	23.00
13 DEN Fateh Marketing Private Limited (face value of Rs 10 per share)	-	-	25,500	10.23
14 DEN Nashik City Cable Network Private Limited (face value of Rs 10 per share)	25,500	73.59	25,500	73.59
15 Radiant Satellite (India) Private Limited (face value of Rs 10 per share)	-	-	76,500	46.01
16 Den Budaun Cable Network Private Limited (face value of Rs 10 per share)	-	-	37,113	2.00
17 Den Malayalam Telenet Private Limited (face value of Rs 10 per share)	-	-	6,08,265	55.34
18 Den Rajkot City Communication Private Limited (face value of Rs 10 per share)	5,764	100.93	5,764	100.93
19 Eminent Cable Network Private Limited (face value of Rs 10 per share)	61,860	36.66	61,860	36.66
20 Rose Entertainment Private Limited (face value of Rs 10 per share)	-	-	3,95,250	15.15
21 Libra Cable Network Limited (face value of Rs 10 per share)	1,49,775	25.11	1,49,775	25.11
22 Den Discovery Digital Networks Private Limited (face value of Rs 10 per share)	18,687	7.70	18,687	7.70
23 Mansion Cable Network Private Limited (face value of Rs 10 per share)	33,95,558	303.51	33,95,558	303.51
24 Den Premium Multilink Cable Network Private Limited (face value of Rs 10 per share)	5,100	0.05	5,100	0.05
25 Den Broadband Limited (face value of Rs 10 per share)	53,71,555	1,716.86	53,71,555	1,716.86
26 VBS Digital Distribution Network Limited (face value of Rs 10 per share)	50,448	26.38	50,448	26.38
<b>Aggregate unquoted investments in subsidiaries</b>		<b>3,318.29</b>		<b>3,659.27</b>
Less : Aggregate amount of impairment in the value of investments		73.59		256.69
<b>Total investments carrying value in subsidiaries</b>		<b>3,244.70</b>		<b>3,402.58</b>

4. Investments

Particulars	in number	As at	in number	As at
		31.03.2023		31.03.2022
		(Rs. in million)		(Rs. in million)
<b>ii. Unquoted investments in preference shares (all fully paid)</b>				
<b>Instruments at Amortised cost</b>				
1 Srishti Den Networks Limited (Face value of Rs. 10 each, 5% non cumulative redeemable shares)	-	-	34,82,928	61.59
2 Meerut Cable Network Private Limited (Face value of Rs. 10 each, 13.5% non cumulative redeemable shares)	-	-	17,50,000	15.36
<b>Total</b>		-		<b>76.95</b>
<b>iii. Deemed equity - at cost</b>				
1 Den Kashi Cable Network Limited (Face value of Rs. 10 each, 3% non cumulative redeemable shares)		-		30.18
2 Meerut Cable Network Private Limited (Face value of Rs. 10 each, 13.5% non cumulative redeemable shares)		20.11		20.11
3 Mahavir Den Entertainment Private Limited (Face value of Rs. 10 each 5% non cumulative redeemable shares)		1.40		1.40
4 Mansion Cable Network Private Limited (Face value of Rs. 10 each, 10% non cumulative redeemable shares)		11.15		11.15
5 Srishti Den Networks Limited (Face value of Rs. 10 each, 5% non cumulative redeemable shares)		-		39.65
<b>Total</b>		<b>32.66</b>		<b>102.49</b>
<b>iv. Unquoted investments in debentures (all fully paid)</b>				
<b>Instruments at cost</b>				
1 Futuristic Media and Entertainment Limited (Face value of Rs. 350 each, Zero Coupon Optionally Fully Convertible Debentures)	26,57,142	930.00	26,57,142	930.00
2 Futuristic Media and Entertainment Limited (Face value of Rs. 590 each, Zero Coupon Optionally Fully Convertible Debentures)	6,27,118	370.00	6,27,118	370.00
3 Den Broadband Limited (Face value of Rs. 30 each, Zero Coupon Optionally Fully Convertible Debentures)	1,53,33,333	460.00	1,53,33,333	460.00
4 Futuristic Media and Entertainment Limited (Face value of Rs. 240 each, Zero Coupon Optionally Fully Convertible Debentures)	30,41,666	730.00	-	-
5 Den Broadband Limited (Face value of Rs. 20 each, Zero Coupon Optionally Fully Convertible Debentures)	20,00,000	40.00	-	-
<b>Total</b>		<b>2,530.00</b>		<b>1,760.00</b>
<b>Aggregate unquoted investments (A)</b>		<b>5,807.36</b>		<b>5,342.02</b>
<b>Aggregate carrying value of unquoted investments</b>		<b>5,807.36</b>		<b>5,342.02</b>
<b>Aggregate amount of impairment in value of investments</b>		<b>73.59</b>		<b>256.69</b>
<b>B. Investments in associates - at cost</b>				
<b>i. Unquoted investments in equity shares (all fully paid)</b>				
1 DEN ADN Network Private Limited (face value of Rs 10 per share)	19,38,000	20.91	19,38,000	20.91
2 Den Satellite Network Private Limited (face value of Rs 10 per share)	50,295	461.58	50,295	461.58
<b>Total investments carrying value in Associates (B)</b>		<b>482.49</b>		<b>482.49</b>
<b>Total investments carrying value in Associates (B)</b>		<b>482.49</b>		<b>482.49</b>
<b>Grand Total (A + B)</b>		<b>6,289.85</b>		<b>5,824.51</b>

## DEN NETWORKS LIMITED

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	(Rs. in million)	
	As at 31.03.2023	As at 31.03.2022
<b>5. Other financial assets</b>		
<b><u>Non-current</u></b>		
(i) Security deposits		
- Considered Good	24.54	8.60
- Considered doubtful	8.78	8.99
Less: Impairment allowance for security deposits	(8.78)	(8.99)
<b>Total</b>	<b>24.54</b>	<b>8.60</b>
<b><u>Current</u></b>		
(i) Security deposits		
- Considered Good	11.75	22.80
- Considered doubtful	4.06	3.99
Less: Impairment allowance for security deposits	(4.06)	(3.99)
	<b>11.75</b>	<b>22.80</b>
(ii) Advances recoverable		
- from related parties (See note 28)	44.25	57.36
(iii) Unbilled revenue		
- from related parties (See note 28)	43.23	-
- from others	117.96	95.88
(iv) Interest accrued but not due		
- Bonds	100.16	36.74
(v) Receivable on sale of property, plant and equipment		
- from related parties (See note 28)	76.12	57.97
- from others	0.04	0.18
Less: Impairment allowance	(0.02)	-
	<b>76.14</b>	<b>58.15</b>
(vi) Other advance*		
- Considered Good	-	-
- Considered doubtful	128.08	128.08
Less: Impairment allowance for advance	(128.08)	(128.08)
<b>Total</b>	<b>393.49</b>	<b>270.93</b>
*Other advance includes advance for investment.		
<b>6. Non current tax assets (net)</b>		
(i) Advance tax including TDS recoverable	69.74	307.08
<b>Total</b>	<b>69.74</b>	<b>307.08</b>

Particulars	(Rs. in million)	
	As at 31.03.2023	As at 31.03.2022
<b>7. Other assets</b>		
<b><u>Non-current</u></b>		
(i) Prepaid expenses	8.23	5.63
(ii) Deposits against cases with (See note 24)		
- Sales tax authority	221.64	229.66
- Entertainment tax authorities	214.93	212.44
- Custom duty authority	103.87	103.87
	<b>540.44</b>	<b>545.97</b>
Less: Impairment allowance	(10.00)	(10.00)
	<b>530.44</b>	<b>535.97</b>
(iii) Capital advances	13.86	5.88
Less: Impairment allowance for capital advances	(1.34)	(1.34)
	<b>12.52</b>	<b>4.54</b>
<b>Total</b>	<b>551.19</b>	<b>546.14</b>
<b><u>Current</u></b>		
(i) Prepaid expenses	29.97	36.88
(ii) Balance with government authorities	264.40	200.55
Less: Provision for Impairment	(14.80)	(31.72)
	<b>249.60</b>	<b>168.83</b>
(iii) Others		
- Supplier advances	5.59	30.53
- Amount recoverable from DNL Employees Welfare Trust	0.07	0.07
- Other advances*	7.89	4.79
	<b>13.55</b>	<b>35.39</b>
Less: Impairment allowance for supplier advance	(1.13)	(0.34)
	<b>12.42</b>	<b>35.05</b>
<b>Total</b>	<b>291.99</b>	<b>240.76</b>

\*Other advance includes imprest money to employee, GST Receivables

**DEN NETWORKS LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**

**8. Current Investments**

Particulars	As at 31.03.2023		As at 31.03.2022	
	No. of Units	(Rs. in million)	No. of Units	(Rs. in million)
<b>A Investments in Preference share of subsidiaries</b>				
<b>Instruments at amortised Cost</b>				
i. Den Kashi Cable Network Limited (Face value of Rs. 10 each, 3% non cumulative redeemable shares)	-	-	7,50,000	36.02
ii. Meerut Cable Network Private Limited (Face value of Rs. 10 each, 13.5% non cumulative redeemable shares)	17,50,000	16.56	-	-
<b>Total</b>		<b>16.56</b>		<b>36.02</b>
<b>B Investments in Mutual Funds - Unquoted</b>				
<b>I. Carried at FVTOCI</b>				
i. Kotak Floating Rate Fund Direct Growth	-	-	37,23,067	4,569.44
ii. IDFC Corporate Bond Fund - Direct Plan - Growth	-	-	1,61,08,512	258.38
iii. Nippon India Dynamic Bond Fund Direct Growth Plan	-	-	7,39,25,898	2,346.25
iv. Axis Dynamic Bond Fund(G)-Direct Plan	-	-	6,71,99,134	1,752.51
v. Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2026 Direct Plan Growth	-	-	5,33,32,170	572.81
<b>Total</b>		<b>-</b>		<b>9,499.39</b>
<b>II. Carried at FVTPL</b>				
i. ICICI Prudential Short Term Fund - Growth Option	9,26,30,545	4,680.58	9,26,30,545	4,426.57
ii. Kotak Banking and PSU Debt Fund Direct Growth	92,81,388	527.86	2,05,19,471	1,113.82
iii. ABSL Low Duration Fund Direct Growth	-	-	33,609	19.44
iv. HDFC Floating Rate Debt Fund Direct Plan	-	-	56,66,853	227.21
v. Kotak Low Duration Direct Growth	9,83,160	3,009.12	42,094	122.14
vi. ICICI Prudential Savings Fund - Direct Plan - Growth	8,77,565	405.96	8,77,565	384.12
vii. Nippon India Low Duration Fund - Direct Growth Plan	3,94,982	1,319.36	27,878	88.34
viii. Invesco India Ultra Short Term Fund - Direct Plan Growth	2,97,867	725.54	-	-
<b>Total</b>		<b>10,668.42</b>		<b>6,381.64</b>
<b>C Investments in Corporate Bonds - Quoted</b>				
<b>Carried at FVTOCI</b>				
i. 5.06% Housing Development Finance Corporation Limited (Face Value Rs. 10,00,000)	2,500	2,487.34	2,500	2,494.72
<b>Total</b>		<b>2,487.34</b>		<b>2,494.72</b>
<b>Grand Total (A+B+C)</b>		<b>13,172.32</b>		<b>18,411.77</b>
<b>Aggregate carrying value of quoted investments</b>		<b>2,487.34</b>		<b>2,494.72</b>
<b>Aggregate carrying value of unquoted investments</b>		<b>10,684.98</b>		<b>15,917.05</b>



