



Date: August 23, 2019

<b>National Stock Exchange of India Limited</b> Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai- 400051	<b>BSE Limited</b> Listing Department P.J. Towers, 1 <sup>st</sup> Floor, Dalal Street, Fort, Mumbai – 400 001
<b>Ref: Scrip Name: DEN</b>	<b>Scrip Code: 533137</b>

Dear Sir/Madam,

**Sub: Submission of Annual Report pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations. 2015**

This is to inform that the 12<sup>th</sup> Annual General Meeting of the members of the Company will be held on Monday, September 23, 2019 at 11:30 a.m. at Sri Sathya Sai Auditorium, Lodhi Road, Bhishm Pitamah Marg, New Delhi – 110003. The integrated Annual Report for the financial year 2018-19, including the Notice convening the Annual General Meeting, is attached.

The Company will provide to its members the facility to cast their vote(s) on all resolutions set out in the Notice by electronic means ("e-voting"). The e-voting communication giving instructions for e-voting, being sent along with the Integrated Annual Report, is also attached.

Thanking you,

Yours' truly,

For DEN Networks Limited

  
  
Jatin Mahajan  
Company Secretary  
FCS-6887

**DEN Networks Limited**

CIN: L92490DL2007PLC165673

Registered Office: 236, Okhla Industrial Estate, Phase-III, New Delhi - 110 020

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DEN NETWORKS LIMITED  
ANNUAL REPORT 2018 - 2019



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Mr. Sameer Manchanda**  
DIN: 00015459  
Chairman Managing Director

**Ms. Archana Niranjn Hingorani**  
DIN: 00028037  
Independent Director

**Mr. Ajaya Chand**  
DIN: 02334456  
Independent Director

**Mr. Atul Sharma**  
DIN: 00308698  
Independent Director

**Mr. Robindra Sharma**  
DIN: 00375141  
Independent Director

**Mr. Anuj Jain**  
DIN: 08351295  
Non- Executive Director

**Ms. Geeta Fulwadaya**  
DIN: 03341926  
Non- Executive Director

**Mr. Saurabh Sancheti**  
DIN: 08349457  
Non- Executive Director

### KEY MANGERIAL PERSONNEL

**Mr. S. N. Sharma**  
Chief Executive Officer

**Mr. Satyendra Jindal**  
Chief Financial Officer

**Mr. Jatin Mahajan**  
Company Secretary & Compliance Officer

### STATUTORY AUDITORS

**M/s. Chaturvedi & Shah LLP**  
Statutory Auditors  
714-715, Tulsiani Chambers, 212,  
Nariman Point, Mumbai-400021

### SECRETARIAL AUDITORS

**M/s. NKJ & Associates**  
Secretarial Auditors  
F-130, Ground Floor, Street No. 7,  
Pandav Nagar, Delhi – 110091

### COST AUDITORS

**M/s. Ajay Kumar Singh & Co.**  
Cost Auditors  
1/26, 2nd Floor Lalita Park  
Laxmi Nagar Delhi-110092

### BANKERS

HDFC Bank Limited  
Standard Chartered Bank  
ICICI Bank Limited  
IDFC First Bank Limited  
Kotak Mahindra Bank Limited

### REGISTRAR & TRANSFER AGENT

Karvy Fintech Private Limited  
Karvy Selenium Tower B,  
Plot number 31 & 32, Financial District,  
Nanakramguda, Serilingampally Mandal, Hyderabad – 500032  
Landline: +91-40-23420815 Fax: +91-40 -23420814  
Email: einward.ris@karvy.com

### REGISTERED OFFICE

236, Okhla Industrial Estates, Phase –III  
New Delhi-110020  
Landline: + 91-011-40522200  
Fax: + 91-011-40522203  
Email: investorrelations@denonline.in

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## DEN is well equipped for Future Growth

### DEN – Strong Foundation in place already

> Decade CATV experience

Experienced Management Team

Operations in 13 States

LMO > 15000

Content tie-up with major broadcasters

Capex completed – Fibre >80%, no more subsidies on STB's/CPE's

Best in class technology, Centralized NOC, CAS & SMS

New Product offerings – OTT + HD + 4K

> 5 years of FLBB experience

NTO Implementation

Negative Net Debt

Healthy Balance Sheet

### Operational Parameters

**6,731 Mn**  
Subscription Income

**12,061 Mn**  
Total Income

**1,827 Mn**  
Operating EBITDA

**15%**  
Operating EBITDA

**(18,138) Mn**  
Negative Net Debt

**22,958 Mn**  
Cash Reserves



## BOARD'S REPORT

Dear Members,

Your Directors have the pleasure in presenting the Twelfth Annual Report on the business & operations of your Company along with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2019.

### FINANCIAL RESULTS

The financial performance of the Company (Standalone and Consolidated) for the year ended 31<sup>st</sup> March, 2019 is summarized below:

(₹ in million)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from operations	10,093.41	10,644.47	12,060.65	12,851.01
Profit/(loss) before interest, depreciation and exceptional items	1,325.37	1,739.21	2,236.43	3,075.98
Less: Interest	556.49	596.01	586.55	660.51
Depreciation and amortisation expenses	1,452.68	1,442.17	2,415.70	2,485.90
Exceptional items	1,507.00	158.90	2,111.00	1.11
Share of profit/ (loss) of Associates	-	-	(53.94)	(5.90)
<b>Profit/(loss) for the year</b>	<b>(2,190.80)</b>	<b>(457.87)</b>	<b>(2,876.82)</b>	<b>(71.54)</b>
Total tax expense (including Current tax and deferred tax)	-	(148.08)	128.68	99.65
<b>Profit/(loss) after tax</b>	<b>(2,190.80)</b>	<b>(309.79)</b>	<b>(3005.50)</b>	<b>(171.19)</b>
Add: Other Comprehensive Income	9.15	3.06	13.57	3.41
<b>Total Comprehensive Income for the year</b>	<b>(2,181.65)</b>	<b>(306.73)</b>	<b>(2,991.93)</b>	<b>(167.78)</b>
<b>Earnings Per Shares (in ₹) (Basic &amp; Diluted)</b>	<b>(9.19)</b>	<b>(1.59)</b>	<b>(11.63)</b>	<b>(11.63)</b>

\* Previous year figures had been re-stated as per applicable IND-AS.

### RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

During the year under review, the total revenue from operations was ₹10,093.41 million on standalone basis and ₹12,060.65 million on consolidated basis as compared to the last year's revenue of ₹ 10,644.47 million on standalone basis and ₹ 12,851.01 million on consolidated basis respectively. The post tax loss of your Company was ₹ 2,190.80 million on standalone basis and ₹3005.50 million on consolidated basis as compared to the last year's Post tax loss was ₹ 309.79 million on standalone basis and ₹ 171.19 million on consolidated basis respectively.

In view of the losses, the Company does not propose to transfer any money to the reserves.

### OPERATIONAL HIGHLIGHTS

#### TRAI Order Implementation

Telecom Regulatory Authority of India (TRAI), in March, 2017, notified the 'New Regulatory Framework' (the New Framework) for Broadcasting and Cable services. The new framework, with the objective to bring in complete transparency in giving freedom for the customer to choose the content he wants to pay and also with respect to revenue share among the stakeholders in the value chain, came into effect on 29<sup>th</sup> December 2018. However, to provide sufficient time to subscribers for exercising their options, the Authority provided time up to 31<sup>st</sup> January 2019. Further, TRAI issued press release on 12<sup>th</sup> February 2019 extended the time for migration till 31<sup>st</sup> March 2019.

DEN has launched competitive packages keeping in mind consumer preferences, affordability and competition from DTH/MSOs and successfully migrated all the consumers to either packs chosen by consumers or best fit packs of DEN.

Benefit of new tariff order will start flowing in the financial year 2019-20 in terms of:

- ✓ Freedom of selection of channels.
- ✓ Better transparency with respect to revenue share and fair competition among stakeholders in the value chain.
- ✓ New pricing mechanism is being evolved including long tail channels which will optimise the consumer pricing.
- ✓ Cable distribution Industry has become a choice driven subscription model which will provide consumer access to better content as competitive prices making consumer the King.

## DIVIDEND

Considering the losses incurred during the year under review, your Directors have not recommended any dividend for the financial year ended 31<sup>st</sup> March, 2019. The Dividend Distribution Policy of the Company, can be assessed through web link <http://www.dennetworks.com/index.php/corporate-announcement#corporate-governance>.

## DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 and 74 of the Companies Act, 2013 ("the Act") and the Companies (Acceptance of Deposits) Rules, 2014.

## SHARE CAPITAL STRUCTURE

Pursuant to the approval of shareholders of the Company dated 14<sup>th</sup> November, 2018, the Authorized Share Capital of the Company has been increased from INR. 200,00,00,000 divided into 20,00,00,000 Equity Shares of INR.10 each to INR. 500,00,00,000 divided into 50,00,00,000 equity shares of INR. 10 each.

### Preferential Allotment

During the year, the Company has allotted on preferential basis 28,14,48,000 equity shares at a price of Rs. 72.66 each including premium of Rs. 62.66 per share to the following entities (the 'Acquirers') aggregating to Rs. 2,045 crores representing 58.98% of post-preferential allotment equity share capital of the Company:-

Name of the Acquirers	No. of Equity Shares
Jio Futuristic Digital Holdings Private Limited	13,68,47,150
Jio Digital Distribution Holdings Private Limited	7,12,48,280
Jio Television Distribution Holdings Private Limited	7,33,52,570
<b>Total</b>	<b>28,14,48,000</b>

The Acquirers have acquired sole control of the Company and the Acquirers together with the Persons Acting in Concert (PACs) namely Reliance Industries Limited (RIL), Digital Media Distribution Trust, Reliance Content Distribution Limited and Reliance Industrial Investments and Holdings Limited have become part of the 'Promoter And Promoter Group' of the Company pursuant to the: (a) aforesaid preferential allotment; and (b) purchase by Jio Futuristic Digital Holdings Private Limited (one of the Acquirers) of 3,35,85,000 equity shares of the Company representing 7.04% of the post-preferential allotment paid-up equity share capital from Shri Sameer Manchanda and Verve Engineering Private Limited. Further, prior to the said acquisitions, Reliance Ventures Limited (RVL), Reliance Strategic Investments Limited (RSIL) and Network18 Media and Investments Limited (NW18) (RVL and RSIL are wholly-owned subsidiaries of RIL, Independent Media Trust (of which RIL is the sole beneficiary) owns and controls 73.15% of the paid-up equity share capital of NW18 (directly and indirectly through companies wholly owned and controlled by it)) together were holding 26,46,968 equity shares constituting 0.55% of the post-preferential allotment paid-up equity share capital of the Company. Post the aforesaid acquisitions by the Acquirers, RVL, RSIL and NW18 have also become part of the 'Promoter and Promoter Group' of the Company.

## Open Offer

Further, on 5<sup>th</sup> March, 2019, the Acquirers acquired an aggregate of 5,74,89,612 equity shares representing 12.05% of the total paid-up equity share capital of the Company pursuant to an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Accordingly, as at 31<sup>st</sup> March, 2019, the aggregate holding of the Acquirers, RVL, RSIL and NW18 in the Company stood at 37,51,69,580 equity shares of the Company representing 78.62% of the total paid-up equity share capital of the Company.

## MATERIAL CHANGES AFFECTING THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this Report. There has been no change in the nature of business of the Company.

## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") is presented in a separate section, forming part of the Annual Report.

## CREDIT RATING

The Company has obtained credit rating for its Borrowing Programme viz. Term Loans & Working Capital Facilities from ICRA Limited. Further, details on the Credit Ratings are given in the Corporate Governance Report.

## CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by Securities and Exchange Board of India ("SEBI"). The detailed Corporate Governance Report of the Company in pursuance of the Listing Regulations forms part of the Annual Report. The requisite Certificate from a Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under the Listing Regulations is attached to the Corporate Governance Report.

## BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report as stipulated under the Listing Regulations, describing initiatives taken by the Company from an environmental, social and governance perspective, is attached as part of the Annual Report. This report inter-alia contains initiative w.r.t. stakeholder relationship, customer relationship, sustainability, health and safety.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Directors:

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Sameer Manchanda (DIN: 00015459), shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

In terms of Section 161 of the Act, the Board of Directors of the Company on 29<sup>th</sup> March, 2019, have appointed Mr. Anuj Jain (DIN: 08351295), Ms. Geeta Fulwadaya (DIN:03341926) and Mr. Saurabh



Sancheti (DIN: 08349457) as additional directors of the Company. As per the provisions of section 161 of the Act, Mr. Anuj Jain, Ms. Geeta Fulwadaya and Mr. Saurabh Sancheti, shall hold office up-to the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment. The Company has received requisite notices in writing from a member proposing their candidature for their appointment at the ensuing Annual General Meeting of the Company, as Non-Executive Directors, liable to retire by rotation.

The aforesaid re-appointment and appointments have been recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company.

The terms of office of Mr. Ajaya Chand (DIN: 02334456), Mr. Atul Sharma (DIN: 00308698) and Mr. Robindra Sharma (DIN: 00375141) as Independent Directors, will expire on the conclusion of the twelfth Annual General Meeting of the Company. The Board of Directors, based on the performance evaluation and the recommendations of the Nomination and Remuneration Committee, has recommended for the approval of shareholders, the re-appointment of-

- i. Mr. Ajaya Chand for a second term of three consecutive years up-to 22<sup>nd</sup> September, 2022;
- ii. Mr. Atul Sharma for a second term of three consecutive years up-to- 22<sup>nd</sup> September, 2022;

The Board considers that, given their background, experience and contribution made by them during their tenure, the continued association of Mr. Ajaya Chand and Mr. Atul Sharma would be beneficial to the Company.

Mr. Robindra Sharma, Independent Director has not sought the re-appointment. The Board places on record its appreciation for the valuable contribution made by Mr. Robindra Sharma during his tenure as Independent Director of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act read with Regulation 16 of Listing Regulations. The Independent Directors have also confirmed that they have complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

Mr. Sameer Manchanda was re-appointed as Chairman and Managing Director of the Company for a period of 3 years commencing from 10<sup>th</sup> September, 2018 up to 09<sup>th</sup> September, 2021, by the members of the Company through the Postal Ballot dated 7<sup>th</sup> September, 2018.

During the year under review, Mr. Krishna Kumar P.T Gangadharan (DIN: 00090715) and Mr. Ankur Ambika Sahu (DIN: 03623120), Non-Executive Nominee Directors, resigned as Directors with effect from 02<sup>nd</sup> August, 2018 and 05<sup>th</sup> December, 2018 respectively. The Board places on record its appreciation for the contributions made by them during their tenure as Directors of the Company.

In accordance with the provisions of section 178 (3) of the Act, the Board of Directors of the Company has formulated the policy for Selection of Directors and determining Directors' Independence setting out the criteria for determining credentials, positive attributes, independence of a Director and policy relating to Remuneration of Directors, Key Managerial Personnel and Senior

Management Personnel. The Board of Directors have revised Nomination and Remuneration Policy based on the recent amendments in the Listing Regulations. The aforesaid policies are available at [www.dennetworks.com/index.php/corporate-announcement#corporate-governance](http://www.dennetworks.com/index.php/corporate-announcement#corporate-governance).

#### **Key Managerial Personnel:**

Mr. Himanshu Jindal was appointed as Chief Financial Officer of the Company on 4<sup>th</sup> April, 2018 replacing Mr. Rajesh Kaushal who has resigned on 3<sup>rd</sup> April, 2018.

Mr. Satyendra Jindal was appointed as Chief Financial Officer of the Company on 16<sup>th</sup> April, 2019 replacing Mr. Himanshu Jindal who has resigned on 30<sup>th</sup> November, 2018.

Save and except aforementioned, there was no other change in Directors and Key Managerial Personnel of the Company.

#### **PERFORMANCE EVALUATION**

The Company has a policy for performance evaluation of the Board, Committees and other individual Directors (including Independent Directors) which includes criteria for performance evaluation.

In accordance with the manner specified by the Nomination and Remuneration Committee, the Board carried out performance evaluation of the Board, its Committees, and Individual Directors (including Independent Directors). The Independent Directors separately carried out evaluation of Chairperson, Non- Independent Directors and Board as a whole. The performance of each Committee was evaluated by the Board, based on views received from respective Committee Members. The report on performance evaluation of the Individual Directors was reviewed by the Chairperson of the Board and feedback was given to Directors.

#### **CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the provisions of the Act, the Listing Regulations and Ind AS 110 - Consolidated Financial Statements read with Ind AS 28 - Investments in Associates and Ind AS 31 - Interests in Joint Ventures, the audited consolidated financial statement is provided in the Annual Report.

#### **SUBSIDIARY COMPANIES / JOINT VENTURES / ASSOCIATE COMPANIES**

A statement containing the performance and financial position of each of the subsidiaries, associates and joint venture companies for the year ended 31<sup>st</sup> March, 2019 is given pursuant to Section 129(3) of the Act read with rule 5 and 8 of the Companies (Accounts) Rules, 2014 in AOC-1 as "**Annexure A**".

During the year under review, pursuant to an order of the Honorable Regional Director, Northern Region dated 06<sup>th</sup> July, 2018, eight wholly owned subsidiary companies of DEN Ambey Cable Network Pvt. Ltd ( a Subsidiary of the Company) namely Portrait Cable Network Private Limited, Saturn Digital Cable Private Limited, Star Channel Den Network Private Limited, Den Ambey Citi Cable Network Private Limited, Den Ambey Jhansi Cable Network Private Limited, Den Deva Cable Network Private Limited, Melody Cable Network Private Limited and Den Ambey Farukabad Cable Network Private Limited have been merged into DEN Ambey Cable Network Pvt. Ltd.



The financial statements of the subsidiary companies and related information are available for inspection by the members at the Registered Office of your Company during business hours on all days except Saturdays, Sundays and public holidays up to the date of the Annual General Meeting as required under Section 136 of the Act. The financial statements of the subsidiary companies are also uploaded on the Company's website <http://www.dennetworks.com/index.php/Investors#financial-result>. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of your Company.

The Company has formulated a policy for determining material subsidiaries and the same is placed on the Company's website at the link: <http://www.dennetworks.com/index.php/corporate-announcement#corporate-governance>.

#### **SECRETARIAL STANDARDS**

The Company has complied with the provisions of the applicable Secretarial Standards, i.e. SS-1 (Secretarial Standard on Meetings of the Board of Directors) and SS-2 (Secretarial Standard on General Meetings).

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Section 134(5) of the Act, in relation to the audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2019, the Board of Directors state that:

- a) In the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2019 and of the loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **BOARD MEETINGS**

The Board of Directors met 8 times during the financial year ended 31<sup>st</sup> March, 2019. Details of the meetings of the Board held and attended by Directors are given in the Corporate Governance Report

#### **AUDIT COMMITTEE**

The Audit Committee of the Company comprises of Mr. Ajaya Chand, Ms. Archana N. Hingorani and Mr. Robindra Sharma, Non-Executive Independent Directors. The Audit Committee met 5 times during the financial year 2018-19. All the recommendations made by the Audit Committee were accepted by the Board.

#### **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee of the Company comprises of Mr. Ajaya Chand, Mr. Robindra Sharma, Independent Directors and Mr. Sameer Manchanda, Chairman and Managing Director of the Company. The scope and terms of reference of the said Committee are in accordance with Section 178 of the Act and were approved by the Board of Directors in accordance with the provisions of the Act and Listing Regulations. The Committee met 3 times during the financial year 2018-19. All the recommendations made by the Committee were accepted by the Board. The details about the meetings of the Committee during the financial year 2018-2019 is available in 'Corporate Governance Report' and hence not repeated here for the sake of brevity.

#### **CORPORATE SOCIAL RESPONSIBILITY**

The Corporate Social Responsibility (CSR) Committee of the Company comprises Mr. Ajaya Chand, Mr. Robindra Sharma, Independent Directors and Mr. Sameer Manchanda, Chairman and Managing Director of the Company. The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the objectives set out in the 'Corporate Social Responsibility Policy'. The CSR Policy of the Company inter-alia covers CSR vision and objective and also provides for governance, implementation, monitoring and reporting framework. There has been no change in the policy during the year. The CSR policy of the Company is available on the website and may be accessed at the link <http://www.dennetworks.com/index.php/corporate-announcement#corporate-governance>.

Since the Company has no profits in the immediately preceding 3 (three) financial years, no amount was required to be spent for Corporate Social Responsibility activities. The Statutory disclosure with respect to CSR activities is annexed herewith as "**Annexure B**".

#### **OTHER BOARD COMMITTEES**

In compliance with the provisions of the Act and Listing Regulations, the Board has constituted Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee.

The details of the composition, dates of meetings, attendance and terms of reference of each of the Committees are disclosed in the Corporate Governance Report, which forms part of this report.

#### **RISK MANAGEMENT**

The Company has an elaborate Risk Management Framework, which is designed to enable risks to be identified, assessed and mitigated appropriately. The Board of Directors of the Company has constituted Risk Management Committee which has, inter-alia, been entrusted with the responsibility of Overseeing implementation/ Monitoring of Risk Management Plan and Policy; and continually obtaining reasonable assurance from management that all known



and emerging risks have been identified and mitigated or managed.

Further, details on Risk Management indicating development and implementation of Risk Management policy including identification of elements of risk and their mitigation are covered in Management's Discussion and Analysis section, which forms part of the Annual Report.

#### **INTERNAL FINANCIAL CONTROLS**

The Company has adequate system of internal financial controls to safeguard and protect the Company from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements.

The internal financial controls have been embedded in the business processes. Assurance on the effectiveness of internal financial controls is obtained through management reviews, continuous monitoring by functional leaders as well as testing of the internal financial control systems by the internal auditors during the course of their audits.

The Audit Committee reviews adequacy and effectiveness of Company's Internal Controls and monitors the implementations of audit recommendations.

#### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has a Vigil Mechanism and Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. In staying true to its values of Strength, Performance and Passion and in line with its vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility. It also provides for adequate safeguards against victimization of employees who avail of the mechanism, and allows direct access to the Chairman of the Audit Committee in exceptional cases. The Audit Committee oversees the Vigil Mechanism. The policy on Vigil Mechanism and Whistle Blower has also been uploaded on the web-site of the Company [www.dennetworks.com](http://www.dennetworks.com).

#### **RELATED PARTY TRANSACTIONS**

All the related party transactions were entered on arms' length basis and were in the ordinary course of business. Further, the transactions with related parties were in compliance with applicable provisions of the Act and the Listing Regulations. Omnibus approval was obtained for the transactions which were foreseen and repetitive in nature. A statement of all related party transactions was presented before the Audit Committee on a quarterly basis.

During the year, the Company had not entered into any contract/ arrangement/transactions with related parties which could be considered material in accordance with the policy of the Company on materiality of Related Party Transactions or which is required to be reported in Form No. AOC-2 in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014. The Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions is posted on the Company's website and may be accessed at

the link: <http://www.dennetworks.com/index.php/corporate-announcement#corporate-governance>.

The details of the transactions with Related Parties are provided in Note No. 33 to the standalone financial statement.

#### **PARTICULARS OF LOANS GIVEN, GUARANTEES GIVEN, INVESTMENTS MADE AND SECURITIES PROVIDED**

Particulars of loans given, guarantees given, investments made and securities provided by the Company required under section 186(4) of the Act are contained in Note No. 33 of the Standalone Financial Statements and are not reproduced for the sake of brevity.

#### **EMPLOYEES' STOCK OPTION SCHEME**

The Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the Employees' Stock Option Scheme of the Company in accordance with the applicable SEBI Guidelines. The Objective of ESOP is to give benefit to eligible employees with a view to attract and retaining the best talent, encouraging employees to align individual performance with Company objectives, and promoting increased participation by them in the growth of the Company.

The details of ESOP Plans, including terms of reference and the requirements specified under Regulation 14 of the SEBI (Share-based Employee Benefits), Regulations, 2014 is available on the Company's website at <http://www.dennetworks.com>. The details of the employee stock options plans form part of the Notes to accounts of the financial statements in the Annual Report.

#### **AUDITORS AND AUDITORS' REPORT**

##### **Statutory Auditors:**

The Company had appointed BSR & Associates LLP, Chartered Accountants (Firm Registration No.: 116231W/W-100024) as Auditors of the Company for a period of five years at the Annual General Meeting of the Company held on 19<sup>th</sup> September, 2018. The Company made a Preferential Allotment of 28,14,48,000 Equity Shares of the Company ("DEN Networks Limited") on 4<sup>th</sup> February, 2019 to Jio Futuristic Digital Holdings Private Limited, Jio Digital Distribution Holdings Private Limited and Jio Television Distribution Holdings Private Limited (collectively be referred as "allottees"). The allottees jointly holding 78.62% and belong to Reliance Group.

BSR & Associates LLP were providing certain services to Reliance Industries Limited and its Subsidiary Companies. In view of this and in compliance with the provisions of the Act, they tendered their resignation from the office of Auditors with effect from 4<sup>th</sup> February, 2019, resulting into a casual vacancy in the office of Auditors of the Company under the provisions of Section 139(8) of the Act.

The shareholders of the Company in the Extra-Ordinary General Meeting held on 15<sup>th</sup> April, 2019 have approved the appointment of M/s Chaturvedi & Shah LLP, Chartered Accountants (Registration No. 101720W/W100355) as Auditors of the Company to hold office upto the conclusion of Twelfth Annual General Meeting of the Company.

The Board of Directors in their meeting held on 16<sup>th</sup> April, 2019, subject to the approval of shareholders, has proposed the appointment of M/s Chaturvedi & Shah LLP, Chartered Accountants as Auditors of the Company for a period of 5 years i.e., from the

conclusion of Twelfth Annual General Meeting to the conclusion of Seventeenth Annual General Meeting. The Company has received a confirmation that they are not disqualified to act as the Auditors and are eligible to hold the office of the Auditors of the Company. The Board recommends their appointment as Auditors for approval of shareholders.

#### Report of Statutory Auditors

The notes to the financial statements, as presented in this Annual Report, are self-explanatory in this regard and hence do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remarks or disclaimer.

#### Secretarial Auditors

The Board has appointed M/s NKJ & Associates, Company Secretaries to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report issued by M/s NKJ & Associates, Company Secretaries in Form MR-3 for the financial year 2018-19 forms part to this report and the same is attached as "Annexure C". The said report does not contain any qualification, reservation or adverse remark save and except that the Secretarial Auditor has made an observation with regard to delay in reconstitution of the Audit Committee.

Your Directors state that during the year under review, Mr. Krishna Kumar P. T Gangadharan, Director and member of the Audit Committee resigned on 2<sup>nd</sup> August, 2018 reducing the strength of the Audit Committee to two members. The Audit Committee was, thereafter, reconstituted on 17<sup>th</sup> October, 2018 by inducting a new member.

#### Cost Auditors

In accordance with the provisions of Section 148(1) of the Act, the Company has maintained cost accounts and records. The Board had appointed M/s Ajay Kumar Singh & Company, Cost Accountants, as the Cost Auditors of the Company for conducting the audit of the cost records for the financial year 2018-19. Further, they have been appointed as the Cost Auditors by the Board for the financial year 2019-20.

#### PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information required in terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report.

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 also forms part of this report.

Having regard to the provisions of the second proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same shall be furnished on request.

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee as specified under

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The other disclosures under this Act are given in Business Responsibility Report, which forms part of this Report. During the year under review, no complaint was received by the Company.

#### OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

In order to prevent sexual harassment of women at work place as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee. However, during the year under review Company has not received any complaint of harassment. Your Directors further state that during the year under review, there were no cases led pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### ANNUAL RETURN

As required under Section 134(3)(a) of the Act, Annual Returns for the year 2018-19 and 2017-18 are put up on the website of the Company and may be accessed at the link: <https://www.dennetworks.com>.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, relevant disclosure are given below:

- i) **Conservation of Energy:**  
The Company is not an energy intensive unit, hence alternate source of energy may not be feasible. However, regular efforts are made to conserve the energy. The Company evaluates the possibilities and various alternatives to reduce energy consumption. Further, use of low energy consuming LED lightings is being encouraged.
- ii) **Technology absorption:**  
The Company is not engaged in manufacturing activities therefore, disclosures on technology absorption and conservation of energy etc. are not applicable.
- iii) **Foreign Exchange Earnings and Outgo:** Disclosure of foreign exchange earnings and outgo is given in "Notes to the financial statements" forming part of the Audited Annual Accounts, the summary of foreign exchange earnings and outgo are mentioned below:

		(₹ in million)
Foreign Exchange Earnings	: -	NIL
Foreign Exchange Outgo	: -	483.72

#### GENERAL

During the year under review:

- 1) The Company had not issued any equity shares with differential rights as to dividend, voting or otherwise.
- 2) The Company had not issued any shares (including sweat equity shares) to directors or employees of the Company under



any scheme. Voting rights on the shares issued to employees in earlier years under Employee Stock Option Schemes of the Company are either exercised by them directly or through their appointed proxy.

- 3) Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- 4) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- 5) Disclosure u/s 67(3) in respect of voting rights not exercised by employees in respect of shares to which the scheme relates
- 6) The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- 7) No fraud has been reported by the Auditors to the Audit committee or the Board

- 8) There is no Corporate Insolvency Resolution process initiated under the Insolvency and Bankruptcy Code, 2016

#### **ACKNOWLEDGEMENT**

Your Directors place on record their gratitude to the Central Government, State Government, Company's Bankers and business partners for the assistance, co-operation and encouragement they extended to the Company. Your Directors also wish to place on record their sincere thanks and appreciation for the continuing support and unstinting efforts of investors, vendors, dealers, business associates and employees in ensuring an excellent all around operational performance.

**For and on behalf of the Board of Directors**

**Date: 19<sup>th</sup> August, 2019**  
**Place: New Delhi**

**Sameer Manchanda**  
**Chairman Managing Director**  
**DIN: 00015459**

**Annexure A**
**Financials of subsidiaries, associates and joint venture companies in AOC-1**

S.NO.	PARTICULARS	SHARE CAPITAL	RESERVES & SURPLUS	ASSETS	LIABILITY	INVESTMENTS	TURNOVER	PROFIT BEFORE TAX	TAX EXPENSE	PROFIT AFTER TAX	PROPOSED DIVIDEND	% OF SHARE-HOLDING
1	DEN Krishna Cable TV Network Private Limited	9,58,550	3,04,33,448	5,75,48,066	2,61,90,287	-	5,13,63,836	-1,49,36,741	-25,84,130	-1,23,52,611	-	74%
2	Den Mahendra Satellite Private Limited	5,55,000	-3,35,654	35,38,815	33,29,199	-	48,31,147	1,70,268	57,358	1,12,910	-	60%
3	Den Pawan Cable Network Private Limited	6,83,380	28,93,373	4,73,35,800	4,38,44,098	-	4,16,43,576	-96,94,071	-14,95,588	-81,98,483	-	63%
4	DEN Harsh Mann Cable Network Private Limited	5,40,500	-1,27,59,486	75,00,058	1,97,29,768	-	56,29,893	-54,72,773	-1,32,179	-53,40,594	-	51%
5	Den Classic Cable TV Services Private Limited	5,82,100	-84,06,448	30,37,464	1,08,69,985	-	59,70,464	-18,99,989	1,70,347	-20,70,336	-	51%
6	Den Bindra Network Private Limited	5,26,290	-5,51,681	22,42,886	22,32,235	-	44,39,863	-3,17,339	-1,60,442	-1,56,897	-	51%
7	Den Ashu Cable Private Limited	8,76,520	-88,81,540	3,63,90,218	4,45,59,556	-	3,21,69,271	-1,02,91,598	-16,27,713	-86,63,885	-	51%
8	Den Futuristic Cable Networks Private Limited	1,16,10,280	51,35,86,366	80,40,38,993	27,74,36,113	6,05,95,259.00	3,73,97,430	-11,30,23,541	51,68,029	-11,81,91,569	-	100%
9	Den Digital Cable Network Private Limited	5,91,000	1,92,83,093	7,23,16,125	5,31,42,528	-	5,60,30,655	-1,02,67,184	-2,79,565	-99,87,619	-	89%
10	Den Saya Channel Network Private Limited	25,00,000	65,82,969	11,63,02,434	10,72,31,646	-	9,24,74,558	-90,49,775	10,85,435	-1,01,35,210	-	51%
11	Den Faction Communication System Private Limited	5,77,500	-3,71,24,158	27,18,138	3,92,64,796	-	2,95,983	-94,86,904	18,207	-95,05,111	-	100%
12	Radiant Satellite (India) Private Limited	15,00,000	-4,37,97,878	3,98,52,180	8,21,50,057	-	-	-	-	-	-	51%
13	Den Radiant Satellite Cable Network Private Limited	5,40,600	23,86,453	31,72,857	2,15,575	-	10,70,111	1,41,543	1,83,547	-42,004	-	65%
14	Meerut Cable Network Private Limited	10,00,000	2,14,93,167	8,35,17,881	6,10,24,955	-	1,46,90,573	-52,30,089	6,85,359	-59,15,448	-	51%
15	DEN Crystal Vision Network Private Limited	5,71,500	-27,66,981	35,21,306	57,16,787	-	20,80,432	-9,69,857	1,05,964	-10,75,821	-	51%
16	Den Mod Max Cable Network Private Limited	5,15,650	-21,84,750	95,91,107	1,12,73,613	-	60,47,104	-8,75,016	-1,05,286	-7,69,730	-	51%
17	DEN BCN Suncity Network Private Limited	5,36,700	40,66,917	1,21,95,046	74,77,353	-	81,24,814	-14,26,065	-3,54,944	-10,71,121	-	51%
18	Den Pradeep Cable Network Private Limited	25,72,500	-1,12,15,762	16,74,930	1,03,18,192	-	1,90,523	-39,70,384	49,534	-40,19,918	-	51%
19	Den Prince Network Private Limited	5,36,960	-98,44,173	5,17,339	98,24,552	-	-	-19,42,026	-	-19,42,026	-	51%
20	Den Jai Ambey Vision Cable Private Limited	5,02,400	-52,59,158	23,67,566	71,24,324	-	-	-19,33,702	-	-19,33,702	-	51%
21	DEN Varun Cable Network Private Limited	12,82,670	-3,53,942	18,80,857	9,52,129	-	5,49,227	-53,10,503	1,42,800	-54,53,303	-	51%
22	DEN Aman Entertainment Private Limited	5,98,600	96,07,675	1,06,35,102	4,28,828	-	-	-12,74,880	-	-12,74,880	-	51%
23	Den Satellite Cable TV Network Private Limited	6,13,050	-2,40,27,516	24,62,972	2,58,77,438	-	-	-47,48,013	-	-47,48,013	-	51%
24	Den F K Cable Tv Network Private Limited	11,40,110	12,08,92,714	18,85,16,143	6,65,73,055	-	12,58,57,745	2,26,83,528	1,06,97,173	1,19,86,355	-	51%
25	Den Budaun Cable Network Private Limited	7,27,700	-3,87,811	11,49,118	8,09,229	-	-	-6,04,095	-	-6,04,095	-	51%
26	DEN Ambey Cable Networks Private Limited	7,51,450	60,22,90,471	96,62,98,610	36,29,29,520	91,87,255.00	75,61,27,810	-1,93,62,353	2,02,49,594	-3,96,11,947	-	61%
27	Den Kashi Cable Network Private Limited	5,00,000	-2,99,82,212	3,29,53,750	6,20,15,983	39,00,000.00	44,79,627	-1,46,29,117	-4,91,608	-1,41,37,509	-	51%
28	Den Enjoy Cable Networks Private Limited	1,74,50,020	59,95,14,544	87,75,43,398	26,06,19,146	1,00,08,800.00	63,19,13,471	5,85,77,488	3,16,59,024	2,69,18,464	-	51%
29	DEN Prayag Cable Networks Private Limited	5,00,000	-43,25,158	1,80,06,971	2,18,32,129	-	9,66,018	-34,44,253	-94,460	-33,49,793	-	75%
30	Den Maa Sharda Vision Cable Networks Private Limited	7,58,330	96,57,219	2,59,27,466	1,55,30,812	-	2,44,43,587	-1,06,94,774	-4,61,117	-1,02,33,657	-	51%
31	Den Fateh Marketing Private Limited	5,00,000	-3,82,89,902	1,24,66,505	5,02,56,408	-	54,11,421	-83,52,335	19,344	-83,71,679	-	51%
32	Den Enjoy Navaratan Network Private Limited	6,08,200	10,57,10,796	16,99,66,293	6,36,42,139	-	9,36,00,267	1,75,06,761	90,98,980	84,07,781	-	51%
33	Shree Sidhivinayak Cable Network Private Limited	5,00,000	-1,60,85,605	62,86,770	2,16,93,839	-	6,89,416	33,50,238	85,530	32,64,708	-	51%



S.NO.	PARTICULARS	SHARE CAPITAL	RESERVES & SURPLUS	ASSETS	LIABILITY	INVESTMENTS	TURNOVER	PROFIT BEFORE TAX	TAX EXPENSE	PROFIT AFTER TAX	PROPOSED DIVIDEND	% OF SHARE-HOLDING
34	Den Patel Entertainment Network Private Limited	9,00,000	-52,10,957	54,89,286	94,56,692	-	1,89,54,146	-2,64,996	47,387	-3,12,383	-	51%
35	Mahadev Den Cable Network Private Limited	9,00,000	-2,22,67,252	5,86,536	2,19,37,554	-	4,08,788	-24,05,077	39,031	-24,44,108	-	51%
36	Den MCN Cable Network Private Limited	10,99,200	-3,94,73,531	86,25,508	4,13,70,391	-	16,51,803	3,38,118	50,942	2,87,176	-	51%
37	Drashti Cable Network Private Limited	5,35,700	-1,58,27,413	36,35,400	1,85,31,338	-	20,29,419	6,11,472	79,104	5,32,368	-	51%
38	Den-Manoranjan Satellite Private Limited	7,00,000	10,17,56,102	31,96,01,943	21,71,45,842	-	27,75,25,674	-34,52,874	-2,46,21,747	2,11,68,873	-	51%
39	Den Nashik City Cable Network Private Limited	5,00,000	-1,29,80,026	1,94,33,602	3,19,13,628	-	-	-36,63,741	59,64,019	-96,27,760	-	51%
40	Den Supreme Satellite Vision Private Limited	5,97,090	1,69,42,655	3,17,77,516	1,42,37,770	-	1,40,29,120	2,51,783	-4,62,020	7,13,803	-	51%
41	Den Malayalam Telenet Private Limited	1,19,26,810	-2,18,85,655	1,59,88,537	2,59,47,382	40,14,169.00	39,80,875	-16,62,241	-9,026	-16,53,215	-	51%
42	Den Malabar Cable Vision Private Limited	6,00,630	-62,84,239	34,96,033	91,79,642	-	25,80,259	4,29,898	5,71,203	-1,41,305	-	51%
43	Den Elgee Cable Vision Private Limited	11,22,580	40,90,509	1,17,84,874	65,71,786	-	1,30,82,758	20,74,890	7,51,380	13,23,510	-	51%
44	Den Rajkot City Communication Private Limited	1,13,060	1,31,62,090	13,23,76,893	10,34,44,792	58,29,708.00	20,26,78,610	-9,21,639	2,46,63,141	-2,55,84,780	-	51%
45	Fortune (Baroda) Network Private Limited	10,00,000	-90,57,314	82,87,124	1,58,99,144	-	2,01,35,079	-2,89,439	1,53,488	-4,42,927	-	51%
46	Galaxy Den Media & Entertainment Private Limited	5,00,000	-92,40,707	98,55,459	1,79,53,538	-	-	-55,06,951	-	-55,06,951	-	51%
47	Bali Den Cable Network Private Limited	5,34,900	34,20,610	62,77,280	24,23,522	-	86,67,341	-11,66,973	-21,881	-11,45,092	-	51%
48	Mahavir Den Entertainment Private Limited	21,35,760	5,67,20,112	17,04,58,466	11,15,83,616	-	13,45,29,610	-27,31,885	37,56,945	-64,88,830	-	51%
49	Den Citi Channel Private Limited	6,45,900	-85,76,480	71,82,441	1,51,13,021	-	19,22,430	22,45,639	20,32,349	2,13,290	-	51%
50	Amogh Broad Band Services Private Limited	50,000	-3,68,955	65,89,030	69,07,985	-	52,64,548	31,513	-	31,513	-	100%
51	Kishna DEN Cable Networks Private Limited	5,73,070	-60,86,420	16,49,522	71,62,872	-	-	-2,65,143	-	-2,65,143	-	51%
52	Fab Den Network Private Limited	21,35,810	72,27,272	2,57,42,820	1,64,53,888	-	3,67,40,993	-45,21,781	3,73,849	-48,95,630	-	51%
53	United Cable Network (Digital) Private Limited	5,00,000	-27,17,114	15,25,336	33,55,468	-	23,03,564	-9,35,316	-15,958	-9,19,358	-	51%
54	Cab-i-Net Communications Private Limited	2,00,00,000	-2,15,67,102	2,78,46,658	2,94,13,760	-	3,62,66,150	55,81,375	2,04,400	53,76,975	-	51%
55	Dhrya Drishti Den Cable Network Private Limited	7,40,250	-12,62,421	19,39,373	24,61,544	-	-	-5,22,882	-	-5,22,882	-	51%
56	Den Sahyog Cable Network Private Limited	5,00,000	-98,45,835	71,37,179	1,61,53,422	-	20,06,272	-42,607	-2,49,705	2,07,098	-	51%
57	Den Sariga Communications Private Limited	9,59,550	-46,72,861	8,47,017	43,60,327	-	20,67,732	9,08,856	1,43,501	7,65,355	-	51%
58	VBS Digital Distribution Network Private Limited	9,89,180	80,64,439	6,88,80,695	5,98,27,076	-	5,13,81,935	1,21,77,212	23,15,780	98,61,432	-	51%
59	Den Kattakada Telecasting and Cable Services Private Limited	9,95,580	-2,53,94,773	7,89,005	2,51,88,198	-	10,53,774	-16,95,942	-2,68,291	-14,27,651	-	51%
60	Den A.F. Communication Private Limited	9,59,430	-31,03,568	25,64,074	47,08,211	-	-	-26,76,790	-1,08,681	-25,68,109	-	51%
61	Big Den Entertainment Private Limited	6,00,390	46,96,330	53,50,519	53,799	-	-	-20,49,444	-2,22,626	-18,26,818	-	100%
62	Sree Gokulam Starnet Communication Private Limited	1,00,000	-1,64,59,831	-	1,63,59,831	-	8,17,228	-3,23,471	-	-3,23,471	-	51%
63	Fun Cable Network Private Limited	5,00,000	-1,41,43,843	2,37,854	1,38,81,697	-	19,980	-35,68,782	38,750	-36,07,532	-	100%
64	Den Steel City Cable Network Private Limited	6,01,600	-90,57,364	25,19,990	1,09,75,753	-	-	-26,81,240	1,75,448	-28,56,688	-	51%
65	Sanmati DEN Cable TV Network Private Limited	5,52,400	-1,02,97,104	3,94,553	1,01,39,257	-	-	-20,02,602	2,24,453	-22,27,055	-	51%
66	Crystal Vision Media Private Limited	5,00,000	3,34,06,066	9,06,95,041	5,68,41,436	-	8,59,52,126	-3,26,72,542	-80,53,137	-2,46,19,405	-	51%
67	Multi Channel Cable Network Private Limited	5,55,560	-2,34,97,698	10,69,400	2,40,11,538	-	9,57,419	-35,04,270	32,000	-35,36,270	-	51%

S.NO.	PARTICULARS	SHARE CAPITAL	RESERVES & SURPLUS	ASSETS	LIABILITY	INVESTMENTS	TURNOVER	PROFIT BEFORE TAX	TAX EXPENSE	PROFIT AFTER TAX	PROPOSED DIVIDEND	% OF SHARE-HOLDING
68	Victor Cable Tv Network Private Limited	59,01,960	-2,68,80,010	6,26,671	2,16,04,721	-	-	-53,24,991	-	-53,24,991	-	51%
69	Gemini Cable Network Private Limited	10,00,000	-7,48,70,578	3,18,01,700	10,56,39,152	-	2,34,65,328	-5,38,25,592	-62,29,880	-4,75,95,712	-	51%
70	DEN Enjoy SBNM Cable Network Private Limited	13,50,000	-22,57,680	34,44,567	43,52,247	-	2,21,849	-18,19,869	-	-18,19,869	-	51%
71	Ambika DEN Cable Network Private Limited	6,42,860	-15,085	8,21,681	1,93,906	-	8,68,085	-1,74,493	-	-1,74,493	-	51%
72	Multi Star Cable Network Private Limited	6,70,000	-57,33,195	14,80,998	65,43,117	-	22,16,261	-23,07,005	8,553	-23,15,558	-	51%
73	DEN VM Magic Entertainment Private Limited	5,00,000	-14,36,005	22,53,422	31,89,427	-	92,000	-40,73,384	-	-40,73,384	-	51%
74	Antique Communications Private Limited	5,71,500	-37,03,295	9,20,518	40,52,313	-	-	-15,87,320	-	-15,87,320	-	51%
75	Bhadohi DEN Entertainment Private Limited	6,71,110	-3,22,686	23,39,713	19,91,289	-	-	-4,44,077	-	-4,44,077	-	51%
76	Sanmati Entertainment Private Limited	6,02,390	-58,92,345	6,43,543	59,33,498	-	-	-28,02,760	-	-28,02,760	-	51%
77	Disk Cable Network Private Limited	16,57,910	63,31,264	81,10,194	1,21,020	80,00,000.00	-	-31,850	-	-31,850	-	51%
78	Silverline Television Network Private Limited	7,50,000	81,08,388	4,64,17,875	3,75,59,487	-	3,08,67,989	-25,23,431	90,157	-26,13,588	-	51%
79	Eminent Cable Network Private Limited	11,04,630	20,41,70,681	41,62,65,033	20,61,41,318	71,00,000.00	36,98,39,032	1,63,64,701	1,49,53,757	14,10,944	-	56%
80	Trident Entertainment Private Limited	5,00,000	-1,19,58,587	10,36,653	1,24,95,239	-	16,780	-76,98,965	-578	-76,98,387	-	51%
81	Rose Entertainment Private Limited	77,50,000	24,40,012	1,55,42,562	53,34,368	-	1,10,21,002	-8,47,218	50,485	-8,97,703	-	51%
82	Blossom Entertainment Private Limited	5,00,000	-32,67,831	2,94,606	29,80,328	-	-	-14,35,734	-	-14,35,734	-	51%
83	Ekta Entertainment Network Private Limited	11,95,750	2,56,16,217	4,35,14,429	1,67,77,161	-	4,81,45,090	-1,03,02,106	17,18,316	-1,20,20,422	-	51%
84	Devine Cable Network Private Limited	5,33,130	-12,14,877	37,442	7,14,709	-	7,500	-4,21,243	-	-4,21,243	-	51%
85	Nectar Entertainment Private Limited	5,94,350	-77,78,545	21,137	72,05,333	-	51,400	-31,17,850	-	-31,17,850	-	51%
86	DEN STN Television Network Private Limited	18,00,000	-64,92,499	34,21,861	81,14,359	-	-	-33,84,025	-	-33,84,025	-	51%
87	Multitrack Cable Network Private Limited	27,95,000	-39,51,393	21,15,820	32,72,213	-	-	-12,26,603	-	-12,26,603	-	51%
88	Glimpse Communications Private Limited	1,00,000	-20,09,142	6,79,670	25,82,011	-	7,02,492	-11,11,130	-	-11,11,130	-	51%
89	Indradhanush Cable Network Private Limited	5,00,000	-1,71,73,915	1,61,540	1,68,35,455	-	3,97,856	-48,25,278	84,093	-49,09,371	-	51%
90	Adhunik Cable Network Private Limited	5,00,000	-52,68,095	20,423	47,88,518	-	15,000	-16,87,415	-	-16,87,415	-	51%
91	Libra Cable Network Private Limited	29,36,760	4,88,58,960	11,42,87,663	6,22,63,645	-	10,24,23,638	-83,38,932	10,78,062	-94,16,994	-	51%
92	Srishti DEN Networks Private Limited	5,00,000	-1,22,10,220	6,63,21,526	7,80,55,377	-	6,01,23,039	-2,26,14,336	-45,97,189	-1,80,17,147	-	51%
93	Maitri Cable Network Private Limited	9,00,000	-35,20,032	13,85,130	40,05,162	-	-	-5,15,265	-	-5,15,265	-	51%
94	Mountain Cable Network Private Limited	10,00,000	-38,26,011	7,98,800	36,24,812	-	-	-5,80,380	-	-5,80,380	-	51%
95	Mansion Cable Network Private Limited	5,14,47,900	26,17,21,465	52,73,47,068	21,43,70,290	-	41,94,17,440	6,49,43,182	3,53,99,123	2,95,44,059	-	66%
96	Den Discovery Digital Network Private Limited	3,66,420	1,88,03,197	24,49,96,589	22,25,55,431	-	25,10,46,368	-1,45,14,528	-37,98,121	-1,07,16,407	-	51%
97	Jhankar Cable Network Private Limited	25,00,000	-1,39,21,746	14,80,989	1,28,12,563	-	-	-27,51,820	47	-27,51,867	-	51%
98	Den Premium Multilink Cable Network Private Limited	1,00,000	3,13,98,256	23,61,05,168	20,10,70,388	25,000.00	27,63,14,128	1,93,72,794	1,06,34,593	87,38,201	-	51%
99	Angel Cable Network Private Limited	10,00,000	10,54,517	51,12,495	30,57,978	-	-	-10,69,937	-	-10,69,937	-	51%
100	Desire Cable Network Private Limited	14,25,000	-56,18,971	76,455	42,70,426	-	-	-10,01,420	-	-10,01,420	-	51%
101	Marble Cable Network Private Limited	19,29,610	-50,34,753	2,01,456	33,06,540	-	-	-32,63,023	-	-32,63,023	-	51%
102	Augment Cable Network Private Limited	10,00,000	-13,17,588	3,19,818	6,37,405	-	-	-26,54,994	-	-26,54,994	-	51%
103	ABC Cable Network Private Limited	11,04,470	-26,48,155	18,72,522	34,16,207	-	-	-22,61,160	-	-22,61,160	-	51%
104	DENMTN Star Vision Networks Private Limited	6,76,890	-9,97,155	30,14,975	32,69,684	-	50,25,112	-4,33,745	17,532	-4,51,277	-	51%



S.NO.	PARTICULARS	SHARE CAPITAL	RESERVES & SURPLUS	ASSETS	LIABILITY	INVESTMENTS	TURNOVER	PROFIT BEFORE TAX	TAX EXPENSE	PROFIT AFTER TAX	PROPOSED DIVIDEND	% OF SHARE-HOLDING
105	DEN Broadband Private Limited	5,37,10,000	50,70,20,000	-88,09,00,000	32,01,70,000	-	66,82,60,000	-41,28,30,000	-	-41,28,30,000	-	100%
106	DEN ADN Network Private Limited	3,80,00,000	7,95,26,001	33,22,09,901	24,99,25,721	-	18,39,29,350	-1,97,80,643	7,57,379	-2,05,53,179	-	51%
107	CCN DEN Network Private Limited	4,00,00,000	-15,90,76,004	62,42,15,277	79,55,11,983	-	24,99,24,974	-11,44,23,682	15,40,472	-11,59,64,154	-	51%
108	DEN New Broad Communication Private Limited	7,23,020	-1,98,48,267	9,77,92,212	13,91,48,652	-	27,62,58,542	-7,03,72,535	28,85,414	-7,32,57,949	-	51%
109	Konark IP Dossiers Private Limited	3,00,00,000	2,20,37,664	13,09,67,588	11,32,60,287	-	15,86,68,079	93,86,088	40,90,851	52,95,237	-	50%
110	DEN ABC Cable Network Ambarnath Private Limited	2,01,00,000	2,22,24,320	6,95,55,041	4,52,96,768	-	9,99,04,221	-1,79,50,264	-17,78,414	-1,61,71,850	-	51%
111	Den Satellite Network Private Limited	10,05,900	67,32,08,696	1,27,27,91,031	51,69,07,819	10,31,64,295	1,10,35,10,186	-2,75,91,172	1,27,46,208	-4,03,37,380	-	50%

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

**Sameer Manchanda**  
Chairman and Managing Director  
DIN No:00015459

**Ajaya Chand**  
Director  
DIN No. 02334456

**Jatin Mahajan**  
Company Secretary  
M.No: F6887

**S.N. Sharma**  
Chief Executive Officer

**Satyendra Jindal**  
Chief Financial Officer

Place : New Delhi  
Date : 16<sup>th</sup> April, 2019



## Annexure B

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

#### 1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

The Company has identified following focus areas of engagement:

Health	Affordable solutions for healthcare through improved access, awareness and health seeking behavior
Education	Environmental sustainability, ecological balance, conservation of natural resources
Promotion of Sports	Training to promote rural sports, nationally recognized sports, Paralympics sports, Olympic sports and promote sports at gross root level
Other Initiatives	To undertake other need based initiatives in compliance with Schedule VII of the Companies Act, 2013

#### CSR policy

The Corporate Social Responsibility Policy of the Company is available on the Company's website and can be accessed in the link provided herein below:

**Web Link:** <http://www.dennetworks.com/index.php/corporate-announcement#corporate-governance>

#### 2. Composition of CSR committee

S. No.	Name of Directors	Designation
1	Ajaya Chand	Chairman of the Committee
2	Sameer Manchanda	Member of the Committee
3	Robindra Sharma	Member of the Committee

#### 3. Average net profit of the Company for last three financial years:

Average net profit: There is a negative average net-profit for last three financial years.