**DEN NETWORKS LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**

Particulars	(Rs. in million)	
	As at 31.03.2023	As at 31.03.2022
<b>9. Trade receivables</b>		
Trade Receivables considered good - Unsecured;	1,854.45	1,793.84
Trade Receivables which have significant increase in Credit Risk	135.28	427.34
Trade Receivables - credit impaired	832.19	1,978.46
	<b>2,821.92</b>	<b>4,199.64</b>
Less : Provision for Credit impaired / expected credit loss	(967.47)	(2,405.80)
<b>Total</b>	<b>1,854.45</b>	<b>1,793.84</b>

**Notes:**

- a) The average credit period on sales of services is 0-180 days. No interest is charged on any overdue trade receivables.
- b) The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected credit loss (%)
0 - 90 days	1% - 34%
91 - 180 days	1% - 51%
180 days and above	22% - 100%

- c) **Trade Receivable ageing schedule as at 31st March'23**

(Rs. in million)

Particulars	Outstanding for following period from due date of payment*					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed</b>						
-Considered good	1,717.80	33.40	22.41	0.98	79.86	<b>1,854.45</b>
-Which have significant increase in credit risk	-	-	-	-	-	-
-Credit impaired	-	-	-	-	-	-
<b>Disputed</b>						
-Considered good	-	-	-	-	-	-
-Which have significant increase in credit risk	-	-	-	-	-	-
-Credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>1,717.80</b>	<b>33.40</b>	<b>22.41</b>	<b>0.98</b>	<b>79.86</b>	<b>1,854.45</b>

\* Net of provisions

- d) **Trade Receivable ageing schedule as at 31st March'22**

(Rs. in million)

Particulars	Outstanding for following period from due date of payment*					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed</b>						
-Considered good	1,671.40	18.94	21.03	1.03	81.44	<b>1,793.84</b>
-Which have significant increase in credit risk	-	-	-	-	-	-
-Credit impaired	-	-	-	-	-	-
<b>Disputed</b>						
-Considered good	-	-	-	-	-	-
-Which have significant increase in credit risk	-	-	-	-	-	-
-Credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>1,671.40</b>	<b>18.94</b>	<b>21.03</b>	<b>1.03</b>	<b>81.44</b>	<b>1,793.84</b>

\* Net of provisions

- e) **Movement in the Credit Impaired / Expected Credit loss Allowance**

(Rs. in million)

	As at 31.03.2023	As at 31.03.2022
Balance as the beginning of the year	(2,405.80)	(2,393.61)
Movement in expected credit loss allowance / provision for credit impaired (net)	1,438.33	(12.19)
<b>Balance at the end of the year</b>	<b>(967.47)</b>	<b>(2,405.80)</b>

- f) 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
<b>10. Cash and cash equivalents</b>		
<b>Cash and cash equivalents</b>		
(i) Cash in hand	0.08	0.08
(ii) Balance with scheduled banks - in current accounts	20.63	213.12
<b>Total</b>	<b>20.71</b>	<b>213.20</b>

Particulars	(Rs. in million)	
	As at 31.03.2023	As at 31.03.2022
<b>11. Bank balances other than cash and cash equivalents</b>		
(i) in deposit accounts - original maturity more than 3 months*	10,939.67	5,491.49
(ii) in earmarked accounts - Balances held as margin money or security against borrowings, guarantees and other commitments	1,727.13	572.69
<b>Total</b>	<b>12,666.80</b>	<b>6,064.18</b>

\* Includes Fixed Deposits of Rs. 10,939.67 million (previous year Rs. 5,287.37 million) with maturity of more than 12 months. These deposits can be withdrawn by the Company at any point of time without prior notice or penalty on the principal.

Particulars	(Rs. in million)	
	As at 31.03.2023	As at 31.03.2022
<b>12. Equity share capital</b>		
Equity share capital	4,767.66	4,767.66
	<b>4,767.66</b>	<b>4,767.66</b>
<b>Authorised share capital:</b>		
50,00,00,000 (As at 31st March,2022 50,00,00,000 ) equity shares of Rs. 10 each	5,000.00	5,000.00
<b>Issued, subscribed and fully paid up comprises:</b>		
47,72,23,845 (As at 31st March,2022 47,72,23,845) equity shares of Rs. 10 each	4,772.24	4,772.24
Less : Amount recoverable from DNL Employees Welfare Trust [457,931 (As at 31st March, 2022 457,931) number of shares issued to Trust @ Rs. 10 per share]	4.58	4.58
	<b>4,767.66</b>	<b>4,767.66</b>
	<b>Number of shares</b>	<b>Share Capital</b>
<b>Fully paid equity shares:</b>		
<b>Balance as at 1st April,2021</b>	<b>47,72,23,845</b>	<b>4,772.24</b>
Add: Issue of shares	-	-
<b>Balance as at 31st March,2022</b>	<b>47,72,23,845</b>	<b>4,772.24</b>
Add: Issue of shares	-	-
<b>Balance as at 31st March,2023</b>	<b>47,72,23,845</b>	<b>4,772.24</b>

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:

Name of Shareholder	As at 31.03.2023		As at 31.03.2022	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Fully paid equity shares :</b>				
Jio Futuristic Digital Holdings Private Limited	17,15,16,614	35.94%	17,15,16,614	35.94%
Jio Television Distribution Holdings Private Limited	7,38,19,315	15.47%	7,38,19,315	15.47%
Jio Digital Distribution Holdings Private Limited	7,17,01,635	15.02%	7,17,01,635	15.02%

- 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.

- Shareholding of promoters- Fully Paid Equity Shares

(i) As at 31st March,2023

Sr. No.	Category	Promoter's Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
1	Promoter	Jio Futuristic Digital Holdings Private Limited	17,15,16,614	-	17,15,16,614	35.94%	-
2	Promoter	Jio Television Distribution Holdings Private Limited	7,38,19,315	-	7,38,19,315	15.47%	-
3	Promoter	Jio Digital Distribution Holdings Private Limited	7,17,01,635	-	7,17,01,635	15.02%	-
	<b>Total</b>		<b>31,70,37,564</b>	<b>-</b>	<b>31,70,37,564</b>	<b>66.43%</b>	<b>-</b>

(ii) As at 31st March,2022

Sr. No.	Category	Promoter's Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
1	Promoter	Jio Futuristic Digital Holdings Private Limited	17,15,16,614	-	17,15,16,614	35.94%	-
2	Promoter	Jio Television Distribution Holdings Private Limited	7,38,19,315	-	7,38,19,315	15.47%	-
3	Promoter	Jio Digital Distribution Holdings Private Limited	7,17,01,635	-	7,17,01,635	15.02%	-
	<b>Total</b>		<b>31,70,37,564</b>	<b>-</b>	<b>31,70,37,564</b>	<b>66.43%</b>	<b>-</b>

- There is no dividend proposed or paid during the year and during the previous year.

## DEN NETWORKS LIMITED

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

		(Rs. in million)	
Particulars	As at 31.03.2023	As at 31.03.2022	
<b>13. Other equity</b>			
Securities Premium	34,111.81	34,111.81	
General Reserve	202.86	202.86	
Retained Earnings	(4,709.01)	(7,549.88)	
Other Comprehensive Income	(2.54)	(122.43)	
<b>Total</b>	<b>29,603.12</b>	<b>26,642.36</b>	
		(Rs. in million)	
Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022	
<b>a. Securities Premium</b>			
i. Opening balance	34,111.81	34,111.81	
ii. Add : Addition/(deletion)	-	-	
Closing balance (A)	<b>34,111.81</b>	<b>34,111.81</b>	
<b>b. General Reserve</b>			
i. Opening balance	202.86	202.86	
ii. Add : Addition/(deletion)	-	-	
Closing balance (B)	<b>202.86</b>	<b>202.86</b>	
<b>c. Retained Earnings</b>			
i. Opening balance	(7,549.88)	(9,430.14)	
ii. Add: Profit for the year	2,833.09	1,895.37	
iii. Other comprehensive income arising from remeasurement of defined benefit obligation	7.78	(15.11)	
Closing balance (C)	<b>(4,709.01)</b>	<b>(7,549.88)</b>	
<b>d. Other Comprehensive Income (OCI)</b>			
-On Debt Mutual Funds and Bonds			
i. Opening balance	(122.43)	(190.65)	
ii. Add: Movement in OCI during the year	119.89	68.22	
Closing balance (D)	<b>(2.54)</b>	<b>(122.43)</b>	
<b>Total (A+B+C+D)</b>	<b>29,603.12</b>	<b>26,642.36</b>	
<b>14. Other financial liabilities</b>			
<b><u>Current</u></b>			
a. Others			
i. Payables on purchase of property, plant and equipment	96.66	48.32	
ii. Due to employees	39.90	39.62	
iii. Other Payable*	42.11	47.44	
<b>Total</b>	<b>178.67</b>	<b>135.38</b>	
* Other Payable includes dues to Related Parties.			
<b>15. Provisions</b>			
<b><u>Non-current</u></b>			
a. Employee benefits			
- Gratuity (See note 26)	72.29	80.64	
- Compensated absences	23.81	27.21	
<b>Total</b>	<b>96.10</b>	<b>107.85</b>	
<b><u>Current</u></b>			
a. Employee benefits			
- Gratuity (See note 26)	15.66	11.57	
- Compensated absences	5.98	5.31	
<b>Total</b>	<b>21.64</b>	<b>16.88</b>	

**DEN NETWORKS LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**

		(Rs. in million)	
Particulars	As at 31.03.2023	As at 31.03.2022	
<b>16. Other liabilities</b>			
<b><u>Non-current</u></b>			
Deferred revenue	234.53	479.90	
<b>Total</b>	<b>234.53</b>	<b>479.90</b>	
<b><u>Current</u></b>			
a. Deferred revenue	325.68	434.16	
b. Statutory remittances	236.85	219.82	
c. Other payables			
i. Advances from customers	2.85	13.25	
ii. Indirect tax payable and Others	535.84	535.84	
<b>Total</b>	<b>1,101.22</b>	<b>1,203.07</b>	
<b>17. Trade payables</b>			
Trade payables			
- total outstanding dues of micro enterprises and small enterprises (See note 35)	4.81	1.97	
- total outstanding dues of creditors other than micro enterprises and small enterprises	3,172.65	2,992.83	
<b>Total</b>	<b>3,177.46</b>	<b>2,994.80</b>	

**17.01 Trade Payable ageing schedule as at 31st March,2023**

(Rs. in million)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
<b>Undisputed</b>					
-dues of micro and small enterprises	-	-	-	-	-
-Others	2,175.43	4.59	0.07	9.67	2,189.76
<b>Disputed</b>					
-dues of micro and small enterprises	-	-	-	-	-
-Others	-	-	-	-	-
<b>Total</b>	<b>2,175.43</b>	<b>4.59</b>	<b>0.07</b>	<b>9.67</b>	<b>2,189.76</b>

**17.02 Trade Payable ageing schedule as at 31st March,2022**

(Rs. in million)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
<b>Undisputed</b>					
-dues of micro and small enterprises	-	-	-	-	-
-Others	2,236.88	3.04	6.50	19.50	2,265.92
<b>Disputed</b>					
-dues of micro and small enterprises	-	-	-	-	-
-Others	-	-	-	-	-
<b>Total</b>	<b>2,236.88</b>	<b>3.04</b>	<b>6.50</b>	<b>19.50</b>	<b>2,265.92</b>

## DEN NETWORKS LIMITED

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	(Rs. in million)	
	Year Ended 31.03.2023	Year Ended 31.03.2022
<b>18. Revenue from operations</b>		
a. Sale of services (see note below)	10,575.70	11,083.27
b. Sale of equipment	326.79	250.98
c. Other operating revenue		
i. Liabilities/ excess provisions written back (net)	195.83	202.96
ii. Miscellaneous income	0.38	0.42
<b>Total</b>	<b>11,098.70</b>	<b>11,537.63</b>

**18.01** The Company disaggregates revenue from contracts with customers by type of products and services and geography .

Revenue disaggregation by geography is given in note no. 25

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
	Revenue disaggregation by type of services :	
a. Placement income	3,853.31	3,570.78
b. Subscription income	3,843.78	4,204.84
c. Activation income	423.99	613.58
d. Feeder charges income	1,806.76	2,086.67
e. Other revenue	647.86	607.40
<b>Total</b>	<b>10,575.70</b>	<b>11,083.27</b>

**19. Other income**

a. Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
i. on bank deposits (amortised cost)	410.71	60.30
ii. on financial assets carried at amortised cost	5.92	48.91
iii. on financial assets carried at FVTOCI	126.50	5.89
b. Interest on income tax refund	25.84	5.20
c. Dividend income		
i. from non-current investments in subsidiaries	26.07	2.33
d. Other gains and losses		
i. Net gain on sale of current investments*	608.13	1,108.70
ii. Unrealised gain / (loss) on financial assets*	(114.90)	(26.58)
iii. Profit on sale of Property plant and equipment	1.73	2.01
iv. Others	1.56	10.27
v. Net gain on sale of non-current investment	118.59	-
<b>Total</b>	<b>1,210.15</b>	<b>1,217.03</b>

\*Includes income from assets measured at fair value through profit & loss Rs. 554.32 million (Previous year Rs. 305.33 million) and income from assets measured at fair value through other comprehensive income / (loss) Rs. (-) 61.09 million (Previous year 776.79 million).

**20. Employee benefits expense**

a. Salaries and allowances	546.49	550.73
b. Contribution to provident and other funds (See note 26)	28.31	29.30
c. Gratuity expense (See note 26)	16.12	15.26
d. Staff welfare expenses	41.03	28.15
<b>Total</b>	<b>631.95</b>	<b>623.44</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

		(Rs. in million)	
Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022	
<b>21. Finance costs</b>			
a. Interest on lease liability	13.83	-	
b. Interest expenses on financial liabilities measured at amortised cost	-	9.32	
<b>Total</b>	<b>13.83</b>	<b>9.32</b>	
<b>22. Other expenses</b>			
a. Distributor commission/ incentive	171.31	193.94	
b. Rent and hire charges	71.11	93.34	
c. Repairs and maintenance			
i. Plant and equipment	65.25	43.52	
ii. Others	139.72	132.11	
d. Power and fuel	61.17	61.76	
e. Director's sitting fees	1.72	2.48	
f. Legal and professional charges	93.37	78.86	
g. Payment to auditors (Refer note no. 22.01 below)	11.26	9.61	
h. Expenditure on corporate social responsibility (See note 32)	33.95	16.17	
i. Contract service charges	344.40	303.14	
j. Printing and stationery	1.48	1.37	
k. Travelling and conveyance	36.54	17.21	
l. Advertisement, publicity and business promotion	53.32	60.22	
m. Communication expenses	8.91	5.69	
n. Leaseline expenses	411.30	348.24	
o. Security charges	12.15	12.14	
p. Freight and labour charges	5.76	8.18	
q. Insurance	4.04	4.99	
r. Rates and taxes	8.72	26.85	
s. Allowance on trade receivables and advances (Refer note no. 22.02 below)	1.28	71.49	
t. Provision for impairment in value of non-current investments	-	64.49	
u. Provision for impairment of Capital Work-in-process	-	19.42	
v. Loss on sale of non-current investment	-	43.64	
w. Net loss on foreign currency transactions and translation	1.27	0.22	
x. Miscellaneous expenses	19.07	16.32	
<b>Total</b>	<b>1,557.10</b>	<b>1,635.40</b>	
<b>22.01 Payment to Auditors</b>			(Rs. in million)
<b>Particulars</b>	<b>Year Ended 31.03.2023</b>	<b>Year ended 31.03.2022</b>	
For audit	9.75	8.47	
For tax audit	1.27	1.10	
For reimbursement of expenses	0.24	0.04	
	11.26	9.61	
To cost auditors for cost audit	0.08	0.08	
<b>Total</b>	<b>11.34</b>	<b>9.69</b>	
<b>22.02 Allowance on trade receivables and advances includes:</b>			(Rs. in million)
<b>Particulars</b>	<b>Year Ended 31.03.2023</b>	<b>Year ended 31.03.2022</b>	
a. Doubtful trade receivables and advances written off	1,296.11	27.57	
	1,296.11	27.57	
b. Allowance on trade receivables and advances (net)	(1,294.83)	43.92	
<b>Total</b>	<b>1.28</b>	<b>71.49</b>	

## DEN NETWORKS LIMITED

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	(Rs. in million)	
	Year Ended 31.03.2023	Year ended 31.03.2022
<b>23. (A) Income tax recognised in Statement of Profit and Loss</b>		
<b>(a) Current tax</b>		
In respect of current year	-	-
In respect of prior years	-	-
	<u>-</u>	<u>-</u>
<b>(b) Deferred tax [See note 23(c)]</b>		
In respect of current year	(1,116.44)	-
	<u>(1,116.44)</u>	<u>-</u>
<b>Total tax expense recognised in Statements of Profit and Loss</b>	<b>(1,116.44)</b>	<b>-</b>
<b>(c) The income tax expense for the year can be reconciled to the accounting profit as follows:</b>		
Profit before tax	1,716.65	1,895.37
Income tax expense calculated	432.05	477.03
Related to Property plant and Equipment	(606.38)	(7.54)
Related to Deferred Revenue and others	(770.94)	(149.37)
Effect of expenses that are not deductible in determining taxable profit	5.53	36.88
Carried forward Losses / unabsorbed depreciation utilised	(176.70)	(357.00)
	<u>(1,116.44)</u>	<u>-</u>
<b>Income tax expense recognised in statement of profit and loss</b>	<b>(1,116.44)</b>	<b>-</b>



**DEN NETWORKS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**23. Income Tax (Cont.)**

**(B) Movement in deferred tax**

**(i) Movement of Deferred Tax for the year ended 31 March, 2023**

(Rs. in million)

Particulars	Year Ended 31.03.2023			
	Opening Balance	Recognised in profit and Loss	Recognised in other comprehensive income	Closing balance
<u>Tax effect of items constituting deferred tax liabilities</u>				
Financial Assets	-	(229.02)	-	(229.02)
	-	<b>(229.02)</b>	-	<b>(229.02)</b>
<u>Tax effect of items constituting deferred tax assets</u>				
Provision for employee benefits	-	32.24	(2.61)	29.63
Property, plant and equipment and other intangible assets		575.85	-	575.85
Financial Assets		85.04	0.86	85.90
Provision for doubtful debts/advances/impairment		427.54	-	427.54
Business Losses & Unabsorbed Depreciation	-	224.79	-	224.79
	-	<b>1,345.46</b>	<b>(1.75)</b>	<b>1,343.71</b>
<b>Deferred tax assets (net)</b>	-	<b>1,116.44</b>	<b>(1.75)</b>	<b>1,114.69</b>