#### 4. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above)

Nil - As average net profit is negative.

#### 5. Details of CSR spend for the financial year:

- Total amount spent for the financial year : Nil
- Amount unspent if any (for previous financial year) : Nil
- Manner in which the amount spent during the financial year : CSR Amount of previous years of Rs. 9.19 Lacs has been incurred during the year under review.

S.No.	CSR Project or Activity Identified	Sector in which project is covered	Project or Programs 1) Local area or other 2)Specify the state and district	Amount outlay (budget) project or programs Wise (Amt. in Lakhs)	Amount spent on the projects or programs Amt. in Lakhs)	Cumulative expenditure upto reporting period Amt. in Lakhs)	Amount spent direct or through implementing agency
1	Activity identified. Health (to provide holistic (financial, emotional and social) support to people afflicted with cancer).	clause i- Promoting health care including preventive health care	Delhi	05.00	5.00	5.00	Implementing Agency- Sahayta Charitable Welfare Society
2	Activity identified Health- (to provide training to mentally challenged children).	clause i- Promoting health care including preventive health care	Delhi	04.19	4.50	4.50	Implementing Agency- St. Gregorios Charitable Society
	<b>TOTAL</b>			<b>09.19</b>	<b>09.50</b>	<b>09.50</b>	



6. **In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:**

None

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company**

The CSR Committee hereby confirm that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

**For and on behalf of the Board of Directors**

Date: 19<sup>th</sup> August, 2019  
Place: New Delhi

**Sameer Manchanda**  
Chairman Managing Director  
DIN: 00015459

**Ajaya Chand**  
Chairman of CSR Committee  
DIN: 02334456

**Form No. MR-3**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH 2019**

To,

The Members,  
Den Networks Limited  
236, Okhla Industrial Estate,  
Phase-III, New Delhi-110020

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Den Networks Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- ii. The Companies Act, 2013 (the Act) and the rules made thereunder;
- iii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iv. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- v. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- vi. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable
- vii. Following are the other acts applicable on the Company;
  - (a) Cable Television Network (Regulation) Act, 1995 and rules framed thereunder;

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with the BSE Ltd and National Stock Exchange of India Limited to the date applicable.
- iii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the date applicable.



During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above:

However, during the year under review, there was delay in reconstitution of Audit committee due to resignation of a director, which attracted fine from BSE Limited.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

#### **We further report that**

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

#### **Changes in Capital Structure**

The Board of Directors of the Company in its meeting dated 4<sup>th</sup> February, 2019, has allotted on preferential basis 28,14,48,000 equity shares of Rs. 72.66 each at a premium of Rs. 62.66 per share to the following entities (the 'Acquirers') aggregating to Rs. 2,045 crores representing 58.98% of post-preferential allotment equity share capital of the Company. With the said allotment, the issued capital of the Company has increased to Rs. 477,22,38,450 divided into 47,72,23,845 Equity Shares of Rs. 10/- each.

<b>Name of the Acquirers</b>	<b>No. of Equity Shares</b>	<b>Amount in Rupees Crores</b>
Jio Futuristic Digital Holdings Private Limited	13,68,47,150	994.33
Jio Digital Distribution Holdings Private Limited	7,12,48,280	517.69
Jio Television Distribution Holdings Private Limited	7,33,52,570	532.98
<b>Total</b>	<b>28,14,48,000</b>	<b>2,045.00</b>

With said allotment, the Acquirers have acquired sole control of the Company and the Acquirers together with the Persons Acting in Concert (PACs) namely Reliance Industries Limited (RIL), Digital Media Distribution Trust, Reliance Content Distribution Limited and Reliance Industrial Investments and Holdings Limited have become part of the 'promoter and promoter group' of the Company pursuant to the: (a) aforesaid preferential allotment; and (b) purchase by Jio Futuristic Digital Holdings Private Limited (one of the Acquirers) of 3,35,85,000 equity shares of the Company representing 7.04% of the post-preferential allotment paid-up equity share capital from Shri Sameer Manchanda and Verve Engineering Private Limited. Further, prior to the said acquisitions, Reliance Ventures Limited (RVL), Reliance Strategic Investments Limited (RSIL) and Network18 Media and Investments Limited (NW18) (RVL and RSIL were holding 26,46,968 equity shares constituting 0.55% of the post-preferential allotment paid-up equity share capital of the Company.

On 5<sup>th</sup> March, 2019, the Acquirers acquired an aggregate of 5,74,89,612 equity shares representing 12.05% of the total paid-up equity share capital of the Company pursuant to an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Accordingly, as at 31<sup>st</sup> March, 2019, the aggregate holding of the Acquirers, RVL, RSIL and NW18 in the Company stood at 37,51,69,580 equity shares of the Company representing 78.62% of the total paid-up equity share capital of the Company. With the acquisition of shares under Open Offer, the public shareholding has been reduced to less than 25%. The Company is required to comply the minimum shareholding within stipulated time period.

Place: New Delhi  
Date: 16<sup>th</sup> April, 2019

**For NKJ & Associates**  
Company Secretaries

**Neelesh Kr. Jain**  
FCS No.: 5593  
C P No.:5233



This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report

## **Annexure A**

To,

The Members,  
**Den Networks Limited**  
236, Okhla Industrial Estate,  
Phase-III, New Delhi-110020

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi  
Date: 16<sup>th</sup> April, 2019

**For NKJ & Associates**  
Company Secretaries

**Neelesh Kr. Jain**  
FCS No. :5593  
C P No.:5233



## BUSINESS RESPONSIBILITY REPORT

The Company is pleased to present its Business Responsibility Report for the financial year ended 31<sup>st</sup> March, 2019.

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- CORPORATE IDENTITY NUMBER(CIN)** : L92490DL2007PLC165673
- NAME OF THE COMPANY** : DEN Networks Limited ("Den" or "Company")
- REGISTERED ADDRESS** : 236, Okhla Industrial Area, Phase – III, New Delhi- 110020
- WEBSITE** : www.dennetworks.com
- EMAIL ID** : investorrelations@denonline.in
- FINANCIAL YEAR REPORTED** : 1<sup>st</sup> April, 2018–31<sup>st</sup> March, 2019
- SECTOR(S) THAT THE COMPANY IS ENGAGED IN (INDUSTRIAL ACTIVITY CODE-WISE):**  
The Company is mainly engaged in the distribution of Cable services-NIC Code of the Product /service (As per 2008) - 602
- LIST THREE KEY PRODUCTS/SERVICES THAT THE COMPANY MANUFACTURES/PROVIDES (AS IN BALANCE SHEET):**  
The Company primarily earns revenue from distribution of Cable services.
- TOTAL NUMBER OF LOCATIONS WHERE BUSINESS ACTIVITY IS UNDERTAKEN BY THE Company:**  
The Company is offering distribution of Cable services in 13 key states across India.
- MARKETS SERVED BY THE COMPANY:**  
The Company is offering distribution of Cable in 13 key states across India.

### SECTION B: FINANCIAL DETAILS OF THE COMPANY (STANDALONE OPERATIONS)

- PAID UP CAPITAL** : **47,72,23,845 equity shares of Rs. 10/- each**
- TOTAL REVENUE** : **Rs. 10,093.41 million**
- TOTAL PROFIT AFTER TAXES** : **Rs. (2,190.80) million**
- TOTAL SPENDING ON CORPORATE SOCIAL RESPONSIBILITY (CSR) AS PERCENTAGE OF PROFIT AFTER TAX (%)**

Owing to losses in the relevant years, the Company was not required to spend on CSR, as per the provisions of the Companies Act, 2013. However, there was an unspent amount of Rs. 09.19 Lakhs of previous financial years which has been incurred during the year.

#### 5. LIST OF ACTIVITIES IN WHICH EXPENDITURE IN 4 ABOVE HAS BEEN INCURRED.

The unspent amount of Rs. 09.19 Lakhs has been incurred in the following activities:

- The Company has spent an amount of Rs. 05.00 Lakhs on health through Sahayta Charitable Welfare Society. The mission of Sahayata is to provide holistic (financial, emotional and social) support to people afflicted with cancer.
- The Company has spent an amount of Rs. 04.50 Lakhs on health through St. Gregorios Charitable Society. The mission of the trust is to provide training to mentally challenged children to make them self-dependent, through appropriate methods of education and help them to lead a normal life.

### SECTION C: OTHER DETAILS

#### 1. DOES THE COMPANY HAVE ANY SUBSIDIARY COMPANY/COMPANIES?

As at 31<sup>st</sup> March, 2019, the Company has 111 Direct/Indirect subsidiaries, as defined under Section 2(87) of the Companies Act, 2013.

#### 2. DO THE SUBSIDIARY COMPANY / COMPANIES PARTICIPATE IN THE BR INITIATIVES OF THE PARENT COMPANY ? IF YES, THEN INDICATE THE NUMBER OF SUCH SUBSIDIARY COMPANY(S).

The Company has embarked on disclosing its Environmental, Social, and Governance initiatives as per the framework. The Company aspires to seek support from its various subsidiary companies in the years to come, to participate in its various Business Responsibility initiatives.

#### 3. DO ANY OTHER ENTITY/ENTITIES (E.G. SUPPLIERS, DISTRIBUTORS ETC.) THAT THE COMPANY DOES BUSINESS WITH PARTICIPATE IN THE BR INITIATIVES OF THE COMPANY? IF YES, THEN INDICATE THE PERCENTAGE OF SUCH ENTITY / ENTITIES (LESS THAN 30%, 30-60%, MORE THAN 60%)

The Company complies with the provisions of Business Responsibility independently which does not include Business Responsibility initiatives of any third-party entity/entities like supplier, distributors, agencies, etc. As the Company matures in this sphere, it will

also encourage its supply chain partners to partake in such activities. The Company has formulated a Code of Conduct for Business Associates which lays the guidelines for external partners of the Company to conduct business in a responsible manner while also being cognizant of its environmental impacts.

## SECTION D: BR INFORMATION

### 1. DETAILS OF DIRECTOR/DIRECTORS RESPONSIBLE FOR BR:

a) Details of the Director/Directors responsible for implementation of the BR policy/policies:

The Corporate Social Responsibility Committee ("CSR Committee") of the Board of Directors is responsible for implementation of BR policies of the Company. The members of CSR Committee are:

S. No.	Name of Directors	Designation
1	Ajaya Chand	Chairman of the Committee
2	Sameer Manchanda	Member of the Committee
3	Robindra Sharma	Member of the Committee

### b) Details of the BR Head:

Sr.	Particulars	Details
1	DIN Number	02334456
2	Name	Mr. Ajaya Chand
3	Designation	Non-Executive Independent Director
4	Telephone Number	011-40522200
5	E mail Id	ajayachand55@gmail.com

### 2. PRINCIPLE-WISE (AS PER NVGs) BR POLICY/POLICIES

a) Details of Compliance(ReplyY/N)

Sr. No.	Questions	Busi-ness Ethics	Prod-uct Re-sponsi-bility	Em-ployee Wellbe-ing	Stake-holder Engage-ment	Human Rights	Environ-ment Protec-tion	Public &Reg-ulatory Policy	CSR	Cus-tomer rela-tion
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a Policy/Policies for	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Has the Policy been formulated in consultation with the relevant stakeholders	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Does policy conform to any national /international standards (A)	NA	Yes	NA	Yes	Yes	NA	NA	Yes	NA
4	Has the policy been approved by the board? If yes has it been signed by MD/ CEO/ appropriate Board Director? (B)	Yes	No	No	No	No	No	No	Yes	No
5	Does the Company have a specified committee of the Board/Director/ Official to oversee implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Indicate the link for the policy to be viewed online?	All the policies are available internally. Please contact at investorrelations@denonline.in for more details.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes



8	Does the Company have in house structure to implement the policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Does the Company have a grievance redressal mechanism related to the policy to address stakeholders grievances related to the policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Policies are evaluated regularly by the Senior Executives and subject to external audits, if applicable.								

- (A) The policies are formulated with detailed consultation with relevant stakeholders and benchmarking across the industry. These are developed and aligned to applicable legal and regulatory requirements, and guidelines, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and its internal mandates.
- (B) All policies are administered under the overall supervision of the Management of the Company.

### 3. GOVERNANCE RELATED TO BR:

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year–**  
The Corporate Social Responsibility Committee assess the Company's BR performance on annual basis.
- **Does the Company publish a BR or sustainability Report? What is hyperlink for viewing this report? How frequently it is published?**  
The BR report is available at the website of the Company and may be accessed at [www.dennetworks.com](http://www.dennetworks.com).

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

#### 1. Does the policy relating to ethics, bribery and corruption apply only the Company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/ Others?

The code of conduct serves as a guiding policy to all the employees of the Company and major subsidiaries across all levels and grades. The Company's code of conduct is also applicable to all external stakeholders, suppliers, contractors etc., the Company follows zero tolerance on any acts of bribery, corruption etc. by such agencies during their dealings with the Company. The code is available on the Company's website: [www.dennetworks.com](http://www.dennetworks.com). Additionally, as part of HR policy, the Company has framed/circulated policies which deal with (i) Ethics at work place; and (ii) restraining giving and receiving of gifts and other benefits in the course of business relationship etc. These policies are applicable to the employees at all levels.

#### 2. How many stakeholders' complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

There were no complaints received during the financial year. Additionally on an ongoing basis the complaints/ grievances/ views, if any, received from employees and other stakeholders, be dealt by respective functions within the Company.

### PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGH OUT THEIR LIFE CYCLE

#### 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and /or opportunities.

The operations as carried by the Company are in compliance with applicable regulations/advisories issued by Telecom Regulatory Authority Of India (TRAI) and Ministry of Information and Broadcasting (MIB).

The Company has designed and developed special user/customer education program and separate uploads that takes care of social and environmental concerns and possible risks and opportunities, cost saving due to use of new, updated technology etc.

#### 2. For each such product, provide the following details in respect of resource use(energy, water, raw materials etc.) per unit of product (optional) including a)Reduction during sourcing/production/distribution achieved since the previous year through out the value chain and b)Reduction during usage by consumers (energy, water)has been achieved since the previous year?

As a service provider, the operations of the Company require minimal energy consumption. Continuous efforts are being made to reduce the consumption of energy viz. use of low energy consuming LED lights is being encouraged at workplace. The Company and its employees ensure that there is optimum utilisation of the available resources (like water, energy, etc.).



**3. Does the Company have procedures in place for sustainable sourcing (including transportation). If yes, what percentage of your inputs was sourced sustainably?**

Digital connectivity is becoming integral to economic and social developments. The Company is constantly expanding its bouquet of services and enhancing its communication technologies to make positive impact on the communities it works with.

**4. Has Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors.**

The Company is engaged in the business of distribution of Cable Services. The Company supports the new entrants in the business as well the regional players by distribution their network services. Towards the encouragement and development of semi-skilled/skilled work force in the country. Additionally, the Company encourages local talent in production of contents for its television channels.

**5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (Separately as 10%). Also, provide details thereof, in about 50 words or so.**

The Company is not involved in any manufacturing activity and hence there is no consequent discharge of waste and effluents. Additionally, any electronic item discarded by the Company is channelized through authorised recyclers in consonance with requisite enactment/rules/guidelines issued by Ministry of Environment and Climate change Pollution Control Board.

**PRINCIPLE 3: BUSINESS SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES**

**1. Please indicate the total number of employees:** 612 employees as on 31<sup>st</sup> March, 2019

**2. Please indicate the number of permanent women employees:** 26 women employees as on 31<sup>st</sup> March, 2019.

**3. Please indicate number of permanent employee with disabilities:** NIL

**4. Do you have employee association that is recognized by management?**

No employee association exists in the Company.

**5. What percentage of your permanent employees is members of this recognized employee association?**

Not Applicable, as there is no recognised employee association.

**6. Please indicate the Number of complaints relating to childlabour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.**

No cases of child labour, forced labour, involuntary labour, sexual harassment and discriminatory employment were reported in the last financial year. The Company has in place the Prevention of Sexual Harassment (POSH) Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, which ensures a free and fair enquiry process with clear timelines. All employees (permanent, contractual, temporary and trainees) are covered under this Policy. Further, the Company has an Internal Complaints Committee where employees can register their complaints against sexual harassment.

**7. What percentage of your above mentioned employees were given safety and skill up-gradation training in the last year?**

The Company organizes various training sessions in-house to facilitate upgradation of skill of employees handling relevant functions, basic fire and safety training. These training are generally attended by majority of employees.

**PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED**

**1. Has the Company mapped its internal and external stakeholders? Yes/No**

Our stakeholders play a very important role in our business performance and our business activities are based on creating value for our stakeholders. Following are some of the stakeholders identified:-

Internal- Employees, Shareholders etc.

External - Content providers, Local Cable Operators, Regulatory bodies and policy makers, communities, customers etc.

The Company is making efforts to update its stakeholders on regular basis including resolving their concern on time to time basis, create transparencies and give special treatments to the under developed stakeholders etc.

**2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**

No, the Company is yet to identify such stakeholders.

**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof**

The Company works with all the stakeholders through a consultative process whereby the concerned issues of the various stakeholders, if any are addressed.



#### **PRINCIPLE 5: BUSINESS SHOULD RESPECT AND PROMOTE HUMAN RIGHTS**

- 1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint ventures/ suppliers/ contractors/NGOs/Others?**

The Company believes that an organization rests on a foundation of business ethics and valuing of human rights. At Den, we adhere to all statutes which embodies the principle of human rights such as prevention of child labour, women empowerment etc. DEN promotes awareness of importance of human rights within its value chain and discourage instances of any abuse. Such policy is extending to all the major subsidiaries companies of DEN and other stakeholders.

- 2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?**

There were no complaints reported on violation of any Human rights during the financial year 2018-19.

#### **PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT**

- 1. Does the policy related to principle 6 cover only the Company or extend to the Group/Joint ventures/ suppliers/ contractors/ NGOs/Others?**

DEN is committed to environmental causes. The Company encourages its employees, subsidiaries and other associates to play their part in protecting environment and make it a priority.

- 2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

The Company being a service-oriented organisation, the impact on the environment as a result of our business operations is minimal. In view of the above, we do not have any strategies aimed at tackling global environmental challenges.

- 3. Does the Company identify and assess potential environmental risks? Y/N**

As the Company is involved in laying cables, the Company takes pertinent clearances from concerned regulatory bodies. The Company provides adequate safety equipment's and safeworking conditions to the ground operations staff in order to avoid any kind of injuries or accidents. The Company also ensures that we do not cause any irreparable damage to the environment or surroundings.

- 4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

The Company being in the business of distribution of cable services, is not involved in any manufacturing activity. However, the Company is committed to safety and protecting the environment in which it operates.

- 5. Has Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc? Y/N. If yes, please give hyperlink to web page etc.**

Though the Company has not undertaken any specific initiatives related to clean technology or efficient and renewable energy, the Company ensures clean and energy efficient technology while deploying anything new.

- 6. Are the Emissions/Waste generated by the Company within permissible limits given by CPCB/SPCB for the financial year being reported?**

The same is not applicable to the Company as our business activities do not involve the generation of effluents and air emissions. However, we comply with the e-waste (Management & Handling) Rules, 2016 and recycle all the e-waste generated, through Government approved recyclers.

- 7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.**

Nil

#### **PRINCIPLE 7: BUSINESS, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER**

- 1. Is your Company a member of any trade and chambers or association ? If yes, name only those major ones that your business deals with.**

The Company is a member of All India Digital Cable Federation.

- 2. Have you advocated/lobbied through above associations for advancement or improvement of public good? Yes/No; If yes, specify the broad areas**

The Company has been active in various business associations and supports/advocates on various issues for better viewer experience.

**PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT**

**1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?**

In terms of CSR Policy of the Company, the focus area of engagement are as under :-

Health	Affordable solutions for healthcare through improved access, awareness and health seeking behavior
Education	Environmental sustainability, ecological balance, conservation of natural resources
Promotion of Sports	Training to promote rural sports, nationally recognized sports, Paralympics sports, Olympic sports and promote sports at gross root level

**2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/ government structures/ any other organization?**

The project undertaken by an external NGO and the Company is associated with them.

**3. Have you done any impact assessment of your initiative?**

The Company is in the process of establishing suitable framework to capture the impact (social/economic and development) of its initiatives.

**4. What is Company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?**

Owing to losses in the relevant years, the Company was not required to spend on CSR, as per the provisions of the Companies Act, 2013. However, there was an unspent amount of Rs. 09.19 Lakhs of previous financial years which has been incurred during the year.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

Yes

**PRINCIPLE 9: BUSINESS SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER**

**1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year?**

There are no material customer complaints / consumer cases outstanding as at the end of financial year.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws?**

This is not applicable to us as we are not involved in the sale of any product. We provide a Manual of Practice, for our subscribers, which carry information like Consumer Care Numbers and Complaint Redressal Mechanisms.

**3. Is there any case filed by any stakeholders against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as of end of financial year. If so, provide details thereof, in about 50 words or so.**

No material case has been filed by any stakeholder against the Company.

**4. Did your Company carry out any consumer survey/consumer satisfaction trends?**

The Company carries out studies from time to time on customer satisfaction and related areas through consulting firms.

# MANAGEMENT DISCUSSION & ANALYSIS

## ECONOMIC OUTLOOK

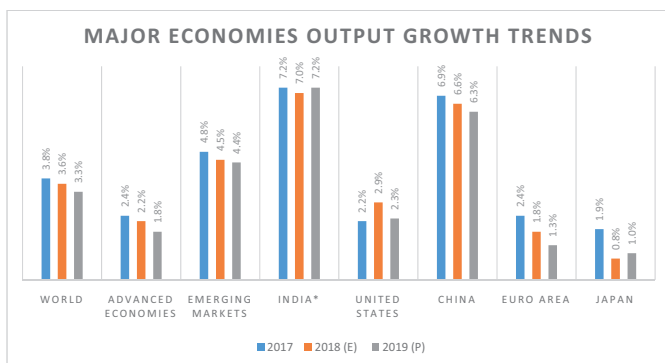
### Global

The global economy, which was expected to continue its expansionary momentum in 2018, actually witnessed a marginal pullback in speed during the year with economic activity softening especially in the second half of the year. Impact of trade tensions, reducing business confidence, tightening financial liquidity with volatility in energy and commodity markets, and specific issues in major economies affected the growth thrust of world economy. Effects of these dampeners coupled with moderating consumer demand and policy uncertainties are likely carry forward the downward trend in global economic growth for the years 2019 and 2020.

### India

Indian economy maintained its position as the fastest growing large economy in the world during the first 9 months of fiscal year 2018-19. The Central Statistical Office (CSO) has estimated the GDP growth for 2018-19 to be 7%. The corresponding Gross Value Added growth figure was estimated as 6.3% vis-à-vis 7.3% in 2017-18. As visible in the quarterly trend of 8% GDP increase in Q1, 7% in Q2 and only 6.6% expansion in Q3, the economy was hit hard especially in the third quarter of 2018-19 due to oil price spike, currency devaluation and credit crisis triggered by IL&FS (a major Non-Banking Financial Company) default.

Headline inflation marker (i.e. Consumer Price Index or CPI) for the year 2018-19 was expected to be a benign 3.4%, as the CPI showed a continuous declining trend from July 2018 to January 2019. The monetary easing, softer oil prices, recovering credit markets, improving investments and burst from election related spending in Q1 2019-20, are expected to hasten the pace of economic activity. However, overhang of weak global economy and low credit offtake with muted private investment will act as a dampener. This is reflected in only moderately higher growth projections than 2018-19 for 2019-20 by IMF (7.3%) and RBI (7.2%).



\* Growth figures for financial year and not calendar year. FY 2018-19 number based on CSO estimate and FY 2019-20 based on RBI projection.

(Source: IMF World Economic Outlook January 2019)

## INDUSTRY STRUCTURE

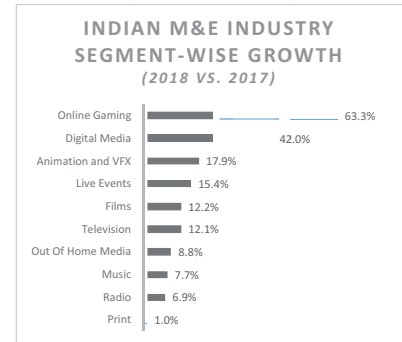
### Indian Media & Entertainment (M&E) Industry

The phenomenon of convergence and creative destruction that

technology is bringing about in the Media & Entertainment space is today seen almost in parallel across the developed and developing world. India, one of the leading high growth markets in the world M&E industry, is also experiencing the digital convergence and increasing technological sophistication across all segments of the M&E industry. One of the key outcome trends of these is the personalization of screens brought about by the exponential pace of penetration of mobile and mobile broadband in the country.

The Indian M&E industry in 2018 grew at a marginally faster clip of 13.4% over 2017, in comparison with an increase of 12.8% in the previous year over 2016. Overall size of the industry touched Rs. 1.67 trillion (or US\$ 23.9 billion) in 2018 and is expected to continue to expand at a rate faster than the economy in near future. It is projected to growth at CAGR of 12% from 2018 to 2021. Estimated size for 2019 is Rs. 1.89 trillion, a growth of 12.7% over 2018. While Television remains the largest segment, Online Gaming and Digital Media were the top two fastest growing segments within the Industry.

Segment	2017	2018
Television	660	740
Print	303	306
Films	156	175
Digital Media	119	169
Animation and VFX	67	79
Live Events	65	75
Online Gaming	30	49
Out Of Home Media	34	37
Radio	29	31
Music	13	14
<b>Total</b>	<b>1,476</b>	<b>1,674</b>



Major trends in the Indian M&E industry that are relevant to growth of subscription and Television industry are as follows:

- In the traditional revenue streams, Advertising revenues continued their higher pace of growth vs. Subscription revenues in 2018. From a contribution of 50.8% in 2017 to the total revenue from traditional streams, Advertising contributed 51.2% in 2018. This tilt is expected to further grow in favour of Advertising to 52.4% by 2021.
- Worldwide value creation is being driven by 'Direct-to-Customer' capabilities, which is built on the base of proliferation of smartphones / personalized digital screens. Hence, many media corporations have launched or are in the process of launching their own Digital OTT services. For e.g. Hotstar already launched by Star India vs. Disney+ to be launched by Walt Disney globally.
- This trend is being replicated in India as Digital Subscriptions revenues grew by 262% in 2018 to reach Rs. 14.2 billion with the total paid subscribers jumping from 7.5 million in 2017 to 12 – 15 million in 2018.

- OTT content consumption will grow the fastest, but PayTV consumers are also expected to rise albeit at much lower CAGR of 6.3%.

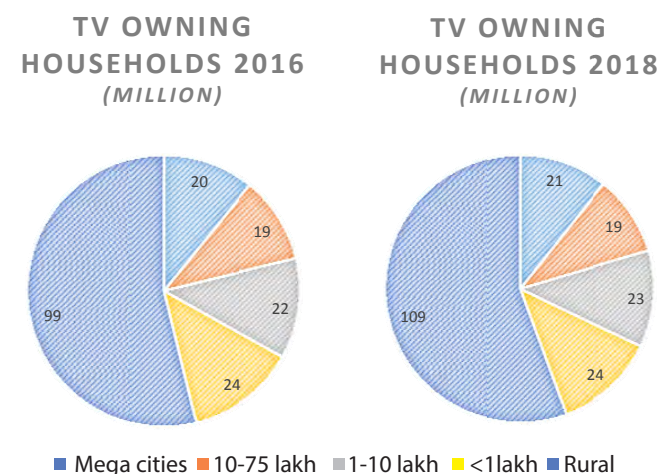
### Television Segment

In 2018, the Television segment grew at a rate of 12.12%, which was slightly less than industry average, over 2017 to reach a size of Rs. 740 billion. This was on the back of a higher jump in advertising income of 14.2% vis-à-vis only 10.7% growth in Subscription revenue. Advertising revenue contributed 41.2% of the total income as against 40.5% in 2017. From a total of 10,962 advertisers, 5,382 advertisers were unique to TV, and did not advertise on print or radio. Regional advertising growth outperformed national advertising because of national brand's pushing for penetration in non-metro markets after implementation of GST. Free Dish, DD's free DTH platform, attracted an estimated Rs. 20 billion in advertising revenue in 2018, however this will be affected going forward because four large broadcasters pulled out their major Hindi general entertainment channels from the network.

(Sources: FICCI India's Media & Entertainment Sector Report 2018 and India's Media & Entertainment Sector Report 2019 by Ernst & Young)

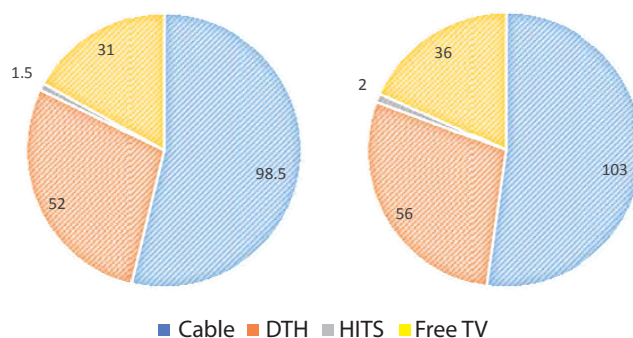
### Television Subscriber Base

Total Indian households in 2018 were 298 million, and with a penetration of 66.1% Television owning households reached a number of 197 million. This number was 183 million in 2016, and hence the reach increased by 7.5% in 2018. Highest growth in penetration came from Bihar and Jharkhand, which have less than 30% penetration and where India's drive towards electrification contributed to the increase. Similarly, the number of TV watching individuals went up by 7.2% from 780 million to 836 million in the same period.



(Source: BARC India Universe update July 2018)

TV OWNING HOUSEHOLDS 2016 (MILLION)      TV OWNING HOUSEHOLDS 2018 (MILLION)



\* DTH numbers are net of temporarily suspended subscribers

(Sources: FICCI India's Media & Entertainment Sector Report 2018 and India's Media & Entertainment Sector Report 2019 by Ernst & Young)

Other performance parameters for the related to the industry were as follows:

- Share of digitized households increased by 15% over 2016 to reach a share of 88% of TV owning households. Nearly half of these were Cable owning households, thus indicating a reach of ~84% for digitization penetration in Cable.
- Overall Average Revenue Per User (ARPU) increased primarily in DAS-III and DAS-IV markets because of digitization, however DTH ARPUs were affected by a change in subscriber mix with many users moving to cheaper regional packs and lower price point of new subscriptions.

### ARPU Trends

Markets	2017 (Rs./ month)	2018 (Rs./ month)
DAS-I	250-350	250-350
DAS-II	200-325	200-325
DAS-III	150-225	175-225
DAS-IV	125-200	125-225

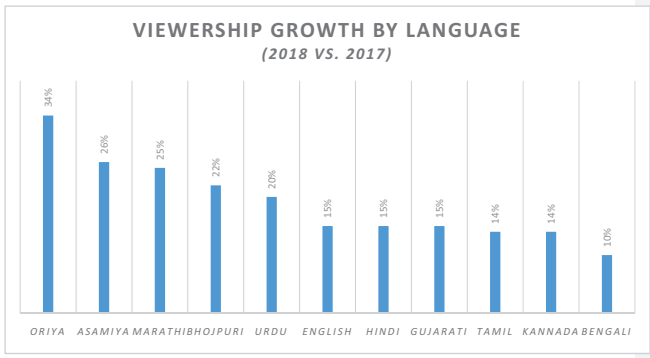
Note: This data pertains to situation prevailing before implementation of the new tariff order.

- Broadcaster's share of subscription revenues increased to Rs. 110 billion, which roughly translates into 25% of share of the total ground collections and a growth of 11.1% from Rs. 99 billion in 2017.
- Average time spent per day on TV increased marginally from 3 hours, 44 minutes and 28 seconds in 2017 to 3 hours, 46 minutes and 21 seconds in 2018, translating into a total of one trillion man minutes per week spent on TV, an all-time high. However, Video consumption on digital medium is growing at a much faster rate. Average time spent by Indians on watching videos online went up from 39 minutes per day in 2017 to 52 minutes per day in 2018. This figure was only 7 minutes per day just a couple of years back in 2015.



**(Source for online time spent: Online Video Forecasts 2018 report by Zenith)**

- Viewership growth for TV was led by regional channels as seen in the chart given below for change from 2017 to 2018.

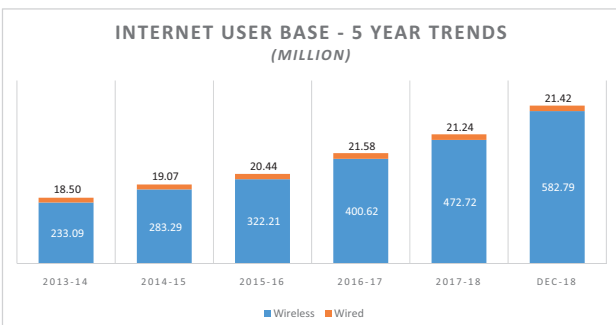
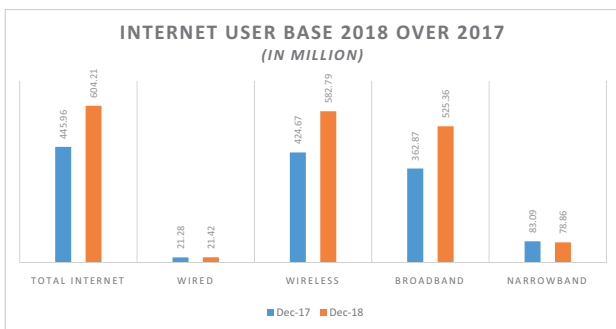


- A total of 4 million households were multiple TV homes with UP/ Uttarakhand, Delhi and West Bengal being the top 3 state in terms of highest incidence of multiple TV homes.
- Visible trend of price sensitive customers opting for a combination of Free Dish and PayTV service, where the PayTV is activated during holidays or at the time of marquee sporting events.

**(Sources: FICCI India's Media & Entertainment Sector Report 2018 and India's Media & Entertainment Sector Report 2019 by Ernst & Young)**

**Internet & Broadband Services**

India had a total internet user base of 604.21 million as on December 2018. This represents a growth of 35.5% over the December 2017 figure of 445.96 million. The total included broadband user base of 525.36 million and narrowband reach of 78.86 million. In terms of distribution between wireless and wired users, the numbers were 582.79 million and 21.42 million respectively.

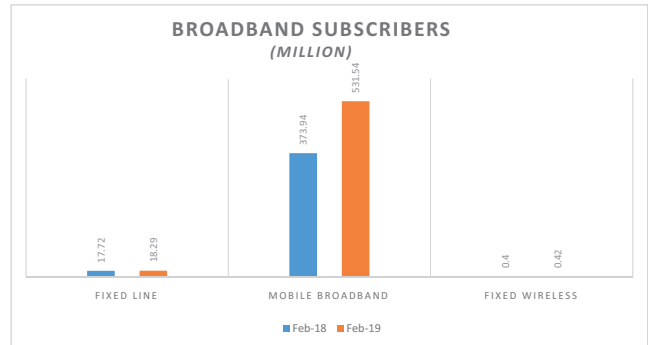


Wireless broadband sub-segment is driving the growth in internet use base for India.

**(Source: TRAI Performance Indicators Oct-Dec 2018)**

**Fixed Line Broadband Services**

The broadband subscriber base increased to 550.24 million by the end of February 2019 (as per Telecom Subscription Data Release on 18<sup>th</sup> April 2019 from TRAI). The total broadband connections were distributed across major segments as follows:



Mobile broadband subscriber base is growing at the fastest rate of 42.1% on the back of disruption brought in by Jio with inexpensive data tariff plans. As against this, the fixed line users went up only by 3.2% in one year.

The current fixed line broadband subscriber base at 18.29 million translates into a penetration of ~6.1% of the total households in India. The top three wired broadband service providers were BSNL with 9.17 million subscribers (50.1%), followed by Bharti with 2.33 million subscribers (12.7%) and Atria Convergence Technologies with 1.41 million subscribers (7.7%).

**(Source: Telecom Subscription Data Release on 18<sup>th</sup> April 2019 from TRAI)**

Overall 50 Internet Service Providers (ISPs) providing broadband (wireline) service out of a total 290 wireline broadband ISPs, had a subscriber base >10,000 at the end of December, 2018. Market share of these 50 SPs is 98.04% of total broadband subscriber base.

**(Source: TRAI Performance Indicators Oct-Dec 2018)**

The industry is moving towards bundled plans integrating home broadband and television services. This represents an opportunity for MSOs because of their pan India reach and access to total cable household base of 100+ million. It is an opening for the industry to tap into the rapidly growing needs of customers in terms of reliable high speed connectivity and increasing data consumption due to shift in entertainment viewing towards digital platforms (as seen in average time spent per day data in the previous sub-section).

**COMPANY OVERVIEW**

DEN Networks is India's leading Media & Entertainment Company engaged in providing Cable TV, Fixed Line Broadband and Content. The Company has one of the largest subscriber base amongst Cable TV players in India as it reaches households in 500+ cities across 13 key states.

DEN Broadband provides high speed broadband internet services of up to 100 Mbps speed using DOCSIS 3.0 and GPON technology, majorly in DELHI & NCR and 47 cities in 12 states in India.

#### Highlights of the year:

##### a) Reliance acquired substantial shareholding in the Company

The Board of Directors in its meeting dated 4<sup>th</sup> February, 2019 have issued and allotted 281,448,000 equity shares of Rs. 10 each for cash at a price of Rs. 72.66 per share (including premium of Rs. 62.66 per equity share to Jio Futuristic Digital Holdings Private Limited, Jio Digital Distribution Holdings Private Limited and Jio Television Distribution Holdings Private Limited (collectively referred as "New Promoters"). The Board has also taken note of transfer of 33,585,000 equity shares from Mr. Sameer Manchanda and M/s. Verve Engineering Private Limited (the existing promoters) to Jio Futuristic Digital Holdings Private Limited in terms of shares purchase agreement dated 17<sup>th</sup> October, 2018. Further, the new promoters have also acquired 57,489,612 equity shares at Rs. 72.66 per equity share through open public offer. The shareholding of the new promoters (including affiliates) has increased to 78.62% after completion of share subscription, share purchase agreement and open public offer. New promoters along with the existing promoters, referred as Promoter & Promoter Groups, collectively own 86.53% shareholding in the Company as on 05<sup>th</sup> March, 2019.

##### b) TRAI Order Implementation

Telecom Regulatory Authority of India (TRAI), in March, 2017, notified the 'New Regulatory Framework' (the New Framework) for Broadcasting and Cable services. The new framework, with the objective to bring in complete transparency in giving freedom for the customer to choose the content he wants to pay and also with respect to revenue share among the stakeholders in the value chain, came into effect on 29<sup>th</sup> December, 2018. However, to provide sufficient time to subscribers for exercising their options, the Authority provided time up to 31<sup>st</sup> January, 2019. Further, TRAI issued press release on 12<sup>th</sup> February, 2019 extended the time for migration till 31<sup>st</sup> March, 2019.

DEN has launched competitive packages keeping in mind consumer preferences, affordability and competition from DTH/MSOs and successfully migrated all the consumers to either packs chosen by consumers or best fit packs of DEN.

Benefit of new tariff order will start flowing in the financial year 2019-20 in terms of:

- ✓ Freedom of selection of channels.
- ✓ Better transparency with respect to revenue share and fair competition among stakeholders in the value chain.
- ✓ New pricing mechanism is being evolved including long tail channels which will optimise the consumer pricing.
- ✓ Cable distribution Industry has become a choice driven subscription model which will provide consumer access to better content as competitive prices making consumer the King.

##### c) Awards & Accolades

DEN Networks Limited has been awarded as the "Most Outstanding

MSO 2017-18" and "Outstanding MSO providing Technology & Services" in BCS Ratna Awards 2018 by Aavishkar Media Group. Mr. S.N. Sharma, CEO of DEN Networks Limited, was bestowed upon with the honour of "Most Versatile Personality of the Industry".

DEN won several laurels at the Great Manager Awards 2018 organized by People Business and The Times Group, held on 4<sup>th</sup> October'18 in Mumbai. A ceremony to felicitate and recognize outstanding managers and leaders, DEN saw itself at the receiving end of much appreciation and recognition. Two of our managers, Mr. Sanjay Kumar Jain and Mr. Arjun Kadam stood out for their outstanding managerial skills and leadership proficiencies. While Mr. Jain won laurels in the category "Aligning Organization's Vision", Mr. Kadam won the award for "Individual Credibility".

In another glorious moment, DEN brought home laurels at the fifteenth edition of "The Indian Telly: Technical, Trade and Programming Awards 2018" presented by Adobe Inc. held at Mumbai on 28<sup>th</sup> October 2018. DEN, at this prestigious ceremony, was awarded with the title of "The Best MSO".

DEN Networks has topped the list of "Most Attractive Brands 2017" in the cable segment. 'Most Attractive Brands' is an annual study conducted by Trust Research Advisory (TRA) Research based on a primary research conducted across 16 Indian cities.

#### SEGMENT-WISE PERFORMANCE

##### Cable Business

##### Financial Highlights

- Revenues of the Cable business declined in FY'19 to INR 1,140 Crore from INR 1,211 Crore in previous year.

The detailed breakup of revenues was as below:

Details	FY18	FY19	Variance	% Contribution FY18	% Contribution FY19
Subscription	667	673	0.9%	55.1%	59.0%
Placement	345	313	-9.3%	28.5%	27.5%
Others	199	154	-22.6%	16.4%	13.5%
<b>Total</b>	<b>1,211</b>	<b>1,140</b>	<b>-5.9%</b>		

- EBITDA for the cable business dropped by 35.9% to INR 182 crores in FY19 vis-à-vis INR 284 crores in FY18.

The detailed breakup of operating cost was as below:

Details	FY18	FY19	Variance	% of Total OPEX FY 18	% of Total OPEX FY 19
Content	540	573	6.1%	58.3%	59.9%
Personnel	94	86	-8.5%	10.1%	9%
Other OPEX	268	268	-	28.9%	28%
Provision for Doubtful Debts	25	31	24%	2.7%	3.2%
<b>Total</b>	<b>927</b>	<b>957</b>	<b>3.2%</b>		

##### Broadband Business

- Broadband offering of DEN logged 904K homes passed as on 31<sup>st</sup> March 2019. During FY19, the operating cost reduced substantially because of a number of re-engineering and



procurement related initiatives to optimize cost.

- The Company has invested in the broadband business to increase its reach to 48 cities and a subscriber base of 116K at the end of FY'19. This translates into an increase of 8.4% over previous year.
- Average ARPU for the Broadband business in FY19 was INR Rs. 557 as against INR Rs.632 in FY18.

#### Financial Highlights

- Broadband revenues marginally declined in FY'19 to INR 67 Crore from INR 75 Crore in FY18, mainly on account of reduction in ARPU

The detailed breakup of revenues was as below:

Details	FY18	FY19	Variance	% Contribution FY18	% Contribution FY19
Subscription	73	66	-9.6%	97.3%	98.5%
Activation	2	1	-50.0%	2.7%	1.5%
<b>Total</b>	<b>75</b>	<b>67</b>	<b>-10.7%</b>		

- The Company was able to breakeven in terms of EBITDA during FY19 on account of reduced costs.

The detailed breakup of operating costs was as below:

Details	FY18	FY19	Variance	% of Total OPEX FY18	% of Total OPEX FY19
Personnel	13	9	-30.8%	17.1%	14%
Other OPEX	63	57	-9.5%	82.9%	86%
<b>Total</b>	<b>76</b>	<b>67</b>	<b>-11.8%</b>		

#### CONSOLIDATED FINANCIAL PERFORMANCE

Details	FY'18	FY'19	% Change
Total Income	1286	1207	-6.1%
Total Expenditure	1003	1024	2.1%
EBITDA	284	183	-35.6%
% EBITDA	22.1%	15.2%	
PBT (before exceptional items)	(6)	(77)	
Exceptional Items	-	(211)	
PBT (before exceptional items)	(6)	(288)	
PAT	(17)	(301)	

#### Key Financial Highlights:

- Excluding the impact of TRAI Tariff order on the Cable business, the growth in top-line was flattish.
- Relatively higher increase in content costs vis-à-vis increase in subscription revenue for the cable business and no corresponding decline in other costs w.r.t. impact on Cable revenue of TRAI order meant decline in EBITDA by 35.6%.
- Exceptional item of Rs. 211 crore in Q4 FY19 corresponds mainly to allowance on trade receivables and advances, and impairment of fixed assets.