**(ii) Movement of Deferred Tax for the year ended 31 March 2022**

(Rs. in million)

Particulars	Year ended 31.03.2022			
	Opening Balance	Recognised in profit and Loss	Recognised in other comprehensive income	Closing balance
<u>Tax effect of items constituting deferred tax liabilities</u>				
Financial Assets	-	-	-	-
	-	-	-	-
<u>Tax effect of items constituting deferred tax assets</u>				
Provision for employee benefits	-	-	-	-
Provision for doubtful debt/advances/impairment	-	-	-	-
	-	-	-	-
<b>Deferred tax assets (net)</b>	-	-	-	-

## DEN NETWORKS LIMITED

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

## 23. Income Tax (Cont.)

## (C) 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)	-	-
- unabsorbed depreciation (revenue in nature)	-	759.76
- deductible temporary differences		
i. Property, plant and equipment and other intangible assets	-	2,698.99
ii. Impairment allowance for doubtful balances	-	2,590.26
iii. Deferred revenue	-	665.65
iv. Others	-	(741.98)
<b>Total</b>	<b>-</b>	<b>5,972.68</b>

**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
-temporary differences, unused tax losses & tax credits With no expiry date	-	759.76
-temporary differences, unused tax losses & tax credits With expiry date	-	5,212.92
<b>Total</b>	<b>-</b>	<b>5,972.68</b>

## DEN NETWORKS LIMITED

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	(Rs. in million)	
	As at 31.03.2023	As at 31.03.2022
<b>24. Commitments and contingent liabilities</b>		
<b>a. Commitments</b>		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	215.71	573.50
<b>b. Contingent liabilities</b>		
<b>i) Claims against the Company not acknowledged as debts*</b>		
Demand raised by UP Commercial Tax authorities for payment of VAT/GST on transfer of STB's	18.01	16.59
Demand raised by UP Entertainment Tax authorities for payment of Entertainment Tax	13.07	-
Demand raised by UP Commercial Tax authorities for payment of GST	81.04	0.35
Demand raised by Bihar Entertainment Tax authorities for payment of Entertainment tax	2.44	-
Demand raised by Bihar Commercial Tax authorities for payment of VAT	129.85	125.13
Demand raised by Karnataka Commercial Tax authorities for payment of VAT on transfer of STB's	325.46	286.97
Demand raised by Delhi Commercial Tax authorities for payment of VAT on Activation Charge	10.68	9.88
Demand raised by Maharashtra Commercial Tax authorities for payment of VAT	14.18	12.48
Demand raised by Jharkhand Commercial Tax authorities for payment of VAT	93.09	81.63
Demand raised by WB Entertainment Tax authorities for payment of Entertainment Tax	1.26	1.26
Demand raised by Uttarakhand Commercial Tax authorities for payment of VAT	4.55	9.10
Demand raised by Kerala Commercial Tax authorities for payment of VAT	20.10	-
<b>ii) Guarantees</b>		
Bank guarantees	2.89	1.81
<b>iii) Other money for which the Company is contingently liable</b>		
Outstanding letter of credits	590.73	-

The Company has provided letter of financial support to its certain subsidiaries wherein it will provide the necessary financial support and financing arrangements to enable them to meet all its liabilities, as and when they fall due.

\* The Company has paid deposit under protest towards the above claims aggregating to Rs. 335.69 million (31st March, 2022: Rs. 446.60 million).

**25. Segment information**

(i) The Company is engaged mainly in the business of “distribution and promotion of television channels”. 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 external customers broken down by location of customers in stated below:

<b>Geography</b>	<b>(Rs. in million)</b>	
	<b>Year Ended 31.03.2023</b>	<b>Year ended 31.03.2022</b>
India	11,098.70	11,537.63
Outside India	-	-
	<b>11,098.70</b>	<b>11,537.63</b>

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

<b>Geography</b>	<b>(Rs. in million)</b>	
	<b>Year Ended 31.03.2023</b>	<b>Year ended 31.03.2022</b>
India	3,557.79	3,213.03
Outside India	-	-
	<b>3,557.79</b>	<b>3,213.03</b>

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

c. Information about major customers:

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

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. 28.12 million (for the year ended 31st March, 2022: R. 28.90 million) for provident fund contributions and Rs. 0.19 million (for the year ended 31st March, 2022: Rs. 0.40 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 31st March, 2023, contributions of Rs. 4.94 million (as at 31st March, 2022: Rs. 4.79 million) due in respect of year 2022-2023 (year 2021-2022) 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. 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 increase the plan's liability.
Demographic risk	The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumptions.
Regulatory risk	Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act , 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.

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 31st March, 2023 by KP Actuaries and Consultants LLP, 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.

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)	12.15	13.55
Average remaining working life (years)	17.13	17.45
Retirement age (years)	58	58
Mortality Table	IALM (2012 - 14)	IALM (2012 - 14)
Withdrawal Rates	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 31st 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)	
	31.03.2023	31.03.2022
Service cost		
- Current service cost	9.59	10.13
Net interest expense	6.53	5.13
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>16.12</b>	<b>15.26</b>
Remeasurement on the net defined benefit liability		
- Actuarial (gains) / losses arising from changes in financial assumptions	(3.42)	(1.09)
- Actuarial (gains) / losses arising from experience adjustments	(7.38)	16.20
- Actuarial (gains) / losses arising from changes in demographic assumption	0.41	-
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(10.39)</b>	<b>15.11</b>
<b>Total</b>	<b>5.73</b>	<b>30.37</b>

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.

26. Employee benefit plans

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 unfunded defined benefit obligation	87.95	92.21
Net liability arising from defined benefit obligation	87.95	92.21

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	92.21	73.89
Current service cost	9.59	10.13
Interest cost	6.53	5.13
Remeasurement (gains)/losses:		
- Actuarial (gains) / losses arising from changes in financial assumptions	(3.42)	(1.09)
- Actuarial (gains) / losses arising from experience adjustments	(7.38)	16.20
- Actuarial (gains) / losses arising from changes in demographic assumption	0.41	-
Benefits paid	(9.99)	(12.05)
Closing defined benefit obligation	<b>87.95</b>	<b>92.21</b>
- Current portion of the above	15.66	11.57
- Non current portion of the above	72.29	80.64

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. 3.12 million (increase by Rs. 3.33 million) [as at 31st March, 2022: decrease by Rs. 3.87 million (increase by Rs. 4.14 million)].

ii) If the expected salary growth increases (decreases) by 0.50%, the defined benefit obligation would increase by Rs. 3.36 million (decrease by Rs. 3.18 million) [as at 31st March, 2022: increase by Rs. 4.17 million (decrease by Rs. 3.93 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 31st March, 2023: 7 years (as at 31st March, 2022: 9 years).

**As on 31st March 2023**

Expected cash flows over the next (valued on undiscounted basis)	Rs. in Million
1st Year	15.66
2nd Year	9.79
3rd Year	10.16
4th Year	4.38
5th Year	4.71
6th Year	6.49
7th to 10th Year	38.18
More than 10 years	92.35

**As on 31st March 2022**

Expected cash flows over the next (valued on undiscounted basis)	Rs. in Million
1st Year	11.57
2nd Year	4.26
3rd Year	8.78
4th Year	9.26
5th Year	4.39
6th Year	4.11
7th to 10th Year	43.20
More than 10 years	112.08

g) The Company expects to make a contribution of Rs. NIL (as at 31st March, 2022: Rs. NIL) to the defined benefit plans during the next financial year.

h) 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.

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

j) The gratuity plan is unfunded.

k) Experience on actuarial gain/(loss) for benefit obligations and plan assets:

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	87.95	92.21	73.89	65.52	54.20
Fair value of plan assets	-	-	-	-	-
Funded status [Surplus / (Deficit)]	(87.95)	(92.21)	(73.89)	(65.52)	(54.20)
Experience gain / (loss) adjustments on plan liabilities	7.38	(16.20)	0.53	(5.48)	9.15
Experience gain / (loss) adjustments on plan assets	-	-	-	-	-

**DEN NETWORKS LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**

**27. Earnings per equity share (EPS)**

Particulars	Year Ended 31.03.2023	Year ended 31.03.2022
(i) Basic (in Rs.)	5.94	3.98
(ii) Diluted (in Rs.)	5.94	3.98

**(i) Basic and Diluted earnings per share**

The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows:

Particulars	Year Ended 31.03.2023	Year ended 31.03.2022
(i) Profit for the year attributable to shareholders of the Company (Rs. in million)	2,833.09	1,895.37
(ii) Earnings used in the calculation of basic and diluted earnings per share (Rs. in million)	2,833.09	1,895.37
(iii) Weighted average number of equity shares for the purposes of basic and diluted earnings per share (Face value of Rs. 10 each)	47,67,65,914	47,67,65,914

**28. Related Party Disclosures****I. List of related parties****a. Enterprises exercising control**

1. Reliance Industries Limited
2. Reliance Industrial Investments and Holdings Limited#(Protector of Digital Media Distribution Trust)
3. Digital Media Distribution Trust
4. Jio Futuristic Digital Holdings Private Limited @
5. Jio Digital Distribution Holdings Private Limited @
6. Jio Television Distribution Holdings Private Limited @
7. Reliance Strategic Investments Limited@
8. Reliance Ventures Limited@

**b Related parties where control exists****i. Subsidiary Companies**

1. Den Mahendra Satellite Private Limited \*\*\*
2. Den Mod Max Cable Network Private Limited
3. Den Krishna Cable TV Network Limited\*\*
4. Den Pawan Cable Network Limited \*\*\*
5. Den BCN Suncity Network Limited \*\*\*
6. Den Harsh Mann Cable Network Limited\*\*
7. Den Classic Cable TV Services Limited\*\*
8. Den Bindra Network Private Limited\*\*
9. Den Ashu Cable Limited\*\*
10. Shree Sidhivinayak Cable Network Limited\*\*
11. Drashti Cable Network Limited
12. Den MCN Cable Network Limited\*\*
13. Mahadev Den Cable Network Limited
14. Den Patel Entertainment Network Private Limited\*\*
15. Den Digital Cable Network Limited \*\*\*
16. Den Malayalam Telenet Private Limited
17. Den-Manoranjan Satellite Private Limited
18. Den Supreme Satellite Vision Private Limited
19. Den Nashik City Cable Network Private Limited
20. Radiant Satellite (India) Private Limited
21. Den Radiant Satellite Cable Network Private Limited\*\*
22. Den Prince Network Limited\*\*
23. Den Varun Cable Network Limited \*\*\*
24. Den Crystal Vision Network Limited\*\*
25. Meerut Cable Network Private Limited
26. Den Jai Ambey Vision Cable Private Limited\*\*
27. Den Fateh Marketing Private Limited
28. Den Enjoy Cable Networks Private Limited
29. Den Maa Sharda Vision Cable Networks Limited \*\*\*
30. Den F K Cable TV Network Private Limited
31. Den Pradeep Cable Network Limited\*\*
32. Den Satellite Cable TV Network Limited
33. Den Ambey Cable Networks Private Limited
34. Den Budaun Cable Network Private Limited
35. Den Aman Entertainment Private Limited\*\*
36. Den Kashi Cable Network Limited
37. Futuristic Media and Entertainment Limited
38. Den Rajkot City Communication Private Limited
39. Den Elgee Cable Vision Private Limited\*\*
40. Den Malabar Cable Vision Limited \*\*\*
41. Amogh Broad Band Services Private Limited\*\*
42. Galaxy Den Media & Entertainment Private Limited
43. Bali Den Cable Network Limited \*\*\*
44. Mahavir Den Entertainment Private Limited
45. Den Citi Channel Limited\*\*



**28. Related Party Disclosures**

**I. List of related parties**

46. Fab Den Network Limited\*\*
47. Fortune (Baroda) Network Private Limited (Up to 22nd July,2021)
48. United Cable Network (Digital) Limited\*\*
49. Cab-i-Net Communications Private Limited \*\*\*
50. Den Sahyog Cable Network Limited\*\*
51. Den Sariga Communications Limited\*\*
52. Den Kattakada Telecasting and Cable Services Limited\*\*
53. Den A.F. Communication Private Limited\*\*
54. Sree Gokulam Starnet Communication Limited\*\*
55. Big Den Entertainment Limited\*\*
56. Ambika Den Cable Network Private Limited\*\*
57. Den Steel City Cable Network Limited\*\*
58. Crystal Vision Media Private Limited\*\*
59. Victor Cable Tv Network Limited\*\*
60. Sanmati Den Cable TV Network Private Limited\*\*
61. Multi Channel Cable Network Limited\*\*
62. Gemini Cable Network Limited\*\*
63. Multi Star Cable Network Limited\*\*
64. Den VM Magic Entertainment Limited\*\*
65. Antique Communications Private Limited\*\*
66. Sanmati Entertainment Limited\*\*
67. Disk Cable Network Private Limited\*\*
68. Silverline Television Network Limited \*\*\*
69. Ekta Entertainment Network Limited\*\*
70. Libra Cable Network Limited
71. Devine Cable Network Private Limited\*\*
72. Nectar Entertainment Limited\*\*
73. Multitrack Cable Network Private Limited \*\*\*
74. Glimpse Communications Private Limited\*\*
75. Indradhanush Cable Network Limited\*\*
76. Adhunik Cable Network Limited\*\*
77. Blossom Entertainment Private Limited\*\*
78. Rose Entertainment Private Limited
79. Trident Entertainment Private Limited\*\*
80. Eminent Cable Network Private Limited
81. Mansion Cable Network Private Limited
82. Den Discovery Digital Networks Private Limited
83. Jhankar Cable Network Limited\*\*
84. Den Premium Multilink Cable Network Private Limited
85. Desire Cable Network Limited\*\*
86. Marble Cable Network Private Limited\*\*
87. Augment Cable Network Private Limited\*\*
88. Den Broadband Limited
89. VBS Digital Distribution Network Limited
90. Den Saya Channel Network Limited
91. Den Enjoy Navaratan Network Private Limited
92. Den Faction Communication System Limited\*\*
93. Kishna Den Cable Networks Private Limited
94. Divya Drishti Den Cable Network Private Limited \*\*\*
95. Fun Cable Network Private Limited\*\*
96. Den Enjoy SBNM Cable Network Private Limited \*\*\*
97. Bhadohi DEN Entertainment Private Limited
98. Den STN Television Network Private Limited \*\*\*
99. Srishti Den Networks Limited
100. Maitri Cable Network Private Limited \*\*\*
101. Mountain Cable Network Limited\*\*
102. Den Prayag Cable Networks Limited\*\*
103. Angel Cable Network Private Limited \*\*\*
104. ABC Cable Network Private Limited \*\*\*

**28. Related Party Disclosures**

**I. List of related parties**

**ii. Fellow subsidiaries**

1. TV18 Broadcast Limited<sup>Ⓒ</sup>
2. IndiaCast Media Distribution Private Limited<sup>Ⓒ</sup>
3. Network18 Media & Investments Limited<sup>Ⓒ</sup>
4. Hathway Cable and Datacom Limited<sup>Ⓒ</sup>
5. Reliance Jio Infocomm Limited<sup>Ⓒ</sup>
6. Jio Platforms Limited<sup>Ⓒ</sup>
7. Reliance Retail Limited<sup>Ⓒ</sup>
8. Viacom18 Media Private Limited<sup>Ⓒ</sup>
9. Hathway Digital Limited<sup>Ⓒ</sup>
10. Reliance Projects & Property Management Services Limited<sup>Ⓒ</sup>
11. Jio Haptik Technologies Limited<sup>Ⓒ</sup>

**c. Associate entities**

1. Den ADN Network Private Limited
2. CCN Digital Private Limited (Up to 30 July'2021)
3. Den Satellite Network Private Limited
4. Den New Broad Communication Private Limited
5. Den ABC Cable Network Ambarnath Private Limited
6. Konark IP Dossiers Private Limited
7. Eenadu Television Private Limited\*

**d. Entities in which KMP can exercise significant influence (till 9th September,2021)**

1. Lucid Systems Private Limited
2. Verve Engineering Private Limited

**e. Entity in which KMP of enterprise exercising control over the company are able to exercise significant influence**

1. Reliance Foundation

**f. Key managerial personnel**

1. Mr. Sameer Manchanda (Chairman) (Managing Director till 9th September, 2021)
2. Mr. S.N Sharma (Chief Executive Officer)
3. Mr. Satyendra Jindal (Chief Financial Officer)

**g. Other related party- employees welfare trust**

1. DNL Employees Welfare Trust

# Reliance Industrial Investments and Holdings Limited, Protector of Digital Media Distribution Trust is a wholly owned subsidiary of Reliance Industries Limited

@ Controlled by Digital Media Distribution Trust of which Reliance Content Distribution Limited, wholly owned subsidiary of Reliance Industries Limited is the sole beneficiary.

Ⓒ Subsidiaries of Reliance Industries Limited.

\* Associate of Reliance Industries Limited.

\*\* Merged with Futuristic Media and Entertainment Limited pursuant to the scheme from appointed date 1st April 2021.

\*\*\* Merged with Futuristic Media and Entertainment Limited pursuant to the scheme from appointed date 1st April 2022.

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

(Figures in bracket relates to previous year)  
(Rs. in million)

Particulars	Subsidiary Companies	Associate Entities	Fellow Subsidiaries	Key management personnel	Enterprises Exercising control	Grand total
<b>A. Transactions during the year</b>						
<b>i. Sale of services</b>						
Den Ambey Cable Networks Private Limited	622.22 (671.99)	- (-)	- (-)	- (-)	- (-)	622.22 (671.99)
Den Enjoy Cable Networks Private Limited	398.62 (416.22)	- (-)	- (-)	- (-)	- (-)	398.62 (416.22)
Futuristic Media and Entertainment Limited	997.95 (977.61)	- (-)	- (-)	- (-)	- (-)	997.95 (977.61)
Others	1,301.89 (1,518.10)	96.55 (69.50)	487.47 (402.90)	- (-)	- (-)	1,885.91 (1,990.50)
<b>Total</b>	<b>3,320.68</b> <b>(3,583.92)</b>	<b>96.55</b> <b>(69.50)</b>	<b>487.47</b> <b>(402.90)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>3,904.70</b> <b>(4,056.32)</b>
<b>ii. Sale of equipment</b>						
Den Satellite Network Private Limited	- (-)	52.61 (44.39)	- (-)	- (-)	- (-)	52.61 (44.39)
Den Ambey Cable Networks Private Limited	- (27.93)	- (-)	- (-)	- (-)	- (-)	- (27.93)
Hathway Digital Limited	- (-)	- (-)	133.56 (51.40)	- (-)	- (-)	133.56 (51.40)
Others	121.52 (98.00)	18.98 (29.10)	- (-)	- (-)	- (-)	140.50 (127.10)
<b>Total</b>	<b>121.52</b> <b>(125.93)</b>	<b>71.59</b> <b>(73.49)</b>	<b>133.56</b> <b>(51.40)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>326.67</b> <b>(250.82)</b>
<b>iii. Other operating revenue</b>						
<b>a. Liabilities/ excess provisions written back (net)</b>						
Den ADN Network Private Limited	- (-)	- (1.05)	- (-)	- (-)	- (-)	- (1.05)
Den BCN Suncity Network Limited	- (4.72)	- (-)	- (-)	- (-)	- (-)	- (4.72)
Den STN Television Network Private Limited	- (1.46)	- (-)	- (-)	- (-)	- (-)	- (1.46)
<b>Total</b>	<b>-</b> <b>(6.18)</b>	<b>-</b> <b>(1.05)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(7.23)</b>
<b>iv. Other income</b>						
<b>a. Interest income on financial assets carried at amortised cost</b>						
Futuristic Media and Entertainment Limited	- (7.67)	- (-)	- (-)	- (-)	- (-)	- (7.67)
Den Broadband Limited	- (20.76)	- (-)	- (-)	- (-)	- (-)	- (20.76)
Others	5.42 (13.08)	- (-)	- (-)	- (-)	- (-)	5.42 (13.08)
<b>Total</b>	<b>5.42</b> <b>(41.51)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>5.42</b> <b>(41.51)</b>
<b>b. Dividend income</b>						
Eminent Cable Network Private Limited	22.58 (-)	- (-)	- (-)	- (-)	- (-)	22.58 (-)
Den F K Cable TV Network Private Limited	3.49 (2.33)	- (-)	- (-)	- (-)	- (-)	3.49 (2.33)
<b>Total</b>	<b>26.07</b> <b>(2.33)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>26.07</b> <b>(2.33)</b>