#### Financial Ratios

Ratio	FY2018-19	FY2017-18	Variance	Explanation
Debtor Turnover Ratio	4.57	4.79	-5%	
Interest coverage Ratio	3.11	4.21	-26%	Fall in EBITDA from Rs. 278.3 crore to Rs. 182.7 crore in FY19, mainly due to adverse impact of introduction of Tariff Order by TRAI in Q4 FY19, is the key reason.
Operating Profit Margin (%)	15%	22%	-30%	
Total Debt/ EBITDA	2.64	1.91	38%	
Current Ratio	3.39	1.03	229%	Increase in equity base and total cash due to investment of Rs.2045 crore via preferential issue by Jio and its affiliates.
Debt Equity Ratio	0.18	0.60	-69%	
Net Debt/ EBITDA	-9.93	0.57	-1837%	
Net Debt	-18,138	1,591	-1240%	
Net Profit Margin (%)	-24%	-1%	1743%	In addition to the fall in EBITDA, Rs.211 crore exceptional item impacted net profit in FY19.
Return on Net Worth (%)	-11%	-2%	495%	

#### HUMAN RESOURCE MANAGEMENT

The Human Resource Management function at DEN is an equal strategic partner in achieving the goals set for the organization. In order to achieve the objective of strengthening and ensuring availability of Organisational Capability to meet business challenges, and creating a welcoming and productive work environment, the HR team continued to use many successful tools and also innovated with new ideas during the year. It has also been able to guide and steer the employees through the transition in ownership to ensure no disruption in business activity.

The year witnessed talent joining from across the industry at critical roles in the Company like Internal Audit, business analyst, technical operations, etc. The year went along recognizing and appreciating star performers and showcasing them while setting benchmarks for all across different functions. Also, a few high potential stars of DEN were recognized and given leadership roles and new assignments.

The ongoing initiatives that DEN continued to pursue during the year in order to achieve the HR objectives are as follows:

1. DEN Academy: DEN Academy, where the gainer and trainer are amongst the employees of DEN, focused on providing more extensive trainings to employees around functional, technical and behavioural areas. Few of the sessions successfully carried out during the year were General Banking, Corporate Finance, POSH, GST, etc.
2. "Transcend": Transcend, a <monthly/quarterly/periodic> digital magazine, is receiving a better and a more engaging response from employees this year.
3. Comfort checks and Exit interviews: Are being successfully used to analyse the issues the employees are facing and deal with them strategically.



4. DNA (Define, Nurture, Apply): The leadership team well recognizes that employee motivation and engagement is beyond just the compensation and hence to create fulfilling employee experiences, we made sure that employees were spoken to and addressed from time to time through various direct and indirect mediums. HR team structured the interactions by organizing DNA meetings – one on one with employees or by meeting them in groups to address their concerns or just by hearing them out.

Keeping up with ensuring continuous training and engagement of employees, HR stepped further into the realm of employee job satisfaction by providing various platforms to the employees for addressing their grievances, suggestions and ideas:

1. AIM (All Ideas Matter): This is a platform for employees wherein they can drop in their suggestions and grievances in the AIM boxes. Relevant and feasible ideas are shortlisted and put up for a vote and the most popular idea is presented to the management for further implementation.
2. Cross Functional Training Sessions (CFT): CFT sessions, targeted at the Operations team, are a blend of training sessions paired with addressing concerns of the employees. Members of the Operations team are divided in various groups and are first, addressed by the Technical team, to apprise them of the upcoming products and innovations. Post the training session, the attendees bring forth their day-to-challenges and issues in their tasks that they face with other departments. HR then brings forth respective SPOCs from the concerned departments who address and note the concerns of the Operations team and vice versa. A strategic resolution is then worked upon by HR in tandem with their line of thought.

#### SCOT ANALYSIS

##### Strengths:

- ▲ A leading player among cable MSO and DTH players in India.
- ▲ Backing of leading mobile broadband player Reliance Jio with nearly 330 million mobile subscribers, and almost all availing mobile broadband services.
- ▲ Convergence-ready product portfolio offerings of Cable TV and FLBB.
- ▲ Pioneer in the industry with an experienced management team and capable workforce with many firsts to its credit, including leadership in roll-out of cable TV digitization in Phase 1 and Phase 2 markets.

##### Challenges

- ▲ Future growth will be from Phase 3 and 4 markets, which suffer from poor infrastructure.
  - o Pushing upnot only the costs of operations, but CAPEX for increasing reach.
  - o Uncertain penetration potential due to wider presence of mobile broadband.
- ▲ Need to continuously upgrade and expand the network infrastructure leading to high investments.

- ▲ Complex corporate structure.

##### Opportunities

- ▲ TV penetration in the country is less than 70%, thus presenting a significant opportunity for further growth through increased penetration.
- ▲ Enhancing monetization significantly across markets and increasing ARPU; one of the way being increase of HD penetration across markets, especially DAS 1 and 2
- ▲ Stabilizing impact of TRAI order on Cable TV subscription revenues and then leveraging the potential for growth because of this order
- ▲ Leverage Cable TV reach and infrastructure to cross-sell fixed line broadband services in India, which continued to have very low penetration of ~6.5% even in FY19

##### Threats

- ▲ Increasing competitive intensity with entry of new players' in Cable TV services and in alternative platforms such as OTT etc. Similarly, telecom players and other MSOs in FLBB space.
- ▲ Relative high growth of digital and social media advertising vis-à-vis TV, indicating slow but steady decline of traditional TV broadcasting model in the near future.

#### INTERNAL CONTROL SYSTEMS

DEN has laid down Standard Operating Procedures (SOP) for all critical business processes, which have defined internal controls to ensure optimal business performance, avoidance of risks, and adherence to prescribed norms and SOP. An escalation matrix is published for any operational, legal, HR or administrative issues. The Company also adheres to and complies with all the prescribed norms as specified under Company laws, industry regulations and securities market rules.

DEN has also appointed reputed statutory and internal audit firms for conducting regular audits of its business functions and books of accounts. Various committees, including the audit committee, of the Board of Directors meet every quarter and on a need basis to thoroughly oversee and monitor their areas of mandate. The Company also has a defined Risk Management Framework as approved by and implemented under the guidance of its Board of Directors.

#### RISK & CONCERNS

In addition to the generic macro risks related to the economic environment, DEN is also exposed to risks that are peculiar to the Cable & Broadband segment of the Media & Entertainment industry. The nature of such risks, potential impact and mitigation strategies adopted by the Company are captured below.

##### 1. Changing Customer Preferences

Customers content consumption patterns seeing following shifts:

- a. Viewing on personalised digital screens, mainly mobiles
- b. Access through cheap wireless data plans
- c. Use of OTT platforms to consume traditional TV content and edgy, new age content



#### Impact

- Decline in viewership and subscriptions for Cable TV business
- Decline in penetration rate of fixed line broadband services

#### Mitigation Approach

- TV as a medium has a significant scope for further penetration in India. Hence, the risk of de-growth in Cable TV business is mitigated through increasing penetration and also acquiring customers from competition through superior service-based offerings.
- In short term, cheap wireless data plans will continue to pose significant risk. However, on a longer term basis, these will expand the demand for fixed line broadband by increasing the need for high and reliable internet speeds to consume rich content. Focus of the Company is expand its presence and leverage its Cable TV base to address unpenetrated markets.

### 2. Technological Obsolescence

Rapid advances in technology may make existing infrastructure obsolescent. Customer expectations of speed, reliability, reach and capacity keep going up. Hence, requiring more frequent upgrades on network infrastructure. Obsolete or overloaded network may also lead to frequent network disruptions.

#### Impact

- Increase in CAPEX needs and impact on return ratios if technology investments are not well strategized.
- Loss of business to competition, which may offer superior quality service and cheaper packages.

#### Mitigation Approach

- The Company has invested in the latest technology network infrastructure for its broadband and cable business assuring high speed and near 100% uptime.
- Partnering with LCO/LMO & franchising for
  - Exclusive access to customers in a particular locality/ society
  - Lower the CAPEX investments
- Over the past months we have worked hard to upgrade our infrastructure to world-class standards.
- After these upgrades, our LCO partners will now be able to offer the largest bouquet of High-Definition channels to customers with better features, reliability and customer experience than even DTH.

### 3. Competition

The Company is in the business of providing a distribution platform for access to content/ data. With the advances in technology, there are now various types of alternative platforms, such as DTH, internet TV, mobile-based internet plans, wireless ISPs, etc. which are competing in the market for same customers in addition to other MSO/FLBB players with a similar platform. OTT apps, including those of TV broadcasters are also competing through disintermediation.

#### Impact

- Decline in viewership and subscriptions for Cable TV business
- Decline in penetration rate of fixed line broadband services

#### Mitigation Approach

- Leveraging last mile connect of the LCO/ LMO to acquire competitive advantage over other platforms and penetrate deeper into the market.
- Promote high speed and reliability of FLBB vis-à-vis mobile internet along with offering competitive tariffs.

### 4. Regulatory

Given that the nature of service provided by the Company is similar to a utility, regulatory oversight is an integral part of this industry. Across the two business segments, DEN will be directly impacted by relevant policy and regulation changes initiated by the Information & Broadcasting Ministry, Telecom Ministry, TRAI, etc.

#### Impact

- Impact on competitive advantage vis-à-vis alternative platforms.
- Impact on pricing and tariff plans, which may lead to decline in revenue and/or profitability
- Increased cost of servicing and infrastructure investments or penalties in case of non-compliance

#### Mitigation Approach

- Proactively anticipate regulatory changes and pursue collective bargaining with regulators as part of industry efforts to influence such policy and regulatory changes.
- Ensure timely compliance to avoid any penalties.
- Increase diversity of business portfolio to avoid a huge impact on the Company due to impact of regulatory changes on a single business.

### CAUTIONARY STATEMENT

Certain statements contained in this section may be 'forward-looking statements' within the meaning of applicable laws and regulations. Such statements involve a number of risks and uncertainties that could cause actual performance to differ materially from that suggested or implied in forward-looking statements. Major developments that could affect the Company's operations to cause such a difference include factors such as risks inherent in Company's growth strategies; general economic & business conditions in India and other countries; regulatory changes and its ability to respond to them; its ability to successfully implement the strategy, its growth & expansion plans; technological changes; exposure to political risks; unanticipated turbulence in interest rates, foreign exchange rates, etc.; changes in domestic and foreign laws, regulations and taxes; changes in industry competition, and many other factors. The following discussions and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto. The Company may, from time to time, make additional written and oral forward-looking statements to shareholders. The Company does not undertake to update any forward-looking statement that may be made from time forward to time by or on behalf of the Company.

# CORPORATE GOVERNANCE REPORT

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is about maximizing shareholder value legally, ethically and on a sustainable basis. At Den Networks Limited (hereinafter referred to as "Den" or "Company"), the goal of corporate governance is to ensure fairness for every stakeholder – our customers, investors, vendor partners, the community and the government. We believe that sound corporate governance is critical in enhancing and retaining investor trust. It is a reflection of our policies, our relationship with stakeholders and our commitment to values. Accordingly, we always seek to ensure that our performance is driven by integrity. Corporate Governance provides a structure that works for the benefit of everyone concerned, by ensuring that the enterprise adheres to ethical standards, laws and accepted best practices. It imbibes the basic business ethics and values that need to be adhered to in letter and spirit. A transparent, ethical and responsible corporate governance framework essentially emanates from the intrinsic will and passion for good governance ingrained in the culture of the organisation.

The Company has disclosed the requirements stipulated under Regulations 17 to 27 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") as applicable, with regard to Corporate Governance. The Company endeavours to ensure that highest standards of ethical and responsible conduct are met throughout the organisation.

## 2. BOARD OF DIRECTORS

### Board composition and category of Directors:

The composition of the Board, category and DIN of Directors as on the date of report are as follows:

Category	Name of Director	Director Identification Number (DIN)	No. of Equity Shares held as on 31 <sup>st</sup> March, 2019
Independent Directors	Ms. Archana Niranjana Hingorani	00028037	0
	Mr. Ajaya Chand	02334456	64,420
	Mr. Robindra Sharma	00375141	0
	Mr. Atul Sharma	00308698	0
Non-Executive Non-Independent Directors	Mr. Anuj Jain	08351295	0
	Ms. Geeta Fulwadaya	03341926	0
	Mr. Saurabh Sancheti	08349457	0
Executive Director	Mr. Sameer Manchanda	00015459	1,75,99,220

In terms of Regulation 17 of the Listing Regulations, the Board of the Company has optimum combination of Executive, Non-Executive and Independent Directors comprising of One Executive Director and Seven Non-Executive Directors of which four are Independent Directors. The Chairman of the Company is an Executive Director. As, the Chairman of the Company is an Executive Director, one-half of the total number of directors are Independent Directors, who are not liable to retire by rotation. Ms. Archana Niranjana Hingorani is the Woman Independent Director on the Board of Directors.

None of the Directors are inter-se related to any other Director on the Board or are related to any Key Managerial Personnel of the Company.

Mr. Krishna Kumar PT Gangadharan and Mr. Ankur A Sahu, who were Nominee Directors, resigned from the directorship w.e.f. 2<sup>nd</sup> August, 2018 and 5<sup>th</sup> December, 2018 respectively. They both resigned due to personal reasons. Other than the reasons stated herein, there was no other material reasons for their resignations.

### Selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination

and Remuneration Committee for appointment as Independent Directors on the Board. The Committee, inter-alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors' and Determining Directors' Independence. The Board considers the Committee's recommendations and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, gives a declaration that he meets the criteria of independence as provided under the law and that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. All the Independent Directors have given the requisite declarations of independence during the year. In the opinion of Board, the Independent Directors fulfil the conditions specified in the Listing Regulations and are independent of the management.



**Meetings of Independent Directors**

The Company’s Independent Directors meet at least once in every financial year without the presence of Non-Independent Directors and Management Personnel. Such meetings are conducted to enable Independent Directors to discuss matters pertaining to the Company’s affairs and put forth their views to the other Independent Directors. Independent Directors take appropriate steps to present their views to the Board.

**Performance evaluation criteria for Directors**

The Nomination and Remuneration Committee has devised a mechanism to carry out the evaluation of performance of every Director (including Independent Directors). The Committee has identified evaluation criteria which evaluates Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence.

**Familiarization Programmes for Board members**

The Board members are familiarised with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through induction programs at the time of their appointment as Directors and at regular intervals through deep-dive on various business segments of the Company. While review and approval of quarterly and Annual Financial Statements of the Company are taken up, detailed presentation covering inter alia economy and industry overview, key regulatory developments, strategy and performance of the Company is made to the Board. Details of familiarisation programmes imparted to Independent Directors are disclosed on the website of the Company and can be accessed through web link <https://www.dennetworks.com/corporate-announcement#corporate-governance>.

**Matrix setting out the skills/expertise/competence of the Board of Directors**

The Board is expected to consist of individuals with a balance of skills to oversee the organisation, achieve the strategic goals and direct the organisation’s growth in future. All Directors are expected to possess personal attributes such as strong ethics, integrity, leadership quality among such other attributes in addition to sound professional knowledge and experience and contribute to the collective industry skills set held by the Board. The matrix below highlights the skills and expertise required from individuals for the office of Directors of the Company:-

Key Skill Area	Essential	Desirable
Strategy and planning	Ability to think strategically; identify and critically assess strategic opportunities and threats.	Develop effective strategies in the context of the strategic objectives of the Company and formulate relevant policies and priorities.

Financial Performance	Qualifications and experience in accounting and/ or finance and analyze key financial statements and critically assess financial viability and performance.	A Chartered Accountant/ Cost Accountant with more than 10 years of experience having the ability to: Oversee budgets and the efficient use of resources; Oversee funding arrangements and accountability.
Legal	Qualification such as LLB or CS and experience in legal practice with emphasis on corporate law.	LLB /CS with more than 10 years of experience, Relevant experience in the Industry; Indepth Knowledge and practical exposure to Regulations applicable to the Company.
Commercial Experience	A broad range of commercial / business experience, preferably in the small to medium enterprise context, in areas including communications, marketing, branding and business systems, practices and improvement.	A person with a degree of Masters in Business Administration or a person with exposure of handling a business with more than 15 years of experience and understanding varied business environment.
Sales and Marketing in Service/ Commodity sector	Experience in developing strategies to grow sales and market share, Understanding of the Market needs, Development of Brand.	Having in depth knowledge about the industry and having considerable experience in sales and marketing sector, Ability to enhance enterprise reputation
Information Technology	Having basic understanding of technology used.	Knowledge of anticipating technological trends and helping in development of new business models with help of sound digital and technical understanding.

**Code of Conduct**

The Board had laid down a Code of Conduct for all the Directors and Senior Management (Executives) of the Company. This code is also posted on the Company’s website ([www.dennetworks.com](http://www.dennetworks.com)). All the Board Members and Senior Management Personnel to whom this Code of Conduct is applicable have affirmed compliance with the Code during the year under review.

A declaration signed by the Company’s Chief Executive Officer is published in this Report.

### 3. BOARD AND COMMITTEE MEETINGS AND ITS PROCEDURES

#### a. Decision-making process

The Board of Directors is the apex body constituted by members for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies and their effectiveness, and ensures that the stakeholders' long-term interests are being served. The Board has constituted various committees, namely Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Risk Management Committee. The Board is authorised to constitute additional functional committees, from time to time, depending on business needs.

The Company's internal guidelines for Board/Board Committee meetings facilitate the decision making process at the meetings in an informed and efficient manner. The following sub-sections deal with the practice of these guidelines in the Company.

In accordance with the principles of transparency and consistency, your Company has adopted governance policies including Succession Plan for Board of Directors, Key Managerial Personnel & Senior Management appointments, remuneration and evaluation. Such policies, inter alia, outline Succession Planning for the Board, Key Managerial Personnel and Senior Management.

#### b. Scheduling and selection of agenda items for Board and Committee Meetings

- (i) Minimum four pre-scheduled Board Meetings are held in a financial year. Board and committee Meetings are convened by giving appropriate notice to address the Company's specific needs. In case of business exigencies or urgency of matters, resolutions are passed by circulation.
- (ii) All departments of the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion/ approval/ decision at Board/Board Committee meetings. Such matters are communicated by them to the Company Secretary in advance so that they are included in the agenda for Board/Board Committee Meetings.
- (iii) The Board is given presentations/briefed on areas covering operations of the Company, before taking on record the quarterly/annual financial results of the Company. The Chairman of the Board and Company Secretary, in consultation with other concerned members of the senior management, finalize the agenda for Board Meetings.
- (iv) The agenda and notes on agenda are circulated to Directors in advance, in the defined agenda format. All material information is incorporated in the notes to the agenda for facilitating meaningful and

focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

#### c. Recording minutes of proceedings of Board and Board Committee meetings

The Company Secretary records minutes of proceedings of each Board and Committee meeting.

Draft minutes are circulated to the Board/Board Committee members within 15 days from the date of Board/ Board Committee meeting for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

#### d. Post meeting follow-up mechanism

The guidelines for Board and Board Committee meetings facilitate an effective post meeting follow up, review and reporting process for decisions taken by the Board and Board Committees. Important decisions taken at the Board/Board Committee meetings are communicated promptly to the concerned departments/divisions. Minutes of the previous meeting(s) are placed at the succeeding meeting of the Board/Board Committee for noting.

#### e. Compliance

The Company Secretary, while preparing the agenda, notes on agenda, minutes of the meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations including Companies Act, 2013 ("the Act") read with rules issued thereunder, Listing Regulations and the Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India.

### 4. DETAILS OF BOARD MEETINGS HELD

During the financial year 2018-19, eight board meetings were held and the gap between two Board Meetings was not more than 120 days. The details of Board Meetings along with attendance of directors are given below:-

S. No.	Date of Meeting	Board Strength	No. of Directors Present
1.	4 <sup>th</sup> April, 2018	07	04
2.	18 <sup>th</sup> May, 2018	07	05
3.	3 <sup>rd</sup> August, 2018	06	03
4.	7 <sup>th</sup> September, 2018	06	03
5.	17 <sup>th</sup> October, 2018	06	05
6.	14 <sup>th</sup> November, 2018	06	04
7.	15 <sup>th</sup> January, 2019	05	03
8.	4 <sup>th</sup> February, 2019	05	04

**5. ATTENDANCE OF DIRECTORS AT THE BOARD MEETINGS, LAST ANNUAL GENERAL MEETING (AGM) AND NUMBER OF OTHER DIRECTORSHIP(S) AND CHAIRMANSHIP(S)/MEMBERSHIPS(S) OF THE COMMITTEES OF EACH DIRECTOR IN VARIOUS COMPANIES:**

Name of the Director	Attendance at meetings during 2018-19		No. of other Directorships as on 31-03-2019*	No. of Chairmanships / Memberships in Statutory Committees# in other Company (s) as on 31-03-2019		Category of Directorship and name of the other listed Company(s) as on 31-03-2019
	Board of Directors	AGM		Membership	Chairmanship	
Mr. Sameer Manchanda	7	Yes	Nil	Nil	Nil	NA
Ms. Archana Niranjani Hingorani	5	No	05	02	03	i. Alembic Pharmaceuticals Limited- Non-Executive - Independent Director ii. 5Paisa Capital Limited- Chairperson- Non-Executive - Independent Director
Mr. Ajaya Chand	8	Yes	01	Nil	Nil	NA
Mr. Robindra Sharma	6	No	01	Nil	Nil	Nil
Mr. Atul Sharma	2	No	Nil	Nil	Nil	Nil
Mr. Krishnakumar Gangadharan <sup>1</sup>	NIL	NA	-	-	-	-
Mr. Ankur Ambika Sahu <sup>2</sup>	3	No	-	-	-	-
Mr. Anuj Jain <sup>3</sup>	-	NA	01	Nil	Nil	Hathway Cable and Datacom Limited- Non-Executive Director
Ms. Geeta Fulwadaya <sup>4</sup>	-	NA	15	Nil	Nil	<ul style="list-style-type: none"> <li>Hathway Cable and Datacom Limited- Non- Executive Director</li> <li>Sikka Ports &amp; Terminal Limited- Non- Executive Director</li> <li>Jamnagar Utilities &amp; Power Private Limited- Non- Executive Director</li> </ul>
Mr. Saurabh Sancheti <sup>5</sup>	-	NA	01	Nil	Nil	Hathway Cable and Datacom Limited- Non-Executive Director

<sup>1</sup>Ceased to be director w.e.f. 2<sup>nd</sup> August, 2018; <sup>2</sup>Ceased to be director w.e.f. 5<sup>th</sup> December, 2018; <sup>3,4&5</sup> Appointed as Directors w.e.f. 29<sup>th</sup> March, 2019

\*Directorships held by Directors as mentioned above, do not include Directorships in foreign companies and Section 8 Companies.

#In accordance with Regulation 26 of the Listing Regulations, Membership(s) / Chairmanship(s) of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies have been considered.

## 6. BOARD COMMITTEES

Details of the Board Committees and other related information are provided hereunder:

### Audit Committee

Name of the Member	Designation
Mr. Ajaya Chand	Chairman
Mr. Robindra Sharma	Member
Ms. Archana N. Hingorani <sup>1</sup>	Member
Mr. Krishna Kumar Gangadharan <sup>2</sup>	Member

<sup>1</sup>Appointed as a member on 17<sup>th</sup> October, 2018; <sup>2</sup>Ceased to be a member on 2<sup>th</sup> August, 2018.

### Stakeholders' Relationship Committee

Name of the Member	Designation
Mr. Ajaya Chand	Chairman
Mr. Robindra Sharma	Member
Mr. Sameer Manchanda	Member

### Nomination and Remuneration Committee

Name of Member	Designation
Mr. Ajaya Chand	Chairman
Mr. Robindra Sharma	Member
Mr. Sameer Manchanda	Member
Mr. Ankur Ambika Sahu <sup>1</sup>	Member

<sup>1</sup>Ceased to be a member on 5<sup>th</sup> December, 2018.

### Corporate Social Responsibility Committee

Name of Member	Designation
Mr. Ajaya Chand	Chairman
Mr. Robindra Sharma	Member
Mr. Sameer Manchanda	Member

### Risk Management Committee

Name of Member	Designation
Mr. Ajaya Chand	Chairman
Mr. Robindra Sharma	Member
Mr. Sameer Manchanda	Member

Mr. Jatin Mahajan, Company Secretary and Compliance Officer is the Secretary to all the Committees.

### Meetings of Board Committees held during the year and Directors' attendance:

Particulars	Audit Committee		Nomination and Remuneration Committee		Corporate Social Responsibility Committee	
	No. of meetings held during the tenure	No. of meetings attended	No. of meetings held during the tenure	No. of meetings attended	No. of meetings held during the tenure	No. of meetings attended
Mr. Ajaya Chand	5	5	3	3	1	1

Ms. Archana Niranjan Hingorani <sup>1</sup>	2	2	N.A	N.A	N.A	N.A
Mr. Robindra Sharma	5	3	3	3	1	0
Mr. Krishnakumar Gangadharan <sup>2</sup>	2	0	N.A	N.A	N.A	N.A
Mr. Sameer Manchanda	N.A	N.A	3	2	1	1
Mr. Ankur Ambika Sahu <sup>3</sup>	N.A	N.A	2	0	N.A	N.A

<sup>1</sup>Appointed as member w.e.f. 17<sup>th</sup> October, 2018; <sup>2</sup>Ceased to be member w.e.f. 2<sup>nd</sup> August, 2018; <sup>3</sup>Ceased to be member w.e.f. 5<sup>th</sup> December, 2018

During the year no meeting of Risk Management Committee and Stakeholders' Relationship was conducted.

### Procedure at Committee Meetings

The Company's guidelines relating to the Board meetings are applicable to Committee meetings as far as practicable. Each Committee has the authority to engage external experts, advisors and counsels to the extent it considers appropriate to assist in discharging its function. Minutes of proceedings of Committee meetings are circulated to the respective committee members and also placed before the Board for noting. During the year, all the recommendations made by the respective Committees were accepted by the Board.

### Terms of Reference and other details of Committees

#### (a) Audit Committee

The Committee's composition and terms of reference meet with requirements of Section 177 of the Act and Regulation 18 of Listing Regulations. Members of the Audit Committee possess financial/accounting expertise/exposure.

#### Terms of reference of Audit Committee

- Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based

- on the exercise of judgment by management;
- d. Significant adjustments made in the financial statements arising out of audit findings;
- e. Compliance with listing and other legal requirements relating to financial statements;
- f. Disclosure of any related party transactions;
- g. Modified opinion(s) in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the listed entity with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

- To review the functioning of the whistle blower mechanism;
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- Reviewing the utilization of loans and/ or advances from/ investment by the holding Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- To review the following information:
  1. Management Discussion and Analysis of financial condition and results of operations;
  2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  4. Internal audit reports relating to internal control weaknesses; and
  5. The appointment, removal and terms of remuneration of the chief internal auditor.
- Statement of deviations:
  - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of Listing Regulations.
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of Listing Regulations.

#### General

The Audit Committee invites the Board Members and Senior Management as it consider to be presented at its meetings. The representatives of Statutory Auditors are permanent invitees to the Audit Committee meetings. The representatives of Statutory Auditors, Executives from Finance & Accounts department and Internal Audit department attend the Audit Committee meetings.

#### No. of meetings held

During the financial year 2018-19, five Audit Committee Meetings were held and the gap between two meetings was not more than 120 days. The details of said meetings are given below:-

S. No.	Date of Meeting
1.	4 <sup>th</sup> April, 2018
2.	18 <sup>th</sup> May, 2018
3.	3 <sup>rd</sup> August, 2018
4.	14 <sup>th</sup> November, 2018
5.	15 <sup>th</sup> January, 2019



The Chairman of the Audit Committee was present at the last Annual General Meeting held on 19<sup>th</sup> September, 2018.

#### (b) Nomination and Remuneration Committee

The Committee's composition and terms of reference meets with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time.

#### Terms of Reference

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Identification and assessing potential individuals with respect to their expertise, skills, attributes, personal and professional standing for appointment and re-appointment as Directors/ Independent Directors on the Board and as Key Managerial Personnel;
- Consider to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Administration of Employee Stock Option Scheme of the Company.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

#### No. of meetings held

Three Committee Meetings were held during the financial year 2018-19. The details of said meetings are given below:-

S. No.	Date of Meeting
1.	4 <sup>th</sup> April, 2018
2.	7 <sup>th</sup> September, 2018
3.	4 <sup>th</sup> February, 2019

#### Remuneration policy and details of remuneration of Directors

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees is posted on the website of the Company and may be accessed at <https://www.dennetworks.com/corporate-announcement#corporate-governance>.

#### Remuneration of Executive Director

The Board, on the recommendation of the Human Resources Department, Nomination and Remuneration Committee, review and approve the remuneration payable to the Executive Director of the Company within the overall limits approved by the shareholders in terms of the Act and Listing Regulations as amended.

During the year under review, Mr. Sameer Manchanda, Chairman and Managing Director, was re-appointed for a period of three years

commencing from 10<sup>th</sup> September 2018 till 09<sup>th</sup> September 2021 on a remuneration of Rs. 3.25 Cr Per Annum with 10% increment on yearly basis. The said remuneration is within the overall ceiling prescribed under Schedule V of the Act and rules made thereunder as amended. Details of remuneration paid to Mr. Sameer Manchanda during the financial year 2018-19 is given below:

Rs. in millions

Name of the Executive Director	Designation	Salary, Perks excluding Reimbursement	Provident Fund	Commission	Stock Option	Total
Sameer Manchanda	CMD	28.67	1.41	-	-	30.08

The tenure of office of Managing Director is for 3 (three) years from date of appointment and notice period is 3 months. There is no separate provision for payment of severance fee.

#### Remuneration of Non-Executive / Independent Directors

Non-Executive Directors of the Company receive only sitting fees for attending the Board Meetings and Committee Meetings. The sitting fees paid to Non-Executive Directors is within the limits prescribed under the Act.

Name of the Director	Sitting Fees (in Rs.)
Archana Niranjana Hingorani	2,70,000
Ajaya Chand	4,90,000
Robindra Sharma	3,60,000
Atul Sharma	1,00,000
Ankur Ambika Sahu	1,50,000
Krishna Kumar Gangadharan	Nil
Anuj Jain	Nil
Geeta Fulwadaya	Nil
Saurabh Sancheti	Nil

#### (c) Stakeholders' Relationship Committee

The Committee's composition and terms of reference meets with the requirements of Section 178 of the Act and Regulation 20 of the Listing Regulations.

#### Terms of Reference

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

**No. of meetings held**

During the year, no meeting of the Committee was conducted.

**Status of the Complaints:**

During the financial year 2018-19, no grievance from investors was received and therefore there were no complaints pending as at end of the year.

Received from	Received during Financial year 2018-19	Redressed during Financial year 2018-19	Pending as on 31.03.2019
SEBI	Nil	Nil	Nil
NSE	Nil	Nil	Nil
BSE	Nil	Nil	Nil
NSDL/CDSL	Nil	Nil	Nil
Direct from Investor	Nil	Nil	Nil

**Compliance Officer:** Mr. Jatin Mahajan, Company Secretary has been appointed as the Compliance Officer for complying with requirements of Securities Laws, Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015.

**(d) Corporate Social Responsibility Committee**

The Committee's composition and terms of reference meets with the requirements of Section 135 of the Act and other applicable provisions.

**Terms of reference**

- To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- To review and recommend the amount of expenditure to be incurred on the CSR related activities to be undertaken by the Company;
- To institute a transparent monitoring mechanism for the implementation of the CSR projects, programs and activities undertaken by the Company from time to time;
- To oversee the implementation of Policies contained in the Business Responsibility Policy Manual and to make any amendments/modifications, as may be required, from time to time and review and recommend Business Responsibility Reports (BRR) to the Board of Directors for its approval;
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

**No. of meetings held**

During the year, one meeting of the Committee was held on 15<sup>th</sup> January, 2019.

**(e) Risk Management Committee**

The Committee's composition and terms of reference meets with Regulation 21 of the Listing Regulations.

**Terms of reference**

Risk identification and assessment:

- Periodic assessment to identify significant risks for the Company and prioritizing the risks for action.
- Mechanisms for identification and prioritization of risks include risk survey, business risk environment scanning and focused discussions
- Risk survey and functions shall be conducted before the annual strategy exercise.

**Risk measurement, mitigation and monitoring :**

- Review of top risks in Risk Council (consisting of CFO and COO) and Risk Management Committee covering risk level, trend line, exposure, potential impact and progress of key mitigation actions
- The trend line assessment of top risks, analysis of exposure and potential impact shall be carried out.
- Mitigation plans shall be finalized, owners shall be identified and progress of mitigation actions shall be monitored and reviewed.

**Risk Reporting :**

- Top risks report outlining the risk level, trend line, exposure, potential impact and status of mitigation actions shall be discussed on a periodic basis.
- Risk update shall be provided to the Board.
- Entity level risks such as project risks, account level risks shall be reported and discussed at appropriate levels of the organization.

**Integration with strategy and business planning :**

- Identified risks shall used as one of the key inputs for the development of strategy and business plan.
- Review of progress of Enterprise Risk Management implementation.

**No. of meetings held**

During the year, no meeting of the committee was conducted.

**7. SUBSIDIARY COMPANIES' MONITORING FRAMEWORK**

All subsidiary companies are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders. The Company has formulated Policy for Determining Material Subsidiaries. The Policy has been posted on the Company's website and may be accessed at <https://www.dennetworks.com/corporate-announcement#corporate-governance>. The Company monitors performance of subsidiary companies, inter-alia, by the following means:

- Financial Statements, in particular investments made by unlisted subsidiary companies, are reviewed quarterly by the Company's Audit Committee
- Minutes of Board meetings of unlisted subsidiary

companies are placed before the Company's Board Regularly

- A statement containing all significant transactions and arrangements entered into by unlisted subsidiary companies is placed before the Company's Board/ Audit Committee
- Utilization of loans and/or advances from/investment by the Company in the subsidiaries exceeding rupees 100 crore or 10% of the asset size of the subsidiary (whichever is lower) including existing loans/advances/ investments is reviewed periodically by the Company's Audit Committee
- The Board of the Company is kept apprised on the business performance of major subsidiaries

## 8. GENERAL BODY MEETINGS

### a. Details of last three Annual General Meetings of the Company are as follows:

Year	Location	Date	Day	Time
2015-16	Shri Ram Centre, 4, Safdar Hashmi Marg, Mandi House, New Delhi-110001	29 <sup>th</sup> September, 2016	Thursday	11.30 A.M.
2016-17	Sri Sathya Sai Auditorium, Lodhi Road, Bhishm Pitamah Marg, New Delhi - 110003	27 <sup>th</sup> September, 2017	Wednesday	11.30 A.M.
2017-18	Kamani Auditorium, 1, Copernicus Marg, New Delhi – 110001	19 <sup>th</sup> September, 2018	Wednesday	11.30 A.M.

### b. Special Resolutions passed in the last three Annual General Meetings (AGM)

S. No.	Date of Annual General Meeting	Details of Special Resolution
1	19 <sup>th</sup> September, 2018	Nil
2	27 <sup>th</sup> September, 2017	Nil
3	29 <sup>th</sup> September, 2016	Ratification in foreign investments limits.

### c. Details of Extra Ordinary General Meeting of the Company for the financial year 2018-19

Location	Date	Day	Time
PHD Chamber of Commerce and Industry PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi- 110016	14 <sup>th</sup> November, 2018	Wednesday	11.30 A.M.

### d. Special Resolution passed through Postal Ballot

During the year under review, members of the Company have approved the resolution, stated in the below table, by requisite majority, by means of Postal Ballot, including

Electronic Voting (e-voting). The Postal Ballot notice along with Ballot form was sent in electronic form to the shareholders who have registered their email-ids with the Company/Depository Participants and in physical form at their registered addresses. The Company had provided e-voting facility for its Members to exercise their vote on the aforesaid resolution. The Company had engaged the services of Karvy Fintech Private Limited ("Formerly known as Karvy Computershare Private Limited") as the Authorised Agency to provide E-voting facilities.

The Board of Directors had appointed Mr. Manoj Kumar Jain, Practicing Company Secretary, to act as the scrutinizer, for conducting the postal ballot process, in a fair and transparent manner. The voting results was announced on Friday, 19<sup>th</sup> October, 2018 on the basis of scrutinizer's report. The details of the voting pattern are given below:

S. No.	Special Resolution passed through Postal Ballot	% voted in favor of the resolution	% voted against the resolution
1.	To consider and approve re-appointment of Mr. Sameer Manchanda (DIN: 00015459) as a Chairman Managing Director of the Company	91.54%	8.46%

There are no special resolution proposed to be conducted through postal ballot.

## 9. OTHER DISCLOSURES

### a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large;

None of the transactions with any of the related parties i.e. transactions of the Company of material nature, with its Promoters, the Directors and the management, their relatives or subsidiaries, etc. were in conflict with the interest of the Company. Attention of members is drawn to the disclosure of transactions with the related parties set out in Notes of the Standalone Financial Statements, forming part of the Annual Report. The Company's major related party transactions are generally with its subsidiaries and associates. The related party transactions are entered into based on considerations of various business exigencies such as synergy in operations, sectoral specialization, the Company's long-term strategy for sectoral investments, optimization of market share, profitability, legal requirements, liquidity and capital resources of subsidiaries and associates. All related party transactions are negotiated on arm's length basis and are intended to further serve the interests of the Company.

### b. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;

During the year one of the Nominee Director and a

member of the Audit Committee resigned reducing the strength of the Audit Committee to two members. The Audit Committee was, thereafter, reconstituted by inducting a new member. The stock exchanges imposed fine on the Company with regard to delay in reconstitution of the Audit Committee. On submission made by the Company, the National Stock Exchange of India Ltd. has waived the fine.

**c. Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee;**

The Company has framed a Whistle Blower Policy duly approved by the Board of Directors. The Company's personnel have access to the Chairman of the Audit Committee in cases such as concerns about unethical behaviour, frauds and other grievances. Pursuant to Listing Regulations & the Act, the Company has constituted a grievance redressal platform wherein any employee can report or escalate unethical activities which he/she has witnessed or experienced. There is an email id exclusively created for this purpose, employees can write-in for workplace related concern or escalations related to any ethical/legal violation to the Code of Conduct of the Company. The email id is den-cares@denonline.in. There have been no grievances reported as on 31<sup>st</sup> March, 2019.

**d. Compliance with mandatory requirements of the Listing Regulations**

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations. Further, the Company has complied with all the applicable mandatory requirements of the Corporate Governance Report.

The Company has also adopted following Discretionary requirements of Regulation 27 read with Part E of Schedule II to the Listing Regulations

**Non-Executive Chairman's Office:** As the Chairman of the Company is an Executive Chairman, hence the provision on entitlement of chairperson's office at the expense of the Company in case of a non-executive chairperson is not applicable.

**Shareholder Rights:** Quarterly financial statements are published in newspapers and simultaneously uploaded on the website of Stock Exchanges and Company.

**Modified opinion(s) in audit report:** The Company already has a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements.

**Reporting of Internal Auditors:** The Internal Auditors directly reports to the Audit Committee.

**e. Web link where policy for determining 'material' subsidiaries is disclosed;**

The policy for determining 'material' subsidiaries is available on the website of the Company in the Corporate

Governance section and can be accessed at <https://www.dennetworks.com/corporate-announcement#corporate-governance>.

**f. Web link where policy on dealing with related party transactions;**

The policy for dealing with related party transactions is available on the website of the Company in the Corporate Governance section and can be accessed at <https://www.dennetworks.com/corporate-announcement#corporate-governance>.

**g. Disclosure of commodity price risks/foreign exchange risk and commodity hedging activities;**

The Company doesn't deal in Commodities. Further, the Company hasn't entered in hedging contracts during the year. However, there is negligible Foreign Exchange exposures.

**h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**

During the financial year 2018-19, the Company has 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 million. The proceeds of preferential allotment amounting to Rs, 20,450 million have been temporarily invested in mutual funds as on 31<sup>st</sup> March, 2019.

**i. Statutory Auditor Fees.**

During the year, an amount of Rs. 6.70 million was paid to the Statutory Auditors of the Company for all services rendered by it to Company, its subsidiaries, and all entities in the network firm/network entity of which the statutory auditor is a part, on a consolidated basis.

**j. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

- number of complaints filed during the financial year: Nil
- number of complaints disposed of during the financial year: Nil
- number of complaints pending as on end of the financial year: Nil

**k. Credit Rating**

ICRA Limited (credit rating agency) has improved the outlook of the Company as "under watch with positive implications", details of which mentioned herein below:

Instrument	Existing Credit Rating	Revised Credit Rating
Fund Based- Term Loans	ICRA A (Stable)	ICRA A (%); put on watch with positive implications

Fund Based-Working Capital Facilities	ICRA A (Stable)	ICRA A (%); put on watch with positive implications
Non Fund Based-Working Capital Facilities	ICRA A1	ICRA A1 (%); put on watch with positive implications
Unallocated Limits	ICRA A1/ ICRA A(Stable)	ICRA A1/ICRA A (%); put on watch with positive implications

**i. CEO and CFO certification**

As required by Regulation 17 (8) read with Schedule II Part B of the SEBI Listing Regulations, the CEO and CFO have given appropriate certifications to the Board of Directors, copy of which is attached to this Report as “Annexure A”.

**m. No disqualification certificate from Company Secretary in practice;**

None of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. A certificate from M/s NKJ & Associates, Company Secretaries, forms an integral part of this report as “Annexure B”.

**n. Transfer of amounts to Investor Education and Protection Fund (IEPF)**

The Company had, during the financial year 2016-17, had transferred Share Application Money received and due for refund or unclaimed by shareholders for more than seven consecutive years or more, to IEPF Authority pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the “IEPF Rules”). The voting rights on the shares transferred to IEPF Authority shall remain frozen till the rightful owner claims the shares. A rightful owner can claim the shares by following procedure specified by IEPF Authority in this regard.

**o. Disclosures with respect to unclaimed shares**

Particulars	No. of Shareholders	No. of Equity Shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year i.e. 1 <sup>st</sup> April, 2018	4	309
Number of shareholders who approached to the Company / RTA for transfer of shares from Unclaimed Suspense Account during the year	Nil	Nil

Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year	Nil	Nil
Aggregate Number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e. as on 31 <sup>st</sup> March, 2019.	4	309

The voting rights on these shares are frozen till the rightful owner of these shares claims the shares.

**p. Code of Conduct for Prohibition of Insider Trading**

The Company has adopted the revised Policy on Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Code requires pre-clearance for dealing in the Company’s shares and prohibits the purchase or sale of Company shares by the Directors and the designated persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Directors and the Designated Persons have confirmed compliance with the Code.

**10. MEANS OF COMMUNICATION**

The Company has been sending physical copies of the Annual Reports, notices and other communications through the prescribed modes of postage. However, in case where email id of a member is registered, such communications are sent to the registered email id of the members.

The Quarterly and Annual Results of the Company are normally published in the Business Standard (English and Hindi Newspaper).

The quarterly and Annual Results along with additional information are also posted on the website of the Company <http://www.dennetworks.com>

Official News Releases and Presentations made to institutional Investors or to the analysts on the Company’s unaudited quarterly as well as audited annual financial results, are also displayed on the website of the Company <http://www.dennetworks.com>

The Company’s website (<http://www.dennetworks.com>) contains a separate dedicated section ‘Investor Relations’ where shareholders’ information is available.

The Annual Report containing, inter-alia, Audited Financial Statement, Consolidated Financial Statement, Board’s Report, Auditors’ Report and other important information is circulated to members and others entitled thereto. The Management’s Discussion and Analysis (MD&A) Report forms part of the Annual Report. The Annual Report is displayed on the website of the Company.

NSE Electronic Application Processing System (NEAPS):

The NEAPS is a web-based application designed by



National Stock Exchange of India (NSE) for corporate. All periodical compliance filings like financial results, shareholding pattern, Corporate Governance report, media releases, statement of investor complaints among others are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre (the 'Listing Centre'): BSE Limited (BSE) Listing Centre is a web-based application designed for corporate. All periodical compliance filings like financial results, shareholding pattern, Corporate Governance report, media releases, statement of investor complaints among others are also filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES):

The investor complaints are processed in a centralized web-

based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Designated Exclusive email-id:

The Company has designated the following email-id exclusively for investor servicing/complaints:

For queries on Annual Report:

investorrelations@denonline.in

For queries in respect of shares in physical mode:

einward.ris@karvy.com

## 11. GENERAL SHAREHOLDER INFORMATION

Date, Time & Venue	Monday, 23 <sup>rd</sup> September, 2019 at 11.30 A.M. at Sri Sathya Sai Auditorium, Lodhi Road, Bhishm Pitamah Marg, New Delhi - 110003.
Financial year	1 <sup>st</sup> April, 2018 – 31 <sup>st</sup> March, 2019
Dividend payment date	The Board of Directors of the Company have not recommended any dividend for the Financial Year ended 31 <sup>st</sup> March, 2019.
Name & address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)	BSE Limited ("BSE") Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001 National Stock Exchange of India Limited ("NSE") Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai - 400 051 The Company has paid annual listing fees to National Stock Exchange of India Limited and BSE Limited for 2018-19 with stipulated time period.
Stock Code	BSE Scrip Code: 533137 NSE Symbol: DEN ISIN: INE947J01015
In case the securities are suspended from trading, the directors report shall explain the reason thereof	Not Applicable
Registrar to an issue and share transfer agents	Karvy Fintech Private Limited Karvy Selenium Tower B, Plot number 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032 Ph # (+ 91 40) 2342 0815, Fax # (+91 40) 2342 0814 Email: einward.ris@karvy.com
Share Transfer System	Trading in equity shares of the Company through recognised Stock Exchanges can be done only in dematerialised form.  In terms of the amendment in Regulation 40 of Listing Regulations, transfer of securities were to be carried out in dematerialized form only with effect from 5 <sup>th</sup> December, 2018 initially. With a further notification dated 3 <sup>rd</sup> December, 2018, this date was extended to 1 <sup>st</sup> April, 2019.  In case of request for dematerialisation of shares, confirmation of dematerialisation is sent to the respective depository i.e. National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL), expeditiously.

Outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity	Not Applicable
Plant locations	The Company is not engaged in manufacturing/ production activities.
Address for correspondence	Jatin Mahajan Compliance Officer & Company Secretary Ph # (+91 –011) 40522242 Fax # (+91 – 011) 40522204 Email: investorrelations@denonline.in

#### Financial Calendar:

[Tentative and subject to change]

Results for the quarter ending	Date of meeting/ on or before
June 30, 2019	4 <sup>th</sup> Week of July, 2019
September 30, 2019	4 <sup>th</sup> Week of October, 2019
December 31, 2019	4 <sup>th</sup> Week of January, 2020
March 31, 2020	4 <sup>th</sup> Week of April, 2020
Annual General Meeting	August/September, 2020

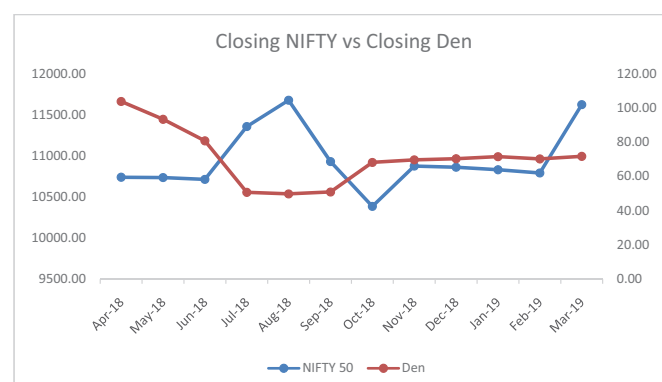
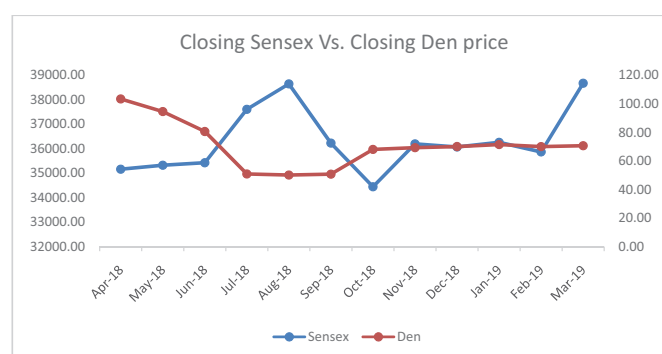
#### Market Price Data

Equity Shares of the Company are listed and traded on BSE and NSE and the High/ Low rates of the shares of the Company during the year, ended on 31<sup>st</sup> March, 2019 are as follows

Month	NSE (In ₹ Per share)		BSE (In ₹ Per share)	
	Month's high price	Month's low price	Month's high price	Month's low price
Apr-18	112.50	93.50	112.90	92.90
May-18	108.50	90.70	108.80	92.50
Jun-18	95.85	80.10	98.00	80.15
Jul-18	81.20	45.50	85.00	45.10
Aug-18	60.85	45.25	60.35	45.30
Sep-18	64.90	48.85	65.00	48.00
Oct-18	80.00	50.00	80.30	50.00
Nov-18	72.00	68.00	72.00	67.10
Dec-18	71.25	68.75	71.30	66.00
Jan-19	71.85	69.55	72.00	69.25
Feb-19	72.15	65.85	77.15	65.35
Mar-19	82.75	66.00	79.80	67.95

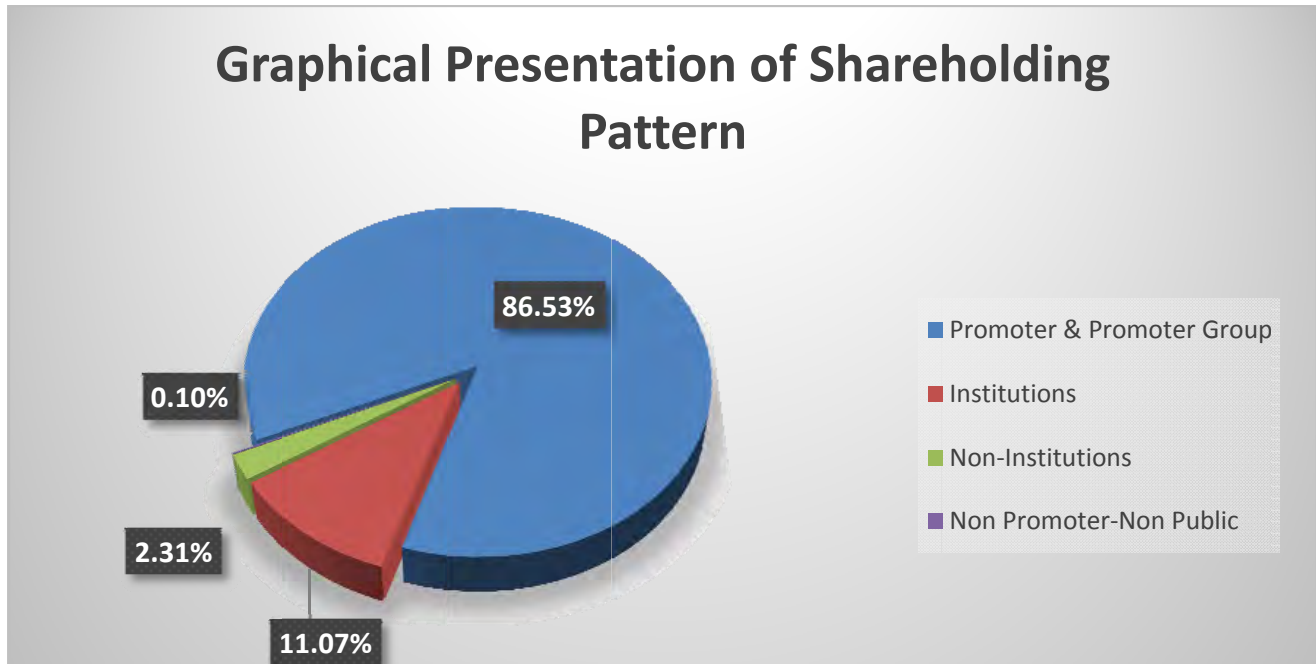
(Source: This information is compiled from the data available on the website of the BSE and NSE.)

#### Relative Performance of Shares



## 12. DISTRIBUTION OF SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2019

S. No.	Category of Shareholding	No. of Shareholders	No. of Shares	% of shareholding
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>			
1	Indian	16	41,29,45,000	86.53
2	Foreign	0	-	0.00
	Total	16	41,29,45,000	86.53
<b>(B)</b>	<b>Public Shareholding</b>			
1	Institutions	16	5,28,07,056	11.07
2	Non-Institutions	11,886	1,10,13,858	2.31
	Total Public Shareholding	11,902	6,38,20,914	13.37
<b>(C)</b>	<b>Non Promoter-Non Public</b>			
	Shares held by Employees Trusts	1	4,57,931	0.10
	Total A+B+C	11,919	47,72,23,845	100.00



### Dematerialization of Shares and Liquidity

The shares of the Company are compulsorily traded in dematerialized mode and are registered for trading with both the Depository Participants i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The status of holding in dematerialized and physical mode, as on 31<sup>st</sup> March, 2019 is as under:

Sl. No.	Mode of Holding	No. of shares	% of total share capital
1	Shares in Demat Form		
	NSDL	47,22,25,211	98.95%
	CDSL	48,04,541	1.01%
2	Shares in Physical Form	1,94,093	0.04%
	TOTAL	47,72,23,845	100%



### Distribution of Shareholding as on 31<sup>st</sup> March, 2019

Category	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1-5000	10549	88.54	11,39,198	0.24
5001- 10000	649	5.45	5,36,446	0.11
10001- 20000	292	2.45	4,54,270	0.10
20001- 30000	123	1.03	3,16,964	0.07
30001- 40000	55	0.46	1,99,645	0.04
40001- 50000	53	0.44	2,53,274	0.05
50001- 100000	76	0.64	5,73,990	0.12
100001& Above	118	0.99	47,37,50,058	99.27
<b>Total:</b>	<b>11915</b>	<b>100.00</b>	<b>47,72,23,845</b>	<b>100.00</b>

### 13. COMPLIANCE CERTIFICATE

The Certificate from M/s NKJ & Associates, Company Secretaries, regarding compliance of conditions of Corporate Governance forms an integral part of this report as “**Annexure C**”

### 14. CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the ‘Code of Conduct’ in respect of the financial year 2018-19.

**SN Sharma**

Chief Executive Officer

New Delhi, 16<sup>th</sup> April, 2019

Registered Office Address 236, Okhla Industrial Area, Phase-III, New Delhi-110020  Ph # (+91 –011) 40522200 Fax # (+91 – 011) 40522204 Email: den@denonline.in CIN: L92490DL2007PLC165673	Compliance Officer Jatin Mahajan 236, Okhla Industrial Area, Phase-III, New Delhi-110020 Ph # (+91 –011) 40522242 Fax # (+91 – 011) 40522204 Email: investorrelations@denonline.in	Registrar & Transfer Agents Karvy Fintech Private Limited Karvy Selenium Tower B, Plot number 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032 Ph # (+ 91 40) 2342 0815 Fax # (+91 40) 2342 0814 Email: einward.ris@karvy.com
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## CEO & CFO CERTIFICATION

To,

**The Board of Directors  
Den Networks Limited**

We, S.N. Sharma, Chief Executive Officer and Satyendra Jindal, Chief Financial Officer of DEN Networks Limited (hereinafter referred to as "Company"), responsible for the financial function and the compliance of the code of conduct of the Company, certify that:

- A. We, have reviewed financial statements and the Cash Flow Statement of the Company for the financial year ended 31<sup>st</sup> March, 2019 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- D. We have indicated to the auditors and the Audit committee that:
- (1) there are no significant changes in internal control over financial reporting during the year;
  - (2) there are no significant changes in accounting policies during the year; and
  - (3) there are no instances of significant fraud of which we have become aware.

**For DEN Networks Limited**

**S. N. Sharma**  
Chief Executive Officer

Date: 16<sup>th</sup> April, 2019  
Place: New Delhi

**For DEN Networks Limited**

**Satyendra Jindal**  
Chief Financial Officer



## Annexure B

### **CERTIFICATE UNDER SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 THAT NONE OF THE DIRECTORS ON THE BOARD OF THE COMPANY HAVE BEEN DEBARRED OR DISQUALIFIED FROM BEING APPOINTED OR CONTINUING AS DIRECTORS OF COMPANIES**

TO

THE MEMBERS,  
**DEN NETWORKS LIMITED**  
236, OKHLA INDUSTRIAL AREA,  
PHASE III NEW DELHI - 110020

We have reviewed the disclosures and declaration as received from the directors of Den Networks Limited ("the Company") having CIN: L92490DL2007PLC165673, in Form MBP-1 and DIR-8 pursuant to Section 184(1) and Section 164(2) of the Companies Act, 2013 respectively and we are of the view that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such other Statutory Authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification of documents submitted by directors. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 16<sup>th</sup> April, 2019  
Place: New Delhi

**For N.K.J & ASSOCIATES**  
Company Secretaries

**NEELESH KR. JAIN**  
Proprietor  
Membership No. FCS 5593  
Certificate of Practice No. 5233



**CERTIFICATE OF COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE  
UNDER SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE  
REQUIREMENTS) REGULATIONS, 2015**

To

The Members,

**DEN NETWORKS LIMITED**

236, OKHLA INDUSTRIAL AREA,

PHASE III NEW DELHI 110020

1. We have reviewed the implementation of the corporate governance procedures by Den Networks Limited ("the Company") during the year ended 31<sup>st</sup> March, 2019, with the relevant records and documents maintained by the Company, furnished to us for our review and report on Corporate Governance, as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.
3. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has to conduct the affairs of the Company.
4. On the basis of our review and according to the best of our information and according to the explanation given to us, the Company has been complying with conditions of Corporate Governance, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

However, during the year under review, there was delay in reconstitution of Audit Committee due to resignation of a director which attracted fine from BSE Limited.

**For N.K.J & ASSOCIATES**

Company Secretaries

**NEELESH KR. JAIN**

Proprietor

Membership No. FCS 5593

Certificate of Practice No. 5233

Date: 16<sup>th</sup> April, 2019

Place: New Delhi

**STANDALONE  
Ind AS FINANCIAL  
STATEMENTS**



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF DEN NETWORKS LIMITED

#### Report on the Standalone Ind AS 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, 2019, and the statement of Profit and Loss, statement of changes in equity and 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.

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 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, 2019, and loss, changes in equity and its cash flows for the year ended on that date.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 31<sup>st</sup> March, 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the key audit matter
<p><b>(i) Impairment of Property, Plant &amp; Equipment</b></p> <p>As at 31<sup>st</sup> March, 2019 value of property, plant and equipment is Rs. 5,129.14 million Management's assessment of the valuation of property, plant and equipment and usability is significant to our audit because this process is complex and requires significant management judgment. Accordingly, the management identified impairment indications and management's assessment results aone-time impairment loss of Rs. 616.74 million, which has been accounted as exceptional item. (Refer note no. 26) Accordingly, it has been determined as a key audit matter.</p>	<p>We carried out procedures to understand management's process for identifying impairment triggers and considered management's assessment of impairment in the above mentioned areas. Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Assessing internal controls designed for identification of impairment indicators.</li> <li>Evaluating the appropriateness of the Company's judgment regarding identification of assets which may be impaired.</li> <li>Considered the completeness and accuracy of the disclosures, which are included in notes 26 of the standalone financial statements.</li> <li>Read the Independent Chartered Accountants firm's report on Company's interim financial statements.</li> </ul>
<p><b>(ii) Investments in Equity share of Subsidiaries and Associates</b></p> <p>As at 31<sup>st</sup> March, 2019, the Company has total investments of Rs. 5,424.20 million in equity shares of subsidiaries/ associates which constitutes 20.76% of the total investments portfolio of the Company. Management regularly reviews whether there are any indication of impairment on the investment made by the Company (refer note 26) by reference to the requirement under Ind AS 36 "Impairment of Assets", Accordingly, Management has identified impairment indication (operating losses, negative net- Worth and sustainably eroded net worth) in equity investments in subsidiaries of the Company with an investment of Rs. 2,868.32 million. As a result, impairment assessment has been performed by the Company by comparing the carrying value of these investments to their recoverable amount to determine whether any impairment was required to be recognised.</p> <p>For the purpose of the above impairment testing- recoverable amount has been determined by forecasting and discounting future cash flows. The determination of the recoverable amounts of investments in those subsidiaries involved judgement due to inherent uncertainty in the assumptions supporting the recoverable amounts of these investments.</p> <p>Accordingly, the evaluation of impairment of above investments is determined to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Assessing the appropriateness of the methodology applied in determining the recoverable amount.</li> <li>Assessing the assumptions around the key drivers of the cash flow forecasts including change in current business module pursuant to implementation of new regulatory framework by Telecom Regulatory Authority of India dated 3<sup>rd</sup> March, 2017 (Tariff Order)</li> <li>Discussion/evaluation of potential changes in key drivers as compared to the previous year/ actual performance with management in order to evaluate whether the inputs and assumption used are suitable.</li> <li>Testing the arithmetical accuracy of the impairment model prepared by the management.</li> <li>Considered the completeness and accuracy of the disclosures, which are included in notes 26 of the standalone financial statements.</li> </ul>

Key Audit Matters	How our audit addressed the key audit matter
<p><b>(iii) Carrying value of trade receivables</b></p> <p>As mentioned in note no. 10 to the standalone financial statements, trade receivable were aggregating to Rs. 5,437.82 million as on 31<sup>st</sup> March, 2019.</p> <p>The collectability of the Company's trade receivables and the valuation of allowance for impairment of trade receivables require significant management judgment. Specific factors management considers including the age of the balance, existence of disputes, recent historical payment patterns, new tariff order by TRAI, increase in competition on account of rates parity in the market and any other available information concerning the creditworthiness of counterparties. Management uses this information to determine whether a provision for impairment is required either for a specific transaction or for a customer's balance overall. Accordingly, the management identified such factors and it's assessment results into impairment of trade receivables of Rs. 865.08 million, which has been accounted as exceptional item. (Refer note no. 26)</p> <p>Accordingly, it has been determined as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>We selected a sample of the larger trade receivable balances where a provision for impairment of trade receivables and advances has been recognized.</li> <li>We assessed the ageing of trade receivables and advances, the customer's historical payment patterns.</li> <li>We also obtained corroborative evidence of any disputes between the parties involved, attempts by management to recover the amounts outstanding and on the credit status of significant counterparties wherever available.</li> <li>In assessing the appropriateness of the overall provision for impairment we considered the management's application of policy for recognizing provisions.</li> <li>Further in addition to the above process, a forward-looking expected loss impairment model as prescribed in IND AS 109 "Financial Instruments" was also applied by the Company. This involves judgment as the expected credit losses must reflect information about past events, current conditions and forecasts of future conditions.</li> <li>We assessed the Company's provisioning policy, which included assessing whether the calculation was in accordance with IND AS 109 and comparing the Company's provisioning rates against historical collection data.</li> <li>Read the Independent Chartered Accountants firm's report on Company's interim financial statements..</li> <li>Considered the completeness and accuracy of the disclosures.</li> </ul>

Key Audit Matters	How our audit addressed the key audit matter
<p><b>(iv) Litigations Matters &amp; Contingent liabilities</b></p> <p>The Company is subject to number of significant litigations. Major risks identified by the Company in that area relate to VAT liability on account of transfer of setup boxes, entertainment tax, and license fees liability from DOT on account of dispute to consider non-business for AGR calculation and dispute in duty assessment with custom department. The amounts of litigations may be significant and estimates of the amounts of provisions or contingent liabilities are subject to significant management judgment. (Refer note no. 28 and 46).</p> <p>Due to complexity involved in these litigation matters, management's judgment regarding recognition and measurement of provisions for these legal proceedings is inherently uncertain and might change over time as the outcomes of the legal cases are determined and it has been considered as a key audit matter. Accordingly, the management identified such factors and it's assessment results into provision of Rs. 97.69 million, which has been accounted as exceptional item. (Refer note no. 26).</p>	<p>Our audit procedures included the following</p> <ul style="list-style-type: none"> <li>Assessing the procedures implemented by the Company to identify and gather the risks it is exposed to.</li> <li>Discussion with the management on the development in these litigations during the year ended 31<sup>st</sup> March, 2019.</li> <li>Obtaining an understanding of the risk analysis performed by the Company, with the relating supporting documentation and studying written statements from internal / external legal experts, when applicable.</li> <li>Opinion from the Company's legal counsel (internal/external) and studying the same.</li> <li>Verification that the accounting and /or disclosure as the case may be in the standalone financial statements is in accordance with the assessment of legal counsel/ management.</li> <li>Obtaining representation letter from the management on the assessment of those matters as per SA 580 (revised) - written representations.</li> </ul>

### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the management discussion & analysis and director's report included in the annual report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



### **Responsibilities of Management and Those Charged with Governance for the 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 accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the 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 system 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters 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

### **Other Matter**

The comparative financial information of the Company for the year ended 31<sup>st</sup> March, 2018 prepared in accordance with Indian Accounting Standards, included in these standalone financial statements, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated 18<sup>th</sup> May, 2018 expressed an unmodified opinion. Our opinion is not modified in respect of said matter.



## Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the 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, 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 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 over financial reporting 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 remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of 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 28 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.

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

**Vijay Napawaliya**  
Partner  
(Membership No.109859)

Place : New Delhi  
Date :16<sup>th</sup> April, 2019



## **“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT**

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

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **DEN NETWORKS LIMITED** (“the Company”) as of 31<sup>st</sup> March, 2019 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, 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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Chaturvedi & Shah LLP**

Chartered Accountants

(Firm’s Registration No. 101720W/W100355)

**Vijay Napawaliya**

Partner

(Membership No. 109859)

Place : New Delhi  
Date : 16<sup>th</sup> April, 2019

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

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

**(i) In respect of its property, plant and equipment:**

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- 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, certain property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to us, the existence of set top boxes is verified on the basis of the ‘active user’ status in the system. No material discrepancies were noticed on such verification.

In our opinion, other than for physical verification of 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 and hence reporting under clause (i)(c) of the Order is not applicable.
- (ii) The Company does not have any inventory. Therefore, provision of Clause (ii) of paragraph 3 of the said order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provision of paragraph 3 (iii) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act,

2013 in respect of grant of loans and making investments.

- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. The Company does not have any unclaimed deposits and accordingly the provisions of Sections 73 to 76 or any other relevant provisions of the companies Act, 2013 are not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. 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 Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Goods and Services Tax, Customs Duty, Cess and other material statutory dues applicable to it to the appropriate authorities.
  - b. There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Goods and Services Tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2019 for a period of more than six months from the date they became payable other than the dues related to entertainment tax, the details of which are given below:

Name of Statute	Nature of Dues	Amount Involved (Rs. Inmillion)	Period to which the amount relates	Due date
Delhi Entertainment Tax Act, 1996	Entertainment Tax	1.64	June 2017	Within 7 days from the expiry of each month

- c. Details of dues of Sales Tax, Service Tax, Customs Duty and Value Added Tax which have not been deposited as on 31<sup>st</sup> March, 2019 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount unpaid (Rs. in million)
The Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	Additional Commissioner of Commercial Taxes (Appeals)	April 2012 to March 2016	341.04
The Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	Deputy Commissioner of Commercial Taxes	April 2014 to March 2015	1.29
Karnataka Value Added Tax Act, 2003	Value Added Tax and Central Sales Tax	Joint Commissioner of Commercial Taxes (Appeals)	April 2009 to March 2010 and April 2011 to March 2016	193.91
Karnataka Value Added Tax Act, 2003	Value Added Tax and Central Sales Tax	High Court	April 2008 to March 2009	26.19
Karnataka Value Added Tax Act, 2003	Value Added Tax and Central Sales Tax	Appellate Tribunal	April 2010 to March 2011	31.67
Delhi Value Added Tax Act, 2004	Value Added Tax	Special Commissioner- Department of trade and Taxes	April 2014 to March 2015	0.52
Delhi Value Added Tax Act, 2004	Value Added Tax	Additional Commissioner – Delhi VAT	April 2013 to March 2014 and April 2015 to March 2017	5.00
Kerala Value Added Tax Act, 2003	Value Added Tax and Central Sales Tax	Assistant Commissioner Appeals, Commercial Taxes	April 2011 to March 2013	33.99
Kerala Value Added Tax Act, 2003	Value Added Tax and Central Sales Tax	Intelligence officer	April 2013 to March 2014	39.92
Kerala Value Added Tax Act, 2003	Value Added Tax and Central Sales Tax	High Court of Kerala	April 2015 to March 2016	155.95
Kerala Value Added Tax Act, 2003	Value Added Tax and Central Sales Tax	Intelligence officer	April 2013 to March 2016	12.28
West Bengal Value Added Tax Act, 2003	Value Added Tax	Joint Commissioner of Commercial Taxes (Appeal)	April 2014 to March 2015	4.54
<b>Sub Total of Sales Tax and Value Added Tax</b>				<b>846.30*</b>
Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount unpaid (Rs. in million)
Custom Act, 1962	Custom Duty	Directorate of Revenue Intelligence	February 2012 to December 2016	147.02**

\*Net of Rs. 149.15 million under protest.

\*\*Net of Rs. 103.87million under protest.

We are informed that there are no dues in respect of Income-tax which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institution and banks. The Company has not taken any

loans or borrowing from government or has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (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 Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made preferential allotment of shares during the year under audit, in respect of which Company has complied with the requirement of section 42 of the Act and amount raised have been temporarily invested in liquid mutual funds pending application of proceeds.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary companies or associates, as applicable, or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

**Vijay Napawaliya**  
Partner  
(Membership No.109859)

Place : New Delhi  
Date : 16<sup>th</sup> April, 2019



## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2019

(Rs. in million)

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
<b>A. ASSETS</b>			
1. Non-current assets			
(a) Property, plant and equipment	3A	5,129.14	6,706.51
(b) Capital work-in-progress		76.64	312.05
(c) Intangible assets	3B	50.55	74.90
(d) Financial assets			
(i) Investments	4	5,386.84	5,260.94
(ii) Loans	5	28.96	26.60
(iii) Other financial assets	6	-	125.00
(e) Non current tax assets (net)	7	965.42	757.91
(f) Deferred tax assets (net)	27C	375.84	375.84
(g) Other non-current assets	8	513.17	337.96
<b>Total non-current assets</b>		<b>12,526.56</b>	<b>13,977.71</b>
2. Current assets			
(a) Financial assets			
(i) Investments	9	20,747.20	529.84
(ii) Trade receivables	10	3,291.99	3,797.00
(iii) Cash and cash equivalents	11	211.09	898.44
(iv) Bank balances other than cash and cash equivalents	12	1,421.95	1,629.56
(v) Loans	5	256.19	436.02
(vi) Other financial assets	6	1,079.51	925.50
(b) Other current assets	8	144.93	188.40
<b>Total current assets</b>		<b>27,152.86</b>	<b>8,404.76</b>
<b>Total assets</b>		<b>39,679.42</b>	<b>22,382.47</b>
<b>B. EQUITY AND LIABILITIES</b>			
Equity			
(a) Equity share capital	13	4,767.66	1,953.18
(b) Other equity	14	21,567.08	6,148.71
<b>Total equity</b>		<b>26,334.74</b>	<b>8,101.89</b>
Liabilities			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	2,636.69	3,137.09
(ii) Other financial liabilities	16	-	5.23
(b) Provisions	17	77.94	55.86
(c) Other non-current liabilities	18	2,272.03	2,895.79
<b>Total non-current liabilities</b>		<b>4,986.66</b>	<b>6,093.97</b>
2. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	644.43	1,042.92
(ii) Trade payables			
- dues of micro enterprises and small enterprises	20	1.55	10.38
- dues of creditors other than micro enterprises and small enterprises	20	3,703.21	3,640.37
(iii) Other financial liabilities	16	2,963.28	2,339.47
(b) Provisions	17	11.26	42.40
(c) Other current liabilities	18	1,034.29	1,111.07
<b>Total current liabilities</b>		<b>8,358.02</b>	<b>8,186.61</b>
<b>Total liabilities</b>		<b>13,344.68</b>	<b>14,280.58</b>
<b>Total equity and liabilities</b>		<b>39,679.42</b>	<b>22,382.47</b>

See accompanying notes to the financial statements

1 to 48

### In terms of our report attached

For **Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration Number : 101720W/W100355

### Vijay Napawaliya

Partner

Membership No. 109859

### For and on behalf of the Board of Directors of

**DEN NETWORKS LIMITED**

### Sameer Manchanda

Chairman and Managing Director

DIN: 00015459

### Ajaya Chand

Director

DIN: 02334456

### S.N. Sharma

Chief Executive Officer

### Jatin Mahajan

Company Secretary

M.No: F6887

### Satyendra Jindal

Chief Financial Officer

Place : New Delhi

Date : 16<sup>th</sup> April , 2019

Place : New Delhi

Date : 16<sup>th</sup> April , 2019

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

(Rs. in million)

Particulars	Note No.	Year ended 31.03.2019	Year ended 31.03.2018
<b>1. Income</b>			
(a) Revenue from operations	21	10,093.41	10,644.47
(b) Other income	22	546.17	365.64
<b>2. Total income</b>		<b>10,639.58</b>	<b>11,010.11</b>
<b>3. Expenses</b>			
(a) Cost of traded items		78.59	113.90
(b) Content cost		5,462.21	5,183.87
(c) Placement fees		1,497.51	1,647.23
(d) Employee benefits expense	23	609.05	670.90
(e) Finance costs	24	556.49	596.01
(f) Depreciation and amortisation expense		1,452.68	1,442.17
(g) Other expenses	25	1,666.85	1,655.00
<b>4. Total expenses</b>		<b>11,323.38</b>	<b>11,309.08</b>
<b>5. Loss before exceptional items and tax expense (2-4)</b>		(683.80)	(298.97)
<b>6. Exceptional items</b>	26	1,507.00	158.90
<b>7. Loss before tax (5-6)</b>		<b>(2,190.80)</b>	<b>(457.87)</b>
<b>8. Tax expense</b>			
(a) Current tax	27(A)(a)	-	20.14
(b) Deferred tax	27(A)(b)	-	(168.22)
<b>9. Total tax expense</b>		-	<b>(148.08)</b>
<b>10. Loss after tax (7-9)</b>		<b>(2,190.80)</b>	<b>(309.79)</b>
<b>11. Other comprehensive income</b>			
(A) Items that will not be reclassified to profit or loss:			
(i) Items that will not be reclassified to profit and loss	31	9.15	4.66
(ii) Income tax effect on above	27(A)(b)	-	(1.60)
<b>12. Total other comprehensive income</b>		<b>9.15</b>	<b>3.06</b>
<b>13. Total comprehensive income/(loss) for the year (10+12)</b>		<b>(2,181.65)</b>	<b>(306.73)</b>
<b>14. Earnings per equity share (EPS)</b>			
(Face value of Rs. 10 per share)			
Basic (in Rs.)	32	(9.19)	(1.59)
Diluted (in Rs.)		(9.19)	(1.59)
See accompanying notes to the financial statements	1 to 48		

### In terms of our report attached

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

**Vijay Napawaliya**  
Partner  
Membership No. 109859

Place : New Delhi  
Date : 16<sup>th</sup> April , 2019

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

**Sameer Manchanda**  
Chairman and Managing Director  
DIN: 00015459

**Jatin Mahajan**  
Company Secretary  
M.No: F6887

Place : New Delhi  
Date : 16<sup>th</sup> April , 2019

**Ajaya Chand**  
Director  
DIN: 02334456

**Satyendra Jindal**  
Chief Financial Officer

**S.N. Sharma**  
Chief Executive Officer



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

(Rs. in million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
<b>A. Cash flow from operating activities</b>		
Profit / (Loss) after tax	(2,190.80)	(309.79)
Adjustments for :		
Income tax expense recognised in profit or loss	-	(148.08)
Depreciation and amortisation expense	1,452.68	1,442.17
Finance costs	556.49	596.01
Share-based payments to employees	4.45	61.23
Net (gain)/loss on foreign currency transactions and translation	10.98	(17.22)
Allowance on trade receivables and advances	146.37	80.35
Exceptional item	1,507.00	140.08
(Profit)/ Loss on disposal of property, plant and equipment	1.79	(16.72)
Interest income earned on financial assets and income tax refund	(204.68)	(217.32)
Net gain on sale of current investments /Net gain on investments designated at FVTPL	(265.48)	(27.06)
Loss on sale of non-current investments	-	18.82
Profit on disposal of non-current investments	-	(6.40)
Dividend income from current and non-current investments	(76.01)	(48.89)
Liabilities/ excess provisions written back (net)	(226.78)	(230.33)
<b>Operating profit before working capital changes</b>	<b>716.01</b>	<b>1,316.85</b>
Changes in working capital:		
Adjustments for (increase)/ decrease in operating assets:		
Trade receivables	(537.42)	(710.58)
Other current assets	(17.42)	96.44
Other non-current assets	(195.99)	(5.86)
Other current financial assets	(221.47)	(181.32)
Loans	13.48	-
Other non-current financial assets	125.00	(126.93)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	269.81	879.26
Other financial liabilities - current	536.48	(0.21)
Other financial liabilities - non-current	(5.23)	0.24
Other non-financial liabilities - current	42.02	(97.86)
Other non-financial liabilities - non-current	(623.76)	(266.44)
Provisions - current	(31.14)	0.31
Provisions - non-current	31.23	4.62
Cash generated from/ (used in) operations	101.59	908.52
Net income tax refunds/(paid)	(180.23)	331.85
<b>Net cash flow from/ (used in) operating activities</b>	<b>(78.64)</b>	<b>1,240.51</b>
<b>B. Cash flow from/ (used in) investing activities</b>		
Capital expenditure on property, plant and equipment including capital advances	(581.51)	(1,036.94)
Proceeds from sale of property, plant and equipment	72.55	240.52
Bank balances not considered as Cash and cash equivalents		
- Placed	207.61	708.02
Current investments not considered as Cash and cash equivalents:		
- Purchased	(41,427.90)	(950.00)
- Proceeds from sale	21,513.38	714.01
Purchase/acquisition of non-current investments:		
- Subsidiaries	(31.71)	(26.30)
- Associates	-	-
Proceeds from disposal of non-current investments		
- Subsidiaries	-	0.83
- Associates	-	6.40
Dividend on		



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

(Rs. in million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
- Non-current investments	63.86	48.89
Loan		
- Given		(407.63)
- Realised	(8.50)	15.00
Advance given for investments	(13.21)	(107.86)
Interest received	236.64	215.47
<b>Net cash used in investing activities</b>	<b>(B)</b>	<b>(579.60)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares	20,450.00	17.50
Share issue expenses	(39.95)	-
Borrowings- non current		
- Proceeds	2,012.50	3,568.61
- Repayments	(2,115.65)	(164.50)
Borrowings- current net	(398.49)	(3,018.47)
Finance costs	(548.33)	(609.17)
<b>Net cash from / (used) in financing activities</b>	<b>(C)</b>	<b>(206.02)</b>
Net (decrease)/increase in cash and cash equivalents	<b>(A+B+C)</b>	454.89
Cash and cash equivalents as at the beginning of the year	898.44	443.55
<b>Cash and cash equivalents as at the end of the year (See note 11)*</b>	<b>211.09</b>	<b>898.44</b>
* Comprises:		
a. Cash on hand	10.68	38.17
b. Cheques on hand	27.53	95.57
c. Balance with scheduled banks		
i. in current accounts	172.88	729.16
ii. in deposit accounts		
-original maturity of 3 months or less	-	35.54
	<b>211.09</b>	<b>898.44</b>
See accompanying notes to the Financial Statements	1 to 48	

### In terms of our report attached

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

**Vijay Napawaliya**  
Partner  
Membership No. 109859

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

**Sameer Manchanda**  
Chairman and Managing Director  
DIN: 00015459

**Ajaya Chand**  
Director  
DIN: 02334456

**S.N. Sharma**  
Chief Executive Officer

**Jatin Mahajan**  
Company Secretary  
M.No: F6887

**Satyendra Jindal**  
Chief Financial Officer

Place : New Delhi  
Date : 16<sup>th</sup> April , 2019

Place : New Delhi  
Date : 16<sup>th</sup> April , 2019



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### a. Equity share capital

(Rs. in million)

Particulars	Amount
<b>Balance at 1<sup>st</sup> April 2017</b>	<b>1,935.68</b>
Changes in equity share capital during the year	
Issue of equity shares	17.50
<b>Balance at 31<sup>st</sup> March, 2018</b>	<b>1,953.18</b>
Changes in equity share capital during the year	
Issue of equity shares (See note 37)	2,814.48
<b>Balance at 31<sup>st</sup> March, 2019</b>	<b>4,767.66</b>

### b. Other equity

(Rs. in million)

Particulars	Reserves and Surplus				Total
	Securities premium	General reserve	Equity-settled employee benefits reserve	Retained earnings	
<b>Balance at 1<sup>st</sup> April, 2017</b>	<b>16,376.90</b>	<b>202.86</b>	<b>168.24</b>	<b>(10,353.79)</b>	<b>6,394.21</b>
Loss for the year	-	-	-	(309.79)	(309.79)
Other comprehensive income for the year (net of income tax)	-	-	-	3.06	3.06
Premium on shares issued during the year	139.34	-	(139.34)	-	-
Share-based payments to employees (See note 23)	-	-	61.23	-	61.23
<b>Balance at 31<sup>st</sup> March, 2018</b>	<b>16,516.24</b>	<b>202.86</b>	<b>90.13</b>	<b>(10,660.52)</b>	<b>6,148.71</b>
Loss for the year	-	-	-	(2,190.80)	(2,190.80)
Premium on shares issued during the year (See note 37)	17,635.52	-	-	-	17,635.52
Share issue expenses	(39.95)	-	-	-	(39.95)
Other Comprehensive income for the year	-	-	-	9.15	9.15
ESOP compensation expense (See note 23)	-	-	4.45	-	4.45
ESOP on expired options transfer with in equity	-	-	(83.39)	83.39	-
<b>Balance at 31<sup>st</sup> March, 2019</b>	<b>34,111.81</b>	<b>202.86</b>	<b>11.19</b>	<b>(12,758.78)</b>	<b>21,567.08</b>

See accompanying notes to the financial statements

1 to 48

#### In terms of our report attached

For **Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration Number : 101720W/W100355

#### Vijay Napawaliya

Partner

Membership No. 109859

#### For and on behalf of the Board of Directors of

**DEN NETWORKS LIMITED**

#### Sameer Manchanda

Chairman and Managing Director

DIN: 00015459

#### Ajaya Chand

Director

DIN: 02334456

#### S.N. Sharma

Chief Executive Officer

#### Jatin Mahajan

Company Secretary

M.No: F6887

#### Satyendra Jindal

Chief Financial Officer

Place : New Delhi

Date : 16<sup>th</sup> April, 2019

Place : New Delhi

Date : 16<sup>th</sup> April, 2019

## NOTES TO THE FINANCIAL STATEMENTS

### DEN NETWORKS LIMITED

#### NOTES TO THE FINANCIAL STATEMENTS

##### 1. Corporate information

DEN NETWORKS LIMITED (hereinafter referred to as 'the Company' or 'DEN') was incorporated in India on 10<sup>th</sup> July, 2007 and is primarily engaged in distribution of television channels through digital cable distribution network. The Company is having its registered office at 236, Okhla Industrial Area, Phase III, New Delhi - 110020.

The Company changed its status from a Private Limited Company to a Public Limited Company on 15<sup>th</sup> April, 2008 thereby changing its name to DEN Digital Entertainment Networks Limited. Subsequently, the Company changed its name to DEN Networks Limited on 27<sup>th</sup> June, 2008. 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 Ind AS 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 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 Inventories or value in

use in Ind AS 36 Impairment of Assets.

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

- 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 cenvat credit less/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.

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

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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	6 years
d.	Office and other equipment	3 years
e.	Furniture and fixtures	3 to 10 years
f.	Vehicles	6 years
g.	Leasehold improvements	Lower of the useful life and the remaining period of the lease.

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

### Transition to Ind AS

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

### **2.05 Intangible assets**

#### Intangible assets acquired separately

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

Distribution network rights 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, 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 Group had elected to continue with the carrying value of all of its intangible assets recognised as of 1<sup>st</sup> April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### **2.06 Impairment of tangible and intangible assets**

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

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

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

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

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed

## NOTES TO THE FINANCIAL STATEMENTS

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.

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.

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. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 34.

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.

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 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



## NOTES TO THE FINANCIAL STATEMENTS

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.

### 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 joint ventures and associates

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. 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 joint ventures and associates are carried at cost less impairment. The cost comprises price paid to acquire the investment and directly attributable cost.

### Transition to Ind AS

The Group had elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1<sup>st</sup> 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 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" line item.

### Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive

## NOTES TO THE FINANCIAL STATEMENTS

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.

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. The Company has not designated any debt instrument as at FVTPL.

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' line item. 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 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



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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.

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

#### Financial liabilities

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

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

#### a) Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company

manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument.

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

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

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

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

#### b) Financial liabilities subsequently measured at amortised cost

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



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

c) Foreign exchange gains and losses

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

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

d) Derecognition of financial liabilities

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

### 2.13 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 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:

## NOTES TO THE FINANCIAL STATEMENTS

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

### 2.14 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 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

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### The Company as lessor :

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

#### The Company as lessee :

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the financial statements as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company general policy on borrowing costs.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### 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.

### 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

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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, and 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, 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.

#### 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 recognised in accordance with Ind AS 115 Revenue.

### 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

#### **Critical accounting judgements**

The following are the critical judgements, apart from those involving estimations that the directors have made in the process of applying the Company's accounting policies



## NOTES TO THE FINANCIAL STATEMENTS

and that have the most significant effect on the amounts recognised in the financial statements.

### Contingent liabilities

Assessment of whether outflow embodying economic benefits is probable, possible or remote.

### 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.

### Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### Useful lives of property, plant and equipment

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. There is no such change in the useful life of the assets.

### 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.

### Defined benefit obligations

Key assumptions related to life expectancies, salary increases and withdrawal rates

### Revenue recognition

See note 2.07

### Impairment testing of investments

Key assumptions related to weighted average cost of capital (WACC) and long-term growth rates.

## 2.23 Operating Cycle

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

## 2.24 Recent accounting pronouncements

On 30<sup>th</sup> March, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 - "Leases" and certain amendment to existing Ind AS. These amendments shall be applicable to the

Company from 1<sup>st</sup> April, 2019.

Issue of Ind AS 116 - "Leases"

Ind AS 116 will supersede the current standard on leases i.e. Ind AS 17- Leases. As per Ind AS 116, the lessor will have to bring to books all the non-cancellable portion of leasing arrangement.

### **Amendment to Existing Standard**

The MCA has also carried out amendments of the following accounting standards

- i. Ind AS 101- First time adoption of Indian Accounting Standards
- ii. Ind AS 103 – Business Combinations
- iii. Ind AS 109 - Financial Instruments
- iv. Ind AS 111 – Joint Arrangements
- v. Ind AS 12 – Income Taxes
- vi. Ind AS 19 – Employee Benefits
- vii. Ind AS 23 – Borrowing Costs
- viii. Ind AS 28 - Investment in Associates and Joint Ventures

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

## NOTES TO THE FINANCIAL STATEMENTS

### 3A. Property, plant and equipment

(Rs. in million)

	Leasehold improvements	Plant and equipment				Furniture and fixtures	Vehicles	Total
		Headend and distribution equipment	Set top boxes	Computers	Office and other equipment			
<b>Balance at 1<sup>st</sup> April, 2017</b>	<b>11.85</b>	<b>1,295.10</b>	<b>8,944.37</b>	<b>26.28</b>	<b>59.82</b>	<b>3.03</b>	<b>26.06</b>	<b>10366.51</b>
Additions	4.38	92.73	752.81	3.66	5.05	0.42	-	859.05
Deductions	(1.07)	(42.85)	(146.16)	(0.28)	(1.44)	(0.03)	(6.48)	(198.31)
<b>Balance at 31<sup>st</sup> March, 2018</b>	<b>15.16</b>	<b>1344.98</b>	<b>9551.01</b>	<b>29.66</b>	<b>63.43</b>	<b>3.42</b>	<b>19.58</b>	<b>11027.25</b>
Additions	9.17	170.70	324.53	11.76	15.56	2.72	-	534.43
Deductions	-	(4.62)	(94.36)	(0.04)	(0.42)	(0.01)	-	(99.45)
<b>Balance at 31<sup>st</sup> March, 2019</b>	<b>24.33</b>	<b>1,511.06</b>	<b>9,781.19</b>	<b>41.38</b>	<b>78.57</b>	<b>6.12</b>	<b>19.58</b>	<b>11,462.24</b>
<b>Depreciation</b>								
<b>Balance at 1<sup>st</sup> April, 2017</b>	<b>8.77</b>	<b>323.57</b>	<b>2,707.23</b>	<b>16.09</b>	<b>23.24</b>	<b>0.96</b>	<b>11.58</b>	<b>3,091.44</b>
Depreciation expenses	2.56	178.61	1,211.55	5.39	9.74	0.56	4.30	1,412.71
Deductions	(1.07)	(33.70)	(143.10)	(0.28)	(1.11)	(0.03)	(4.12)	(183.41)
<b>Balance at 31<sup>st</sup> March, 2018</b>	<b>10.26</b>	<b>468.48</b>	<b>3,775.68</b>	<b>21.20</b>	<b>31.87</b>	<b>1.49</b>	<b>11.76</b>	<b>4320.74</b>
Depreciation expenses	3.55	163.28	1,236.21	4.90	11.02	0.70	3.07	1,422.73
Impairment (See note 26)	-	10.49	606.26	-	-	-	-	616.74
Deductions	-	(2.19)	(24.45)	(0.04)	(0.28)	(0.01)	-	(26.96)
<b>Balance at 31<sup>st</sup> March, 2019</b>	<b>13.81</b>	<b>640.06</b>	<b>5,593.70</b>	<b>26.06</b>	<b>42.60</b>	<b>2.18</b>	<b>14.83</b>	<b>6,333.24</b>
<b>Net Carrying amount</b>								
<b>Balance at 31<sup>st</sup> March, 2018</b>	<b>4.90</b>	<b>876.50</b>	<b>5,775.34</b>	<b>8.46</b>	<b>31.56</b>	<b>1.93</b>	<b>7.82</b>	<b>6,706.51</b>
<b>Balance at 31<sup>st</sup> March, 2019</b>	<b>10.52</b>	<b>871.00</b>	<b>4,187.50</b>	<b>15.32</b>	<b>35.96</b>	<b>3.94</b>	<b>4.75</b>	<b>5,129.14</b>

Note:

Property, plant and equipment with a carrying amount of Rs. 5,129.14 million (as at 31<sup>st</sup> March, 2018: Rs. 6,706.51 million) has been hypothecated to secure credit facilities from banks. (see note 15, note 16 and note 19). The Company is not permitted to hypothecate these assets as security for other borrowings or to sell them to another entity.

### 3B. Intangible assets

(Rs. in million)

Particulars	Distribution and network rights	Software	Non compete fees	Total
<b>Balance at 1<sup>st</sup> April, 2017</b>	<b>79.77</b>	<b>55.27</b>	<b>0.50</b>	<b>135.54</b>
Additions	12.96	15.58	-	28.54
Deductions	-	-	-	-
<b>Balance at 31<sup>st</sup> March, 2018</b>	<b>92.73</b>	<b>70.85</b>	<b>0.50</b>	<b>164.09</b>
Additions	-	2.09	3.50	5.59
Deductions	-	-	-	-
<b>Balance at 31<sup>st</sup> March, 2019</b>	<b>92.73</b>	<b>72.94</b>	<b>4.00</b>	<b>169.68</b>
<b>Depreciation</b>				
<b>Balance at 1<sup>st</sup> April, 2017</b>	<b>41.11</b>	<b>18.41</b>	<b>0.20</b>	<b>59.72</b>
Amortisation expense	15.01	14.35	0.10	29.46
Deductions	-	-	-	-
<b>Balance at 31<sup>st</sup> March, 2018</b>	<b>56.12</b>	<b>32.76</b>	<b>0.30</b>	<b>89.18</b>
Amortisation expense	15.60	13.87	0.48	29.95
Deductions	-	-	-	-
<b>Balance at 31<sup>st</sup> March, 2019</b>	<b>71.72</b>	<b>46.63</b>	<b>0.78</b>	<b>119.13</b>
<b>Net Block</b>				
<b>Balance at 31<sup>st</sup> March, 2018</b>	<b>36.61</b>	<b>38.10</b>	<b>0.20</b>	<b>74.90</b>
<b>Balance at 31<sup>st</sup> March, 2019</b>	<b>21.01</b>	<b>26.32</b>	<b>3.22</b>	<b>50.55</b>

Note: Intangible assets with a carrying amount of Rs. 26.32 million (as at 31<sup>st</sup> March, 2018: Rs. 38.10 million) has been hypothecated to secure credit facilities from banks (see note 15, note 16 and note 19). The Company is not permitted to hypothecate these assets as security for other borrowings or to sell them to another entity.