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

(Figures in bracket relates to previous year)  
(Rs. in million)

Particulars	Subsidiary Companies	Associate Entities	Fellow Subsidiaries	Key management personnel	Enterprises Exercising control	Grand total
<b>v. Compensation of Key Managerial Personnel</b>						
The remuneration of key managerial personnel during the year was as follows:						
-Short-term employee benefits	- (-)	- (-)	- (-)	62.68 (75.88)	- (-)	62.68 (75.88)
-Post-employment benefits	- (-)	- (-)	- (-)	11.35 (13.10)	- (-)	11.35 (13.10)
<b>Total</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>74.03</b> <b>(88.98)</b>	<b>-</b> <b>(-)</b>	<b>74.03</b> <b>(88.98)</b>
<b>vi. Purchase of services</b>						
Den Ambey Cable Networks Private Limited	309.05 (312.12)	- (-)	- (-)	- (-)	- (-)	309.05 (312.12)
TV18 Broadcast Limited	- (-)	- (-)	950.94 (859.70)	- (-)	- (-)	950.94 (859.70)
Reliance Jio Infocomm Limited	- (-)	- (-)	268.39 (-)	- (-)	- (-)	268.39 (-)
Others	956.80 (1,002.50)	71.13 (64.45)	108.39 (329.13)	- (-)	- (-)	1,136.32 (1,396.08)
<b>Total</b>	<b>1,265.85</b> <b>(1,314.62)</b>	<b>71.13</b> <b>(64.45)</b>	<b>1,327.72</b> <b>(1,188.83)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>2,664.70</b> <b>(2,567.90)</b>
<b>vii. Allowance / write off on trade receivables and advances</b>						
Den Ambey Cable Networks Private Limited	- (0.04)	- (-)	- (-)	- (-)	- (-)	- (0.04)
<b>Total</b>	<b>-</b> <b>(0.04)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(0.04)</b>
<b>viii. Reimbursement of expenses (paid)</b>						
Mansion Cable Network Private Limited	- (3.33)	- (-)	- (-)	- (-)	- (-)	- (3.33)
Den Broadband Limited	1.76 (-)	- (-)	- (-)	- (-)	- (-)	1.76 (-)
Den Enjoy Cable Networks Private Limited	0.90 (-)	- (-)	- (-)	- (-)	- (-)	0.90 (-)
Den-Manoranjnan Satellite Private Limited	1.59 (-)	- (-)	- (-)	- (-)	- (-)	1.59 (-)
Futuristic Media and Entertainment Limited	1.65 (-)	- (-)	- (-)	- (-)	- (-)	1.65 (-)
Others	1.36 (10.21)	0.04 (0.04)	- (-)	- (-)	- (-)	1.40 (10.25)
<b>Total</b>	<b>7.26</b> <b>(13.54)</b>	<b>0.04</b> <b>(0.04)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>7.30</b> <b>(13.58)</b>
<b>ix. Investments made during the year</b>						
Den Broadband Limited	40.00 (460.00)	- (-)	- (-)	- (-)	- (-)	40.00 (460.00)
Futuristic Media and Entertainment Limited	730.00 (370.00)	- (-)	- (-)	- (-)	- (-)	730.00 (370.00)
<b>Total</b>	<b>770.00</b> <b>(830.00)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>770.00</b> <b>(830.00)</b>
<b>x. Investments Redeemed / transferred during the year (Equity and/or preference share)</b>						
Futuristic Media and Entertainment Limited	448.15 (439.38)	- (-)	- (-)	- (-)	- (-)	448.15 (439.38)
<b>Total</b>	<b>448.15</b> <b>(439.38)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>448.15</b> <b>(439.38)</b>
<b>xi. Loans given/adj. during the year</b>						
Den Broadband Limited	- (275.50)	- (-)	- (-)	- (-)	- (-)	- (275.50)
<b>Total</b>	<b>-</b> <b>(275.50)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(275.50)</b>

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

(Figures in bracket relates to previous year)  
(Rs. in million)

Particulars	Subsidiary Companies	Associate Entities	Fellow Subsidiaries	Key management personnel	Enterprises Exercising control	Grand total
<b>xii. Loans received/adj back during the year</b>						
Den Broadband Limited	- (460.57)	- (-)	- (-)	- (-)	- (-)	- (460.57)
Futuristic Media and Entertainment Limited	- (195.92)	- (-)	- (-)	- (-)	- (-)	- (195.92)
Others	- (1.29)	- (-)	- (-)	- (-)	- (-)	- (1.29)
<b>Total</b>	<b>-</b> <b>(657.78)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(657.78)</b>
<b>xiii. Purchase of Equipment</b>						
Hathway Digital Limited	- (-)	- (-)	53.20 (24.73)	- (-)	- (-)	53.20 (24.73)
Others	- (-)	- (-)	- (0.05)	- (-)	- (-)	- (0.05)
<b>Total</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>53.20</b> <b>(24.78)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>53.20</b> <b>(24.78)</b>
<b>xiv. Staff Welfare Expense</b>						
Reliance Retail Limited	- (-)	- (-)	2.00 (1.38)	- (-)	- (-)	2.00 (1.38)
<b>Total</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>2.00</b> <b>(1.38)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>2.00</b> <b>(1.38)</b>
<b>B. Outstanding balances at year end</b>						
<b>i. Investments in subsidiaries, associates (Equity and /or preference share capital/ debentures)</b>						
Den Broadband Limited	2,216.86 (2,176.86)	- (-)	- (-)	- (-)	- (-)	2,216.86 (2,176.86)
Futuristic Media and Entertainment Limited	2,674.38 (1,944.37)	- (-)	- (-)	- (-)	- (-)	2,674.38 (1,944.37)
Others	1,006.27 (1,513.50)	482.49 (482.49)	- (-)	- (-)	- (-)	1,488.76 (1,995.99)
<b>Total</b>	<b>5,897.51</b> <b>(5,634.73)</b>	<b>482.49</b> <b>(482.49)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>6,380.00</b> <b>(6,117.22)</b>
Less : Provision for impairment in the value of investments	73.59 (256.69)	- (-)	- (-)	- (-)	- (-)	73.59 (256.69)
<b>Total</b>	<b>5,823.92</b> <b>(5,378.04)</b>	<b>482.49</b> <b>(482.49)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>6,306.41</b> <b>(5,860.53)</b>
<b>ii. Other financial assets</b>						
<b>a. Advances recoverable</b>						
Den Malayalam Telenet Private Limited	14.05 (13.86)	- (-)	- (-)	- (-)	- (-)	14.05 (13.86)
Den Satellite Cable TV Network Limited	23.74 (24.16)	- (-)	- (-)	- (-)	- (-)	23.74 (24.16)
Others	5.00 (17.56)	1.46 (1.78)	- (-)	- (-)	- (-)	6.46 (19.34)
<b>Total</b>	<b>42.79</b> <b>(55.58)</b>	<b>1.46</b> <b>(1.78)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>44.25</b> <b>(57.36)</b>

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

(Figures in bracket relates to previous year)  
(Rs. in million)

Particulars	Subsidiary Companies	Associate Entities	Fellow Subsidiaries	Key management personnel	Enterprises Exercising control	Grand total
<b>b. Unbilled revenue</b>						
Den Enjoy Cable Networks Private Limited	43.23 (-)	- (-)	- (-)	- (-)	- (-)	43.23 (-)
<b>Total</b>	<b>43.23</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>43.23</b> <b>(-)</b>
<b>c. Receivable on sale of property, plant and equipment</b>						
Den Premium Multilink Cable Network Private Limited	- (15.35)	- (-)	- (-)	- (-)	- (-)	- (15.35)
Den-Manoranjan Satellite Private Limited	- (10.74)	- (-)	- (-)	- (-)	- (-)	- (10.74)
Hathway Digital Limited	- (-)	- (-)	66.97 (31.29)	- (-)	- (-)	66.97 (31.29)
Others	9.15 (0.58)	- (0.01)	- (-)	- (-)	- (-)	9.15 (0.59)
<b>Total</b>	<b>9.15</b> <b>(26.67)</b>	<b>-</b> <b>(0.01)</b>	<b>66.97</b> <b>(31.29)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>76.12</b> <b>(57.97)</b>
<b>iii. Trade receivables</b>						
Den Ambey Cable Networks Private Limited	175.83 (245.86)	- (-)	- (-)	- (-)	- (-)	175.83 (245.86)
Futuristic Media and Entertainment Limited	384.39 (368.93)	- (-)	- (-)	- (-)	- (-)	384.39 (368.93)
Others	725.54 (781.55)	10.81 (8.96)	65.65 (48.43)	- (-)	- (-)	802.00 (838.94)
<b>Total</b>	<b>1,285.76</b> <b>(1,396.34)</b>	<b>10.81</b> <b>(8.96)</b>	<b>65.65</b> <b>(48.43)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>1,362.22</b> <b>(1,453.73)</b>
<b>iv. Financial Liabilities</b>						
<b>a. Trade payables</b>						
Den Ambey Cable Networks Private Limited	188.03 (221.15)	- (-)	- (-)	- (-)	- (-)	188.03 (221.15)
Den Enjoy Cable Networks Private Limited	143.02 (163.78)	- (-)	- (-)	- (-)	- (-)	143.02 (163.78)
Mansion Cable Network Private Limited	- (111.17)	- (-)	- (-)	- (-)	- (-)	- (111.17)
Reliance Jio Infocomm Limited	- (-)	- (-)	176.26 (-)	- (-)	- (-)	176.26 (-)
TV18 Broadcast Limited	- (-)	- (-)	247.50 (-)	- (-)	- (-)	247.50 (-)
Others	482.03 (370.55)	57.91 (58.52)	35.77 (167.19)	- (-)	- (-)	575.71 (596.26)
<b>Total</b>	<b>813.08</b> <b>(866.65)</b>	<b>57.91</b> <b>(58.52)</b>	<b>459.53</b> <b>(167.19)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>1,330.52</b> <b>(1,092.36)</b>
<b>b. Other Payable</b>						
Den Ambey Cable Networks Private Limited	10.71 (18.40)	- (-)	- (-)	- (-)	- (-)	10.71 (18.40)
Den Premium Multilink Cable Network Private Limited	- (5.68)	- (-)	- (-)	- (-)	- (-)	- (5.68)
Mansion Cable Network Private Limited	19.42 (4.88)	- (-)	- (-)	- (-)	- (-)	19.42 (4.88)
Others	11.98 (18.48)	- (-)	- (-)	- (-)	- (-)	11.98 (18.48)
<b>Total</b>	<b>42.11</b> <b>(47.44)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>42.11</b> <b>(47.44)</b>