## NOTES TO THE FINANCIAL STATEMENTS

### 4. Investments (See note below)

Particulars		in number	As at 31.03.2019 (Rs. in million)	in number	As at 31.03.2018 (Rs. in million)
<b>A. i. Unquoted investments in equity shares (all fully paid) of subsidiaries - at cost</b>					
1	Den Futuristic Cable Networks Private Limited, (face value of Rs 10 per share)	1,161,028	644.38	1,161,028	644.38
2	Mahavir Den Entertainment Private Limited, (face value of Rs 10 per share)	109,236	17.11	109,236	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	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	Den Krishna Cable TV Network Private Limited, (face value of Rs 10 per share)	70,935	79.95	70,935	79.95
7	Shree Sidhivinayak Cable Network Private Limited, (face value of Rs 10 per share)	25,500	25.77	25,500	25.77
8	Den Pawan Cable Network Private Limited, (face value of Rs 10 per share)	43,053	61.16	43,053	61.16
9	Mahadev Den Cable Network Private Limited, (face value of Rs 10 per share)	45,900	28.03	45,900	28.03
10	Den Mod Max Cable Network Private Limited, (face value of Rs 10 per share)	26,300	12.27	26,300	12.27
11	DEN BCN Suncity Network Private Limited, (face value of Rs 10 per share)	27,380	10.02	27,380	10.02
12	Den Crystal Vision Network Private Limited, (face value of Rs 10 per share)	29,150	8.18	29,150	8.18
13	Den Patel Entertainment Network Private Limited, (face value of Rs 10 per share)	45,900	14.55	45,900	14.55
14	Den Kashi Cable Network Private Limited, (face value of Rs 10 per share)	25,501	5.01	25,501	5.01
15	Den Harsh Mann Cable Network Private Limited, (face value of Rs 10 per share)	27,565	3.32	27,565	3.32
16	Den Mahendra Satellite Private Limited, (face value of Rs 10 per share)	33,300	3.01	33,300	3.01
17	Den Prince Network Private Limited, (face value of Rs 10 per share)	27,384	3.00	27,384	3.00
18	Den Varun Cable Network Private Limited, (face value of Rs 10 per share)	65,416	4.32	65,416	4.32
19	Den Pradeep Cable Network Private Limited, (face value of Rs 10 per share)	131,160	3.42	131,160	3.42
20	Den Ashu Cable Private Limited, (face value of Rs 10 per share)	44,702	15.96	44,702	15.96
21	Den Bindra Network Private Limited, (face value of Rs 10 per share)	26,841	5.11	26,841	5.11
22	Den Classic Cable TV Services Private Limited, (face value of Rs 10 per share)	29,685	2.65	29,685	2.65

## NOTES TO THE FINANCIAL STATEMENTS

Particulars		in number	As at 31.03.2019 (Rs. in million)	in number	As at 31.03.2018 (Rs. in million)
23	DEN Digital Cable Network Private Limited, (face value of Rs 10 per share)	52,345	178.84	52,345	178.84
24	Den Enjoy Cable Networks Private Limited, (face value of Rs 10 per share)	889,950	89.99	889,950	89.99
25	Den F K Cable TV Network Private Limited, (face value of Rs 10 per share)	58,148	39.27	58,148	39.27
26	Den Jai Ambey Vision Cable Private Limited, (face value of Rs 10 per share)	25,624	2.10	25,624	2.10
27	Den Maa Sharda Vision Cable Networks Private Limited, (face value of Rs 10 per share)	38,678	7.25	38,678	7.25
28	Den MCN Cable Network Private Limited, (face value of Rs 10 per share)	56,059	33.97	56,059	33.97
29	Den Radiant Satellite Cable Network Private Limited, (face value of Rs 10 per share)	35,140	1.95	35,140	1.95
30	Den Satellite Cable TV Network Private Limited, (face value of Rs 10 per share)	31,265	5.33	31,265	5.33
31	DEN Supreme Satellite Vision Private Limited, (face value of Rs 10 per share)	30,452	25.56	30,452	25.56
32	Drashti Cable Network Private Limited, (face value of Rs 10 per share)	27,325	23.00	27,325	23.00
33	DEN Fateh Marketing Private Limited, (face value of Rs 10 per share)	25,500	10.23	25,500	10.23
34	DEN Nashik City Cable Network Private Limited, (face value of Rs 10 per share)	25,500	73.59	25,500	73.59
35	Radiant Satellite (India) Private Limited, (face value of Rs 10 per share)	76,500	46.01	76,500	46.01
36	Den Aman Entertainment Private Limited, (face value of Rs 10 per share)	30,529	4.12	30,529	4.12
37	Den Budaun Cable Network Private Limited, (face value of Rs 10 per share)	37,113	2.00	37,113	2.00
38	Den Malayalam Telenet Private Limited, (face value of Rs 10 per share)	608,265	55.34	608,265	55.34
39	Den Elgee Cable Vision Private Limited, (face value of Rs 10 per share)	57,252	6.38	57,252	6.38
40	Den Rajkot City Communication Private Limited, (face value of Rs 10 per share) (formerly known as Rajkot City Communication Private Limited)	5,764	100.93	5,764	100.93
41	Den MALABAR CABLE VISION PRIVATE LIMITED, (face value of Rs 10 per share)	30,633	26.89	30,633	26.89
42	Fortune (Baroda) Network Private Limited, (face value of Rs 10 per share)	51,000	36.46	51,000	36.46
43	Galaxy Den Media & Entertainment Private Limited, (face value of Rs 10 per share)	25,500	43.35	25,500	43.35
44	Bali Den Cable Network Private Limited, (face value of Rs 10 per share)	27,300	50.65	27,300	50.65
45	Den Citi Channel Private Limited, (face value of Rs 10 per share)	32,941	17.13	32,941	17.13
46	Fab Den Network Private Limited, (face value of Rs 10 per share)	108,927	49.42	108,927	49.42



## NOTES TO THE FINANCIAL STATEMENTS

Particulars		in number	As at 31.03.2019 (Rs. in million)	in number	As at 31.03.2018 (Rs. in million)
47	Cab-i-Net Communications Private Limited, (face value of Rs 10 per share)	102,039	30.04	102,039	30.04
48	Shri Ram DEN Network Private Limited, (face value of Rs 10 per share)	-	-	45,900	31.20
49	United Cable Network (Digital) Private Limited, (face value of Rs 10 per share)	25,500	4.60	25,500	4.60
50	Amogh Broad Band Services Private Limited, (face value of Rs 10 per share)	5,000	0.05	5,000	0.05
51	Den Sariga Communication Private Limited, (face value of Rs 10 per share)	48,939	9.77	48,939	9.77
52	Den Sahyog Cable Network Private Limited, (face value of Rs 10 per share)	25,500	1.58	25,500	1.58
53	Den A.F. Communication Private Limited, (face value of Rs 10 per share)	48,931	0.49	48,931	0.49
54	Den Kattakada Telecasting and Cable Services Private Limited, (face value of Rs 10 per share)	50,775	16.41	50,775	16.41
55	Big Den Entertainment Private Limited, (face value of Rs 10 per share)	30,620	12.22	30,620	12.22
56	Sree Gokulam Starnet Communication Private Limited, (face value of Rs 10 per share)	5,100	11.53	5,100	11.53
57	Ambika Den Cable Network Private Limited, (face value of Rs 10 per share)	32,786	1.84	32,786	1.84
58	Den Steel City Cable Network Private Limited, (face value of Rs 10 per share)	30,682	8.62	30,682	8.62
59	Sanmati Den Cable TV Network Private Limited, (face value of Rs 10 per share)	28,172	9.02	28,172	9.02
60	Multi Channel Cable Network Private Limited, (face value of Rs 10 per share)	28,334	9.73	28,334	9.73
61	Victor Cable TV Network Private Limited, (face value of Rs 10 per share)	301,000	5.92	301,000	5.92
62	Gemini Cable Network Private Limited, (face value of Rs 10 per share)	51,000	5.87	51,000	5.87
63	Antique Communications Private Limited, (face value of Rs 10 per share)	29,147	1.79	29,147	1.79
64	Sanmati Entertainment Private Limited, (face value of Rs 10 per share)	30,721	3.01	30,721	3.01
65	VM Magic Entertainment Private Limited, (face value of Rs 10 per share)	25,500	12.53	25,500	12.53
66	Crystal Vision Media Private Limited, (face value of Rs 10 per share)	25,500	149.08	25,500	149.08
67	Multi Star Cable Network Private Limited, (face value of Rs 10 per share)	34,170	1.02	34,170	1.02
68	Disk Cable Network Private Limited, (face value of Rs 10 per share)	84,551	4.26	84,551	4.26
69	Silverline Television Network Private Limited, (face value of Rs 10 per share)	38,250	15.32	38,250	15.32
70	Eminent Cable Network Private Limited, (face value of Rs 10 per share)	61,860	36.66	55,348	25.46



## NOTES TO THE FINANCIAL STATEMENTS

Particulars		in number	As at 31.03.2019 (Rs. in million)	in number	As at 31.03.2018 (Rs. in million)
71	Ekta Entertainment Network Private Limited, (face value of Rs 10 per share)	60,984	10.44	60,984	10.44
72	Devine Cable Network Private Limited, (face value of Rs 10 per share)	27,190	1.17	27,190	1.17
73	Nectar Entertainment Private Limited, (face value of Rs 10 per share)	30,312	1.35	30,312	1.35
74	Trident Entertainment Private Limited, (face value of Rs 10 per share)	25,500	2.52	25,500	2.52
75	Adhunik Cable Network Private Limited, (face value of Rs 10 per share)	25,500	1.58	25,500	1.58
76	Glimpse Communications Private Limited, (face value of Rs 10 per share)	5,100	3.34	5,100	3.34
77	Indradhanush Cable Network Private Limited, (face value of Rs 10 per share)	25,500	4.27	25,500	4.27
78	Blossom Entertainment Private Limited, (face value of Rs 10 per share)	25,500	1.55	25,500	1.55
79	Multitrack Cable Network Private Limited, (face value of Rs 10 per share)	14,256	9.88	14,256	9.88
80	Rose Entertainment Private Limited, (face value of Rs 10 per share)	395,250	15.15	395,250	15.15
81	Libra Cable Networks Private Limited, (face value of Rs 10 per share)	149,775	25.11	149,775	25.11
82	Pee Cee Cable Network Private Limited, (face value of Rs 10 per share)	-	-	11,859	1.19
83	Den Discovery Digital Cable Network Private Limited, (face value of Rs 10 per share)	18,687	7.70	18,687	7.70
84	Mansion Cable Network Private Limited, (face value of Rs 10 per share)	3,395,558	303.51	3,395,558	303.51
85	Jhankar Cable Network Private Limited, (face value of Rs 10 per share)	127,500	4.01	127,500	4.01
86	Den Premium Multilink Cable Network Private Limited, (face value of Rs 10 per share)	5,100	0.05	5,100	0.05
87	Augment Cable Network Private Limited, (face value of Rs 10 per share)	51,000	3.01	51,000	3.01
88	Desire Cable Network Private Limited, (face value of Rs 10 per share)	72,675	7.52	72,675	7.52
89	Marble Cable Network Private Limited, (face value of Rs 10 per share)	98,410	3.51	98,410	3.51
90	Den Broadband Private Limited [formerly known as DEN Skynet Network Pvt.Ltd., (face value of Rs 10 per share)]	5,371,555	1,716.86	4,734,485	1,477.96
91	VBS Digital Distributor Network pvt ltd. (face value of Rs 10 per share)	50,448	26.38	50,448	26.38
<b>Total aggregate unquoted investments in subsidiaries</b>			<b>4,752.59</b>		<b>4,534.87</b>
Less : Aggregate amount of impairment in the value of investments in subsidiaries			143.34		175.72
<b>Total investments carrying value in subsidiaries</b>			<b>4,609.25</b>		<b>4,359.15</b>



## NOTES TO THE FINANCIAL STATEMENTS

Particulars		in number	As at 31.03.2019 (Rs. in million)	in number	As at 31.03.2018 (Rs. in million)
<b>ii.</b>	<b>Unquoted investments in preference shares (all fully paid)</b>				
	<b>Instruments at Amortised cost</b>				
1	Den Kashi Cable Network Private Limited (Face value of Rs. 10 each, 3% non cumulative redeemable shares)	750,000	31.60	750,000	31.68
2	Den Citi Channel Private Limited (Face value of Rs. 10 each, 13.5% non cumulative redeemable shares)	707,500	4.41	707,500	7.08
3	Gemini Cable Network Private Limited (Face value of Rs. 10 each, 13.5% non cumulative redeemable shares)	3,500,000	25.52	5,400,000	37.52
4	Meerut Cable Network Private Limited (Face value of Rs. 10 each, 13.5% non cumulative redeemable shares)	-	-	2,250,000	17.56
5	Mahavir Den Entertainment Private Limited (Face value of Rs. 10 each 5% non cumulative redeemable shares)	300,000	2.57	300,000	2.27
6	Amogh Broad Band Services Private Limited (Face value of Rs. 10 each, 7.5% non cumulative redeemable shares)	-	-	8,405,000	74.07
7	Srishti Den Networks Private Limited (Face value of Rs. 10 each, 5% non cumulative redeemable shares)	3,482,928	42.98	3,482,928	38.13
8	Den Ashu Cable Private Limited (Face value of Rs. 10 each, 5% non cumulative redeemable shares)	741,291	11.43	741,291	10.14
9	Ekta Entertainment Network Private Limited (Face value of Rs. 10 each, 5% non cumulative redeemable shares)	722,564	8.94	722,564	7.93
10	Fab Den Network Private Limited (Face value of Rs. 10 each, 5% non cumulative redeemable shares)	229,962	2.84	229,962	2.52
			<b>130.29</b>		<b>228.90</b>
<b>iii.</b>	<b>Deemed equity</b>				
	<b>Instruments at Amortised cost</b>				
1	Den Kashi Cable Network Private Limited (Face value of Rs. 10 each, 3% non cumulative redeemable shares)		21.92		15.72
2	Den Citi Channel Private Limited (Face value of Rs. 10 each, 13.5% non cumulative redeemable shares)		7.15		2.10
3	Gemini Cable Network Private Limited (Face value of Rs. 10 each, 13.5% non cumulative redeemable shares)		27.94		28.37
4	Meerut Cable Network Private Limited (Face value of Rs. 10 each, 13.5% non cumulative redeemable shares)		13.85		11.30
5	Mahavir Den Entertainment Private Limited (Face value of Rs. 10 each 5% non cumulative redeemable shares)		1.40		1.40
6	Amogh Broad Band Services Private Limited (Face value of Rs. 10 each, 7.5% non cumulative redeemable shares)		-		33.12
7	Mansion Cable Network Private Limited (Face value of Rs. 10 each, 10% non cumulative redeemable shares)		11.15		18.35
8	Srishti Den Networks Private Limited (Formerly known as Platinum Cable TV Network Private Limited) (Face value of Rs. 10 each, 5% non cumulative redeemable shares)		39.65		39.66
9	Den Ashu Cable Private Limited (Face value of Rs. 10 each, 5% non cumulative redeemable shares)		10.55		10.55
10	Ekta Entertainment Network Private Limited (Face value of Rs. 10 each, 5% non cumulative redeemable shares)		8.21		6.81
11	Fab Den Network Private Limited (Face value of Rs. 10 each, 5% non cumulative redeemable shares)		2.60		2.62

## NOTES TO THE FINANCIAL STATEMENTS

Particulars	in number	As at 31.03.2019 (Rs. in million)	in number	As at 31.03.2018 (Rs. in million)
		144.41		170.00
<b>Total aggregate unquoted investments (A)</b>		<b>4,883.95</b>		<b>4,758.05</b>
		4,883.95		4,758.05
<b>Aggregate carrying value of unquoted investments</b>		4,883.95		4,758.05
<b>Aggregate amount of impairment in value of investments</b>		143.34		175.72

### Notes :

- Of the above, 11,029,865 (31<sup>st</sup> March, 2018 2,644,091) equity shares having carrying and investment value of Rs. 3,558.59 million (31<sup>st</sup> March, 2018 Rs. 883.92 million) investments in subsidiaries are pledged with the banks against loans taken by the Company. (see note 15)
- Of the above Nil (31<sup>st</sup> March ,2018 3,982,440) equity shares amounting to Rs. Nil (31<sup>st</sup> March, 2018 Rs. 1,310.62 million) of investments in subsidiaries are committed to be pledged with Banks against loans taken by the Company.

### B. Investments in associates - at cost

#### i. Unquoted investments in equity shares (all fully paid)

Particulars	in number	As at 31.03.2019 (Rs. in million)	in number	As at 31.03.2018 (Rs. in million)
1 DEN ADN Network Private Limited (face value of Rs 10 per share)	1,938,000	20.91	1,938,000	20.91
2 CCN DEN Network Private Limited (face value of Rs 10 per share)	2,040,000	20.40	2,040,000	20.40
3 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 (B)</b>		<b>502.89</b>		<b>502.89</b>
<b>Aggregate carrying value of unquoted investments</b>		502.89		502.89
<b>Grand Total (A + B)</b>		<b>5,386.84</b>		<b>5,260.94</b>

## 5. Loans

(Rs. in million)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Non-current</b>		
(i) Security deposits	28.96	26.60
<b>Total</b>	<b>28.96</b>	<b>26.60</b>
<b>Current</b>		
(i) Loans to related parties - Unsecured, considered good (See note 33)	233.60	396.68
Loans Receivables which have significant increase in Credit Risk	-	-
Loans Receivables - credit impaired	-	-
	233.60	396.68
(ii) Security deposits	26.01	39.34
Less: Impairment allowance for security deposits	(3.42)	-
<b>Total</b>	<b>256.19</b>	<b>436.02</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 6. Other financial assets

(Rs. in million)

Particulars		As at 31.03.2019	As at 31.03.2018
<b>Non-current</b>			
(i)	Deposits with banks with more than 12 months remaining maturity*	-	125.00
	<b>Total</b>	<b>-</b>	<b>125.00</b>
*Under lien as margin money with banks for term loans of <b>Rs. Nil</b> (31 <sup>st</sup> March, 2018 : Rs. 125.00 million)			
<b>Current</b>			
(i)	Advances recoverable		
	- from related parties (See note 33)	143.87	494.33
	- from others	-	11.15
(ii)	Unbilled revenue		
	- from related parties (See note 33)	202.41	-
	- from others	425.57	44.90
(iii)	Interest accrued but not due on fixed deposits	45.54	45.66
(iv)	Interest accrued and due		
	- from related parties (See note 33)	61.01	151.72
(v)	Receivable on sale of property, plant and equipment		
	- from related parties (See note 33)	60.88	62.87
(vi)	Dividend receivable (See note 33)	12.15	-
(vii)	Other advance*	128.08	114.87
	<b>Total</b>	<b>1,079.51</b>	<b>925.50</b>

\*Other advance includes advance for investment.

### 7. Non current tax assets (net)

(Rs. in million)

Particulars		As at 31.03.2019	As at 31.03.2018
(i)	Advance tax including TDS recoverable	965.42	757.91
	<b>Total</b>	<b>965.42</b>	<b>757.91</b>

### 8. Other assets

(Rs. in million)

Particulars		As at 31.03.2019	As at 31.03.2018
<b>Non-current</b>			
(i)	Prepaid expenses	10.28	19.72
(ii)	Deposits against cases with (See note 28)		
	- Sales tax authority	180.34	73.77
	- Entertainment tax authorities	213.23	114.36
	- Entry tax authority	12.65	12.65
	- Custom duty authority	103.87	103.88
		510.09	304.66
	Less: Impairment allowance	(10.00)	(10.00)
		500.09	294.66
(iii)	Capital advances	2.80	23.58
	<b>Total</b>	<b>513.17</b>	<b>337.96</b>

## NOTES TO THE FINANCIAL STATEMENTS

(Rs. in million)

Particulars		As at 31.03.2019	As at 31.03.2018
<b>Current</b>			
(i)	Prepaid expenses	20.30	37.92
(ii)	Balance with government authorities	107.27	100.46
(iii)	Others		
	- Supplier advances	48.93	54.32
	- Amount recoverable from DNL Employees Welfare Trust	0.36	0.36
	- Other advances*	1.25	1.21
		50.54	55.89
	Less: Impairment allowance for supplier advance	(33.18)	(5.87)
		17.36	50.02
	<b>Total</b>	<b>144.93</b>	<b>188.40</b>

\*Other advance includes imprest money to employee

### 9. Current Investments

Particulars		As at 31.03.2019		As at 31.03.2018	
		No. of Units	(Rs. in million)	No. of Units	(Rs. in million)
<b>Investments in Preference of share of subsidiaries</b>					
<b>Instruments at amortised Cost</b>					
1	Gemini Cable Network Private Limited (Face value of Rs. 10 each, 13.5% non cumulative redeemable shares)	1,900,000	16.92	-	-
2	Meerut Cable Network Private Limited (Face value of Rs. 10 each, 13.5% non cumulative redeemable shares)	2,250,000	20.44	-	-
			<b>37.36</b>		<b>-</b>
<b>Investments in mutual funds - Unquoted Carried at FVTPL</b>					
i.	IDFC cash fund growth - direct plan - growth	2,288,768	5,187.54	-	-
ii.	Kotak liquid - direct plan - growth	1,377,304	5,212.17	-	-
iii.	Aditya Birla sun life liquid fund -direct plan - growth	17,159,013	5,155.19	364,757	101.49
iv.	ICICI prudential liquid fund - direct plan - growth	18,649,179	5,154.94	-	-
v.	Reliance liquid fund - treasury plan - direct plan - growth	-	-	27,351	115.97
vi.	Dsp blackrock liquidity fund - direct plan - growth	-	-	41,014	101.47
vii.	kotak bond (short term)- growth option regular plan	-	-	73,953	210.91
			<b>20,709.84</b>		<b>529.84</b>
<b>Total aggregate unquoted investments</b>			<b>20,747.20</b>		<b>529.84</b>
<b>Aggregate carrying value of unquoted investments</b>			<b>20,747.20</b>		<b>529.84</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 10. Trade receivables

(Rs. in million)

Particulars	As at 31.03.2019	As at 31.03.2018
Trade Receivables considered good - Unsecured;	3,291.99	3,797.00
Trade Receivables which have significant increase in Credit Risk	1,702.71	1,175.22
Trade Receivables - credit impaired	443.12	271.76
	5,437.82	5,243.98
Less : Provision for doubtful/expected credit loss	(2,145.83)	(1,446.98)
	<b>3,291.99</b>	<b>3,797.00</b>

Notes:

- The average credit period on sales of services is 0-180 days. No interest is charged on any overdue trade receivables.
- 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	0.1%-18%
91 - 180 days	1%-50%
180 days and above	50%-100%

(Rs. in million)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Age of receivables</b>		
0 - 90 days	1,065.99	2,173.09
91 - 180 days	1,667.48	1,247.38
180 days and above	2,704.35	1,823.51
	<b>5,437.82</b>	<b>5,243.98</b>

- Movement in the Doubtful / Expected Credit loss Allowance

(Rs. in million)

Particulars	As at 31.03.2019	As at 31.03.2018
Balance as at the beginning of the year	(1,446.98)	(1,464.71)
Movement in expected credit loss allowance	(698.85)	17.73
<b>Balance as at the end of the year</b>	<b>(2,145.83)</b>	<b>(1,446.98)</b>

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

## NOTES TO THE FINANCIAL STATEMENTS

### 11. Cash and cash equivalents

(Rs. in million)

Particulars		As at 31.03.2019	As at 31.03.2018
A	Cash and cash equivalents		
	(i) Cash in hand	10.68	38.17
	(ii) Cheques on hand	27.53	95.57
	(iii) Balance with scheduled banks		
	- in current accounts	172.88	729.16
	- in deposit accounts		
	- original maturity of 3 months or less	-	35.54
	<b>Total</b>	<b>211.09</b>	<b>898.44</b>

### 12. Bank balances other than cash and cash equivalents

(Rs. in million)

Particulars		As at 31.03.2019	As at 31.03.2018
(i)	in deposit accounts		
	- original maturity more than 3 months	128.43	628.34
(ii)	in earmarked accounts		
	- Balances held as margin money or security against borrowings, guarantees and other commitments	1,293.52	1,001.22
	<b>Total</b>	<b>1,421.95</b>	<b>1,629.56</b>

### 13. Equity share capital

(Rs. in million)

Particulars		As at 31.03.2019	As at 31.03.2018
Equity share capital		4,767.66	1,953.18
		<b>4,767.66</b>	<b>1,953.18</b>
<b>Authorised share capital:</b>			
500,000,000 (As at 31 <sup>st</sup> March, 2018 200,000,000 ) equity shares of Rs. 10 each with voting rights		5,000.00	2,000.00
<b>Issued and subscribed capital comprises:</b>			
477,223,845 (As at 31 March, 2018 195,775,845) equity shares of Rs. 10 each fully paid up with voting rights		4,772.24	1,957.76
Less : Amount recoverable from DNL Employees Welfare Trust [457,931 (As at 31 <sup>st</sup> March, 2018 457,931) number of shares issued to Trust @ Rs. 10 per share]		4.58	4.58
		<b>4,767.66</b>	<b>1,953.18</b>

Fully paid equity shares:	Number of shares	Share Capital (Rs. In million)
<b>Balance as at 1<sup>st</sup> April, 2017</b>	<b>194,025,845</b>	<b>1,940.26</b>
Add: Issue of shares	1,750,000	17.50
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>195,775,845</b>	<b>1,957.76</b>
Add: Issue of shares (See note 37)	281,448,000	2,814.48
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>477,223,845</b>	<b>4,772.24</b>



## NOTES TO THE FINANCIAL STATEMENTS

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 31.03.2019		As at 31.03.2018	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Fully paid equity shares with voting rights:</b>				
Jio Futuristic Digital Holdings Private Limited	201,533,901	42.23%	-	-
Jio Digital Distribution Holdings Private Limited	84,250,207	17.65%	-	-
Jio Television Distribution Holdings Private Limited	86,738,504	18.18%	-	-
Broad Street Investment (Singapore) pte Limited (Part of Goldman Sachs Affiliates)	41,828,930	8.77%	41,828,930	21.40%
Sameer Manchanda*			46,654,550	23.83%
Lucid Systems Private Limited*			16,000,000	8.17%
Acacia Banyan Partners	-	-	12,940,300	6.61%
Infrastructure Leasing & Financial Services Limited	-	-	12,063,971	6.16%

\* Holding as on 31<sup>st</sup> March, 2019 does not exceed more than 5 percent

- 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.

### 14. Other equity

(Rs. in million)

Particulars	As at 31.03.2019	As at 31.03.2018
Securities premium account	34,111.81	16,516.24
Share options outstanding account	11.19	90.13
General reserve	202.86	202.86
Surplus / (Deficit) in Statement of Profit and Loss	(12,758.78)	(10,660.52)
	<b>21,567.08</b>	<b>6,148.71</b>

(Rs. in million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
<b>a. Securities premium account</b>		
i. Opening balance	16,516.24	16,376.90
ii. Add : Premium on shares issued during the year (See note 37)	17,635.52	139.34
iii. Less : Utilised during the year for writing off share issue expenses	39.95	-
iv. Closing balance (A)	<b>34,111.81</b>	<b>16,516.24</b>
<b>b. Share options outstanding account</b>		
i. Employees stock option outstanding	90.13	168.24
ii. Add : ESOP compensation expense net of taxes	4.45	61.23
iii. Less : Options Exercise	-	(139.34)
iii. Less : transfer to reserves	(83.39)	-
	<b>11.19</b>	<b>90.13</b>
	(B)	



## NOTES TO THE FINANCIAL STATEMENTS

		(Rs. in million)	
Particulars		Year ended 31.03.2019	Year ended 31.03.2018
<b>c. General reserve</b>			
i.	Opening balance	202.86	202.86
ii.	Add : Addition/(deletion)	-	-
iii.	Closing balance (C)	<b>202.86</b>	<b>202.86</b>
<b>d. Deficit in Statement of Profit and Loss</b>			
i.	Opening balance	(10,660.52)	(10,353.79)
ii.	Add: Profit / (Loss) for the year	(2,190.80)	(309.79)
iii.	Other comprehensive income arising from remeasurement of defined benefit obligation	9.15	3.06
iv.	Transfer from ESOP reserves	83.39	
v.	Closing balance (D)	<b>(12,758.78)</b>	<b>(10,660.52)</b>
	<b>(A+B+C+D)</b>	<b>21,567.08</b>	<b>6,148.71</b>

### 15. Non-Current Borrowings

		(Rs. in million)	
Particulars		Year ended 31.03.2019	Year ended 31.03.2018
<b>At amortised cost:</b>			
a.	Term loans (Secured)		
i.	from banks (See footnote i)	2,636.69	3,137.09
		<b>2,636.69</b>	<b>3,137.09</b>

### 16. Other financial liabilities

		(Rs. in million)	
Particulars		Year ended 31.03.2019	Year ended 31.03.2018
<b>Non-current</b>			
	Security deposits received	-	5.23
		-	<b>5.23</b>
<b>Current</b>			
a.	Current maturities of long term debt (See footnote i)	1,510.79	1,113.54
b.	Interest accrued	19.20	11.04
c.	Others		
i.	Balance consideration payable on investments	13.80	34.31
ii.	Payables on purchase of property, plant and equipment	46.79	344.35
iii.	Book overdraft	-	108.34
iv.	Security deposits received	-	0.14
v.	Payable for Expenses	1,265.21	655.94
vi.	Due to employees	107.49	71.80
		<b>2,963.28</b>	<b>2,339.47</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 17. Provisions

(Rs. in million)

Particulars		Year ended 31.03.2019	Year ended 31.03.2018
<b>Non-current</b>			
a.	Employee benefits		
	- Gratuity (See note 31)	50.29	55.86
	- Compensated absences	27.65	-
		<b>77.94</b>	<b>55.86</b>
<b>Current</b>			
a.	Employee benefits		
	- Gratuity (See note 31)	3.91	0.94
	- Compensated absences	7.35	41.46
		<b>11.26</b>	<b>42.40</b>

### 18. Other liabilities

(Rs. in million)

Particulars		Year ended 31.03.2019	Year ended 31.03.2018
<b>Non-current</b>			
a.	Deferred revenue	2,272.03	2,895.79
		<b>2,272.03</b>	<b>2,895.79</b>
<b>Current</b>			
a.	Deferred revenue	721.44	846.32
b.	Statutory remittances	148.43	201.12
c.	Other payables		
	i. Advances from customers	37.19	63.63
	ii. Indirect tax payable and Others	127.23	-
		<b>1,034.29</b>	<b>1,111.07</b>

### 19. Current Borrowings

(Rs. in million)

Particulars		Year ended 31.03.2019	Year ended 31.03.2018
<b>Secured at amortised cost</b>			
a.	Loans repayable on demand		
	-from banks [See footnote (ii)]	644.43	1,042.92
		<b>644.43</b>	<b>1,042.92</b>

### 20. Trade payables

(Rs. in million)

Particulars		Year ended 31.03.2019	Year ended 31.03.2018
Trade payables - Other than acceptances			
	- total outstanding dues of micro enterprises and small enterprises (See note 43)	1.55	10.38
	- total outstanding dues of creditors other than micro enterprises and small enterprises	3,703.21	3,640.37
		<b>3,704.76</b>	<b>3,650.75</b>

## NOTES TO THE FINANCIAL STATEMENTS

i. The terms of repayment and security of term loans and other loans are stated below:

As at 31<sup>st</sup> March, 2019

Particulars	Amount outstanding*		Security	Terms of repayment/redemption	Rate of interest/effective interest rate (per annum)
	Long-term debts	Current maturities of long-term debts			
Footnote i.	(Rs. in million)	(Rs. in million)			
Term loan from bank	913.52	314.60	First pari passu charge on property, plant and equipment of the Company (existing and future) and second pari passu charge on all current assets of the Company (existing and future). Further, secured by pledge over Investment in equity shares, (existing and future) on pari-passu basis, pertaining to 25 Subsidiaries (including 2 step-down subsidiaries).	Balance of Tranche A repayable in 15 equal quarterly installments commencing from April, 2019 and ending in October, 2022; Balance of Tranche B repayable in 15 equal quarterly installments commencing from April, 2019 and ending in October, 2022; Balance of Tranche C repayable in 15 equal quarterly installments commencing from April, 2019 and ending in October, 2022; Balance of Tranche D repayable in 19 equal quarterly installments commencing from June, 2019 and ending in December, 2023.	10.11%
Term loan from bank	187.33	373.03	First pari passu charge on property, plant and equipment of the Company (existing and future) and second pari passu charge on all current assets of the Company (existing and future). Further, secured by pledge over Investment in equity shares, (existing and future) on pari-passu basis, pertaining to 25 Subsidiaries (including 2 step-down subsidiaries).With respect to 2 step down subsidiaries, their holding Company Den Futuristic Cable Networks Private Limited has provided corporate guarantee for an amount equivalent to the book value or market value, whichever is higher, of the respective fully paid equity shares.	Balance repayable in 6 equal quarterly installments commencing from April, 2019 and ending in July, 2020.	10.70%
Term loan from bank	66.24	88.34	First pari passu charge on property, plant and equipment of the Company (existing and future) and second pari passu charge on all current assets of the Company (existing and future). Further, secured by pledge over Investment in equity shares, (existing and future) on pari-passu basis, pertaining to 25 Subsidiaries (including 2 step-down subsidiaries). With respect to 2 step down subsidiaries, their holding Company Den Futuristic Cable Networks Private Limited has provided corporate guarantee for an amount equivalent to the book value or market value, whichever is higher, of the respective fully paid equity shares.	Balance repayable in 7 equal quarterly installments commencing from June, 2019 and ending in December, 2020.	10.10%



## NOTES TO THE FINANCIAL STATEMENTS

Particulars	Amount outstanding*		Security	Terms of repayment/redemption	Rate of interest/effective interest rate (per annum)
	Long-term debts	Current maturities of long-term debts			
	(Rs. in million)	(Rs. in million)			
Term loan from bank	875.79	437.91	First pari passu charge on property, plant and equipment of the Company (existing and future) and second pari passu charge on all current assets of the Company (existing and future). Further, secured by pledge over Investment in equity shares, (existing and future) on pari-passu basis, pertaining to 25 Subsidiaries (including 2 step-down subsidiaries).	Repayable in 12 equal quarterly installments commencing from April, 2019 and ending in January, 2022.	10.10%
Term loan from bank	593.81	296.91	First pari passu charge on property, plant and equipment of the Company (existing and future) and second pari passu charge on all current assets of the Company (existing and future). Further, secured by pledge over Investment in equity shares, (existing and future) on pari-passu basis, pertaining to 25 Subsidiaries (including 2 step-down subsidiaries).	Repayable in 12 equal quarterly installments commencing from June, 2019 and ending in March, 2022.	10.00%
<b>Total</b>	<b>2,636.69</b>	<b>1,510.79</b>			

\*The above amounts include adjustment of loan processing fees to determine the amounts under the effective interest rate method.

## NOTES TO THE FINANCIAL STATEMENTS

As at 31<sup>st</sup> March, 2018

Particulars	Amount outstanding*		Security	Terms of repayment/ redemption	Rate of interest/ effective interest rate (per annum)
	Long- term debts	Current maturities of long- term debts			
	(Rs. in million)	(Rs. in million)			
Term loan from bank	658.02	175.46	First pari passu charge on property, plant and equipment of the Company (existing and future) and second pari passu charge on all current assets of the Company (existing and future). Further, secured by pledge of 6 million equity shares of the Company held by the promoter.	Repayable in 19 equal quarterly installments commencing from April, 2018 and ending in October, 2022.	11.00%
Term loan from bank	560.57	330.72	First pari passu charge on property, plant and equipment of the Company (existing and future) and second pari passu charge on all current assets of the Company (existing and future) and pledge of investment in shares of 24 subsidiaries (existing and future).	Repayable in 10 equal quarterly installments commencing from April, 2018 and ending in July, 2020.	10.50%
Term loan from bank	154.61	73.31	First pari passu charge on property, plant and equipment of the Company (existing and future) and second pari passu charge on all current assets of the Company (existing and future) and pledge of investment in shares of 24 subsidiaries (existing and future).	Repayable in 11 equal quarterly installments commencing from June, 2018 and ending in December, 2020.	9.50%
Term loan from bank	1,313.89	136.78	First pari passu charge on property, plant and equipment of the Company (existing and future) and second pari passu charge on all current assets of the Company (existing and future) and pledge of investment in shares of 25 subsidiaries (existing and future).	Repayable in 16 equal quarterly installments commencing from April, 2018 and ending in January, 2022.	9.25%
Term loan from bank	450.00	50.00	First pari passu charge on property, plant and equipment of the Company (existing and future) and second pari passu charge on all current assets of the Company (existing and future).	Repayable in 16 equal quarterly installments commencing from June, 2018 and ending in March, 2022.	9.50%
<b>Sub-total (A)</b>	<b>3,137.09</b>	<b>766.27</b>			
<b>Footnote iv.</b>					
Buyers credit on imports	-	347.27	First pari passu charge on property, plant and equipment of the Company (existing and future) and second pari passu charge on all current assets of the Company (existing and future). Further secured by pledge over 6 million equity shares of the Company held by the promoter.	Repayable in January, 2019.	3.20% to 3.40%
<b>Sub-total (B)</b>	<b>-</b>	<b>347.27</b>			
<b>Total (A+B)</b>	<b>3,137.09</b>	<b>1,113.54</b>			

\* The above amounts include adjustment of loan processing fees to determine the amounts under the effective interest rate method.

## NOTES TO THE FINANCIAL STATEMENTS

ii. The terms of repayment and security of loans repayable on demand and buyers credits on imports are stated below:

As at 31<sup>st</sup> March, 2019

Particulars	Borrowings-current (Rs. in million)	Security	Terms of repayment/ redemption	Rate of interest/ effective interest rate (per annum)
Loans repayable on demand- from bank	145.94	First pari passu charge on current assets of the Company (existing and future) and second pari passu charge on all property, plant and equipment of the Company (existing and future). Further, secured by pledge over Investment in equity shares, (existing and future) on pari-passu basis with all the term loan lenders, pertaining to 25 Subsidiaries (including 2 step-down subsidiaries). With respect to 2 step down subsidiaries, their holding Company Den Futuristic Cable Networks Private Limited has provided corporate guarantee for an amount equivalent to the book value or market value, whichever is higher, of the respective fully paid equity shares.	Repayable on demand.	10.90%
Loans repayable on demand- from bank	149.00	First pari passu charge on current assets of the Company (existing and future) and second pari passu charge on all property, plant and equipment of the Company (existing and future)	Repayable after 30 days starting from 29 <sup>th</sup> March, 2019.	8.70%
Loans repayable on demand- from bank	349.49	First pari passu charge on current assets of the Company (existing and future) and second pari passu charge on all property, plant and equipment of the Company (existing and future)	Repayable on demand.	9.50%
<b>Total</b>	<b>644.43</b>			

As at 31<sup>st</sup> March, 2018

Particulars	Borrowings-current (Rs. in million)	Security	Terms of repayment/ redemption	Rate of interest/ effective interest rate (per annum)
Loans repayable on demand- from bank	219.22	First pari passu charge on property, plant and equipment of the Company (existing and future) and second pari passu charge on all current assets of the Company (existing and future).	Repayable on demand.	8.75%
Loans repayable on demand- from bank	29.66	First pari passu charge on current assets of the Company (existing and future) and second pari passu charge on all property, plant and equipment of the Company (existing and future) and pledge of the investment in shares of 24 specified subsidiaries (present and proposed).	Repayable on demand.	11.00%
Loans repayable on demand- from bank	400.00	First pari passu charge on current assets of the Company (existing and future).	Repayable on demand.	9.20% to 9.25%
Loans repayable on demand- from bank	394.04	Secured by first pari passu charge on current assets of the Company (existing and future) and second pari passu charge on all property, plant and equipment of the Company (existing and future).	Repayable on demand.	9.75% to 11.00%
<b>Total</b>	<b>1,042.92</b>			

## NOTES TO THE FINANCIAL STATEMENTS

### 21. Revenue from operations

(Rs. in million)

Particulars		Year ended 31.03.2019	Year ended 31.03.2018
a.	Sale of services (see note below) (See note below)	9,781.69	10,204.26
b.	Sale of equipment	80.46	119.44
c.	Other operating revenue		
i.	Liabilities/ excess provisions written back (net)	226.78	230.33
ii.	Miscellaneous income	4.48	90.44
<b>Total</b>		<b>10,093.41</b>	<b>10,644.47</b>

21.1 The Company disaggregates revenue from contracts with customers by type of products and services and geography. Effective 1<sup>st</sup> April, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers". There is no effect on adoption of Ind AS 115.

Revenue disaggregation by geography is given in note no. 29

Revenue disaggregation by type of services :

(Rs. in million)

Particulars		Year ended 31.03.2019	Year ended 31.03.2018
a.	Placement income	2,797.65	3,043.32
b.	Subscription income	4,282.67	4,174.80
c.	Activation income	682.02	954.30
d.	Feeder charges income	1,589.52	1,616.32
e.	Other revenue	429.83	415.52
<b>Total</b>		<b>9,781.69</b>	<b>10,204.26</b>

### 22. Other income

(Rs. in million)

Particulars		Year ended 31.03.2019	Year ended 31.03.2018
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)	109.99	143.82
ii.	on financial assets carried at amorised cost (see note 33)	67.41	45.84
iii.	on sale under finance lease of assets	-	0.62
b.	Interest on income tax refund	27.28	27.04
c.	Dividend income		
i.	from non-current investments in subsidiaries (See note 33)	76.01	48.89
d.	Other gains and losses		
i.	Net gain on foreign currency transactions and translation	-	17.22
ii.	Net gain on sale of current investments (other than non trade and unquoted)	52.45	27.06
iii.	Net gain on sale of Non - current investments	-	6.40
iv.	Profit on sale of equipment	-	16.72
v.	Gain on financials assets designated as at FVTPL	213.03	32.03
<b>Total</b>		<b>546.17</b>	<b>365.64</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 23. Employee benefits expense

(Rs. in million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
a. Salaries and allowances	540.53	542.97
b. Contribution to provident and other funds (See note 31)	27.27	26.69
c. Gratuity expense (See note 31)	10.77	13.60
d. Share-based payments to employees (See note 34)	4.45	61.23
e. Staff welfare expenses	26.03	26.41
<b>Total</b>	<b>609.05</b>	<b>670.90</b>

### 24. Finance costs

(Rs. in million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
a. Interest costs		
i. Interest on bank overdraft and loans	501.18	465.26
b. Other borrowing costs	49.88	130.75
c. Applicable net loss on foreign currency transaction and translation	5.43	-
<b>Total</b>	<b>556.49</b>	<b>596.01</b>

### 25. Other expenses

(Rs. in million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
a. Distributor commission/ incentive	246.35	247.83
b. Rent and hire charges (See note 30)	106.31	111.67
c. Repairs and maintenance		
i. Plant and equipment	45.62	44.33
ii. Others	80.98	62.07
d. Power and fuel	70.33	67.73
e. Director's sitting fees	1.29	0.95
f. Legal and professional charges	91.35	112.89
g. Payment to auditors (Refer note no. 25.01 below)	6.50	11.27
h. Expenditure on corporate social responsibility ( See note 40)	0.95	1.01
i. Contract service charges	345.55	356.26
j. Printing and stationery	3.51	3.79
k. Travelling and conveyance	45.29	42.39
l. Advertisement, publicity and business promotion	10.19	13.34
m. Communication expenses	10.81	17.05
n. Leaseline expenses	366.57	362.28
o. Security charges	20.81	18.40
p. Freight and labour charges	4.33	7.63
q. Insurance	0.89	1.71
r. Rates and taxes	17.86	52.90
s. Allowance on trade receivables and advances (Refer note no. 25.02 below)	146.37	80.35
t. Loss on sale of PPE	1.79	-
u. Net loss on foreign currency transactions and translation	10.98	-
v. Miscellaneous expenses	32.22	39.15
<b>Total</b>	<b>1,666.85</b>	<b>1,655.00</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 25.01 Payment to Auditors

(Rs. in million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
For audit	3.20	6.95
For other services	2.70	3.94
For reimbursement of expenses	0.60	0.38
	6.50	11.27
To cost auditors for cost audit	0.08	0.05
	<b>6.57</b>	<b>11.32</b>

### 25.02 Allowance on trade receivables and advances includes:

(Rs. in million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
a. Doubtful trade receivables and advances written off	275.21	126.47
b. Allowances for trade receivables and advances written back	(197.41)	(126.47)
	77.80	-
c. Allowance on trade receivables and advances	68.57	80.35
<b>Total</b>	<b>146.37</b>	<b>80.35</b>

### 26. Exceptional items

(Rs. in million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
a. Provision for impairment of trade receivable and advances	896.59	-
b. Provision for impairment of PPE	616.74	-
c. Deffered Revenue	(216.49)	-
d. Impairment on Investment in Subsidiaries	103.93	-
e. Provision for VAT	97.69	-
f. Doubtful trade receivables and advances written off	8.53	140.08
g. Loss on sale of non-current investments	-	18.82
<b>Total</b>	<b>1,507.00</b>	<b>158.90</b>

#### 26.01 Exceptional items comprises the following:

- In view of the New Regulatory Framework for Broadcasting & Cable services sector notified by the Telecom Regulatory Authority of India (TRAI), which has come into effect during the year, resulting into changes in pricing mechanism & arrangements amongst the Company, LCOs, Broadcasters and consumers; Pursuant to above change and assessment carried out by the management, the Company has recognised provision for impairment of trade receivables and Property Plant & Equipment including Set top boxes amounting to Rs. 1,228.02 million. Additionally, one-time exceptional provision has been recognised for certain tax related matters and other assets amounting to Rs. 278.98 million. These adjustments, having one-time, non-routine material impact on financial statements, hence been disclosed as "Exceptional Item" in Financial Statement.
- During the previous year, the Company had sold its investment stake in Macro Commerce Private Limited ('MCPL') (erstwhile subsidiary) which had resulted in loss on sale of investment of Rs. 18.82 million. In addition to the above, the Company had made an impairment allowance for loan given to MCPL amounting to Rs. 41.48 million.
- During the previous year, the Company had made an impairment allowance of Rs. 98.60 million on account of loan given to DELHI SPORTS & ENTERTAINMENT PRIVATE LIMITED.

## NOTES TO THE FINANCIAL STATEMENTS

### 27. Income tax recognised in Statement of Profit and Loss

(Rs. in million)

Particulars		Year ended 31.03.2019	Year ended 31.03.2018
<b>A</b>	<b>(a) Current tax</b>		
	In respect of current year	-	-
	In respect of prior years	-	20.14
		-	20.14
	<b>(b) Deferred tax [See note 27(c)]</b>		
	In respect of current year	-	(168.22)
	Total tax expense/(Income) recognised in Statements of Profit and Loss	-	(148.08)
	<b>(c) The income tax expense for the year can be reconciled to the accounting profit as follows:</b>		
	Profit/(Loss) before tax	(2,190.80)	(457.87)
	Income tax expense calculated	(683.53)	(141.48)
	Effect of income that is exempt from taxation	(23.72)	(15.11)
	Effect of expenses that are not deductible in determining taxable profit	191.77	0.07
	Effect of unused tax losses, timing difference and tax offsets not recognised as deferred tax asset	437.32	104.03
	Effect of timing difference recognised as deferred tax asset relating to previous years	78.15	(107.97)
	Effect on deferred tax balances due to the change in income tax rates	-	(7.76)
		-	(168.22)
	Adjustments recognised in the current year in relation to the current tax of prior years	-	20.14
	Income tax expense recognised in profit or loss	-	(148.08)

The tax rate used for the 2018-2019 and 2017-2018 reconciliations above is the corporate tax rate of 31.20 % and 30.90% payable by corporate entities in India on taxable profits under the Indian tax law.

### B Income tax recognised in other comprehensive income

<b>(a) Deferred tax [See note 27C ]</b>		
Arising on income and expenses recognised in other comprehensive income		
- Remeasurement of defined obligation	-	1.60
<b>Total tax expense charged/(credited) in other comprehensive income</b>	-	1.60

The tax rate used for the 2019-2018 and 2017-2018 reconciliations above is the corporate tax rate of 31.20 % and 30.90% respectively payable by corporate entities in India on taxable profits under the Indian tax law.

## NOTES TO THE FINANCIAL STATEMENTS

### C Movement in deferred tax

(i) Movement of Deferred Tax for the year ended 31<sup>st</sup> March, 2019

(Rs. in million)

Particulars	Year ended 31.03.2019			Closing balance
	Opening balance as on	Recognised in profit or loss	Recognised in other comprehensive	
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment and other intangible assets	174.82			174.82
	<b>174.82</b>	-		<b>174.82</b>
Tax effect of items constituting deferred tax assets				
Provision for employee benefits	32.80			32.80
Provision for doubtful debts/advances/impairment	168.22	-		168.22
	<b>201.02</b>	-		<b>201.02</b>
<b>Deferred tax assets (net)</b>	<b>375.84</b>	-		<b>375.84</b>

(ii) Movement of Deferred Tax for 31<sup>st</sup> March, 2018

(Rs. in million)

Particulars	Year ended 31.03.2018			Closing balance
	Opening balance as on	Recognised in profit or loss	Recognised in other comprehensive	
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment and other intangible assets	(77.33)	252.15	-	174.82
	<b>(77.33)</b>	<b>252.15</b>	-	<b>174.82</b>
Tax effect of items constituting deferred tax assets				
Provision for employee benefits	28.36	6.04	(1.60)	32.80
Share issue expenses	52.24	(52.24)	0.00	-
Provision for doubtful debt/advances/impairment	168.22	-	-	168.22
Other items	37.73	(37.73)	-	-
	<b>286.55</b>	<b>(83.93)</b>	<b>(1.60)</b>	<b>201.02</b>
<b>Deferred tax assets (net)</b>	<b>209.22</b>	<b>168.22</b>	<b>(1.60)</b>	<b>375.84</b>

### D Unrecognised deductible temporary differences, unused tax losses and unused tax credits

(Rs. in million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
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)	884.95	259.30
- unabsorbed depreciation (revenue in nature)	4,305.22	2,739.75
- deductible temporary differences		
i. Property, plant and equipment and other intangible assets	844.65	-
ii. Impairment allowance for doubtful balances	1,606.66	1,462.85
iii. Deferred revenue	2,884.18	3,742.11
<b>Deferred tax assets (net)</b>	<b>10,525.66</b>	<b>8,204.01</b>

Deferred tax assets Rs. Nil (Rs 375.84 million as at 31.03.2018) has been recognised based on the best estimates.



## NOTES TO THE FINANCIAL STATEMENTS

### 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)	
	Year ended 31.03.2019	Year ended 31.03.2018
Deferred tax assets with no expiry date	4,305.22	2,739.75
Deferred tax assets with expiry date*	6,220.45	5,464.26
<b>Deferred tax assets (net)</b>	<b>10,525.66</b>	<b>8,204.01</b>

\* These would expire between financial year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2027.

### 28. Commitments and contingent liabilities

Particulars	(Rs. in million)	
	Year ended 31.03.2019	Year ended 31.03.2018
<b>a. Commitments</b>		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	36.81	42.68
<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	394.94	573.14
Demand raised by UP Entertainment Tax authorities for payment of Entertainment Tax	85.47	73.81
Demand raised by UP Entertainment Tax authorities for payment of GST	0.35	-
Demand raised by Madhya Pradesh Entertainment Tax authorities for payment of Entertainment Tax	-	3.65
Demand raised by Rajasthan Entry Tax authorities for payment of Entry Tax	25.30	36.62
Demand raised by Bihar Commercial Tax authorities for payment of Entertainment tax	160.83	25.95
Demand raised by Karnataka Commercial Tax authorities for payment of VAT on transfer of STB's	337.41	263.43
Demand raised by Kerala Commercial Tax authorities for payment of VAT on transfer of STB's	145.37	280.49
Demand raised by Delhi Commercial Tax authorities for payment of VAT on Activation Charge	7.50	6.86
Demand raised by Haryana Commercial Tax authorities for payment of VAT on Activation Charge	-	1.08
Demand raised by Custom Directorate of Revenue Intelligence	250.89	238.99
Demand raised by service tax authorities	-	4.34
Demand raised by West bengal Commercial Tax authorities for payment of VAT	4.54	3.99
<b>ii) Other money for which the Company is contingently liable</b>		
Outstanding letter of credits	-	18.02

\* The Company has paid deposit under protest towards the above claims aggregating to Rs. 510.09 million (31<sup>st</sup> March, 2018: Rs. 304.66 million).

### 29. 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.

## NOTES TO THE FINANCIAL STATEMENTS

### (ii) Geographical information

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

Geography	(Rs. in million)	
	Year ended 31.03.2019	Year ended 31.03.2018
India	10,093.41	10,644.47
Outside India	-	-
	<b>10,093.41</b>	<b>10,644.47</b>

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

Geography	(Rs. in million)	
	Year ended 31.03.2019	Year ended 31.03.2018
India	5,769.50	7,431.42
Outside India	-	-
	<b>5,769.50</b>	<b>7,431.42</b>

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

- c. Information about major customers:

No single customer contributed 10% or more to the Company's revenue during the years ended 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018.

### 30. Operating Lease

The Company has taken office premises under cancellable operating lease agreements. The lease rental expenses recognised in the Statement of Profit and Loss:

Particulars	(Rs. in million)	
	Year ended 31.03.2019	Year ended 31.03.2018
Payments recognised as an expense	102.55	110.77
<b>Total</b>	<b>102.55</b>	<b>110.77</b>

### 31. 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. 26.41 million (for the year ended 31<sup>st</sup> March, 2018: Rs. 25.61 million) for provident fund contributions and Rs. 0.86 million (for the year ended 31<sup>st</sup> March, 2018: Rs. 1.08 million) for Employee State Insurance Scheme contributions represents contributions payable to these plans by the Company at rates specified in the rules of the plans. As at 31<sup>st</sup> March, 2019, contributions of Rs. 4.27 million (as at 31<sup>st</sup> March, 2018: Rs. 5.08 million) due in respect of 2018-2019 (2017-2018) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

#### (ii) Defined benefit plans

##### Gratuity plan

Gratuity liability arises on retirement, withdrawal, resignation, and death of an employee. The aforesaid liability is calculated on the basis of 15 days salary (i.e. last drawn salary plus dearness allowance) for each completed year of service or part thereof in excess of 6 months, subject to a maximum of Rs. 2,000,000. 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

## NOTES TO THE FINANCIAL STATEMENTS

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.