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

(Figures in bracket relates to previous year)  
 (Rs. in million)

Particulars	Subsidiary Companies	Associate Entities	Fellow Subsidiaries	Key management personnel	Enterprises Exercising control	Grand total
<b>c. Payables on purchase of property, plant and equipment</b>						
Hathway Digital Limited	- (-)	- (-)	27.63 (-)	- (-)	- (-)	27.63 (-)
Others	0.74 (-)	0.08 (-)	- (-)	- (-)	- (-)	0.82 (-)
<b>Total</b>	<b>0.74</b> <b>(-)</b>	<b>0.08</b> <b>(-)</b>	<b>27.63</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>28.45</b> <b>(-)</b>
<b>v. Other current liabilities</b>						
<b>a. Deferred revenue</b>						
Den Enjoy Cable Networks Private Limited	- (0.22)	- (-)	- (-)	- (-)	- (-)	- (0.22)
Den Malayalam Telenet Private Limited	- (0.08)	- (-)	- (-)	- (-)	- (-)	- (0.08)
Others	- (0.01)	- (-)	- (-)	- (-)	- (-)	- (0.01)
<b>Total</b>	<b>-</b> <b>(0.31)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(0.31)</b>

- 1 Amount recoverable from DNL Employees Welfare Trust as at 31st March,2023: Rs. 0.07 million (As at 31st March,2022: Rs. 0.07 million)
- 2 The Company has paid an amount of Rs. 33.95 million to Reliance Foundation (Enterprise in which KMP of enterprise exercising control are able to exercise significant influence) (Year 2021-22 Rs. 16.17 million) towards CSR Expenses.
- 3 The Company has provided letter of financial support to its certain subsidiaries wherein it will provide the necessary financial support and financing arrangements to enable them to meet all its liabilities, as and when they fall due.

## DEN NETWORKS LIMITED

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

## 29. 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 NIL debt (borrowings - NIL, and offset by cash and bank balances and current investments in notes 10,8 and 11) 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 ratio at end of the reporting period was as follows:

Particulars	(Rs. in million)	
	As at 31.03.2023	As at 31.03.2022
<b>Debt</b>		
Borrowings	-	-
<b>Less:</b>		
Cash and cash equivalents (See Note 10)	20.71	213.20
Current investments (See Note 8)	13,155.76	18,375.75
Bank balances (See Note 11)	12,666.80	6,064.18
<b>Net debt</b>	<b>(25,843.27)</b>	<b>(24,653.13)</b>
<b>Total equity</b>	<b>34,370.78</b>	<b>31,410.02</b>
<b>Net debt to equity ratio</b>	<b>N/A</b>	<b>N/A</b>



**29. Financial Instruments (cont'd.)****(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 31st March, 2023**

Financial assets	(Rs. in million)			
	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Cash and cash equivalents	20.71	-	-	20.71
Bank balances other than cash and cash equivalents	12,666.80	-	-	12,666.80
Trade receivables	1,854.45	-	-	1,854.45
Current investments	16.56	2,487.34	10,668.42	13,172.32
Other financial assets	418.03	-	-	418.03
	<b>14,976.55</b>	<b>2,487.34</b>	<b>10,668.42</b>	<b>28,132.31</b>

Investment in equity shares and debentures of subsidiaries and associates carried at cost less impairment **6,289.85**

Financial liabilities	(Rs. in million)			
	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Lease liability - Non current	255.12	-	-	255.12
Lease liability - Current	20.85	-	-	20.85
Trade payables	3,177.46	-	-	3,177.46
Other financial liabilities - current	178.67	-	-	178.67
	<b>3,632.10</b>	<b>-</b>	<b>-</b>	<b>3,632.10</b>

**As at 31st March, 2022**

Financial assets	(Rs. in million)			
	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Cash and cash equivalents	213.20	-	-	213.20
Bank balances other than cash and cash equivalents	6,064.18	-	-	6,064.18
Trade receivables	1,793.84	-	-	1,793.84
Current investments	36.02	11,994.11	6,381.64	18,411.77
Other financial assets	279.53	-	-	279.53
Non-current investments	76.95	-	-	76.95
	<b>8,463.72</b>	<b>11,994.11</b>	<b>6,381.64</b>	<b>26,839.47</b>

Investment in equity shares and debentures of subsidiaries and associates carried at cost less impairment **5,747.56**

Financial liabilities	(Rs. in million)			
	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Trade payables	2,994.80	-	-	2,994.80
Other financial liabilities - current	135.38	-	-	135.38
	<b>3,130.18</b>	<b>-</b>	<b>-</b>	<b>3,130.18</b>

**(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, current investments, 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.

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

	As at 31st March,2023				(Rs. in million)
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
	<b>Non Current</b>				
Lease Payments	-	54.73	75.09	125.3	255.12
<b>Current</b>					
Lease Payments	20.85	-	-	-	20.85
- Trade payables	3,177.46	-	-	-	3,177.46
- Other financial liabilities	178.67	-	-	-	178.67
<b>Total</b>	<b>3,376.98</b>	<b>54.73</b>	<b>75.09</b>	<b>125.30</b>	<b>3,632.10</b>

  

	As at 31st March,2022				(Rs. in million)
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
	<b>Current</b>				
- Trade payables	2,994.80	-	-	-	2,994.80
- Other financial liabilities	135.38	-	-	-	135.38
<b>Total</b>	<b>3,130.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,130.18</b>

As at 31st March, 2023, the Company had access to fund based facilities of Rs. 250 million, which were yet not drawn, as set out below:

	Total Facility (Rs. in million)	Drawn (Rs. in million)	Undrawn (Rs. in million)
	250.10	-	250.10
<b>Total</b>	<b>250.10</b>	<b>-</b>	<b>250.10</b>

As at 31st March, 2022, the Company had access to fund based facilities of Rs. 250.10 million, which were yet not drawn, as set out below:

	Total Facility (Rs. in million)	Drawn (Rs. in million)	Undrawn (Rs. in million)
	250.10	-	250.10
<b>Total</b>	<b>250.10</b>	<b>-</b>	<b>250.10</b>

(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 Statements of Profit and Loss. As at the year end, the Company was exposed to foreign exchange risk arising from foreign currency payables denominated in foreign currency.

The carrying amounts of the Company foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows :

Particulars	(In million)			
	As at 31.03.2023		As at 31.03.2022	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
USD	0.08	0.09	-	0.16
Equivalent INR	6.52	7.47	-	11.94

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

For the year ended 31st March, 2023 and 31st March, 2022, every 100 basis points depreciation/ appreciation in the exchange rate between the Indian rupee and U.S. dollar will increase /decrease the Company's profit before tax by Rs. 0.01 million (31st March, 2022 : Rs. 0.12 million).

**(iv) Interest rate risk**

The Company is exposed to interest rate risk on fixed deposits outstanding as at the year end. The Company is not exposed to interest rate risk on current borrowings outstanding at the year end. 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 31st March,2023 to interest rate risk is as follows:

				(Rs in million)
	Floating rate	Fixed rate	Non interest bearing	Total
<b>Non current</b>				
- Borrowings	-	-	-	-
<b>Current</b>				
- Borrowings	-	-	-	-
	-	-	-	-
- Fixed deposits	-	12,666.80	-	12,666.80
<u>Weighted average Interest rate (per annum)</u>	<u>Floating rate</u>	<u>Fixed rate</u>		
Fixed deposits	-	6.44%		

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

				(Rs in million)
	Floating rate	Fixed rate	Non interest bearing	Total
<b>Non current</b>				
- Borrowings	-	-	-	-
<b>Current</b>				
- Borrowings	-	-	-	-
	-	-	-	-
- Fixed deposits	-	6,064.18	-	6,064.18
<u>Weighted average Interest rate (per annum)</u>	<u>Floating rate</u>	<u>Fixed rate</u>		
Others	-	5.30%		

**(v) Other price risk**

The Company is exposed to price risks arising from fair valuation of Company's investment in debt mutual funds. These investments are held for short term purposes. The sensitivity analysis below have been determined based on the exposure to debt funds at the end of the reporting year.

If prices had been 100 basis points higher/lower, profit before tax for the year ended 31st March, 2023 would increase/decrease by Rs. 106.68 million (for the year ended 31st March, 2022: Rs. 63.82 million) as a result of the changes in fair value of these investments which have been designated as at FVTPL.

**(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.

**DEN NETWORKS LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**

30. During the year ended 31st March 2019, the Company had allotted on preferential basis 28,14,48,000 equity shares of Rs.72.66 each at a premium of Rs.62.66 per share aggregating to Rs.20,450.00 million. The proceeds of preferential allotment amounting to Rs. 20,450.00 million have been invested in mutual funds, bonds and fixed deposits, pending utilisation for the same.

31. The Company has investments of Rs. 6,380.00 million in subsidiaries and associates as on 31st March, 2023. The Company has made provision for impairment amounting to Rs. 73.59 million till 31st March, 2023 against these investments in subsidiaries and associates. Management is of the view that this provision is adequate and based on the projections, the management of the Company expects that these companies will have positive cash flows to adequately sustain its operations in the foreseeable future and therefore no further provision for impairment is considered necessary at this stage.