No other post-retirement benefits are provided to these employees

In respect of the plan in India, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out as at 31<sup>st</sup> March, 2019 by Charan Gupta Consultants Private Limited, 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	
	31.03.2019	31.03.2018
Discount rate(s)	7.80%	7.71%
Expected rate(s) of salary increase	7.00%	8.00%
Average longevity at retirement age for current beneficiaries of the plan (years)	15.60	16.01
Average longevity at retirement age for current employees (future beneficiaries of the plan) (years)	19.15	19.64
Retirement age (years)	58	58
Mortality Table	IALM (2006 08)	IALM (2006 08)
Withdrawal Rates	In %	In %
Upto 30 years	3.00	3.00
From 31 years to 44 years	2.00	2.00
Above 44 years	1.00	1.00

The following tables set out the unfunded status of the defined benefit scheme and amounts recognised in the Company financial statements as at 31<sup>st</sup> March, 2019:

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

(Rs. in million)

Particulars	Year ended	
	31.03.2019	31.03.2018
<b>Service cost</b>		
- Current service cost	6.39	8.21
- Past service cost and (gain)/loss from settlements	-	1.46
Net interest expense	4.38	3.93
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>10.77</b>	<b>13.60</b>
Remeasurement on the net defined benefit liability		
- Actuarial (gains) / losses arising from changes in financial assumptions	(6.16)	(1.11)
- Actuarial (gains) / losses arising from experience adjustments	(2.99)	(3.55)
- Adjustments for restrictions on the defined benefit asset	-	-
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(9.15)</b>	<b>(4.66)</b>
<b>Total</b>	<b>1.63</b>	<b>8.94</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.

## NOTES TO THE FINANCIAL STATEMENTS

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

(Rs. in million)

Particulars	As At	
	31.03.2019	31.03.2018
Present value of funded defined benefit obligation	54.20	56.80
Net liability arising from defined benefit obligation	54.20	56.80

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

(Rs. in million)

Particulars	Year ended	
	31.03.2019	31.03.2018
Opening defined benefit obligation	56.80	52.03
Less: Opening defined benefit obligation of Demerged entity		
Current service cost	6.39	8.21
Interest cost	4.38	3.92
Remeasurement (gains)/losses:		
- Actuarial gains and losses arising from experience adjustments	(6.16)	(1.11)
- Actuarial (gains) / losses arising from experience adjustments	(2.99)	(3.55)
Past service cost, including losses/(gains) on curtailments	-	1.46
Benefits paid	(4.21)	(4.17)
Closing defined benefit obligation	<b>54.20</b>	<b>56.80</b>
- Current portion of the above	3.91	0.94
- Non current portion of the above	50.29	55.86

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

- If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by Rs. 2.68 million (increase by Rs. 2.89 million) [as at 31<sup>st</sup> March, 2018: decrease by Rs. 3.11 million (increase by Rs. 3.38 million)].
- If the expected salary growth increases (decreases) by 0.50%, the defined benefit obligation would increase by Rs. 2.71 million (decrease by Rs. 2.53 million) [as at 31<sup>st</sup> March, 2018: increase by Rs. 3.04 million (decrease by Rs. 2.85 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.

- The average duration of the benefit obligation represents average duration for active members at 31<sup>st</sup> March, 2019: 15.60 years (as at 31<sup>st</sup> March, 2018: 16.01 years).
- The Company expects to make a contribution of Rs. 11.49 million (as at 31<sup>st</sup> March, 2018: Rs. 13.20 million) to the defined benefit plans during the next financial year.
- 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.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
- The gratuity plan is unfunded.



## NOTES TO THE FINANCIAL STATEMENTS

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

(Rs. in million)

Particulars	Gratuity				
	Year ended 31.03.2019	Year ended 31.03.2018	Year ended 01.04.2017	Year ended 31.03.2016	Year ended 31.03.2015
Present value of DBO	54.20	56.80	52.03	49.37	42.66
Fair value of plan assets	-	-	-	-	-
Funded status [Surplus / (Deficit)]	(54.20)	(56.80)	(52.03)	(49.37)	(42.66)
Experience gain / (loss) adjustments on plan liabilities	9.15	4.66	4.79	(0.88)	0.91
Experience gain / (loss) adjustments on plan assets	-	-	-	-	-

### 32. Earnings per equity share (EPS)\*

(Rs. in million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
(i) Basic	(9.19)	(1.59)
(ii) Diluted*	(9.19)	(1.59)
<b>(i) Basic earnings per share</b>		
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:		
	<b>Year ended 31.03.2019</b>	<b>Year ended 31.03.2018</b>
(i) Profit/(loss) for the year attributable to shareholders of the Company (Rs. in million)	(2,190.80)	(309.79)
(ii) Earnings used in the calculation of basic earnings per share (Rs. in million)	(2,190.80)	(309.79)
(iii) Weighted average number of equity shares for the purposes of basic earnings per share (Face value of Rs. 10 each)	238,498,977	194,725,448
<b>(ii) Diluted earnings per share</b>		
The earnings used in the calculation of diluted earnings per share are as follows:		
	<b>Year ended 31.03.2019</b>	<b>Year ended 31.03.2018</b>
Net profit/ (Loss) for the year attributable to Equity Shareholders for Basic EPS	(2,190.80)	(309.79)
Add Share based payment	4.45	61.23
Net profit/ (Loss) for the year attributable to Equity Shareholders for Diluted EPS	(2,186.35)	(248.56)
(i) Earnings used in the calculation of diluted earnings per share (Rs. in million)	(2,186.35)	(248.56)
(ii) Weighted average number of equity shares for the purposes of basic earnings per share (Face value of Rs. 10 each)	238,498,977	194,725,448
(iii) Weighted average number of equity shares used in the calculation of diluted earnings per share (Face value of Rs. 10 each)**	238,498,977	194,725,448

\* As the Diluted Earning Per Share is anti dilutive, Basic Earning per share has been considered as Diluted earning per share.

\*\* There are no potential dilutive equity shares since the fair value of outstanding ESOP is lower than exercise price.

### 33. Related Party Disclosures

#### I. List of related parties

##### a. Enterprises exercising control

- 1 Reliance Industries Limited (w.e.f 4th February, 2019)
- 2 Reliance Industrial Investments and Holdings Limited# (w.e.f 4th February, 2019)  
(Protector of Digital Media Distribution Trust)
- 3 Digital Media Distribution Trust (w.e.f 4th February, 2019)
- 4 Jio Futuristic Digital Holdings Private Limited @ (w.e.f 4th February, 2019)



## NOTES TO THE FINANCIAL STATEMENTS

- 5 Jio Digital Distribution Holdings Private Limited @ (w.e.f 4th February, 2019)
- 6 Jio Television Distribution Holdings Private Limited @ (w.e.f 4th February, 2019)
- 7 Reliance Strategic Investments Limited^ (w.e.f 4th February, 2019)
- 8 Reliance Ventures Limited^ (w.e.f 4th February, 2019)
- 9 Network18 Media & Investments Limited^ (w.e.f 4th February, 2019)

### b. Related parties where control exists

#### i. Subsidiaries held directly

- 1 Den Mahendra Satellite Private Limited
- 2 Den Mod Max Cable Network Private Limited
- 3 DEN Krishna Cable TV Network Private Limited
- 4 DEN Pawan Cable Network Private Limited
- 5 DEN BCN Suncity Network Private Limited
- 6 DEN Harsh Mann Cable Network Private Limited
- 7 Den Classic Cable TV Services Private Limited
- 8 Den Bindra Network Private Limited
- 9 Den Ashu Cable Private Limited
- 10 Shree Sidhivinayak Cable Network Private Limited
- 11 Drashti Cable Network Private Limited
- 12 Den MCN Cable Network Private Limited
- 13 Mahadev Den Cable Network Private Limited
- 14 DEN Patel Entertainment Network Private Limited
- 15 Den Digital Cable Network Private 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 Private Limited
- 23 DEN Varun Cable Network Private Limited
- 24 DEN Crystal Vision Network Private 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 Private Limited
- 30 Den F K Cable TV Network Private Limited
- 31 Den Pradeep Cable Network Private Limited
- 32 Den Satellite Cable TV Network Private 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 Private Limited
- 37 Den Futuristic Cable Networks Private Limited
- 38 Den Rajkot City Communication Private Limited
- 39 Den Elgee Cable Vision Private Limited
- 40 Den Malabar Cable Vision Private Limited
- 41 Amogh Broad Band Services Private Limited
- 42 Galaxy Den Media & Entertainment Private Limited
- 43 Bali Den Cable Network Private Limited
- 44 Mahavir Den Entertainment Private Limited
- 45 Den Citi Channel Private Limited
- 46 Fab Den Network Private Limited
- 47 Fortune (Baroda) Network Private Limited
- 48 United Cable Network (Digital) Private Limited
- 49 Cab-i-Net Communications Private Limited



## NOTES TO THE FINANCIAL STATEMENTS

- 50 Den Sahyog Cable Network Private Limited
- 51 Den Sariga Communications Private Limited
- 52 Den Kattakada Telecasting and Cable Services Private Limited
- 53 Den A.F. Communication Private Limited
- 54 Sree Gokulam Starnet Communication Private Limited
- 55 Big Den Entertainment Private Limited
- 56 Ambika DEN Cable Network Private Limited
- 57 Den Steel City Cable Network Private Limited
- 58 Crystal Vision Media Private Limited
- 59 Victor Cable Tv Network Private Limited
- 60 Sanmati DEN Cable TV Network Private Limited
- 61 Multi Channel Cable Network Private Limited
- 62 Gemini Cable Network Private Limited
- 63 Multi Star Cable Network Private Limited
- 64 DEN VM Magic Entertainment Private Limited
- 65 Antique Communications Private Limited
- 66 Sanmati Entertainment Private Limited
- 67 Disk Cable Network Private Limited
- 68 Silverline Television Network Private Limited
- 69 Ekta Entertainment Network Private Limited
- 70 Libra Cable Network Private Limited
- 71 Devine Cable Network Private Limited
- 72 Nectar Entertainment Private Limited
- 73 Multitrack Cable Network Private Limited
- 74 Glimpse Communications Private Limited
- 75 Indradhanush Cable Network Private Limited
- 76 Adhunik Cable Network Private 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 Network Private Limited
- 83 Jhankar Cable Network Private Limited
- 84 Den Premium Multilink Cable Network Private Limited
- 85 Desire Cable Network Private Limited
- 86 Marble Cable Network Private Limited
- 87 Augment Cable Network Private Limited
- 88 DEN Broadband Private Limited (Formerly Skynet Cable Network Private Limited)
- 89 VBS Digital Distribution Network Private Limited

### ii. Subsidiaries held indirectly

- 1 Den Saya Channel Network Private Limited
- 2 Den Enjoy Navaratan Network Private Limited
- 3 Den Faction Communication System Private Limited
- 4 Kishna DEN Cable Networks Private Limited
- 5 Divya Drishti Den Cable Network Private Limited
- 6 Fun Cable Network Private Limited
- 7 DEN Enjoy SBNM Cable Network Private Limited
- 8 Bhadohi DEN Entertainment Private Limited
- 9 DEN STN Television Network Private Limited
- 10 Srishti DEN Networks Private Limited
- 11 Maitri Cable Network Private Limited
- 12 Mountain Cable Network Private Limited
- 13 DEN Prayag Cable Networks Private Limited
- 14 Angel Cable Network Private Limited
- 15 ABC Cable Network Private Limited

## NOTES TO THE FINANCIAL STATEMENTS

- 16 DEN MTN Star Vision Networks Private Limited
- 17 Den Ambey Citi Cable Network Private Limited\*
- 18 Den Ambey Jhansi Cable Network Private Limited\*
- 19 Den Ambey Farukabad Cable Network Private Limited\*
- 20 Den Deva Cable Network Private Limited\*
- 21 Star Channel Den Network Private Limited\*
- 22 Saturn Digital Cable Private Limited\*
- 23 Melody Cable Network Private Limited\*
- 24 Portrait Cable Network Private Limited\*

### iii. Fellow subsidiaries

- 1 TV18 Broadcast Limited^
- 2 IndiaCast Media Distribution Private Limited^
- 3 Network18 Media & Investments Limited^
- 4 Hathway Cable and Datacom Limited^

### c. Associates entities

- 1 DEN ADN Network Private Limited
- 2 CCN DEN Network Private Limited
- 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

### d. Entities in which KMP can exercise significant influence

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

### e. Key managerial personnel

- 1 Mr. Sameer Manchanda (Chairman and Managing Director)
- 2 Mr. S.N Sharma (Chief Executive Officer)

### f. 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.

\* These Companies has been merged in DEN Ambey Cable Networks Private Limited effective upon issuance of the order dated 6<sup>th</sup> July, 2018 by Regional Director, Northern Region with effect from the appointed date of 1<sup>st</sup> April, 2017.



## NOTES TO THE FINANCIAL STATEMENTS

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

(Figures in bracket relates to previous year)

(Rs. in million)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Total	Associate Entities	Fellow Subsidiaries	Key management personnel	Grand total
<b>A. Transactions during the year</b>							
<b>i. Sale of services</b>							
Den Satellite Network Private Limited	-	-	-	223.38	-	-	223.38
	(-)	(-)	-	(265.44)	(-)	(-)	(265.44)
DEN Ambey Cable Networks Private Limited	280.37	-	280.37	-	-	-	280.37
	(216.44)	(-)	(216.44)	(-)	(-)	(-)	(216.44)
Den Enjoy Cable Networks Private Limited	233.20	-	233.20	-	-	-	233.20
	(215.49)	(-)	(215.49)	(-)	(-)	(-)	(215.49)
Others	854.54	70.33	924.87	161.64	-	-	1,086.51
	(830.88)	(55.32)	(886.20)	(69.94)	(-)	(-)	(956.14)
<b>Total</b>	<b>1,368.11</b>	<b>70.33</b>	<b>1,438.44</b>	<b>385.02</b>	<b>-</b>	<b>-</b>	<b>1,823.46</b>
	<b>(1,262.81)</b>	<b>(55.32)</b>	<b>(1,318.13)</b>	<b>(335.38)</b>	<b>(-)</b>	<b>(-)</b>	<b>(1,653.51)</b>
<b>ii. Sale of equipment</b>							
<b>DEN Broadband Private Limited</b>	40.82	-	40.82	-	-	-	40.82
	-	-	-	-	-	-	-
DEN Satellite Network Private Limited	-	-	-	10.36	-	-	10.36
	-	-	-	-	-	-	-
DEN Ambey Cable Networks Private Limited	6.42	-	6.42	-	-	-	6.42
	(15.26)	-	(15.26)	-	-	-	(15.26)
Den Enjoy Cable Networks Private Limited	5.87	-	5.87	-	-	-	5.87
	(11.63)	-	(11.63)	-	-	-	(11.63)
Eminent Cable Network Private Limited	2.76	-	2.76	-	-	-	2.76
	(4.21)	-	(4.21)	-	-	-	(4.21)
Den Premium Multilink Cable Network Private Limited	0.13	-	0.13	-	-	-	0.13
	(8.40)	-	(8.40)	-	-	-	(8.40)
Den-Manoranjan Satellite Private Limited	-	-	-	-	-	-	-
	(7.95)	-	(7.95)	-	-	-	(7.95)
Others	7.26	3.32	10.58	3.52	-	-	14.10
	(18.06)	(6.18)	(24.24)	(7.24)	-	-	(31.48)
<b>Total</b>	<b>63.26</b>	<b>3.32</b>	<b>66.58</b>	<b>13.88</b>	<b>-</b>	<b>-</b>	<b>80.46</b>
	<b>(65.51)</b>	<b>(6.18)</b>	<b>(71.68)</b>	<b>(7.24)</b>	<b>-</b>	<b>-</b>	<b>(78.93)</b>
<b>iii. Other operating revenue</b>							
<b>a. Liabilities/ excess provisions written back (net)</b>							
Mansion Cable Network Private Limited	9.40	-	9.40	-	-	-	9.40
	-	-	-	-	-	-	-
Den Enjoy Cable Networks Private Limited	7.71	-	7.71	-	-	-	7.71
	-	-	-	-	-	-	-
Den Futuristic Cable Networks Private Limited	1.40	-	1.40	-	-	-	1.40
	(0.42)	-	(0.42)	-	-	-	(0.42)
DEN Ambey Cable Networks Private Limited	1.89	-	1.89	-	-	-	1.89
	(16.31)	-	(16.31)	-	-	-	(16.31)
DEN Prayag Cable Networks Private Limited	-	-	-	-	-	-	-
	-	(9.73)	(9.73)	-	-	-	(9.73)
Desire Cable Network Private Limited	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Others	35.27	1.91	37.18	0.48	-	-	37.66
	(3.17)	(0.18)	(3.35)	-	-	-	(3.35)
<b>Total</b>	<b>55.67</b>	<b>1.91</b>	<b>57.58</b>	<b>0.48</b>	<b>-</b>	<b>-</b>	<b>58.06</b>
	<b>(19.89)</b>	<b>(9.91)</b>	<b>(29.81)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(29.81)</b>
<b>iv. Other income</b>							
<b>a. Interest income on financial assets carried at amortised cost</b>							
Den Futuristic Cable Networks Private Limited	33.92	-	33.92	-	-	-	33.92
	(37.39)	-	(37.39)	-	-	-	(37.39)

## NOTES TO THE FINANCIAL STATEMENTS

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Total	Associate Entities	Fellow Subsidiaries	Key management personnel	Grand total
DEN Broadband Private Limited	6.24	-	6.24	-	-	-	6.24
	(2.80)	-	(2.80)	-	-	-	(2.80)
Others	22.11	1.80	23.91	-	-	-	23.91
	(3.85)	(1.80)	(5.65)	-	-	-	(5.65)
<b>Total</b>	<b>62.27</b>	<b>1.80</b>	<b>64.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64.07</b>
	<b>(44.04)</b>	<b>(1.80)</b>	<b>(45.84)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(45.84)</b>
<b>b. Interest income on sale under finance lease of assets</b>							
Eminent Cable Network Private Limited	-	-	-	-	-	-	-
	(0.17)	-	(0.17)	-	-	-	(0.17)
Den-Manoranjan Satellite Private Limited	-	-	-	-	-	-	-
	(0.25)	-	(0.25)	-	-	-	(0.25)
Den Discovery Digital Networks Private Limited	-	-	-	-	-	-	-
	(0.02)	-	(0.02)	-	-	-	(0.02)
Mahavir Den Entertainment Private Limited	-	-	-	-	-	-	-
	(0.18)	-	(0.18)	-	-	-	(0.18)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>(0.62)</b>	<b>-</b>	<b>(0.62)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.62)</b>
<b>c. Dividend income</b>							
Den Ambey Cable Networks Private Limited	12.15	-	12.15	-	-	-	12.15
	-	-	-	-	-	-	-
Den Enjoy Cable Networks Private Limited	31.15	-	31.15	-	-	-	31.15
	-	-	-	-	-	-	-
Mansion Cable Network Private Limited	22.07	-	22.07	-	-	-	22.07
	(40.75)	-	(40.75)	-	-	-	(40.75)
Den F K Cable TV Network Private Limited	10.64	-	10.64	-	-	-	10.64
	(8.14)	-	(8.14)	-	-	-	(8.14)
<b>Total</b>	<b>76.01</b>	<b>-</b>	<b>76.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76.01</b>
	<b>(48.89)</b>	<b>-</b>	<b>(48.89)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(48.89)</b>
<b>v. Compensation of Key Managerial Personnel</b>							
<b>The remuneration of key managerial personnel during the year was as follows:</b>							
-Short-term employee benefits	-	-	-	-	-	78.41	78.41
	-	-	-	-	-	(98.22)	(98.22)
-Post-employment benefits	-	-	-	-	-	2.55	2.55
	-	-	-	-	-	(5.56)	(5.56)
-Share-based payments to employees	-	-	-	-	-	-	-
	-	-	-	-	-	(53.00)	(53.00)
	-	-	-	-	-	<b>80.96</b>	<b>80.96</b>
	-	-	-	-	-	<b>(156.78)</b>	<b>(156.78)</b>
<b>vi. Purchase of services</b>							
DEN Ambey Cable Networks Private Limited	228.15	-	228.15	-	-	-	228.15
	(246.51)	-	(246.51)	-	-	-	(246.51)
Den Enjoy Cable Networks Private Limited	203.62	-	203.62	-	-	-	203.62
	(224.15)	-	(224.15)	-	-	-	(224.15)
Mansion Cable Network Private Limited	142.24	-	142.24	-	-	-	142.24
	(156.81)	-	(156.81)	-	-	-	(156.81)
Others	484.60	82.73	567.33	176.96	114.00	-	858.29
	(610.87)	(76.07)	(686.94)	(174.47)	-	-	(861.41)
<b>Total</b>	<b>1,058.61</b>	<b>82.73</b>	<b>1,141.34</b>	<b>176.96</b>	<b>114.00</b>	<b>-</b>	<b>1,432.30</b>
	<b>(1,238.34)</b>	<b>(76.07)</b>	<b>(1,314.41)</b>	<b>(174.47)</b>	<b>-</b>	<b>-</b>	<b>(1,488.88)</b>
<b>vii. Allowance on trade receivables and advances</b>							
Eminent Cable Network Private Limited	1.83	-	1.83	-	-	-	1.83
	(17.19)	-	(17.19)	-	-	-	(17.19)
Den Saya Channel Network Private Limited	-	-	-	-	-	-	-
	-	(18.99)	(18.99)	-	-	-	(18.99)
Others	-	-	-	-	-	-	-
	(4.41)	(0.37)	(4.78)	-	-	-	(4.78)



## NOTES TO THE FINANCIAL STATEMENTS

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Total	Associate Entities	Fellow Subsidiaries	Key management personnel	Grand total
<b>Total</b>	<b>1.83</b>	<b>-</b>	<b>1.83</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.83</b>
	<b>(21.60)</b>	<b>(19.36)</b>	<b>(40.96)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(40.96)</b>
<b>viii. Reimbursement of expenses (paid)</b>							
Den Futuristic Cable Networks Private Limited	-	-	-	-	-	-	-
	(5.04)	(-)	(5.04)	(-)	(-)	(-)	(5.04)
VM Magic Entertainment Private Limited	-	-	-	-	-	-	-
	(1.80)	-	(1.80)	-	-	-	(1.80)
Den Fateh Marketing Private Limited	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Silverline Television Network Private Limited	-	-	-	-	-	-	-
	(3.50)	-	(3.50)	-	-	-	(3.50)
Den Mahendra Satellite Private Limited	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Others	1.25	-	1.25	-	-	-	1.25
	(4.31)	(0.90)	(5.21)	-	-	-	(5.21)
<b>Total</b>	<b>1.25</b>	<b>-</b>	<b>1.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.25</b>
	<b>(14.65)</b>	<b>(0.90)</b>	<b>(15.55)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(15.55)</b>
<b>ix. Investments made during the year (Equity and/or preference share capital)</b>							
Den Broadband Private Limited	238.90	-	238.90	-	-	-	238.90
	(1,469.81)	-	(1,469.81)	-	-	-	(1,469.81)
Eminent Cable Network Private Limited	11.20	-	11.20	-	-	-	11.20
	-	-	-	-	-	-	-
VBS Digital Distributor Network pvt ltd.	-	-	-	-	-	-	-
	(26.38)	-	(26.38)	-	-	-	(26.38)
DEN Digital Cable Network Private Limited	-	-	-	-	-	-	-
	(34.00)	-	(34.00)	-	-	-	(34.00)
Others	-	-	-	-	-	-	-
	(2.50)	-	(2.50)	-	-	-	(2.50)
<b>Total</b>	<b>250.10</b>	<b>-</b>	<b>250.10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>250.10</b>
	<b>(1,532.69)</b>	<b>-</b>	<b>(1,532.69)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,532.69)</b>
<b>x. Investments sold during the year (Equity and/or preference share capital)</b>							
DELHI SPORTS & ENTERTAINMENT PRIVATE LIMITED	-	-	-	-	-	-	-
	-	-	-	(6.40)	-	-	(6.40)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6.40)</b>	<b>-</b>	<b>-</b>	<b>(6.40)</b>
	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6.40)</b>	<b>-</b>	<b>-</b>	<b>(6.40)</b>
<b>xi. Loans given/adj. during the year</b>							
Den Broadband Private Limited	27.50	-	27.50	-	-	-	27.50
	(407.58)	-	(407.58)	-	-	-	(407.58)
<b>Total</b>	<b>27.50</b>	<b>-</b>	<b>27.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27.50</b>
	<b>(407.58)</b>	<b>-</b>	<b>(407.58)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(407.58)</b>
<b>xii. Loans received/adj back during the year</b>							
Den Broadband Private Limited	157.07	-	157.07	-	-	-	157.07
	(1,469.81)	-	(1,469.81)	-	-	-	(1,469.81)
Den Futuristic Cable Networks Private Limited	19.00	-	19.00	-	-	-	19.00
	(33.00)	-	(33.00)	-	-	-	(33.00)
Radiant Satellite (India) Private Limited	14.51	-	14.51	-	-	-	14.51
	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
	(37.22)	-	(37.22)	-	-	-	(37.22)
<b>Total</b>	<b>190.58</b>	<b>-</b>	<b>190.58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>190.58</b>
	<b>(1,540.03)</b>	<b>-</b>	<b>(1,540.03)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,540.03)</b>
<b>B. Outstanding balances at year end</b>							
<b>i. Investments in subsidiaries, associates (Equity and/or preference share capital)</b>							

## NOTES TO THE FINANCIAL STATEMENTS

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Total	Associate Entities	Fellow Subsidiaries	Key management personnel	Grand total
Den Broadband private Limited	1,716.86	-	1,716.86	-	-	-	1,716.86
	(1,477.96)	-	(1,477.96)	-	-	-	(1,477.96)
Den Futuristic Cable Networks Private Limited	644.37	-	644.37	-	-	-	644.37
	(644.37)	-	(644.37)	-	-	-	(644.37)
Others	2,666.06	-	2,666.06	502.89	-	-	3,168.95
	(2,811.44)	-	(2,811.44)	(502.89)	-	-	(3,314.33)
<b>Total</b>	<b>5,027.29</b>	<b>-</b>	<b>5,027.29</b>	<b>502.89</b>	<b>-</b>	<b>-</b>	<b>5,530.18</b>
	<b>(4,933.77)</b>	<b>-</b>	<b>(4,933.77)</b>	<b>(502.89)</b>	<b>-</b>	<b>-</b>	<b>(5,436.66)</b>
Less : Provision for impairment in value of investments in subsidiary companies	143.34	-	143.34	-	-	-	143.34
	(175.72)	-	(175.72)	-	(-)	(-)	(175.72)
<b>Total</b>	<b>4,883.95</b>	<b>-</b>	<b>4,883.95</b>	<b>502.89</b>	<b>-</b>	<b>-</b>	<b>5,386.84</b>
	<b>(4,758.05)</b>	<b>-</b>	<b>(4,758.05)</b>	<b>(502.89)</b>	<b>-</b>	<b>-</b>	<b>(5,260.94)</b>
<b>ii. Other financial assets</b>							
<b>a. Advances recoverable</b>							
DEN Ambey Cable Networks Private Limited	-	-	-	-	-	-	-
	(5.00)	-	(5.00)	-	-	-	(5.00)
Den Enjoy Cable Networks Private Limited	-	-	-	-	-	-	-
	(23.36)	-	(23.36)	-	-	-	(23.36)
Eminent Cable Network Private Limited	-	-	-	-	-	-	-
	(27.49)	-	(27.49)	-	-	-	(27.49)
Mansion Cable Network Private Limited	-	-	-	-	-	-	-
	(36.54)	-	(36.54)	-	-	-	(36.54)
Den Satellite Cable TV Network Private Limited	1.63	-	1.63	-	-	-	1.63
	(25.27)	-	(25.27)	-	-	-	(25.27)
Den Fateh Marketing Private Limited	22.25	-	22.25	-	-	-	22.25
	(32.70)	-	(32.70)	-	-	-	(32.70)
Den Futuristic Cable Networks Private Limited	4.46	-	4.46	-	-	-	4.46
	(46.19)	-	(46.19)	-	-	-	(46.19)
Silverline Television Network Private Limited	39.61	-	39.61	-	-	-	39.61
	-	-	-	-	-	-	-
Others	61.00	13.64	74.64	1.28	-	-	75.92
	(248.03)	(31.31)	(279.34)	(18.43)	-	-	(297.77)
<b>Total</b>	<b>128.95</b>	<b>13.64</b>	<b>142.59</b>	<b>1.28</b>	<b>-</b>	<b>-</b>	<b>143.87</b>
	<b>(444.59)</b>	<b>(31.31)</b>	<b>(475.90)</b>	<b>(18.43)</b>	<b>-</b>	<b>-</b>	<b>(494.33)</b>
<b>b. Unbilled revenue</b>							
DEN Ambey Cable Networks Private Limited	41.69	-	41.69	-	-	-	41.69
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Den Enjoy Cable Networks Private Limited	25.80	-	25.80	-	-	-	25.80
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Eminent Cable Network Private Limited	20.61	-	20.61	-	-	-	20.61
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Others	97.72	16.59	114.31	-	-	-	114.31
	-	-	-	-	-	-	-
<b>Total</b>	<b>185.82</b>	<b>16.59</b>	<b>202.41</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>202.41</b>
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>c. Interest accrued and due</b>							
Radiant Satellite (India) Private Limited	-	-	-	-	-	-	-
	(12.12)	-	(12.12)	-	-	-	(12.12)
Den Futuristic Cable Networks Private Limited	31.56	-	31.56	-	-	-	31.56
	(113.70)	-	(113.70)	-	-	-	(113.70)
Den Faction Communication System Private Limited	-	13.38	13.38	-	-	-	13.38
	-	-	-	-	-	-	-
Mahavir Den Entertainment Private Limited	6.27	-	6.27	-	-	-	6.27
	-	-	-	-	-	-	-
Others	9.25	0.55	9.80	-	-	-	9.80



## NOTES TO THE FINANCIAL STATEMENTS

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Total	Associate Entities	Fellow Subsidiaries	Key management personnel	Grand total
	(13.56)	(12.34)	(25.90)	-	-	-	(25.90)
<b>Total</b>	<b>47.08</b>	<b>13.93</b>	<b>61.01</b>	-	-	-	<b>61.01</b>
	<b>(139.38)</b>	<b>(12.34)</b>	<b>(151.72)</b>	-	-	-	<b>(151.72)</b>
<b>d. Receivable on sale of property, plant and equipment</b>							
Den Pawan Cable Network Private Limited	8.23	-	8.23	-	-	-	8.23
	(8.23)	-	(8.23)	-	-	-	(8.23)
Eminent Cable Network Private Limited	4.64	-	4.64	-	-	-	4.64
	(3.46)	-	(3.46)	-	-	-	(3.46)
Den Kashi Cable Network Private Limited	11.05	-	11.05	-	-	-	11.05
	(11.05)	-	(11.05)	-	-	-	(11.05)
CCN DEN Network Private Limited	-	-	-	12.62	-	-	12.62
	-	-	-	(12.62)	-	-	(12.62)
Den Satellite Network Private Limited	-	-	-	-	-	-	-
	-	-	-	(0.13)	-	-	(0.13)
Den Rajkot City Communication Private Limited	0.18	-	0.18	-	-	-	0.18
	(7.78)	-	(7.78)	-	-	-	(7.78)
Mahavir Den Entertainment Private Limited	7.60	-	7.60	-	-	-	7.60
	(7.60)	-	(7.60)	-	-	-	(7.60)
Indradhanush Cable Network Private Limited	6.73	-	6.73	-	-	-	6.73
	(6.73)	-	(6.73)	-	-	-	(6.73)
Others	9.85	-	9.85	-	-	-	9.85
	(5.26)	(0.01)	(5.27)	-	-	-	(5.27)
<b>Total</b>	<b>48.27</b>	<b>-</b>	<b>48.27</b>	<b>12.62</b>	<b>-</b>	<b>-</b>	<b>60.88</b>
	<b>(50.11)</b>	<b>(0.01)</b>	<b>(50.11)</b>	<b>(12.74)</b>	<b>-</b>	<b>-</b>	<b>(62.87)</b>
<b>e. Dividend Receivable</b>							
DEN Ambey Cable Networks Private Limited	12.15	-	12.15	-	-	-	12.15
	-	(-)	-	(-)	(-)	(-)	-
	-	-	<b>12.15</b>	-	-	-	<b>12.15</b>
	-	(-)	-	(-)	(-)	(-)	-
<b>iii. Trade receivables</b>							
Den Satellite Network Private Limited	-	-	-	283.09	-	-	283.09
	-	-	-	(257.91)	-	-	(257.91)
Others	1,416.70	135.95	1,552.65	142.91	113.80	-	1,809.36
	(1,296.02)	(113.17)	(1,409.19)	(40.99)	-	-	(1,450.18)
<b>Total</b>	<b>1,416.70</b>	<b>135.95</b>	<b>1,552.65</b>	<b>426.00</b>	<b>113.80</b>	<b>-</b>	<b>2,092.45</b>
	<b>(1,296.02)</b>	<b>(113.17)</b>	<b>(1,409.19)</b>	<b>(298.89)</b>	<b>(-)</b>	<b>(-)</b>	<b>(1,708.08)</b>
<b>iv. Loans</b>							
Den Futuristic Cable Networks Private Limited	211.63	-	211.63	-	-	-	211.63
	(230.63)	-	(230.63)	-	-	-	(230.63)
DEN Broadband Private Limited	-	-	-	-	-	-	-
	(129.57)	-	(129.57)	-	-	-	(129.57)
Others	9.94	12.03	21.97	-	-	-	21.97
	(24.45)	(12.03)	(36.48)	-	-	-	(36.48)
<b>Total</b>	<b>221.57</b>	<b>12.03</b>	<b>233.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>233.60</b>
	<b>(384.65)</b>	<b>(12.03)</b>	<b>(396.68)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(396.68)</b>
<b>v. Other financial liabilities</b>							
<b>a. Security deposits received</b>							
DEN Mahendra Satellite Private Limited	0.12	-	0.12	-	-	-	0.12
	(1.60)	(-)	(1.60)	(-)	(-)	(-)	(1.60)
DEN Prayag Cable Networks Private Limited	-	0.02	0.02	-	-	-	0.02
	(-)	(0.02)	(0.02)	(-)	(-)	(-)	(0.02)
<b>Total</b>	<b>0.12</b>	<b>0.02</b>	<b>0.14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.14</b>
	<b>(1.60)</b>	<b>(0.02)</b>	<b>(1.62)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(1.62)</b>
<b>vi. Trade payables</b>							
Den Satellite Network Private Limited	-	-	-	190.82	-	-	190.82



## NOTES TO THE FINANCIAL STATEMENTS

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Total	Associate Entities	Fellow Subsidiaries	Key management personnel	Grand total
	(-)	(-)	(-)	(41.25)	(-)	(-)	(41.25)
Den Enjoy Cable Networks Private Limited	253.00	-	253.00	-	-	-	253.00
	(260.18)	(-)	(260.18)	(-)	(-)	(-)	(260.18)
Mansion Cable Network Private Limited	185.93	-	185.93	-	-	-	185.93
	(221.02)	(-)	(221.02)	(-)	(-)	(-)	(221.02)
DEN Ambey Cable Networks Private Limited	201.32	-	201.32	-	-	-	201.32
	(183.38)	(-)	(183.38)	(-)	(-)	(-)	(183.38)
TV18 Broadcast Limited	-	-	-	-	271.37	-	271.37
	(-)	(-)	-	(-)	(-)	(-)	-
Den Futuristic Cable Networks Private Limited	170.01	-	170.01	-	-	-	170.01
	(210.97)	(-)	(210.97)	(-)	(-)	(-)	(210.97)
Others	476.14	121.23	597.37	91.37	-	-	688.74
	(507.68)	(128.86)	(636.54)	(3.85)	(-)	-	(640.39)
	<b>1,286.40</b>	<b>121.23</b>	<b>1,407.63</b>	<b>282.19</b>	<b>271.37</b>	-	<b>1,961.19</b>
	<b>(1,383.23)</b>	<b>(128.86)</b>	<b>(1,512.09)</b>	<b>(45.10)</b>	-	-	<b>(1,557.19)</b>
<b>vii. Other current liabilities</b>							
<b>a. Deferred revenue</b>							
Den Digital Cable Network Private Limited	0.76	-	0.76	-	-	-	0.76
	(1.94)	-	(1.94)	-	-	-	(1.94)
Eminent Cable Network Private Limited	0.06	-	0.06	-	-	-	0.06
	(0.92)	(-)	(0.92)	(-)	(-)	(-)	(0.92)
Den Enjoy Cable Networks Private Limited	0.61	-	0.61	-	-	-	0.61
	(0.62)	(-)	(0.62)	(-)	(-)	(-)	(0.62)
Crystal Vision Media Private Limited	0.74	-	0.74	-	-	-	0.74
	(1.63)	(-)	(1.63)	(-)	(-)	(-)	(1.63)
Libra Cable Network Private Limited	1.33	-	1.33	-	-	-	1.33
	(1.35)	(-)	(1.35)	(-)	(-)	(-)	(1.35)
Cab-i-Net Communications Private Limited	1.06	-	1.06	-	-	-	1.06
	(1.00)	-	(1.00)	-	-	-	(1.00)
Den F K Cable Tv Network Private Limited	2.18	-	2.18	-	-	-	2.18
	(2.38)	(-)	(2.38)	(-)	(-)	(-)	(2.38)
Others	2.52	-	2.52	-	-	-	2.52
	(2.01)	-	(2.01)	(0.13)	-	-	(2.14)
<b>Total</b>	<b>9.26</b>	-	<b>9.26</b>	-	-	-	<b>9.26</b>
	<b>(11.86)</b>	-	<b>(11.86)</b>	<b>(0.13)</b>	-	-	<b>(11.99)</b>
<b>b. Advances from customers</b>							
Den Enjoy Navaratan Network Private Limited	-	-	-	-	-	-	-
	-	(1.08)	(1.08)	-	-	-	(1.08)
Ekta Entertainment Network Private Limited	-	-	-	-	-	-	-
	(0.05)	-	(0.05)	-	-	-	(0.05)
Den Futuristic Cable Networks Private Limited	-	-	-	-	-	-	-
	(9.38)	(-)	(9.38)	-	-	-	(9.38)
VBS Digital Distribution Network Private Limited	2.02	-	2.02	-	-	-	2.02
	(3.23)	(-)	(3.23)	-	-	-	(3.23)
Others	-	-	-	-	-	-	-
	(0.49)	-	(0.49)	-	-	-	(0.49)
<b>Total</b>	<b>2.02</b>	-	<b>2.02</b>	-	-	-	<b>2.02</b>
	<b>(13.14)</b>	<b>(1.08)</b>	<b>(14.22)</b>	-	-	-	<b>(14.22)</b>

- viii. Amount recoverable from DNL Employees Welfare Trust as at 31<sup>st</sup> March, 2019: Rs. 0.36 million (As at 31<sup>st</sup> March, 2018: Rs. 0.36 million)
- ix. Lucid Systems Private Limited ('LSPL) has given guarantee by way of pledge of Nil (previous year - 6.00 million) equity shares held in the Company for credit facilities availed by the Company on loans taken from a financial institution / bank during the year ended 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018.
- x. Den Futuristic Cable Networks Private Limited has given Corporate guarantee for an amount of Rs. 860.89 mn by way of pledge over investment in equity shares of its two step down subsidiaries towards ICICI Bank credit facilities availed by Company.



## NOTES TO THE FINANCIAL STATEMENTS

xi. In accordance with the Clause 34(3) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, advance in the nature of loans are as under:

(a) The Company has given advances in the nature of Loan as defined in clause 34(3) of Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations, 2015 as under;

(Rs. in million)

S. No.	Name of Company	As at 31.03.2019	As at 31.03.2018	Maximum Outstanding during the year
i	Den Futuristic Cable Networks Private Limited	211.63	230.63	230.63
ii	Den Faction Communication System Private Limited	12.03	12.03	12.03
iii	Mahavir Den Entertainment Private Limited	6.23	6.23	6.23
iv	Multi Channel Cable Network Private Limited	1.50	1.50	1.50
v	Den Malabar Cable Vision Private Limited	1.11	1.11	1.11
vi	Sree Gokulam Starnet Communication Private Limited	0.50	0.50	0.50
vii	Den Kattakada Telecasting & Cable Services Private Limited	0.35	0.35	0.35
viii	Den Malayalam Telenet Private Limited	0.15	0.15	0.15
ix	Den Prince Network Private Limited	0.10	0.10	0.10
x	Den Broadband private limited	-	129.57	129.57
xi	Radiant Satellite (India) Private Limited	-	14.51	14.51

### 34. Share Based payments

#### A. Employee Stock Option Plan 2010 ("ESOP 2010")

##### a) Details of the employee share option plan of the Company

The weighted average fair value of the share options granted under ESOP 2010 during the financial year is Rs. 41.51 (during the year ended 31<sup>st</sup> March, 2018: Rs. 38.97 ). Options were priced using Black Scholes model.

The Company had established an Employee Stock Option Plan (ESOP 2010) in accordance with "Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014" and "the Securities and Exchange Board of India (Share Based Employee Benefits) (Amendment) Regulation, 2015", which has been approved by the Board of Directors and the shareholders of the Company. A Nomination and Remuneration / Compensation Committee comprising majority of independent, non-executive members of the Board of Directors administers the ESOPs. All option under the ESOPs are exercisable for equity shares. The Company had taken approval of the Shareholders to grant and allot upto 5,219,599 equity options under the said scheme. The total outstanding options under the scheme are 240,000 equity options.

There shall be a minimum period of one year between the grant of options and vesting of options. The vesting shall happen in one or more tranches as may be decided by the Nomination and Remuneration / Compensation Committee. The exercise period of the options is a period of one year after the vesting of the options. Each option is exercisable for one equity share of Rs. 10 each fully paid up of the Company on payment of exercise price (as determined by the Nomination and Remuneration / Compensation Committee) of share determined with respect to the date of grant.

As per approval of the shareholder, the Company may issue options to employees of the Company/ subsidiaries/ directors of the subsidiaries.

Each employee share option converts into one equity share of the Company on exercise. No amounts are paid or payable by the receipt of the option. The options carry neither rights to dividend nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

During the year ended 31<sup>st</sup> March, 2019, the Nomination and Remuneration/Compensation Committee has not granted any options under Employee Stock Option Plan - 2010.

The following share based arrangements were in existence during the current and prior years :

## NOTES TO THE FINANCIAL STATEMENTS

Options Series	Number	Grant date	Expiry date	No. of Shares Forfeited	Forfeiture date	Exercise Price (in Rs.)	Fair value at grant date (in Rs.)
1 DEN ESOP Scheme, 2010 (Granted on 13 February, 2015)	170,000	13-Feb-15	12-Feb-20	30,000	3-May-18	160.00	43.08
2 DEN ESOP Scheme, 2010 (Granted on 01 January, 2018)	100,000	1-Jan-18	31-Dec-19	-	-	80.00	39.32

All options vested on their date of grant and expiry within twelve months of their issue, or one month after the resignation of the executive or senior employee, whichever is earlier.

### b) Fair value of share options granted during the previous year

The vesting shall happen in one or more tranches as may be decided by the Nomination and Remuneration / Compensation Committee. The exercise period of the options is a period of one year after the vesting of the options. Each option is exercisable for one equity share of Rs. 10 each fully paid up on payment of exercise price (as determined by the Nomination and Remuneration / Compensation Committee) of share determined with respect to the date of grant. The Company has granted 4,026,195 options upto 31<sup>st</sup> March, 2019.

The fair value of the options, calculated by an external valuer, was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

	140,000 Options (Vesting Period -4 Years)				100,000 Options (Vesting Period -1 Year)
	1st Year	2nd Year	3rd Year	4th Year	1st Year
Grant date share price	111.50	111.50	111.50	111.50	105.90
Exercise price	160.00	160.00	160.00	160.00	80.00
Expected volatility (in %)	48.00%	48.00%	48.00%	48.00%	41.80%
Option life (in years)	1.50	2.50	3.50	4.50	1.50
Dividend yield (in %)	Nil	Nil	Nil	Nil	Nil
Risk-free interest rate (in %)	7.93%	7.88%	7.85%	7.81%	6.62%

The volatility of the options is based on the historical volatility of the share price since the Company's equity shares are publicly traded, which may be shorter than the term of the options.

### c) Movement in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year :

Particulars	2018-2019		2017-2018	
	Number of options	Weighted average exercise price (in Rs.)	Number of options	Weighted average exercise price (in Rs.)
Balance at the beginning of the year	482,500	143.42	595,000	160.00
Granted during the year	-	-	100,000	80.00
Forfeited during the year	30,000	143.42	-	-
Exercised during the year	-	-	-	-
Expired during the year	212,500	143.42	212,500	160.00
<b>Balance at the end of the year</b>	<b>240,000</b>	<b>143.42</b>	<b>482,500</b>	<b>143.42</b>

### d) Share options exercised during the year

No options were exercised during the year

### e) Share options outstanding at the end of the year

The share options outstanding at the end of the year had remaining contractual life of 0.82 year (as at 31<sup>st</sup> March, 2018 is 1.41 years).

## NOTES TO THE FINANCIAL STATEMENTS

### B. Employee Stock Option Plan 2014 ("ESOP 2014")

#### a) Details of the employee share option plan of the Company

The weighted average fair value of the share options granted under ESOP 2014 during the financial year is Rs. 24.15 (during the year ended 31<sup>st</sup> March, 2018: Rs. 20.75). Options were priced using Black Scholes model.

The Company has approved a share option scheme for the executives and senior employees of the Company and its subsidiaries.

The following share based arrangements were in existence during the current and prior years :

Options Series	Number	Grant date	Expiry date	No. of Shares Forfeited	Forfeiture date	Exercise Price	Fair value at grant date
1 DEN ESOP Plan B-2014 (Granted on 3 <sup>rd</sup> July, 2015)	100,000	3-Jul-15	3-Jul-18	100,000	3-Jul-18	160.00	14.63
	100,000	3-Jul-15	3-Jul-19	-	-	160.00	21.41
	80,000	3-Jul-15	3-Jul-20	-	-	160.00	27.57

#### b) Fair value of share options granted in the year

The vesting shall happen in one or more tranches as may be decided by the Nomination and Remuneration / Compensation Committee. The exercise period of the options is a period of one year after the vesting of the options. Each option is exercisable for one equity share of Rs. 10 each fully paid up on payment of exercise price (as determined by the Nomination and Remuneration / Compensation Committee) of share determined with respect to the date of grant

The fair value of the options, calculated by an external valuer, was estimated on the date of grant using the Black-Scholes model with the following significant assumptions

	180,000 Options (Vesting Period -4 Years)			
	1st Year	2nd Year	3rd Year	4th Year
Grant date share price	108.40	108.40	108.40	108.40
Exercise price	160.00	160.00	160.00	160.00
Expected volatility (in %)	47.65%	47.65%	47.65%	47.65%
Option life (in years)	1.50	2.50	3.50	4.50
Dividend yield (in %)	Nil	Nil	Nil	Nil
Risk-free interest rate (in %)	7.79%	7.78%	7.77%	7.76%

The volatility of the options is based on the historical volatility of the share price since the Company's equity shares are publicly traded, which may be shorter than the term of the options.

#### c) Movement in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year :

Particulars	2018-2019		2017-2018	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at the beginning of the year	280,000	160.00	2,950,000	160.00
Granted during the year				
Vested during the year	-	-	1,850,000	18.11
Exercised during the year	-	-	1,750,000	10.00
Expired during the year	100,000	160.00	920,000	160.00
<b>Balance at the end of the year</b>	<b>180,000</b>	<b>160.00</b>	<b>280,000</b>	<b>160.00</b>

#### d) Share options exercised during the year

No options were exercised during the year

## NOTES TO THE FINANCIAL STATEMENTS

### e) Share options outstanding at the end of the year

The share options outstanding at the end of the year had remaining contractual life of year 0.70 year (as at 31<sup>st</sup> March, 2018 is 1 year).