**32. Expenditure on Corporate Social Responsibility (CSR)**

Particulars	(Rs. In million)	
	As at 31st March,2023	As at 31st March,2022
(a) CSR amount required to be spent as per section 135 of the Companies Act 2013 read with schedule VII thereof by the Company during the year	33.95	16.17
(b) Details of amount spent towards CSR given below:		
i) Promoting health care including preventive health care	33.95	16.17
<b>Total</b>	<b>33.95</b>	<b>16.17</b>
(c) Shortfall at the end of the year	-	-
(d) Total of previous year shortfall	-	-
(e) Amount spent through Related Party - Reliance Foundation	33.95	16.17

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

34. a. Fair value measurement

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

(Rs. in million)

Particulars	As at 31.03.2023		As at 31.03.2022	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Cash and cash equivalents	20.71	20.71	213.20	213.20
Other bank balances	12,666.80	12,666.80	6,064.18	6,064.18
Trade receivables	1,854.45	1,854.45	1,793.84	1,793.84
Other financial assets	418.03	418.03	279.53	279.53
<b>Financial liabilities</b>				
Lease liabilities	275.97	275.97	-	-
Trade payables	3,177.46	3,177.46	2,994.80	2,994.80
Other financial liabilities - current	178.67	178.67	135.38	135.38

**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:

(Rs. in million)

Particulars	As at 31.03.2023	Level 1	Level 2	Level 3	Valuation techniques
<b>Financial assets</b>					
Investment in mutual funds	10,668.42	10,668.42	-	-	Based on the NAV report issued by the fund manager
Investment in bonds	2,487.34	-	2,487.34	-	Based on the price provided by the Independent Valuer.
Investment in preference shares	16.56	-	-	16.56	Discounted cash flow at a discounted rate that reflects the issuer's current borrowing rate at the end of the reporting year.
<b>Total financial assets</b>	<b>13,172.32</b>	<b>10,668.42</b>	<b>2,487.34</b>	<b>16.56</b>	

(Rs. in million)

Particulars	As at 31.03.2022	Level 1	Level 2	Level 3	Valuation techniques
<b>Financial assets</b>					
Investment in mutual funds	15,881.03	15,881.03	-	-	Based on the NAV report issued by the fund manager
Investment in bonds	2,494.72	-	2,494.72	-	Based on the price provided by the Independent Valuer.
Investment in preference shares	112.97	-	-	112.97	Discounted cash flow at a discounted rate that reflects the issuer's current borrowing rate at the end of the reporting year.
<b>Total financial assets</b>	<b>18,488.72</b>	<b>15,881.03</b>	<b>2,494.72</b>	<b>112.97</b>	

34. b. 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

(Rs. in million)

Particulars	As at 31.03.2022	Cash flow	Non-cash Changes	As at 31.03.2023
Current borrowings	-	-	-	-
<b>Total liabilities from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(Rs. in million)

Particulars	As at 31.03.2021	Cash flow	Non-cash Changes	As at 31.03.2022
Current borrowings	-	-	-	-
<b>Total liabilities from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**34. c. Description of the inputs used in the fair value measurement:**

Following table describes the valuation techniques used and key inputs to valuation for level 3 of the fair value hierarchy as at 31st March, 2023 and 31st March, 2022 respectively

(Rs. In million)				
Particulars	As at 31.03.2023	Valuation Technique	Inputs used	Sensitivity
<b>Financial Assets at Amortised Cost</b>				
- investments in preference shares	16.56	Discounted cash flow	Risk adjusted discounted rate	Change in risk adjusted discount rate (+50 bps) would decrease the FV by Rs 0.05 Million and (-50 bps) would increase FV by Rs 0.06 Million

(Rs. In million)				
Particulars	As at 31.03.2022	Valuation Technique	Inputs used	Sensitivity
<b>Financial Assets at Amortised Cost</b>				
- investments in preference shares	112.97	Discounted cash flow	Risk adjusted discounted rate	Change in risk adjusted discount rate (+50 bps) would decrease the FV by Rs 0.23 Million and (-50 bps) would increase FV by Rs 0.77 Million

**34. d. Financial assets at amortised cost**

(Rs. In million)	
Particulars	
<b>Amortised cost as 1st April,2021</b>	<b>102.46</b>
Gain on debt instrument designated at amortised cost	13.00
other	(2.49)
<b>Amortised cost as 31st March,2022</b>	<b>112.97</b>
Gain on debt instrument designated at amortised cost	5.42
Other	(101.83)
<b>Amortised cost as 31st March,2023</b>	<b>16.56</b>

**34. e. Description of the valuation processes used by the Company for fair value measurement categorised within level 3 :-**

At each reporting date, the Company analyses the movement in the value of financial assets and liabilities which are required to be remeasured or reassessed as per the accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company has also compares the changes in the fair value of each financial asset and liability with relevant external sources to determine whether the changes is reasonable. The Company also discusses of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Company has determined classes of financial assets and liabilities on the basis of nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## DEN NETWORKS LIMITED

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

## 35. Disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006

		(Rs. in million)	
Particulars		As at 31.03.2023	As at 31.03.2022
(a)	the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	4.81	1.97
(b)	the amount of interest paid by the buyer in terms section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006) along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c)	the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d)	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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

37. Full particulars of loans given, investment made, guarantees given, security provided together with purpose in terms of section 186 (4) of the Companies Act, 2013

Name of entity	Amount (Rs. in million)	Full Particulars	Purpose
Den Broadband Limited	- (275.50)	Loan Given	For working capital requirement in previous year
Den Broadband Limited	40.00 (460.00)	Investment in Debentures	NA
Futuristic Media and Entertainment Limited	730.00 (370.00)	Investment in Debentures	NA

(Figures in bracket relates to previous year)

38. During the provisional assessment towards the license fees for the years 2010-11 to 2015-16 by the department of telecom (DOT), DOT has considered the revenue from the Cable business and other income for the purpose of calculating AGR or license fees and demanded Rs. 6,278.90 million.

The company has filed various petitions before the Hon'ble TDSAT challenging the demand of license fees as raised by the Department. In all the petitions the Hon'ble TDSAT was pleased to restrain the department from taking any coercive measure for realisation of the demands.

## DEN NETWORKS LIMITED

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

## 39. Ratio Analysis

Sl. No.	Particulars	2022-23	2021-22	% changes	Reason for deviation
1	Current Ratio	6.31	6.21	2%	
2	Debt-Equity Ratio	NA	NA	NA	
3	Debt service coverage ratio	NA	NA	NA	
4	Return on equity ratio	8.6%	6%	43%	Increase primarily due to recognition of DTA.
5	Inventory turnover ratio	NA	NA	NA	
6	Trade receivables turnover ratio	5.80	4.85	20%	
7	Trade payables turnover ratio	2.87	2.53	13%	
8	Net capital turnover ratio	0.45	0.51	-11%	
9	Net profit ratio	27%	17%	58%	Increase primarily due to recognition of DTA.
10	Return on capital employed	61%	112%	-46%	Decrease due to lower revenue from operations.
11	Return on Investment	5%	5%	-6%	

## 39.01 Formula for computation of ratios are as follows:

Sl.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	$\frac{\text{Value of Sales \& Services}}{\text{Average Trade Receivables}}$
7	Trade Payables Turnover Ratio	$\frac{\text{Cost of Services + Other Expenses}}{\text{Average Trade Payables}}$
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	$\frac{\text{Profit after Tax + Deferred Tax Expense (Income) + Finance Cost (-) Other Income}}{\text{Average Capital Employed*}}$
11	Return on Investment	$\frac{\text{Other Income (Excluding Dividend)}}{\text{Average Cash, Cash equivalent \& Other marketable securities}}$

\* Capital employed includes equity, borrowings, deferred tax liabilities, creditor for capital expenditure and reduced by investments, cash and cash equivalents, capital work-in-progress.



**DEN NETWORKS LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**

**40. As per Ind AS 116 'Leases', the disclosures of lease are given below:**

(i) Following are the amounts recognised in Statement of Profit & Loss:

Particulars	(Rs. in million)	
	Year Ended 31.03.2023	Year Ended 31.03.2022
Depreciation expense for right-of-use assets	20.86	-
Interest expense on lease liabilities	13.83	-
<b>Total amount recognised in the statement of Profit &amp; loss</b>	<b>34.69</b>	<b>-</b>

(ii) The following is the movement in lease liabilities during the year :

Particulars	(Rs. in million)	
	Year Ended 31.03.2023	Year Ended 31.03.2022
Opening Balance	-	-
Addition during the year (on adoption of IND AS 116)	287.34	-
Finance cost accrued during the year	13.83	-
Payment of lease liabilities	(25.20)	-
<b>Closing Balance</b>	<b>275.97</b>	<b>-</b>

(iii) The following is the contractual maturity profile of lease liabilities:

Particulars	(Rs. in million)	
	Year Ended 31.03.2023	Year Ended 31.03.2022
Less than one year	20.85	-
One year to five years	129.82	-
More than five years	125.30	-
<b>Closing Balance</b>	<b>275.97</b>	<b>-</b>

(iv) Lease liabilities carry an effective interest rate of 8.50%. The lease term is of 8 years.

**41. 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 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.

(iii) 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.

(iv) 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 NETWORKS LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**

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42. Previous year figures have been regrouped / rearranged wherever necessary to make them comparable.

43. The standalone financial statements were approved for issue by the Board of Directors on 14th April, 2023.

**In terms of our report attached****For Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration Number : 101720W/W100355

**For and on behalf of the Board of Directors of****DEN NETWORKS LIMITED****Vijay Napawaliya**

Partner

Membership No. 109859

**Sameer Manchanda**

Chairman and

Non-Executive Director

DIN : 00015459

**Saurabh Sancheti**

Non-Executive Director

DIN : 08349457

**Geeta Kalyandas Fulwadaya**

Non-Executive Director

DIN : 03341926

**Rahul Yogendra Dutt**

Independent Director

DIN : 08872616

**Rajendra Dwarkadas Hingwala**

Independent Director

DIN : 00160602

**Siddharth Achutan**

Independent Director

DIN : 00016278

**Archana Niranjana Hingorani**

Independent Director

DIN : 00028037

**S.N. Sharma**

Chief Executive Officer

**Satyendra Jindal**

Chief Financial Officer

**Hema Kumari**

Company Secretary

Date : 14 April, 2023