### 35. Financial Instruments

#### a) Capital Management

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

The capital structure of the Company consists of net debt (borrowings as detailed in notes 15, 19 and 16 and offset by cash and bank balances and current investments in notes 11, 9, 12 and 6) 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 31.03.2019	As at 31.03.2018
<b>Debt</b>		
Borrowings- current (See Note 19)	644.43	1,042.92
Borrowings- non current(See Note 15)	2,636.69	3,137.09
Current maturities of long term debt (See Note 16)	1,510.79	1,113.54
Book overdraft (See note 16)	-	108.34
	<b>4,791.91</b>	<b>5,401.89</b>
<b>Less:</b>		
Cash and cash equivalents (See Note 11)	211.09	898.44
Current investments (See Note 9)	20,709.84	529.84
Bank balances (See Note 12)	1,421.95	1,629.56
Other financial assets (See Note 6)	-	125.00
<b>Net debt</b>	<b>(17,550.97)</b>	<b>2,219.06</b>
<b>Total equity</b>	<b>26,334.74</b>	<b>8,101.89</b>
<b>Net debt to equity ratio</b>	<b>N/A</b>	<b>27.39%</b>

#### (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:

Financial assets	(Rs. in million)			
	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Cash and cash equivalents	211.09	-	-	211.09
Bank balances other than cash and cash equivalents	1,421.95	-	-	1,421.95
Trade receivables	3,291.99	-	-	3,291.99
Current investments	37.36	-	20,709.84	20,747.20
Loans	285.15	-	-	285.15
Other financial assets	1,079.51	-	-	1,079.51
Investments	130.29	-	-	130.29
	<b>6,457.34</b>	<b>-</b>	<b>20,709.84</b>	<b>27,167.18</b>

Investment in equity shares of subsidiaries and associates carried at cost less impairment

5,256.55

## NOTES TO THE FINANCIAL STATEMENTS

(Rs. in million)

Financial assets	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Borrowings - non-current	2,636.69	-	-	2,636.69
Borrowings - current	644.43	-	-	644.43
Trade payables	3,704.76	-	-	3,704.76
Other financial liabilities - non-current	-	-	-	-
Other financial liabilities - current	2,963.28	-	-	2,963.28
	<b>9,949.16</b>	-	-	<b>9,949.16</b>

As at 31<sup>st</sup> March, 2018

(Rs. in million)

Financial assets	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Cash and cash equivalents	898.44	-	-	898.44
Bank balances other than cash and cash equivalents	1,629.56	-	-	1,629.56
Trade receivables	3,797.00	-	-	3,797.00
Current investments	-	-	529.84	529.84
Loans	462.62	-	-	462.62
Other financial assets	1,050.50	-	-	1,050.50
Investments	228.90	-	-	228.90
	<b>8,067.02</b>	-	<b>529.84</b>	<b>8,596.85</b>

Investment in equity shares of subsidiaries and associates carried at cost less impairment

5,032.04

(Rs. in million)

Financial assets	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Borrowings - non-current	3,137.09	-	-	3,137.09
Borrowings - current	1,042.92	-	-	1,042.92
Trade payables	3,650.75	-	-	3,650.75
Other financial liabilities - non-current	5.23	-	-	5.23
Other financial liabilities - current	2,339.47	-	-	2,339.47
	<b>10,175.46</b>	-	-	<b>10,175.46</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 - See - 35c (iv), foreign currency - See - refer 35 c (iii), and other price risk - See - 35 c (v), 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.

## NOTES TO THE FINANCIAL STATEMENTS

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.

(Rs. in million)

	As at 31 <sup>st</sup> March, 2019				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
<b>Non current</b>					
Borrowings	-	2,389.95	287.54	-	2,677.49
Other financial liabilities	-	-	-	-	-
<b>Current</b>					
Borrowings	644.43	-	-	-	644.43
Current maturities of long term debt	1,534.73	-	-	-	1,534.73
Interest accrued	19.20	-	-	-	19.20
Trade payables	3,704.76	-	-	-	3,704.76
Other financial liabilities	1,433.29	-	-	-	1,433.29
<b>Total</b>	<b>7,336.41</b>	<b>2,389.95</b>	<b>287.54</b>	<b>-</b>	<b>10,013.90</b>

(Rs. in million)

	As at 31 <sup>st</sup> March, 2018				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
<b>Non current</b>					
Borrowings	-	3,055.18	132.65	-	3,187.84
Other financial liabilities	-	5.23	-	-	5.23
<b>Current</b>					
Borrowings	1,042.92	-	-	-	1,042.92
Current maturities of long term debt	1,141.71	-	-	-	1,141.71
Interest accrued	11.04	-	-	-	11.04
Trade payables	3,650.75	-	-	-	3,650.75
Other financial liabilities	1,214.88	-	-	-	1,214.88
<b>Total</b>	<b>7,061.30</b>	<b>3,060.41</b>	<b>132.65</b>	<b>-</b>	<b>10,254.37</b>

As at 31<sup>st</sup> March, 2019, the Company had access to fund based facilities of Rs. 5,262.22 million, of which Rs. 405.57 million were yet not drawn, as set out below:

	Total Facility (Rs. in million)	Drawn (Rs. in million)	Undrawn (Rs. in million)
	5,262.22	4,856.65	405.57
<b>Total</b>	<b>5,262.22</b>	<b>4,856.65</b>	<b>405.57</b>

As at 31<sup>st</sup> March, 2018, the Company had access to fund based facilities of Rs. 6,092.26 million, of which Rs. 719.78 million were yet not drawn, as set out below:

	Total Facility (Rs. in million)	Drawn (Rs. in million)	Undrawn (Rs. in million)
	6,092.26	5,372.48	719.78
<b>Total</b>	<b>6,092.26</b>	<b>5,372.48</b>	<b>719.78</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.



## NOTES TO THE FINANCIAL STATEMENTS

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

(Rs. in million)

Particulars	As at 31.03.2019		As at 31.03.2018	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
USD	-	0.15	-	8.42
Equivalent INR	-	10.09	-	547.99

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 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018, every 100 basis points depreciation/ appreciation in the exchange rate between the Indian rupee and U.S. dollar will decrease/increase the Company's losses before tax by Rs. 0.10 million (31<sup>st</sup> March, 2018 : Rs. 5.48 million).

#### (iv) Interest rate risk

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

The exposure of the Company's financial liabilities as at 31<sup>st</sup> March, 2019 to interest rate risk is as follows:

(Rs. in Million)

	Floating rate	Fixed rate	Non interest bearing	Total
<b>Non current</b>				
Borrowings	2,636.69	-	-	2,636.69
<b>Current includes :</b>				
Borrowings	644.43	-	-	644.43
Current maturities of long term debt	1,510.79	-	-	1,510.79
	<b>4,791.91</b>	-	-	<b>4,791.91</b>
Fixed deposits	-	1,421.95	-	1,421.95
<b>Interest rate range (per annum)</b>	<b>Floating rate</b>	<b>Fixed rate</b>		
Others	8.70% to 11.00%	6.70% to 8.51%		

The exposure of the Company's financial liabilities as at 31<sup>st</sup> March, 2018 to interest rate risk is as follows:

(Rs. in Million)

	Floating rate	Fixed rate	Non interest bearing	Total
<b>Non current</b>				
Borrowings	3,137.09	-	-	3,137.09
<b>Current</b>				
Borrowings	1,042.92	-	-	1,042.92
Current maturities of long term debt	1,113.54	-	-	1,113.54
	<b>5,293.55</b>	-	-	<b>5,293.55</b>
Fixed deposits	-	1,790.10	-	1,790.10
<b>Interest rate range (per annum)</b>	<b>Floating rate</b>	<b>Fixed rate</b>		
Buyer's credit	3.20% to 3.40%	NA		
Others	10.30% to 11.5%	8.55%		



## NOTES TO THE FINANCIAL STATEMENTS

### Interest rate sensitivity analysis on borrowings:

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's losses before tax for the year ended 31<sup>st</sup> March, 2019 would decrease/increase by Rs. 51.15 million (year ended 31<sup>st</sup> March, 2018 : Rs. 4.65 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

### Interest rate sensitivity analysis on fixed deposits:

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's losses before tax for the year ended 31<sup>st</sup> March, 2019 would decrease/increase by Rs. 16.06 million (year ended 31<sup>st</sup> March, 2018 : Rs. 1.44 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

### (v) Other price risk

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

If prices had been 100 basis points higher/lower, loss before tax for the year ended 31<sup>st</sup> March, 2019 would increase/decrease by Rs. 207.10 million (for the year ended 31<sup>st</sup> March, 2018: Rs. 5.30 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.

36. During the previous year ended 31<sup>st</sup> March, 2018, the Nomination and Remuneration/Compensation Committee has granted 0.10 million options under Employee Stock Option Plan - 2010 to an eligible employee of the Company (see note 34).
37. During the year, the Company has allotted on preferential basis 28,14,48,000 equity shares of Rs. 72.66 each at a premium of Rs. 62.66 per share to the following entities (the 'Acquirers') aggregating to Rs. 2,045.00 million representing 58.98% of post-preferential allotment equity share capital of the Company.

Name of the Acquirers	No. of Equity Shares	Amount (Rs. in million)
Jio Futuristic Digital Holdings Private Limited	136,847,150	9,943.30
Jio Digital Distribution Holdings Private Limited	71,248,280	5,176.90
Jio Television Distribution Holdings Private Limited	73,352,570	5,329.80
<b>Total</b>	<b>281,448,000</b>	<b>20,450.00</b>

The Acquirers have acquired sole control of the Company and the Acquirers together with the Persons Acting in Concert (PACs) namely Reliance Industries Limited (RIL), Digital Media Distribution Trust, Reliance Content Distribution Limited and Reliance Industrial Investments and Holdings Limited have become part of the 'promoter and promoter group' of the Company pursuant to the:

(a) aforesaid preferential allotment; and (b) purchase by Jio Futuristic Digital Holdings Private Limited (one of the Acquirers) of 3,35,85,000 equity shares of the Company representing 7.04% of the post-preferential allotment paid-up equity share capital from Shri Sameer Manchanda and Verve Engineering Private Limited. Further, prior to the said acquisitions, Reliance Ventures Limited (RVL), Reliance Strategic Investments Limited (RSIL) and Network18 Media and Investments Limited (NW18) (RVL and RSIL are wholly-owned subsidiaries of RIL. Independent Media Trust (of which RIL is the sole beneficiary) owns and controls 73.15% of the paid-up equity share capital of NW18 (directly and indirectly through companies wholly owned and controlled by it) together were holding 26,46,968 equity shares constituting 0.55% of the post-preferential allotment paid-up equity share capital of the Company. Post the aforesaid acquisitions by the Acquirers, RVL, RSIL and NW18 have also become part of the 'promoter and promoter group' of the Company.

On 5<sup>th</sup> March, 2019, the Acquirers acquired an aggregate of 5,74,89,612 equity shares representing 12.05% of the total paid-up equity share capital of the Company pursuant to an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Accordingly, as at 31<sup>st</sup> March, 2019, the aggregate holding of the Acquirers, RVL, RSIL and NW18 in the Company stood at 37,51,69,580 equity shares of the Company representing 78.62% of the total paid-up equity share capital of the Company

'The proceeds of preferential allotment amounting to Rs. 20,450.00 million have been temporarily invested in liquid mutual funds.

## NOTES TO THE FINANCIAL STATEMENTS

**38.** The Company has investments of Rs. 5,424.20 million (net of provision for impairment of Rs. 143.34 million) in subsidiary companies and associate companies as on 31<sup>st</sup> March, 2019. Of these, net worth of investments with carrying value of Rs. 2,868.32 million (net of provision for impairment of Rs. 97.32 million) and balances of loans / advances of Rs. 15.74 million as at 31<sup>st</sup> March, 2019 have fully/substantially eroded. Of these, investments aggregating to Rs. 182.20 million in companies whose net worth is fully/substantially eroded have earned profits for the year ended 31<sup>st</sup> March, 2019. 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.

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

- Gross amount required to be spent by the Company during the period ended 31<sup>st</sup> March, 2019 is Rs. Nil (Previous year Rs. Nil)
- Amount spent during the period ended 31<sup>st</sup> March, 2019

(Rs. In million)

	Paid (A)	Yet to be paid (B)	Total (A+B)
(i) Construction/acquisition of any asset	-	-	-
	(-)	(-)	(-)
(ii) On purposes other than (i) above	0.95	-	0.95
	(1.01)	-	(1.01)

Figures in bracket relates to previous year

**c. Details of related party transactions:**

- Contribution during the period ended 31<sup>st</sup> March, 2019 is Rs. Nil (Previous year Rs. Nil)
- Payable as at 31<sup>st</sup> March, 2019 is Rs. Nil (Previous year Rs. Nil)

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

**41a Fair value measurement**

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

(Rs. in million)

Particulars	As at 31.03.2019		As at 31.03.2018	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Cash and cash equivalents	211.09	211.09	898.44	898.44
Other bank balances	1,421.95	1,421.95	1,629.56	1,629.56
Trade receivables	3,291.99	3,291.99	3,797.00	3,797.00
Security deposits	51.55	51.55	65.94	65.94
Loans	233.60	233.60	396.68	396.68
Other financial assets	1,079.51	1,079.51	1,050.50	1,050.50
<b>Financial liabilities</b>				
Non-current borrowings	2,636.69	2,636.69	3,137.09	3,137.09
Current borrowings	644.43	644.43	1,042.92	1,042.92
Trade payables	3,704.76	3,704.76	3,650.75	3,650.75
Other financial liabilities - non-current	-	-	5.23	5.23
Other financial liabilities - current	2,963.28	2,963.28	2,339.47	2,339.47

**Note :**

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

- Fair value hierarchy of assets measured at fair value as at 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018 is as follows:

(Rs. In million)

## NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at 31.03.2019	Fair value measurement at end of the reporting period/year using			Valuation techniques
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					Based on the NAV report issued by the fund manager
Investment in mutual funds	20,709.84	-	20,709.84	-	Discounted cashflow at a discounted rate that reflects the issuer's current borrowing rate at the end of the reporting year.
Investment in preference shares	-	-	-	167.65	
<b>Total financial assets</b>	<b>20,709.84</b>		<b>20,709.84</b>	<b>167.65</b>	

(Rs. In million)

Particulars	As at 31.03.2019	Fair value measurement at end of the reporting period/year using			Valuation techniques
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					Based on the NAV report issued by the fund manager
Investment in mutual funds	529.84	-	529.84	-	Discounted cashflow at a discounted rate that reflects the issuer's current borrowing rate at the end of the reporting year.
Investment in preference shares	228.90	-	-	228.90	
<b>Total financial assets</b>	<b>758.74</b>		<b>529.84</b>	<b>228.90</b>	

### 41b. 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 <sup>st</sup> March, 2018	Cash flow	Non-cash Changes	As at 31 <sup>st</sup> March, 2019
Non-current borrowings	3,137.09	(500.40)	-	2,636.69
Current borrowings	1,042.92	(398.49)	-	644.43
Current maturities of long term borrowing	1,113.54	397.25		1,510.79
<b>Total liabilities from financing activities</b>	<b>5,293.55</b>	<b>(501.64)</b>	<b>-</b>	<b>4,791.91</b>

### 41c. 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 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018 respectively

(Rs. In million)

Particulars	As at 31 <sup>st</sup> March, 2018	Valuation Technique	Inputs used	Sensitivity
<b>Financial Assets at Amortised Cost</b>				
-- investments in preference shares	167.65	Discounted cash flow	Risk adjusted discounted rate	Change in risk adjusted discount rate (+50 bps) would decrease the FV by Rs 1.90 Million and (-50 bps) would increase FV by Rs 1.87 Million

(Rs. In million)

Particulars	As at 31 <sup>st</sup> March, 2018	Valuation Technique	Inputs used	Sensitivity
<b>Financial Assets at Amortised Cost</b>				
-- investments in preference shares	228.90	Discounted cash flow	Risk adjusted discounted rate	Change in risk adjusted discount rate (+50 bps) would decrease the FV by Rs 3.28 Million and (-50 bps) would increase FV by Rs 2.95 Million



## NOTES TO THE FINANCIAL STATEMENTS

### 41d. Financial assets at amortised cost

(Rs. In million)

Particulars	As at 31 <sup>st</sup> March, 2018
<b>Amortised cost as 1<sup>st</sup> April, 2017</b>	<b>217.62</b>
Gain on debt instrument designated at amortised cost	31.28
Redemption of instruments	(15.19)
other	(4.81)
<b>Amortised cost as 31<sup>st</sup> March, 2018</b>	<b>228.90</b>
Gain on debt instrument designated at amortised cost	19.84
Redemption of instruments	-
Investment written off	(74.07)
Other	(7.02)
<b>Amortised cost as 31<sup>st</sup> March, 2019</b>	<b>167.65</b>

### 41e. 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.

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

(Rs. in million)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	1.55	10.38
(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.	-	-

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

44. Full particulars of loans given, investment made, guarantees given, security provided together with purpose in terms of section 186

## NOTES TO THE FINANCIAL STATEMENTS

(4) of the Companies Act, 2013

Name of entity	Amount (Rs. in million)	Full Particulars	Purpose
<b>Investment made</b>			
Eminent Cable Network Private Limited	11.20	Investment in equity shares	Strategic investment as part of business expansion.

45. During the current year, the Company entered into the following non-cash investing activities which are adjusted in the Statement of Cash Flows :

Investment made by the Company in DEN BROADBAND PRIVATE LIMITED, a wholly owned subsidiary of the Company amounting to Rs. 238.90 million and Rs. 1,469.81 million by conversion of loan amount during financial year 2018-19 and 2017-18.

46. During the provisional assessment towards the license fees for the years 2011-12 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. 6278.90 million.

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

Further the Hon'ble TDSAT in association of Unified Telecom Service Providers of India & others vs. Union of India has clearly held that imposition of interest and penalty is wholly unjustified.

47. Previous year figures have been regrouped / reclassified wherever necessary to make them comparable.

48. The standalone financial statements were approved for issue by the Board of Directors on 16<sup>th</sup> April, 2019.

### 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 Managing Director

DIN: 00015459

### Ajaya Chand

Director

DIN: 02334456

### S.N. Sharma

Chief Executive Officer

### Jatin Mahajan

Company Secretary

M.No: F6887

### Satyendra Jindal

Chief Financial Officer

Place : New Delhi

Date : 16<sup>th</sup> April , 2019

Place : New Delhi

Date : 16<sup>th</sup> April , 2019

**Consolidated  
Ind AS Financial  
Statements**

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF DEN NETWORKS LIMITED

#### Report on the Audit of Consolidated Financial Statements

##### Opinion

We have audited the accompanying consolidated financial statements of DEN NETWORKS Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associates, which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March, 2019, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31<sup>st</sup> March, 2019, of consolidated loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

##### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI together with the ethical requirements that are relevant to our audit of the financial statements under the provision of the act and rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31<sup>st</sup> March, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Key Audit Matters	How our audit addressed the key audit matter
<p><b>(i) Impairment of Property, Plant &amp; Equipment</b></p> <p>As at 31<sup>st</sup> March, 2019 value of property, plant and equipment is Rs.7,588.83 million. Management's assessment of the valuation of property, plant and equipment and usability is significant to our audit because this process is complex and requires significant management judgment. Accordingly, the management identified impairment indications and management's assessment results a one-time impairment loss of Rs. 1,040.80 million, which has been accounted as exceptional item (Refer note no. 27). Accordingly, it has been determined as a key audit matter.</p>	<p>We carried out procedures to understand management's process for identifying impairment triggers and considered management's assessment of impairment in the above mentioned areas. Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Assessing internal controls designed for identification of impairment indicators.</li> <li>Evaluating the appropriateness of the Group's judgment regarding identification of assets which may be impaired.</li> <li>Considered the completeness and accuracy of the disclosures, which are included in notes 27 of the consolidated financial statements.</li> <li>Read the Independent Chartered Accountants firm's report on Company's interim financial statements.</li> <li>Performed inquiry procedures as per SA 600 'Using the work of another auditor' on the above matters</li> </ul>

Key Audit Matters	How our audit addressed the key audit matter
<p><b>(ii) Goodwill</b></p> <p>The Group's balance sheet includes Rs1623.80 million of goodwill, representing 4% of total Group assets. Goodwill is tested annually for impairment using discounted cash-flow models of each CGU's recoverable value compared to the carrying value of the assets. A deficit would result in impairment.</p> <p>The inputs to the impairment testing model which have the most significant impact on CGU recoverable value include:</p> <ul style="list-style-type: none"> <li>Projected revenue growth, average revenue per user, operating margins; and</li> <li>Discount rates used.</li> </ul> <p>The annual impairment testing is considered a significant accounting judgment and estimate (Note 36) and a key audit matter because the assumptions on which the tests are based are highly judgmental and are affected by future market and economic conditions which are inherently uncertain.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Assessed the appropriateness of the Group's methodology applied in determining the CGUs to which goodwill is allocated.</li> <li>Assessed the assumptions around the key drivers of the recoverable value including average revenue per user, expected growth rates and used.</li> <li>Discussed potential changes in key drivers as compared to previous year / actual performance with management in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were reasonable.</li> <li>Tested the arithmetical accuracy of the model.</li> <li>Considered the completeness and accuracy of the disclosures, which are included in notes 36 of the consolidated financial statements.</li> </ul>



Key Audit Matters	How our audit addressed the key audit matter
<p><b>(iii) Carrying value of trade receivables and advances from customers/parties</b></p> <p>As mentioned in note no. 10 to the consolidated financial statements, trade receivable were aggregating to Rs. 5,741.87 million as on 31<sup>st</sup> March, 2019.</p> <p>The collectability of the trade receivables and the valuation of allowance for impairment of trade receivables require a significant management judgment. Specific factors management considers including the age of the balance, existence of disputes, recent historical payment patterns, new tariff order by TRAI, increase in competition on account of rates parity in the market and any other available information concerning the creditworthiness of counterparties. Management uses this information to determine whether a provision for impairment is required either for a specific transaction or for a customer's balance overall. Accordingly, the management identified such factors and it's assessment results into impairment of trade receivables and advances of Rs. 1,229.54 million, which has been accounted as exceptional item. (Refer note no. 27)</p> <p>Accordingly, it has been determined as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We selected a sample of the larger trade receivable balances where a provision for impairment of trade receivables and advances was recognized.</li> <li>• We assessed the ageing of trade receivables and advances, the customer's historical payment patterns.</li> <li>• We also obtained corroborative evidence of any disputes between the parties involved, attempts by management to recover the amounts outstanding and on the credit status of significant counterparties wherever available.</li> <li>• In assessing the appropriateness of the overall provision for impairment we considered the management's application of policy for recognizing provisions.</li> <li>• Further in addition to the above process, a forward-looking expected loss impairment model as prescribed in IND AS 109 "Financial Instruments" was also applied by the Company. This involves judgment as the expected credit losses must reflect information about past events, current conditions and forecasts of future conditions.</li> <li>• We assessed the provisioning policy, which included assessing whether the calculation was in accordance with expected credit loss impairment model as prescribed in IND AS 109 and comparing the provisioning rates against historical collection data.</li> <li>• Read the Independent Chartered Accountants firm's report on Company's interim financial statements..</li> <li>• Performed inquiry procedures as per SA 600 'Using the work of another auditor' on the above matters</li> <li>• Considered the completeness and accuracy of the disclosures</li> </ul>
<p><b>(iv) Litigations &amp; Contingent liabilities</b></p> <p>The Group is subject to number of significant litigations. Major risks identified by the Holding Company in that area relate to VAT liability on account of transfer of setup boxes, entertainment tax, and license fees liability from DOT on account of dispute to consider non-business for AGR calculation and dispute in duty assessment with custom department. The amounts of litigations may be significant and estimates of the amounts of provisions or contingent liabilities are subject to significant management judgment. (Refer note no. 29 and 50)</p> <p>Due to complexity involved in these litigation matters, management's judgment regarding recognition and measurement of provisions for these legal proceedings is inherently uncertain and might change over time as the outcomes of the legal cases are determined and it has been considered as a key audit matter. Accordingly, the management identified such factors and it's assessment results into provision of Rs. 107.51 million, which has been accounted as exceptional item. (Refer note no. 27).</p>	<p>Our audit procedures included the following</p> <ul style="list-style-type: none"> <li>• Assessing the procedures implemented by the holding Company to identify and gather the risks it is exposed to.</li> <li>• Discussion with the management on the development in these litigations during the year ended 31<sup>st</sup> March, 2019.</li> <li>• Obtaining an understanding of the risk analysis performed by the holding Company, with the relating supporting documentation and studying written statements from internal/-external legal experts, when applicable.</li> <li>• Opinion from the holding Company's legal counsel (internal/-external) and studying the same.</li> <li>• Verification that accounting and /or disclosure as the case may be in the consolidated financial statements is in accordance with the assessment of legal counsel/management.</li> <li>• Obtaining representation letter from the management on the assessment of those matters as per SA 580 (revised) - written representations.</li> </ul>

### Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the management discussion & analysis and director's report included in the annual report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent

with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group



including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates is responsible for overseeing the financial reporting process of the Group and of its associates.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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 Group and its associates 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 consolidated 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 Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended 31<sup>st</sup> March, 2019 and are therefore the key audit matters. We describe these matters 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

#### Other Matters

- (a) We did not audit the financial statements/financial information of 101 subsidiaries, whose financial statements/financial information reflect total assets of Rs. 6,270.57 million as at 31<sup>st</sup> March, 2019, total revenues of Rs. 4,567.71 million and net cash outflows amounting to Rs. (16.30) million for the year ended on that date, as considered in the consolidated financial statements and financial statements of 3 associates, which reflects the Group's share of net (loss) including total other comprehensive income of Rs. (42.53) million for the year ended 31<sup>st</sup> March, 2019 as considered in the consolidated financial statements. These financial statements/financial information have not been audited by us. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates is based solely on the reports of the other auditors.
- (b) We did not audit the financial statements/financial information of 3 subsidiaries, whose financial statements/financial information reflect total assets of Rs. 138.83 million as at 31<sup>st</sup> March, 2019, total revenues of Rs. 106.15 million and net cash inflows amounting to Rs. (0.50) million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss including total other comprehensive income of Rs. (11.42) million for the year ended 31<sup>st</sup> March, 2019, as considered in the consolidated financial statements in respect of 3 associate. These financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

- (c) The comparative financial information of the Company for the year ended 31<sup>st</sup> March, 2018 prepared in accordance with Indian Accounting Standards, included in these consolidated financial statements, have been audited by the predecessor auditors. The report of the predecessor auditors on the comparative financial information dated 18<sup>th</sup> May, 2018 expressed an unmodified opinion. Our opinion is not modified in respect of said matter.

#### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries and associates, companies incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors of the Parent, the reports of the statutory auditors of its subsidiaries and associates, companies incorporated in India, none of the directors of the Group companies and its associates, companies incorporated in India, is disqualified as on 31<sup>st</sup> March, 2019 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 over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "ANNEXURE A", which is based on the auditor's reports of the Parent, subsidiaries and associates, companies incorporated in India

to whom internal financial controls over financial reporting is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.

- (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 remuneration paid by the holding Company to its directors during the year is in accordance with the provisions of section 197 of 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 Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates. Refer Note 29 to the consolidated financial statements.
  - ii. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent, its subsidiaries and its associates, companies incorporated in India.

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

**Vijay Napawaliya**  
Partner  
(Membership No. 109859)

Place : New Delhi  
Date : 16<sup>th</sup> April, 2019

#### **"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT**

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31<sup>st</sup> March, 2019, we have audited the internal financial controls over financial reporting of **DEN NETWORKS LIMITED** (hereinafter referred to as "the Holding Company"/"Parent") and its 102 subsidiary companies and

3 associates, which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the Parent, its subsidiary companies and its associates, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 over financial reporting of the Parent, its subsidiary companies and its associates, which are companies incorporated in India, 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 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and an associates, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies and



its associates, which are companies incorporated in India.

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

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion to the best of our information and according to

the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies and associates which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

#### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 101 subsidiary companies and 3 associates, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of the above matters.

For **Chaturvedi & Shah LLP**

Chartered Accountants

(Firm's Registration No. 101720W/W100355)

**Vijay Napawaliya**

Partner

(Membership No. 109859)

Place : New Delhi

Date : 16<sup>th</sup> April, 2019

## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2019

(Rs. in million)

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
<b>A. ASSETS</b>			
1. Non-current assets			
(a) Property, plant and equipment	3A	7,588.83	10,076.21
(b) Capital work-in-progress		186.83	503.99
(c) Goodwill on consolidation	36	1,623.80	1,645.90
(d) Intangible assets	3B	132.51	135.58
(e) Financial assets			
(i) Investments	4	684.87	738.91
(ii) Loans	5	63.50	64.02
(iii) Other financial assets	6	-	126.11
(f) Non current tax assets (net)	7	1,100.04	864.70
(g) Deferred tax assets (net)	28(C)	928.42	929.75
(h) Other non-current assets	8	545.96	352.60
<b>Total non-current assets</b>		<b>12,854.76</b>	<b>15,437.77</b>
2. Current assets			
(a) Financial assets			
(i) Investments	9	20,709.84	529.84
(ii) Trade receivables	10	2,260.11	3,022.97
(iii) Cash and cash equivalents	11	788.78	1,509.02
(iv) Bank balances other than cash and cash equivalents	12	1,459.38	1,675.04
(v) Loans	5	272.52	398.85
(vi) Other financial assets	6	884.58	575.34
(b) Other current assets	8	330.65	423.75
<b>Total current assets</b>		<b>26,705.86</b>	<b>8,134.81</b>
<b>Total assets</b>		<b>39,560.62</b>	<b>23,572.58</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	13	4,767.66	1,953.18
(b) Other equity	14	20,692.78	5,906.46
<b>Equity attributable to owners of the Company</b>		<b>25,460.44</b>	<b>7,859.64</b>
Non-controlling interests	55	780.56	1,039.41
<b>Total equity</b>		<b>26,241.00</b>	<b>8,899.05</b>
<b>Liabilities</b>			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	2,660.31	3,141.15
(ii) Other financial liabilities	16	0.35	4.00
(b) Provisions	17	119.77	92.94
(c) Deferred tax liabilities (net)	28(C)	13.67	0.77
(d) Other non-current liabilities	18	2,652.33	3,532.50
<b>Total non-current liabilities</b>		<b>5,446.43</b>	<b>6,771.36</b>



## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2019

(Rs. in million)

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
<b>2. Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	648.87	1,050.29
(ii) Trade payables	20		
- Total outstanding dues of micro enterprises and small enterprises		1.55	10.38
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,642.76	2,534.72
(iii) Other financial liabilities	16	3,210.56	2,598.75
(b) Provisions	17	13.91	49.06
(c) Current tax liabilities (net)	21	17.89	24.63
(d) Other current liabilities	18	1,337.65	1,634.34
<b>Total current liabilities</b>		<b>7,873.19</b>	<b>7,902.17</b>
<b>Total liabilities</b>		<b>13,319.62</b>	<b>14,673.53</b>
<b>Total equity and liabilities</b>		<b>39,560.62</b>	<b>23,572.58</b>

See accompanying notes to the Consolidated Financial Statements

1 to 52

### 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 Managing Director

DIN No:00015459

### Ajaya Chand

Director

DIN No. 02334456

### S.N. Sharma

Chief Executive Officer

### Jatin Mahajan

Company Secretary

M.No: F6887

### Satyendra Jindal

Chief Financial Officer

Place : New Delhi

Date : 16<sup>th</sup> April, 2019

Place : New Delhi

Date : 16<sup>th</sup> April, 2019

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

(Rs. in million)

Particulars	Note No.	Year ended 31.03.2019	Year ended 31.03.2018
<b>1. Income</b>			
(a) Revenue from operations	22	12,060.65	12,851.01
(b) Other income	23	463.41	298.80
<b>2. Total income</b>		<b>12,524.06</b>	<b>13,149.81</b>
<b>3. Expenses</b>			
(a) Content cost		5,729.89	5,398.00
(b) Placement fees		424.57	462.10
(c) Employee benefits expense	24	958.17	1,079.90
(d) Finance costs	25	586.55	660.51
(e) Depreciation and amortisation expense		2,415.70	2,485.90
(f) Other expenses	26	3,121.06	3,127.93
<b>4. Total expenses</b>		<b>13,235.94</b>	<b>13,214.34</b>
<b>5. Loss before exceptional items and tax expense (2-4)</b>		<b>(711.88)</b>	<b>(64.53)</b>
6. Exceptional items	27	2,111.00	1.11
7. Share of profit / (loss) of associates	46	(53.94)	(5.90)
<b>8. Loss before tax (5+6+7)</b>		<b>(2,876.82)</b>	<b>(71.54)</b>
<b>9. Tax expense</b>			
(a) Current tax	28(A)(a)	140.29	271.30
(b) Deferred tax	28(A)(b)	(11.61)	(171.65)
<b>10. Total tax expense</b>		<b>128.68</b>	<b>99.65</b>
<b>11. Loss after tax (8-10)</b>		<b>(3,005.50)</b>	<b>(171.19)</b>
<b>12. Other comprehensive income</b>			
(A) (i) Items that will not be reclassified to profit or loss:			
(ii) Income tax effect on above		(1.10)	(1.20)
(iii) Share of other comprehensive income in associates, to the extent that may be reclassified to profit or loss		1.04	0.21
(B) Items that will be reclassified to profit or loss:		-	-
<b>13. Total other comprehensive income</b>		<b>13.57</b>	<b>3.41</b>
<b>14. Total comprehensive income for the year (11+13)</b>		<b>(2,991.93)</b>	<b>(167.78)</b>
<b>15. Loss for the year attributable to :</b>			
- Owners of the Company		(2,774.85)	(344.10)
- Non-controlling interests	47	(230.65)	172.91
<b>16. Other comprehensive income for the year :</b>			
- Owners of the Company		14.35	4.21
- Non-controlling interests	47	(0.78)	(0.80)



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

(Rs. in million)

Particulars	Note No.	Year ended 31.03.2019	Year ended 31.03.2018
<b>17. Total comprehensive income for the year :</b>			
- Owners of the Company		(2,760.50)	(339.89)
- Non-controlling interests		(231.43)	172.11
<b>18. Earnings per equity share (EPS)</b>	<b>33</b>		
(Face value of Rs. 10 per share)			
Basic (in Rs.)		(11.63)	(1.77)
Diluted (in Rs.)		(11.63)	(1.77)
See accompanying notes to the Consolidated Financial Statements	1-52		

**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 Managing Director

DIN No:00015459

**Ajaya Chand**

Director

DIN No. 02334456

**S.N. Sharma**

Chief Executive Officer

**Jatin Mahajan**

Company Secretary

M.No: F6887

**Satyendra Jindal**

Chief Financial Officer

Place : New Delhi

Date : 16<sup>th</sup> April, 2019

Place : New Delhi

Date : 16<sup>th</sup> April, 2019



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

(Rs. in million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
<b>A. Cash flow from operating activities</b>		
Profit/(Loss) after tax	(3,005.50)	(171.19)
Adjustments for :		
Depreciation and amortisation expense	2,415.70	2,485.90
Finance costs	586.55	660.51
Share-based payments to employees	4.45	61.23
Net (gain)/loss on foreign currency transactions and translation	11.01	(23.97)
Allowance on trade receivables and advances	308.92	261.36
exceptional item	2,110.00	182.20
(Profit)/ Loss on disposal of property, plant and equipment	(4.97)	(15.52)
Property, plant and equipment/ capital work-in-progress written off	0.21	-
Interest income earned on financial assets and income tax refund	(192.96)	(225.85)
Net gain on sale of current investments /Net gain on investments designated at FVTPL	(265.48)	(27.06)
Net gain on sale of non - current investments	-	(6.40)
Liabilities/ excess provisions written back (net)	(213.98)	(268.76)
Income tax expense recognised in profit or loss	128.68	99.65
Share of Profit / (Loss) from associates	53.94	-
<b>Operating profit before working capital changes</b>	<b>1,936.57</b>	<b>3,012.10</b>
Changes in working capital:		
Adjustments for (increase)/ decrease in operating assets:		
Trade receivables	(716.79)	(1,119.13)
Other current assets	37.26	157.12
Other non-current assets	(214.01)	62.04
Other current financial assets	(297.50)	(66.20)
Loans	10.56	-
Other non-current financial assets	126.11	(25.19)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	302.18	421.64
Other financial liabilities - current	570.52	(71.94)
Other financial liabilities - non-current	(3.65)	(1.50)
Other non-financial liabilities - current	(105.40)	(162.63)
Other non-financial liabilities - non-current	(880.17)	(382.75)
Provisions - current	(35.15)	(2.46)
Provisions - non current	40.46	7.55
<b>Cash generated from operations</b>	<b>770.99</b>	<b>1,828.65</b>
Net income tax (paid) / refunds	(354.40)	17.71
<b>Net cash flow from operating activities (A)</b>	<b>416.59</b>	<b>1,846.36</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on property, plant and equipment including capital advances	(1,039.56)	(1,570.27)
Proceeds from sale of property, plant and equipment	81.32	48.66
Bank balances not considered as Cash and cash equivalents		
- Placed	215.66	590.25
Current investments not considered as Cash and cash equivalents:		
- Purchased	(41,427.90)	(950.00)
- Proceeds from sale	21,513.38	714.01



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

(Rs. in million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Increase/(Decrease) in goodwill on consolidation from purchase of non-current investments	22.10	(22.10)
Proceeds from disposal of non-current investments		
- Associates	-	6.40
Loans		
- Realised	66.93	339.68
Advance given for investments	(17.17)	(83.09)
Interest received	151.73	99.77
<b>Net cash used in investing activities (B)</b>	<b>(20,433.52)</b>	<b>(826.69)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares	20,450.00	17.50
Share issue expenses	(39.95)	-
Purchase of non-controlling interests	(34.34)	-
Dividend paid to non-controlling interests of subsidiaries	(15.62)	-
Borrowings- non-current		
- Proceeds	2,010.97	4,458.64
- Repayments	(2,115.65)	(2,850.21)
Redemption of preference shares	21.09	(17.01)
Borrowings- current net	(401.42)	(1,340.73)
Finance costs	(578.39)	(677.82)
<b>Net cash used in financing activities (C)</b>	<b>19,296.69</b>	<b>(409.63)</b>
Net increase/ (decrease) in cash and cash equivalents <b>(A+B+C)</b>	<b>(720.24)</b>	<b>610.04</b>
Cash and cash equivalents as at the beginning of the year	1,509.02	868.00
Cash and cash equivalents on acquisition of subsidiary during the year	-	30.98
<b>Cash and cash equivalents as at the end of the year (See note 11)*</b>	<b>788.78</b>	<b>1,509.02</b>
*Comprises:		
a. Cash on hand	115.25	125.99
b. Cheques on hand	28.26	101.91
c. Balance with scheduled banks		
i. in current accounts	622.97	1,240.09
ii. in deposit accounts		
-original maturity of 3 months or less	22.30	41.03
	<b>788.78</b>	<b>1,509.02</b>

See accompanying notes to the Consolidated Financial Statements

1 to 52

### 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 Managing Director

DIN No:00015459

#### Ajaya Chand

Director

DIN No. 02334456

#### S.N. Sharma

Chief Executive Officer

#### Jatin Mahajan

Company Secretary

M.No: F6887

#### Satyendra Jindal

Chief Financial Officer

Place : New Delhi

Date : 16<sup>th</sup> April, 2019

Place : New Delhi

Date : 16<sup>th</sup> April, 2019

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### a. Equity share capital

(Rs. in million)

Particulars	Amount
<b>Balance at 1<sup>st</sup> April, 2017</b>	<b>1,935.68</b>
Changes in equity share capital during the year	
-Issue of equity shares	17.50
<b>Balance at 31<sup>st</sup> March, 2018</b>	<b>1,953.18</b>
Changes in equity share capital during the year	
-Issue of equity shares (See Note 13)	2,814.48
<b>Balance at 31<sup>st</sup> March, 2019</b>	<b>4,767.66</b>

### b. Other equity

(Rs. in million)

Particulars	Reserves and Surplus						Total
	Securities Premium	General Reserve	Equity-settled employee benefits reserve	Retained Earnings	Attributable to owners of the Group	Non-controlling interests	
<b>Balance at 1<sup>st</sup> April, 2017</b>	<b>16,376.90</b>	<b>216.94</b>	<b>168.24</b>	<b>(10,565.86)</b>	<b>6,196.22</b>	<b>896.40</b>	<b>7,092.62</b>
Profit/(Loss) for the year	-	-	-	(344.10)	(344.10)	172.91	(171.19)
Other comprehensive income for the year	-	-	-	4.21	4.21	(0.80)	3.41
<b>Total comprehensive income/(loss) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(339.89)</b>	<b>(339.89)</b>	<b>172.11</b>	<b>(167.78)</b>
Premium on shares issued during the year (See note 14)	139.34	-	(139.34)	-	-	-	-
Dividend distribution tax	-	-	-	(11.10)	(11.10)	-	(11.10)
Share-based payments to employees (See note 14)	-	-	61.23	-	61.23	-	61.23
Non-controlling interests arising on the acquisition of subsidiaries and additional stake in subsidiaries	-	-	-	-	-	(29.10)	(29.10)
<b>Balance at 31<sup>st</sup> March, 2018</b>	<b>16,516.24</b>	<b>216.94</b>	<b>90.13</b>	<b>(10,916.85)</b>	<b>5,906.46</b>	<b>1,039.41</b>	<b>6,945.87</b>
Profit/(Loss) for the year	-	-	-	(2,774.85)	(2,774.85)	(230.65)	(3,005.50)
Other comprehensive income for the year	-	-	-	14.35	14.35	(0.78)	13.57
<b>Total comprehensive income/(loss) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,760.50)</b>	<b>(2,760.50)</b>	<b>(231.43)</b>	<b>(2,991.93)</b>
Premium on shares issued during the year (See note 14)	17,635.52	-	-	-	17,635.52	-	17,635.52
Dividend distribution tax (See note 14)	-	-	-	(15.62)	(15.62)	(71.47)	(87.09)
Share-based payments to employees (See note 14)	-	-	4.45	-	4.45	-	4.45
Utilised during the year for writing off share issue expenses	(39.95)	-	-	-	(39.95)	-	(39.95)
Non-controlling interests arising on the acquisition additional stake in subsidiaries	-	-	-	(60.61)	(60.61)	60.61	-
Merger of Step down subsidiaries	-	-	-	23.04	23.04	(16.57)	6.47
ESOP on expired options transfer to retained earnings	-	-	(83.39)	83.39	-	-	-
<b>Balance at 31<sup>st</sup> March, 2019</b>	<b>34,111.81</b>	<b>216.94</b>	<b>11.19</b>	<b>(13,647.16)</b>	<b>20,692.78</b>	<b>780.56</b>	<b>21,473.34</b>

See accompanying notes to the Consolidated Financial Statements

1 to 52

#### In terms of our report attached

For **Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration Number : 101720W/W100355

#### Vijay Napawaliya

Partner

Membership No. 109859

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

#### Sameer Manchanda

Chairman and Managing Director

DIN No:00015459

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Company Secretary

M.No: F6887

#### Ajaya Chand

Director

DIN No. 02334456

#### Satyendra Jindal

Chief Financial Officer

#### S.N. Sharma

Chief Executive Officer

Place : New Delhi

Date : 16<sup>th</sup> April, 2019

Place : New Delhi

Date : 16<sup>th</sup> April, 2019



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### 1. Corporate information

Den NETWORKS LIMITED (hereinafter referred to as 'the Company' or 'Den') was incorporated in India on 10<sup>th</sup> July, 2007 and is primarily engaged in distribution of television channels through digital cable distribution network and provision of broadband services. The Company is having its registered office at 236, Okhla Industrial Area, Phase III, New Delhi - 110020.

The Company changed its status from a Private Limited Company to a Public Limited Company on 15<sup>th</sup> April, 2008 thereby changing its name to Den Digital Entertainment Networks Limited. Subsequently, the Company changed its name to Den Networks Limited on 27<sup>th</sup> June, 2008. The equity shares of the Company are listed on two of the stock exchanges in India i.e. NSE and BSE.

These Consolidated Financial Statements comprise the consolidation of Den NETWORKS LIMITED (the Group), its wholly owned and other subsidiaries (together the 'Group'). These subsidiaries and associates are mainly engaged in the business of distribution of cable television channels, internet and other related business.

### 2 Significant accounting policies

#### 2.01 Basis of preparation

##### (i) Statement of Compliance

The Consolidated 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 Consolidated 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 Group 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 consolidated 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 17

Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of Assets.

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

- 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 Basis of consolidation

The Consolidated Financials Statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

#### Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control, over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition of an investment in an associate or a joint venture.

### 2.03 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 2.04) less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The recoverable amount of the cash-generating unit is less than its carry amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate described at note 2.04 below.

### 2.04 Business Combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and liability assumed are recognised at the fair value, except that:

- 1) deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- 2) liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date; and
- 3) assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

### 2.05 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.

### 2.06 Cash flow statement

Cash flows are reported using indirect method, whereby Profit/(loss) after tax reported under the Consolidated 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

Group are segregated based on available information.

### 2.07 Property, plant and equipment

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

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

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

#### Useful lives of tangible assets

Tangible assets are amortised over their estimated useful life on straight line method as follows:

a.	Headend and distribution equipment	6 -15 years
b.	Set top boxes (STBs)	8 years
c.	Modems and routers	5 years
d.	Computers	6 years
e.	Office and other equipment	3 years
f.	Furniture and fixtures	3 to 10 years
g.	Vehicles	6 years
h.	Leasehold improvements	Lower of the useful life and the remaining period of the lease.
i.	Property, plant and equipment acquired through business purchase	5 years as estimated by an approved valuer

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

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### Transition to Ind AS

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

### 2.08 Intangible assets

#### Intangible assets acquired separately

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

Distribution network rights 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 includes software and license fees for internet services.

#### Derecognition of intangible assets

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

#### Useful lives of intangible assets

Intangible assets are amortised over their estimated useful life on straight line method as follows:

a.	Distribution network rights	5 years
b.	Software	5 years
c.	License fee for internet service	Over the period of license agreement
d.	Non compete fees	5 years

#### Transition to Ind AS

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

### 2.09 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

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

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

### 2.10 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.

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.

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

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.
- (iv) Revenue from the prepaid internet service plans, which are active at the end of accounting period, is recognised on time proportion basis.

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").

### 2.11 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 Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group 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.

### 2.12 Share-based payment arrangements

#### Share-based payment transactions of the Group

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. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 35.

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 Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group 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.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

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

### 2.13 Foreign Currencies

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

In preparing the financial statements of the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items Denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are Denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

#### Treatment of exchange differences

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

### 2.14 Financial instruments

Financial assets and financial liabilities are recognised when a Group entity 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



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

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.

### Investment in associates

An associate is an entity over which the Group 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.

Investment in Associates has been accounted under the Equity Method as per Ind AS 28 – Investments in Associates and Joint Ventures.

The results and assets and liabilities of associates or joint ventures are incorporated in these Consolidated Ind AS Financial Statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate or a joint venture is initially recognised in the Consolidated Balance Sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group

investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 Impairment of Assets to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109 Financial Instruments. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's Consolidated Ind AS Financial Statements only to the extent of interests in the associate or joint venture that are not related to the Group.

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### **Financial assets**

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

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

### **Classification of financial assets**

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

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

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

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

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

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" line item.

### **Investments in equity instruments at FVTOCI**

On initial recognition, the Group 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 Group 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 Group 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.

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. The Group has not designated any debt instrument as at FVTPL.

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

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' line item. Dividend on financial assets at FVTPL is recognised when the Group'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 Group 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 asset.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Group 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 Group has used a practical expedient as permitted under Ind AS 109 Financial Instruments. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

### **Derecognition of financial assets**

The Group 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 Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group 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 Group retains an option to repurchase part of a transferred asset), the Group 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.

## **2.15 Financial liabilities and equity instruments**

### **Classification as debt or equity**

Debt and equity instruments issued by a Group entity 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 Group entity are recognised at the proceeds received, net of direct issue costs.

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

### **Financial liabilities**

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

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

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### a) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 Business Combinations 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 Group 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 Group as an acquirer in a business combination to which Ind AS 103 Business Combinations 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 Company 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 Group'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 Financial Instruments permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109 Financial Instruments.

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

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in

fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

### b) Financial liabilities subsequently measured at amortised cost

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

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

### c) Foreign exchange gains and losses

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

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

### d) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between liabilities 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

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

derecognised and the consideration paid and payable is recognised in profit or loss.

### 2.16 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 Consolidated 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 Group 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 Consolidated Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of 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 Group 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 Group reduces service cost by attributing the contributions to periods of service using the attribution method required by Para 70 of Ind AS 19 Employee Benefits for the gross benefits. For the amount of contribution that is independent of the number of years of service, the Group reduces service cost in the period in which the related service is rendered / reduces service cost by attributing contributions to the employees' periods of service in accordance with Para 70 of Ind AS 19 Employee Benefits.

### 2.17 Segment information

The Group determines reportable segment based on information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segmental performance. The CODM evaluates the Group'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 Consolidated Financial Statements are consistently applied to record revenue and expenditure in individual segments.

### 2.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### The Group as lessor:

Amounts due from lessees under finance leases are

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

### The Group as lessee:

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Consolidated Financial Statements as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group general policy on borrowing costs.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### **2.19 Borrowing costs**

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

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### **2.20 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.

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

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

### Current and deferred tax for the year

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

## 2.22 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group 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.

### 2.22.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group 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.

### 2.22.2 Restructurings

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

### 2.22.3 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 recognised in accordance with Ind AS 115 Revenue.

## 2.23 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 Consolidated Statement of Profit and Loss.

## 2.24 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.

## 2.25 Critical accounting judgements and key sources of estimation uncertainty

### Critical accounting judgements

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

### Contingent liabilities

Assessment of whether outflow embodying economic benefits is probable, possible or remote. (See note 29)

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### Significant influence over Den ADN Network Private Limited

Den ADN Network Private Limited has been designated as associate of the Group even though the Group has 51% of the ownership interest and 51% of the voting rights in these companies. The directors of the Group assessed whether or not the Group has control over Den ADN Network Private Limited based on whether the Group has the practical ability to direct the relevant activities of Den ADN Network Private Limited unilaterally. The directors have, based on the terms of the shareholders' agreement, concluded that the Group exercises significant influence over Den ADN Network Private Limited.

### Significant influence over CCN Den Network Private Limited

CCN Den Network Private Limited has been designated as associate of the Group even though the Group has 51% of the ownership interest and 51% of the voting rights in these companies. The directors of the Group assessed whether or not the Group has control over CCN Den Network Private Limited based on whether the Group has the practical ability to direct the relevant activities of CCN Den Network Private Limited unilaterally. The directors have, based on the terms of the shareholders' agreement, concluded that the Group exercises significant influence over CCN Den Network Private Limited.

### Significant influence over Den Satellite Network Private Limited

Den Satellite Network Private Limited has been designated as associate of the Group even though the Group has 50% of the ownership interest and 50% of the voting rights in these companies. The directors of the Group assessed whether or not the Group has control over Den Satellite Network Private Limited based on whether the Group has the practical ability to direct the relevant activities of Den Satellite Network Private Limited unilaterally. The directors have, based on the terms of the shareholders' agreement, concluded that the Group exercises significant influence over Den Satellite Network Private Limited.

### **key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### Useful lives of property, plant and equipment (see note 2.07)

The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. There is no such change in the useful life of the assets.

### Fair value measurements and valuation processes (see note 2.14)

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.

### Defined benefit obligations

Key assumptions related to life expectancies, salary increases and withdrawal rates (see note 33).

### Revenue recognition (see note 2.10)

Impairment testing of investments (see note 2.14)

Key assumptions related to weighted average cost of capital (WACC) and long-term growth rates.

## **2.26 Operating Cycle**

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

## **2.27 Recent accounting pronouncements**

On 30<sup>th</sup> March, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 - "Leases" and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from 1<sup>st</sup> April, 2019.

### **Issue of Ind AS 116 - "Leases"**

Ind AS 116 will supersede the current standard on leases i.e. Ind AS 17- Leases. As per Ind AS 116, the lessor will have to bring to books all the non-cancellable portion of leasing arrangement.

### **Amendment to Existing issued Ind AS**

The MCA has also carried out amendments of the following accounting standards

- i. Ind AS 101- First time adoption of Indian Accounting Standards
- ii. Ind AS 103 – Business Combinations
- iii. Ind AS 109 - Financial Instruments
- iv. Ind AS 111 – Joint Arrangements
- v. Ind AS 12 – Income Taxes
- vi. Ind AS 19 – Employee Benefits
- vii. Ind AS 23 – Borrowing Costs
- viii. Ind AS 28 - Investment in Associates and Joint Ventures

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

## **2.28 The following subsidiary companies and associates have been considered in the preparation of the Consolidated Financial Statements:**

### **i. Wholly owned subsidiaries**

S. No.	Name of the Company
1	Amogh Broad Band Services Private Limited



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

2	Den Futuristic Cable Networks Private Limited
3	Den BROADBAND PRIVATE LIMITED (formerly SKY-NET CABLE NETWORK PRIVATE LIMITED)

### ii. Subsidiaries with 51% shareholding

S. No.	Name of the Company
1	Den Harsh Mann Cable Network Private Limited
2	Den Classic Cable TV Services Private Limited
3	Den Bindra Network Private Limited
4	Den Ashu Cable Private Limited
5	Radiant Satellite (India) Private Limited
6	Meerut Cable Network Private Limited
7	Den Crystal Vision Network Private Limited
8	Den Mod Max Cable Network Private Limited
9	Den BCN Suncity Network Private Limited
10	Den Prince Network Private Limited
11	Den Jai Ambey Vision Cable Private Limited
12	Den Varun Cable Network Private Limited
13	Den Aman Entertainment Private Limited
14	Den Satellite Cable TV Network Private Limited
15	Den F K Cable Tv Network Private Limited
16	Den Budaun Cable Network Private Limited
17	Den Kashi Cable Network Private Limited
18	Den Enjoy Cable Networks Private Limited
19	Den Maa Sharda Vision Cable Networks Private Limited
20	Den Fateh Mareketing Private Limited
21	Den Patel Entertainment Network Private Limited
22	Mahadev Den Cable Network Private Limited
23	Den MCN Cable Network Private Limited
24	Den-Manoranjana Satellite Private Limited
25	Den Nashik City Cable Network Private Limited
26	Den Supreme Satellite Vision Private Limited
27	Den Malayalam Telenet Private Limited
28	Den Malabar Cable Vision Private Limited
29	Den Elgee Cable Vision Private Limited
30	Den Rajkot City Communication Private Limited
31	Fortune (Baroda) Network Private Limited
32	Galaxy Den Media & Entertainment Private Limited
33	Bali Den Cable Network Private Limited
34	Mahavir Den Entertainment Private Limited
35	Fab Den Network Private Limited
36	United Cable Network (Digital) Private Limited
37	Cab-i-Net Communications Private Limited
38	Den Sariga Communications Private Limited

39	VBS Digital Distribution Network Private Limited
40	Sree Gokulam Starnet Communication Private Limited
41	Crystal Vision Media Private Limited
42	Gemini Cable Network Private Limited
43	Ambika Den Cable Network Private Limited
44	Multi Star Cable Network Private Limited
45	Sanmati Entertainment Private Limited
46	Disk Cable Network Private Limited
47	Silverline Television Network Private Limited
48	Rose Entertainment Private Limited
49	Ekta Entertainment Network Private Limited
50	Multitrack Cable Network Private Limited
51	Libra Cable Network Private Limited
52	Den Discovery Digital Networks Private Limited
53	Den Premium Multilink Cable Network Private Limited
54	Den Pradeep Cable Network Private Limited
55	Shree Sidhivinayak Cable Network Private Limited
56	Drashti Cable Network Private Limited
57	Den Citi Channel Private Limited
58	Den Sahyog Cable Network Private Limited
59	Den Kattakada Telecasting and Cable Services Private Limited
60	Den A.F. Communication Private Limited
61	Big Den Entertainment Private Limited
62	Den Steel City Cable Network Private Limited
63	Sanmati DEN Cable TV Network Private Limited
64	Multi Channel Cable Network Private Limited
65	Victor Cable Tv Network Private Limited
66	VM Magic Entertainment Private Limited
67	Antique Communications Private Limited
68	Trident Entertainment Private Limited
69	Blossom Entertainment Private Limited
70	Devine Cable Network Private Limited
71	Nectar Entertainment Private Limited
72	Glimpse Communications Private Limited
73	Indradhanush Cable Network Private Limited
74	Adhunik Cable Network Private Limited
75	Jhankaar Cable Network Private Limited
76	Desire Cable Network Private Limited
77	Marble Cable Network Private Limited
78	Augment Cable Network Private Limited



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### iii. Other subsidiaries

S. No.	Name of the Company	31.03.2019	31.03.2018
1	Eminent Cable Network Private Limited	56%	56%
2	Den Krishna Cable TV Network Private Limited	74%	74%
3	Den Radiant Satellite Cable Network Private Limited	65%	65%
4	Den Pawan Cable Network Private Limited	63%	63%
5	Den Mahendra Satellite Private Limited	60%	60%
6	Den Ambey Cable Networks Private Limited	61%	61%
7	Mansion Cable Network Private Limited	66%	66%
8	Den Digital Cable Network Private Limited	89%	89%

### iv. Step down subsidiaries

S. No.	Name of the Company	31.03.2019	31.03.2018
<b>Subsidiaries of Den Futuristic Cable Networks Private Limited</b>			
1	Den Faction Communication System Private Limited	100%	51%
2	Den Saya Channel Network Private Limited	51%	51%
3	Sristhi Den Networks Private Limited	51%	51%
4	Fun Cable Network Private Limited	100%	51%
<b>Subsidiaries of Den Enjoy Cable Networks Private Limited</b>			
1	Den Enjoy Navaratan Network Private Limited	51%	51%
2	Den Enjoy SBNM Cable Network Private Limited	51%	51%
<b>Subsidiaries of Den Kashi Cable Network Private Limited</b>			
1	Divya Drishti Den Network Private Limited	51%	51%
2	Kishna Den Cable Networks Private Limited	51%	51%
3	Bhadohi Den Entertainment Private Limited	51%	51%
<b>Subsidiary of Den Ambey Cable Networks Private Limited</b>			
1	Den Prayag Cable Networks Private Limited	75%	75%
<b>Subsidiary of Den Aman Entertainment Private Limited</b>			
1	Mountain Cable Network Private Limited	51%	51%
<b>Subsidiary of Den Malayalam Telenet Private Limited</b>			
1	Den MTN Star Vision Cable Private Limited	51%	51%
<b>Subsidiaries of Disk Cable Network Private Limited</b>			
1	Den STN Television Network Private Limited	51%	51%
2	Maitri Cable Network Private Limited	51%	51%
<b>Subsidiaries of Eminent Cable Network Private Limited</b>			
1	Angel Cable Network Private Limited	51%	51%
2	ABC Cable Network Private Limited	51%	51%

### v. Associate companies

S. No.	Name of the Company
1	Den ADN Network Private Limited
2	CCN Den Network Private Limited
3	Den Satellite Network Private Limited
4	Den New Broad Communications Private Limited
5	Den ABC Cable Networks Ambarnath Private Limited
6	Konark IP Dossiers Private Limited

All the above entities are incorporated in India.

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### Note 3A. Property, plant and equipment

(Rs. in million)

Particulars	Leasehold improvements	Buildings	Plant and equipment					Furniture and fixtures	Vehicles	Total
			Headend and distribution equipment	Set top boxes	Modems and routers	Computers	Office and other equipment			
<b>Balance at 1<sup>st</sup> April, 2017</b>	<b>28.73</b>	<b>8.67</b>	<b>3,068.56</b>	<b>12,228.51</b>	<b>288.19</b>	<b>80.23</b>	<b>105.16</b>	<b>21.03</b>	<b>31.41</b>	<b>15,860.49</b>
Additions	5.83	-	262.61	982.22	30.30	4.78	29.31	2.26	2.79	1,320.10
Deductions	(5.12)	(1.48)	(657.66)	(630.48)	(1.48)	(31.19)	(28.06)	(12.28)	(11.70)	(1,379.45)
<b>Balance at 31<sup>st</sup> March, 2018</b>	<b>29.44</b>	<b>7.19</b>	<b>2,673.51</b>	<b>12,580.24</b>	<b>317.01</b>	<b>53.82</b>	<b>106.41</b>	<b>11.01</b>	<b>22.50</b>	<b>15,801.14</b>
Additions	9.33	0.29	324.03	559.48	42.03	13.62	22.70	2.94	3.56	977.97
Deductions	-	-	(14.13)	(96.03)	-	(1.08)	(0.57)	-	(1.23)	(113.05)
Reclass between heads	0.06	(2.53)	(52.10)	81.43	-	(17.06)	(10.72)	0.72	0.20	-
<b>Balance at 31<sup>st</sup> March, 2019</b>	<b>38.83</b>	<b>4.95</b>	<b>2,931.31</b>	<b>13,125.12</b>	<b>359.04</b>	<b>49.30</b>	<b>117.82</b>	<b>14.67</b>	<b>25.03</b>	<b>16,666.07</b>
<b>Depreciation</b>										
<b>Balance at 1<sup>st</sup> April, 2017</b>	<b>10.63</b>	<b>0.21</b>	<b>832.43</b>	<b>3,625.53</b>	<b>89.02</b>	<b>44.73</b>	<b>25.46</b>	<b>6.39</b>	<b>14.40</b>	<b>4,648.80</b>
Depreciation expenses	4.54	0.10	491.32	1,825.47	74.77	10.02	20.81	3.33	5.50	2,435.86
Deductions	(5.06)	(0.06)	(647.49)	(626.80)	(1.48)	(31.19)	(27.67)	(10.64)	(9.34)	(1,359.73)
<b>Balance at 31<sup>st</sup> March, 2018</b>	<b>10.11</b>	<b>0.25</b>	<b>676.26</b>	<b>4,824.20</b>	<b>162.31</b>	<b>23.56</b>	<b>18.60</b>	<b>(0.92)</b>	<b>10.56</b>	<b>5,724.93</b>
Depreciation expenses	5.48	0.08	438.93	1,830.91	48.22	7.92	17.53	3.56	4.44	2,357.06
Impairment	2.01	-	86.62	883.59	56.70	0.05	0.55	0.45	0.14	1,030.12
Deductions	-	-	(8.23)	(24.80)	-	(1.08)	(0.43)	0.01	(0.34)	(34.87)
<b>Balance at 31<sup>st</sup> March, 2019</b>	<b>17.60</b>	<b>0.33</b>	<b>1,193.58</b>	<b>7,513.90</b>	<b>267.23</b>	<b>30.45</b>	<b>36.25</b>	<b>3.10</b>	<b>14.80</b>	<b>9,077.24</b>
<b>Net Block</b>										
<b>Balance at 31<sup>st</sup> March, 2018</b>	<b>19.33</b>	<b>6.94</b>	<b>1,997.25</b>	<b>7,756.05</b>	<b>154.70</b>	<b>30.26</b>	<b>87.81</b>	<b>11.93</b>	<b>11.94</b>	<b>10,076.21</b>
<b>Balance at 31<sup>st</sup> March, 2019</b>	<b>21.23</b>	<b>4.62</b>	<b>1,737.73</b>	<b>5,611.22</b>	<b>91.81</b>	<b>18.85</b>	<b>81.57</b>	<b>11.57</b>	<b>10.23</b>	<b>7,588.83</b>

Note: Property, plant and equipment with a carrying amount of Rs. 5,129.14 million (as at 31<sup>st</sup> March, 2018: Rs. 5,928.85 million) has been hypothecated to secure credit facilities from banks. (see note 15, note 16 and note 19). The Group is not permitted to hypothecate these assets as security for other borrowings or to sell them to another entity.

### Note 3B. Intangible assets

(Rs. in million)

Particulars	Distribution and network rights	Software	Licence fee for internet service	Brand	Non compete fees	Total
<b>Balance at 1<sup>st</sup> April, 2017</b>	<b>180.35</b>	<b>75.89</b>	<b>0.60</b>	<b>78.49</b>	<b>0.54</b>	<b>335.87</b>
Additions	17.19	16.01	-	-	1.03	34.23
Deductions	-	-	-	-	-	-
<b>Balance at 31<sup>st</sup> March, 2018</b>	<b>197.54</b>	<b>91.90</b>	<b>0.60</b>	<b>78.49</b>	<b>1.57</b>	<b>370.10</b>
Additions	11.50	5.52	-	-	38.50	55.52
Deductions	-	-	-	-	-	-
Reclass between heads	5.00	(11.04)	(0.01)	-	6.06	-
<b>Balance at 31<sup>st</sup> March, 2019</b>	<b>214.04</b>	<b>86.38</b>	<b>0.59</b>	<b>78.49</b>	<b>46.13</b>	<b>425.62</b>
<b>Depreciation</b>						
<b>Balance at 1<sup>st</sup> April, 2017</b>	<b>83.15</b>	<b>22.54</b>	<b>0.05</b>	<b>78.49</b>	<b>0.21</b>	<b>184.44</b>
Amortisation expense	33.71	15.69	0.09	-	0.55	50.04
Deductions	-	-	-	-	-	-
<b>Balance at 31<sup>st</sup> March, 2018</b>	<b>116.86</b>	<b>38.23</b>	<b>0.14</b>	<b>78.49</b>	<b>0.76</b>	<b>234.48</b>
Amortisation expense	33.33	15.87	0.09	-	9.35	58.64
Deductions	-	-	-	-	-	-
<b>Balance at 31<sup>st</sup> March, 2019</b>	<b>150.19</b>	<b>54.10</b>	<b>0.23</b>	<b>78.49</b>	<b>10.11</b>	<b>293.12</b>
<b>Net Block</b>						
<b>Balance at 31<sup>st</sup> March, 2018</b>	<b>80.68</b>	<b>53.67</b>	<b>0.46</b>	<b>-</b>	<b>0.77</b>	<b>135.58</b>
<b>Balance at 31<sup>st</sup> March, 2019</b>	<b>63.85</b>	<b>32.28</b>	<b>0.36</b>	<b>-</b>	<b>36.02</b>	<b>132.51</b>

Note: Intangible assets with a carrying amount of Rs. 26.32 million (as at 31<sup>st</sup> March, 2018: Rs. 38.10 million) has been hypothecated to secure credit facilities from banks. (see note 15, note 16 and note 19). The Group is not permitted to hypothecate these assets as security for other borrowings or to sell them to another entity.



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### 4. Investments

Particulars	As at 31.03.2019		As at 31.03.2018	
	(in number)	(Rs. in million)	(in number)	(Rs. in million)
<b>a. Unquoted investments in equity shares (all fully paid)</b>				
<b>Instruments at cost</b>				
1 DEN ADN Network Private Limited (Face value of Rs. 10 each)	1,938,000	40.03	1,938,000	50.51
2 CCN DEN Network Private Limited (Face value of Rs. 10 each)	2,040,000	-	2,040,000	2.26
3 Den Satellite Network Private Limited (Face value of Rs. 10 each)	50,295	644.84	50,295	686.14
<b>Total aggregate unquoted investments in associates</b>		<b>684.87</b>		<b>738.91</b>
<b>Aggregate carrying value of unquoted investments</b>		<b>684.87</b>		<b>738.91</b>

### 5. Loan

(Rs. in million)

Particulars	As at 31.03.2019	As at 01.04.2018
<b>Non-current</b>		
a. Security deposits		
b. - considered good	64.83	64.02
Less: Impairment allowance for Security Deposits	(1.33)	-
<b>Total</b>	<b>63.50</b>	<b>64.02</b>
<b>Current</b>		
a. Loans to related parties - Unsecured, considered good (see note 34)	245.80	251.44
b. Loans to employees - Unsecured, considered good	3.60	2.04
c. Loans Receivables considered good - Unsecured	-	107.44
Loans Receivables which have significant increase in Credit Risk	-	-
Loans Receivables - credit impaired	45.77	1.18
	295.17	362.10
Less: Impairment allowance for loans	(45.77)	(1.18)
	<b>249.40</b>	<b>360.92</b>
d. Security deposits	26.56	37.93
Less: Impairment allowance for Security Deposits	(3.44)	-
<b>Total</b>	<b>272.52</b>	<b>398.85</b>

### 6. Other financial assets

(Rs. in million)

Particulars	As at 31.03.2019	As at 01.04.2018
<b>Non-current</b>		
a. Deposits with banks with more than 12 months remaining maturity*	-	126.11
<b>Total</b>	<b>-</b>	<b>126.11</b>
*Under lien as margin money with banks for term loans of Rs. Nil (31 <sup>st</sup> March, 2018 : Rs.126.11 million)	-	126.11
<b>Current</b>		
a. Unbilled revenue	541.53	224.68
b. Interest accrued but not due on fixed deposits	48.54	45.66
c. Interest accrued and due		
- from related parties (See note 34)	77.82	67.45
d. Others		
i. Receivable on sale of property, plant and equipment (see note 34)	12.58	10.75
ii. Advances recoverable		
- from related parties (see note 34)	9.69	18.43
- from others	5.09	15.70
ii. Other advance*	189.33	192.67
<b>Total</b>	<b>884.58</b>	<b>575.34</b>
*Other advance includes advance for investments		

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### 7. Non current tax assets (net)

(Rs. in million)

Particulars		As at 31.03.2019	As at 01.04.2019
i	Advance Tax including TDS receivable	1,771.08	2,006.70
ii	Less: Provision for income tax	(671.04)	(1,142.00)
<b>Total</b>		<b>1,100.04</b>	<b>864.70</b>

### 8. Other assets

(Rs. in million)

Particulars		As at 31.03.2019	As at 31.03.2018
<b>Non-current</b>			
a.	Prepaid expenses	16.67	19.72
b.	Deposits against cases with		
	- Sales tax authority	196.79	88.24
	- Entertainment tax authorities	222.88	114.36
	- Entry tax authority	12.65	12.65
	- Custom duty authority	103.87	103.88
		536.19	319.13
	Less: Impairment allowance	(10.00)	(10.00)
		526.19	309.13
c.	Capital advances	28.17	48.13
	Less: Impairment allowance for capital advances	(25.07)	(24.38)
		3.10	23.75
<b>Total</b>		<b>545.96</b>	<b>352.60</b>
<b>Current</b>			
a.	Prepaid expenses	35.11	60.89
b.	Balance with government authorities	242.68	297.52
c.	Others		
	- Supplier advances	101.30	61.44
	- Amount recoverable from DNL Employees Welfare Trust	0.36	0.36
	- Other advances*	5.21	9.41
		106.87	71.21
	Less: Impairment allowance for supplier advance	(54.01)	(5.87)
		52.86	65.34
<b>Total</b>		<b>330.65</b>	<b>423.75</b>

\*Other advances includes imprest money to employees

### 9. Current Investments

Particulars	As at 31.03.2019		As at 31.03.2018		
	No. of Units	(Rs. in million)	No. of Units	(Rs. in million)	
<b>Investments in mutual funds - Unquoted</b>					
<b>Carried at FVTPL</b>					
i.	IDFC cash fund growth - direct plan - growth	2,288,768	5,187.54	-	-
ii.	Kotak liquid - direct plan - growth	1,377,304	5,212.17	-	-
iii.	Aditya Birla sun life liquid fund -direct plan - growth	17,159,013	5,155.19	364,757	101.49
iv.	ICICI prudential liquid fund - direct plan - growth	18,649,179	5,154.94	-	-
v.	Reliance liquid fund - treasury plan - direct plan - growth	-	-	27,351	115.97
vi.	Dsp blackrock liquidity fund - direct plan - growth	-	-	41,014	101.47
vii.	kotak bond (short term)- growth option regular plan	-	-	73,953	210.91
<b>Total aggregate unquoted investments</b>			<b>20,709.84</b>		<b>529.84</b>
<b>Aggregate carrying value of unquoted investments</b>			<b>20,709.84</b>		<b>529.84</b>

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### 10. Trade receivables

(Rs. in million)

Particulars	As at 31.03.2019	As at 01.04.2018
<b>Current</b>		
Trade Receivables considered good - Unsecured	2,260.11	3,022.97
Trade Receivables which have significant increase in Credit Risk	3,038.64	2,152.93
Trade Receivables - credit impaired	443.12	271.76
	5,741.87	5,447.65
Less : Provision for doubtful debts/expected credit loss	(3,481.76)	(2,424.68)
<b>Total</b>	<b>2,260.11</b>	<b>3,022.97</b>

#### Notes:

- The average credit period on sales of services is 0-180 days. No interest is charged on any overdue trade receivables.
- The Group 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	0.1%-18%
91 - 180 days	1%-50%
180 days and above	50%-100%

Particulars	As at 31.03.2019	As at 01.04.2018
<b>Age of receivables</b>		
0 - 90 days	1,356.26	2,142.85
91 - 180 days	1,349.53	1,041.12
180 days and above	3,036.08	2,263.68
<b>Total</b>	<b>5,741.87</b>	<b>5,447.65</b>
<b>c) Movement in the expected credit loss allowance</b>		
Balance at the beginning of the year	(2,424.68)	(2,697.51)
Movement in expected credit loss allowance	(1,057.08)	272.83
Balance at the end of the year	(3,481.76)	(2,424.68)

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

### 11. Cash and cash equivalents

(Rs. in million)

Particulars	As at 31.03.2019	As at 01.04.2018
(i) Cash in hand	115.25	125.99
(ii) Cheques on hand	28.26	101.91
(iii) Balance with scheduled banks		
- in current accounts	622.97	1,240.09
- in deposit accounts		
- original maturity of 3 months or less	22.30	41.03
<b>Total</b>	<b>788.78</b>	<b>1,509.02</b>

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### 12. Bank balances other than cash and cash equivalents

(Rs. in million)

Particulars		As at 31.03.2019	As at 01.04.2018
i.	in deposit accounts*		
	- original maturity more than 3 months	140.42	673.82
ii.	in earmarked accounts		
	- Balances held as margin money or security against borrowings, guarantees and other commitments	1,318.96	1,001.22
<b>Total</b>		<b>1,459.38</b>	<b>1,675.04</b>

\* Balances with banks include deposits with remaining maturity of more than 12 months from the balance sheet date of Rs. Nil

### 13. Equity share capital

(Rs. in million)

Particulars	As at 31.03.2019	As at 01.04.2018
Equity share capital	4,767.66	1,953.18
	<b>4,767.66</b>	<b>1,953.18</b>
Authorised share capital:		
500,000,000 (As at 31 <sup>st</sup> March, 2018: 200,000,000 ) equity shares of Rs. 10 each with voting rights	5,000.00	2,000.00
Issued and subscribed capital comprises:		
477,223,845 (As at 31 <sup>st</sup> March, 2018 195,775,845) equity shares of Rs. 10 each fully paid up with voting rights	4,772.24	1,957.76
Less : Amount recoverable from DNL Employees Welfare Trust [457,931 (As at 31 <sup>st</sup> March, 2018 457,931) number of shares issued to Trust @ Rs. 10 per share]	4.58	4.58
	<b>4,767.66</b>	<b>1,953.18</b>

Fully paid equity shares:	Number of shares	Share Capital (Rs. In Millions)
<b>Balance as at 1<sup>st</sup> April, 2017</b>	194,025,845	1,940.26
Add: Issue of shares	1,750,000	17.50
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>195,775,845</b>	<b>1,957.76</b>
Add: Issue of shares (See note 39)	281,448,000	2,814.48
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>477,223,845</b>	<b>4,772.24</b>

#### Of the above:

- a. Fully paid equity shares, which have a par value of Rs. 10, carry one vote per share and carry a right to dividends.



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### b. Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Fully paid equity shares with voting rights:</b>				
Jio Futuristic Digital Holdings Private Limited	201,533,901	42.23%	-	-
Jio Digital Distribution Holdings Private Limited	84,250,207	17.65%	-	-
Jio Television Distribution Holdings Private Limited	86,738,504	18.18%	-	-
Broad Street Investment (Singapore) Pte Limited (Part of Goldman Sachs Affiliates)	41,828,930	8.77%	41,828,930	21.40%
Sameer Manchanda*	-	-	46,654,550	23.83%
Lucid Systems Private Limited*	-	-	16,000,000	8.17%
Acacia Banyan Partners	-	-	12,940,300	6.61%
Infrastructure Leasing & Financial Services Limited	-	-	12,063,971	6.16%
	-	-		
*Holding as on 31 <sup>st</sup> March, 2019 does not exceed more than 5 percent				

- c. 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.

### 14. Other equity

(Rs. in million)

Particulars	As at 31.03.2019	As at 01.04.2018
Securities premium account	34,111.81	16,516.24
Share options outstanding account	11.19	90.13
General reserve	216.94	216.94
Surplus / (Deficit) in the Consolidated Statement of Profit and Loss	(13,647.16)	(10,916.85)
<b>Total</b>	<b>20,692.78</b>	<b>5,906.46</b>

(Rs. in million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
<b>a. Securities premium account</b>		
i. Opening balance	16,516.24	16,376.90
ii. Add : Premium on shares issued during the year (See note 39)	17,635.52	139.34
iii. Less : Utilised during the year for writing off share issue expenses	39.95	-
<b>iv. Closing balance</b>	<b>(A) 34,111.81</b>	<b>16,516.24</b>
<b>b. Share options outstanding account</b>		
i. Employees stock option outstanding	90.13	168.24
ii. Add : ESOP compensation expense (net of taxes)	4.45	61.23
iii. Less : Exercise of Options	-	139.34
iv. Less : Transfer to reserves on expired options	83.39	-
	<b>(B) 11.19</b>	<b>90.13</b>



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

(Rs. in million)

Particulars		Year ended 31.03.2019	Year ended 31.03.2018
<b>c. General reserve</b>			
i.	Opening balance	216.94	216.94
ii.	Add : Addition/(deletion)	-	-
iii.	Closing balance	216.94	216.94
	(C)		
<b>d. Surplus / (Deficit) in the Consolidated Statement of Profit and Loss</b>			
i.	Opening balance	(10,916.85)	(10,565.86)
ii.	Add: Profit / (Loss) for the year	(2,774.85)	(344.10)
iii.	Other comprehensive income arising from remeasurement of defined benefit obligation, net of income taxes	14.35	4.21
iv.	Dividend distribution tax	(15.62)	(11.10)
v.	Non-controlling interests arising on the acquisition additional stake in subsidiaries/Merger of Step down subsidiaries	(37.57)	-
vi.	Transfer from ESOP reserve on expired options	83.39	-
	<b>Closing balance</b>	<b>(13,647.16)</b>	<b>(10,916.85)</b>
	(D)		
	<b>(A+B+C+D)</b>	<b>20,692.78</b>	<b>5,906.46</b>

### 15. Borrowings

(Rs. in million)

Particulars		Year ended 31.03.2019	Year ended 31.03.2018
<b>Long-term borrowings</b>			
<b>At amortised cost:</b>			
a.	Term loans (Secured)		
	- from banks (See foot note i)	2,636.69	3,137.09
b.	Other loans		
	- Vehicle Loans		
	(Secured by hypothecation of vehicles and payable in equal monthly installments. The loan was repayable in 1 to 24 installments ending in March, 2018. Applicable rate of interest is 9.71% to 10.96% per annum)	-	4.06
c.	Non cumulative redeemable preference shares	21.09	-
d.	Unsecured loan	2.53	-
		<b>2,660.31</b>	<b>3,141.15</b>

#### 15.01 The terms / rights attached to the Non-cumulative redeemable Preference Shares :

25,00,000, 12 years, 0.001% Non - cumulative, Non - Participating Redeemable Preference Shares of Rs. 10 each fully paid-up were allotted. The Preference Shareholders have a preferential right to dividend of 0.001% per annum, carry a preferential right for repayment of capital in priority to the equity shares, on liquidation of the respective subsidiary Company or repayment of capital. However, the preference shares carry no further or other right to participate either in the profits or assets of the Company and have no voting rights.



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### 16. Other financial liabilities

(Rs. in million)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Non-current</b>		
Security deposits received	0.35	4.00
<b>Total</b>	<b>0.35</b>	<b>4.00</b>
<b>Current</b>		
a. Current maturities of long term debt (See foot note i)	1,510.79	1,113.54
b. Interest accrued	19.20	11.04
c. Others		
i. Balance consideration payable on investments	13.80	34.31
ii. Payables on purchase of property, plant and equipment	68.60	412.21
iii. Book overdraft	-	110.05
iv. Security deposits received	7.02	8.65
v. Payable for Expenses	1,435.50	798.70
vi. Due to employees	155.65	110.25
<b>Total</b>	<b>3,210.56</b>	<b>2,598.75</b>

### 17. Provisions

(Rs. in million)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Non-current</b>		
a. Employee benefits		
- Gratuity (See note 32)	88.23	92.94
- Compensated absences	31.54	-
<b>Total</b>	<b>119.77</b>	<b>92.94</b>
<b>Current</b>		
a. Employee benefits		
- Gratuity (See note 32)	6.56	3.07
- Compensated absences	7.35	45.99
<b>Total</b>	<b>13.91</b>	<b>49.06</b>

### 18. Other liabilities

(Rs. in million)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Non-current</b>		
a. Deferred revenue	2,652.33	3,532.50
<b>Total</b>	<b>2,652.33</b>	<b>3,532.50</b>
<b>Current</b>		
a. Deferred revenue		
b. Statutory remittances		
c. Other payables		
i. Advances from customers	61.80	85.89
ii. Indirect tax payable and Others	125.21	-
<b>Total</b>	<b>1,337.65</b>	<b>1,634.34</b>

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### 19. Borrowings

(Rs. in million)

Particulars		As at 31.03.2019	As at 31.03.2018
a.	Loans repayable on demand (Secured)		
	- from banks	644.43	1,042.92
	(see footnote ii)		
b.	Other loans		
	- Unsecured	4.44	7.37
<b>Total</b>		<b>648.87</b>	<b>1,050.29</b>

### 20. Trade payables

(Rs. in million)

Particulars		As at 31.03.2019	As at 31.03.2018
Trade payables - Other than acceptances			
	- total outstanding dues of micro enterprises and small enterprises	1.55	10.38
	(See note no. 44)		
	- total outstanding dues of creditors other than micro enterprises and small enterprises	2,642.76	2,534.72
<b>Total</b>		<b>2,644.31</b>	<b>2,545.10</b>

### 21. Current tax liabilities (net)

(Rs. in million)

Particulars		As at 31.03.2019	As at 31.03.2018
a.	Income tax payable	17.89	1,166.63
b.	Less: Advance tax including TDS receivable	-	(1,142.00)
<b>Total</b>		<b>17.89</b>	<b>24.63</b>



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

i. The terms of repayment and security of term loans and other loans are stated below:

As at 31<sup>st</sup> March, 2019

Particulars	Amount outstanding*		Security	Terms of repayment/redemption	Rate of interest/ effective interest rate (per annum)
	Long-term debts (Rs. in million)	Current maturities of long-term debts (Rs. in million)			
Term loan from bank	913.52	314.60	First pari passu charge on property, plant and equipment of the Parent Company (existing and future) and second pari passu charge on all current assets of the Parent Company (existing and future). Further, secured by pledge over Investment in equity shares, (existing and future) on pari-passu basis, pertaining to 25 Subsidiaries (including 2 step-down subsidiaries).	Balance of Tranche A repayable in 15 equal quarterly installments commencing from April, 2019 and ending in October, 2022; Balance of Tranche B repayable in 15 equal quarterly installments commencing from April, 2019 and ending in October, 2022; Balance of Tranche C repayable in 15 equal quarterly installments commencing from April, 2019 and ending in October, 2022; Balance of Tranche D repayable in 19 equal quarterly installments commencing from June, 2019 and ending in December, 2023.	10.11%
Term loan from bank	187.33	373.03	First pari passu charge on property, plant and equipment of the Parent Company (existing and future) and second pari passu charge on all current assets of the Parent Company (existing and future). Further, secured by pledge over Investment in equity shares, (existing and future) on pari-passu basis, pertaining to 25 Subsidiaries (including 2 step-down subsidiaries). With respect to 2 step down subsidiaries, their holding Parent Company Den Futuristic Cable Networks Private Limited has provided corporate guarantee for an amount equivalent to the book value or market value, whichever is higher, of the respective fully paid equity shares.	Balance repayable in 6 equal quarterly installments commencing from April, 2019 and ending in July, 2020.	10.70%
Term loan from bank	66.24	88.34	First pari passu charge on property, plant and equipment of the Parent Company (existing and future) and second pari passu charge on all current assets of the Parent Company (existing and future). Further, secured by pledge over Investment in equity shares, (existing and future) on pari-passu basis, pertaining to 25 Subsidiaries (including 2 step-down subsidiaries). With respect to 2 step down subsidiaries, their holding Parent Company Den Futuristic Cable Networks Private Limited has provided corporate guarantee for an amount equivalent to the book value or market value, whichever is higher, of the respective fully paid equity shares.	Balance repayable in 7 equal quarterly installments commencing from June, 2019 and ending in December, 2020.	10.10%

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Particulars	Amount outstanding*		Security	Terms of repayment/redemption	Rate of interest/ effective interest rate (per annum)
	Long-term debts (Rs. in million)	Current maturities of long-term debts (Rs. in million)			
Term loan from bank	875.79	437.91	First pari passu charge on property, plant and equipment of the Parent Company (existing and future) and second pari passu charge on all current assets of the Parent Company (existing and future). Further, secured by pledge over Investment in equity shares, (existing and future) on pari-passu basis, pertaining to 25 Subsidiaries (including 2 step-down subsidiaries).	Repayable in 12 equal quarterly installments commencing from April, 2019 and ending in January, 2022.	10.10%
Term loan from bank	593.81	296.91	First pari passu charge on property, plant and equipment of the Parent Company (existing and future) and second pari passu charge on all current assets of the Parent Company (existing and future). Further, secured by pledge over Investment in equity shares, (existing and future) on pari-passu basis, pertaining to 25 Subsidiaries (including 2 step-down subsidiaries).	Repayable in 12 equal quarterly installments commencing from June, 2019 and ending in March, 2022.	10.00%
<b>Total</b>	<b>2,636.69</b>	<b>1,510.79</b>			

\* The above amounts include adjustment of loan processing fees to determine the amounts under the effective interest rate method.

### As at 31<sup>st</sup> March, 2018

Particulars	Amount outstanding*		Security	Terms of repayment/redemption	Rate of interest/ effective interest rate (per annum)
	Long-term debts (Rs. in million)	Current maturities of long-term debts (Rs. in million)			
Term loan from bank	658.02	175.46	First pari passu charge on property, plant and equipment of the Parent Company (existing and future) and second pari passu charge on all current assets of the Parent Company (existing and future). Further, secured by pledge of 6 million equity shares of the Parent Company held by the promoter.	Repayable in 19 equal quarterly installments commencing from April, 2018 and ending in October, 2022.	11.00%
Term loan from bank	560.57	330.72	First pari passu charge on property, plant and equipment of the Parent Company (existing and future) and second pari passu charge on all current assets of the Parent Company (existing and future) and pledge of investment in shares of 24 subsidiaries (existing and future).	Repayable in 10 equal quarterly installments commencing from April, 2018 and ending in July, 2020.	10.50%



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Particulars	Amount outstanding*		Security	Terms of repayment/redemption	Rate of interest/ effective interest rate (per annum)
	Long-term debts (Rs. in million)	Current maturities of long-term debts (Rs. in million)			
Term loan from bank	154.61	73.31	First pari passu charge on property, plant and equipment of the Parent Company (existing and future) and second pari passu charge on all current assets of the Parent Company (existing and future) and pledge of investment in shares of 24 subsidiaries (existing and future).	Repayable in 11 equal quarterly installments commencing from June, 2018 and ending in December, 2020.	9.50%
Term loan from bank	1,313.89	136.78	First pari passu charge on property, plant and equipment of the Parent Company (existing and future) and second pari passu charge on all current assets of the Parent Company (existing and future) and pledge of investment in shares of 25 subsidiaries (existing and future).	Repayable in 16 equal quarterly installments commencing from April, 2018 and ending in January, 2022.	9.25%
Term loan from bank	450.00	50.00	First pari passu charge on property, plant and equipment of the Parent Company (existing and future) and second pari passu charge on all current assets of the Parent Company (existing and future).	Repayable in 16 equal quarterly installments commencing from June, 2018 and ending in March, 2022.	9.50%
<b>Sub-total (A)</b>	<b>3,137.09</b>	<b>766.27</b>			
Buyers credit on imports	-	347.27	First pari passu charge on property, plant and equipment of the Parent Company (existing and future) and second pari passu charge on all current assets of the Parent Company (existing and future). Further secured by pledge over 6 million equity shares of the Parent Company held by the promoter.	Repayable in January, 2019.	3.20% to 3.40%
<b>Sub-total (B)</b>	<b>-</b>	<b>347.27</b>			
<b>Total (A+B)</b>	<b>3,137.09</b>	<b>1,113.54</b>			

\* The above amounts include adjustment of loan processing fees to determine the amounts under the effective interest rate method.

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

ii. The terms of repayment and security of loans repayable on demand and buyers credits on imports are stated below:

(Rs. in million)

As at 31<sup>st</sup> March, 2019

Particulars	Borrowings-current (Rs. in million)	Security	Terms of repayment/ redemption	Rate of interest/ effective interest rate (per annum)
Loans repayable on demand- from bank	145.94	First pari passu charge on current assets of the Parent Company (existing and future) and second pari passu charge on all property, plant and equipment of the Parent Company (existing and future). Further, secured by pledge over Investment in equity shares, (existing and future) on pari-passu basis with all the term loan lenders, pertaining to 25 Subsidiaries (including 2 step-down subsidiaries) as specified in the note below. With respect to 2 step down subsidiaries, their holding Parent Company Den Futuristic Cable Networks Private Limited has provided corporate guarantee for an amount equivalent to the book value or market value, whichever is higher, of the respective fully paid equity shares.	Repayable on demand.	10.90%
Loans repayable on demand- from bank	149.00	First pari passu charge on current assets of the Parent Company (existing and future) and second pari passu charge on all property, plant and equipment of the Parent Company (existing and future)	Repayable after 30 days starting from 29th March, 2019.	8.70%
Loans repayable on demand- from bank	349.49	First pari passu charge on current assets of the Parent Company (existing and future) and second pari passu charge on all property, plant and equipment of the Parent Company (existing and future)	Repayable on demand.	9.50%
<b>Total</b>	<b>644.43</b>			

As at 31<sup>st</sup> March, 2018

Particulars	Borrowings-current (Rs. in million)	Security	Terms of repayment/ redemption	Rate of interest/ effective interest rate (per annum)
Loans repayable on demand- from bank	219.22	First pari passu charge on property, plant and equipment of the Parent Company (existing and future) and second pari passu charge on all current assets of the Parent Company (existing and future).	Repayable on demand.	8.75%
Loans repayable on demand- from bank	29.66	First pari passu charge on current assets of the Parent Company (existing and future) and second pari passu charge on all property, plant and equipment of the Parent Company (existing and future) and pledge of the investment in shares of 24 specified subsidiaries (present and proposed).	Repayable on demand.	11.00%
Loans repayable on demand- from bank	400.00	First pari passu charge on current assets of the Parent Company (existing and future).	Repayable on demand.	9.20% to 9.25%
Loans repayable on demand- from bank	394.04	Secured by first pari passu charge on current assets of the Parent Company (existing and future) and second pari passu charge on all property, plant and equipment of the Parent Company (existing and future).	Repayable on demand.	9.75% to 11.00%
<b>Total</b>	<b>1,042.92</b>			



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### 22. Revenue from operations

(Rs. in million)

Particulars		Year ended 31.03.2019	Year ended 31.03.2018
a.	Sale of services	11,825.30	12,451.31
	(See note below)		
b.	Other operating revenue		
i.	Liabilities/ excess provisions written back	213.98	268.76
ii.	Miscellaneous income	21.37	119.94
iii.	Commission income	-	11.00
<b>Total</b>		<b>12,060.65</b>	<b>12,851.01</b>

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

Effective 1<sup>st</sup> April, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers". There is no effect on adoption of Ind AS 115.

Revenue disaggregation by geography is given in note no. 30

(Rs. in million)

Particulars		Year ended 31.03.2019	Year ended 31.03.2018
Revenue disaggregation by type of services :			
a.	Placement income	3,125.72	3,448.12
b.	Subscription income	6,730.24	6,665.63
c.	Activation income	1,001.08	1,191.57
d.	Feeder charges income	189.38	263.04
e.	Internet revenue	660.08	736.09
f.	Other revenue	118.80	146.86
<b>Total</b>		<b>11,825.30</b>	<b>12,451.31</b>

### 23. Other income

(Rs. in million)

Particulars		Year ended 31.03.2019	Year ended 31.03.2018
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)	125.72	154.65
ii.	on financial assets carried at amortised cost	39.26	43.11
b.	Interest on income tax refund	27.98	28.09
c.	Other gains and losses		
i.	Net gain on foreign currency transactions and translation	-	23.97
ii.	Net gain on sale of current investments (other than non trade and unquoted)	52.45	27.06
iii.	Net gain on sale of non - current investments	-	6.40
iv.	Net gain on sale of property, plant and equipment	4.97	15.52
v.	Gain on financials assets designated as at FVTPL	213.03	-
<b>Total</b>		<b>463.41</b>	<b>298.80</b>

### 24. Employee benefits expense

(Rs. in million)

Particulars		Year ended 31.03.2019	Year ended 31.03.2018
a.	Salaries and allowances	855.36	925.31
b.	Contribution to provident and other funds	42.09	42.73
c.	Gratuity expense	21.56	14.15
d.	Share-based payments to employees	4.45	61.23
e.	Staff welfare expenses	34.71	36.48
<b>Total</b>		<b>958.17</b>	<b>1,079.90</b>



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### 25. Finance costs

(Rs. in million)

Particulars		Year ended 31.03.2019	Year ended 31.03.2018
a.	Interest costs		
	- Interest on bank overdraft and loans	527.17	528.47
b.	Other borrowing costs	59.38	132.04
<b>Total</b>		<b>586.55</b>	<b>660.51</b>

### 26. Other expenses

(Rs. in million)

Particulars		Year ended 31.03.2019	Year ended 31.03.2018
a.	Distributor commission/ incentive	472.87	430.14
b.	Rent and hire charges (See note 31)	197.51	211.37
c.	Repairs and maintenance		
	i. Plant and equipment	162.66	183.73
	ii. Others	167.71	151.97
d.	Power and fuel	148.50	165.20
e.	Director's sitting fees	1.29	0.95
f.	Legal and professional charges	184.78	172.71
g.	Payment to auditors (See note 26.01 below)	15.20	16.58
h.	Expenditure on corporate social responsibility (See note 42)	15.75	13.91
i.	Contract service charges	450.14	469.75
j.	Printing and stationery	7.57	6.90
k.	Travelling and conveyance	71.47	67.76
l.	Advertisement, publicity and business promotion	44.39	76.42
m.	Communication expenses	62.46	63.20
n.	Leaseline expenses	613.69	623.15
o.	Security charges	23.67	20.98
p.	Freight and labour charges	6.28	9.45
q.	Insurance	2.06	2.79
r.	Rates and taxes	84.03	103.61
s.	Allowance on trade receivables and advances (See note 26.02 below)	308.92	261.36
t.	Property, plant and equipment/ capital work-in-progress written off	0.21	-
u.	Net loss on foreign currency transactions and translation	10.69	-
v.	Miscellaneous expenses	69.21	76.00
<b>Total</b>		<b>3,121.06</b>	<b>3,127.93</b>

#### 26.01 Payment to Auditors

a.	To statutory auditors		
	For audit	10.26	11.68
	For other services	4.32	4.49
	Reimbursement of expenses	0.62	0.41
		15.20	16.58
b.	To cost auditors for cost audit	0.14	0.05
<b>Total</b>		<b>15.34</b>	<b>16.63</b>

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### 26.02 Allowance on trade receivables and advances includes:

(Rs. in million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
a. Doubtful trade receivables and advances written off	280.10	225.62
b. Allowance on trade receivables and advances written back	(197.41)	(225.62)
	82.69	-
c. Allowance on trade receivables and advances	143.54	261.36
<b>Total</b>	<b>308.92</b>	<b>261.36</b>

### 27. Exceptional items

(Rs. in million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
a. Provision for impairment of trade receivable and advances	1,231.82	182.20
b. Provision for impairment of PPE	1,030.12	-
c. Deffered Revenue	(298.80)	-
d. Provision for VAT	107.51	-
e. Doubtful trade receivables and advances written off	8.40	-
f. Contract service charges	30.95	-
	2,110.00	182.20
Less: Profit on disposal of non-current investments in subsidiary and joint venture	-	181.09
<b>Total</b>	<b>2,110.00</b>	<b>1.11</b>

#### 27.01 Exceptional items comprises the following:

- In view of the New Regulatory Framework for Broadcasting & Cable services sector notified by the Telecom Regulatory Authority of India (TRAI), which has come into effect during the Year, resulting into changes in pricing mechanism & arrangements amongst the Group, LCOs, Broadcasters and consumers; pursuant to above change and assessment carried out by the management, the Group has recognised provision for impairment of trade receivables and Property Plant & Equipment including Set top boxes amounting to Rs. 1845.60 million. Additionally, one-time exceptional provision has been recognised for certain tax related matters and other assets amounting to Rs. 265.40 million. These adjustments, having one-time, non-routine material impact on financial statements, hence been disclosed as "Exceptional Item" in Financial Statement.
- During the previous year, the Group has sold its investment stake in Macro Commerce Private Limited ('MCPL') which has resulted in net profit on deconsolidation of assets and liabilities of Rs. 181.09 million. In addition to the above, the Group has made an impairment allowance for loans amounting to Rs. 83.60 million.
- During the previous year, the Group has made an impairment allowance of Rs. 98.60 million on account of loan given to Delhi Sports & Entertainment Private Limited.

### 28. Income taxes

(Rs. in million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
<b>A Income tax recognised in Consolidated Statement of Profit and Loss</b>		
<b>(a) Current tax</b>		
In respect of current year	140.29	251.16
In respect of prior years	-	20.14
	140.29	271.30
<b>(b) Deferred tax [See note 28(C)]</b>		
In respect of current year	(11.61)	(171.65)
	(11.61)	(171.65)
<b>Total tax expense charged/(credited) in Consolidated Statement of Profit and Loss</b>	<b>128.68</b>	<b>99.65</b>

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

(Rs. in million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
<b>(c) The income tax expense for the year can be reconciled to the accounting profit as follows:</b>		
Profit/(Loss) before tax	(2876.82)	(71.54)
Less:		
Share of profit / (loss) of associates	(53.94)	(5.90)
Share of profit / (loss) of joint venture	-	-
	<b>(2822.88)</b>	<b>(65.64)</b>
Income tax expense calculated	(848.13)	(20.28)
Effect of income that is exempt from taxation	(23.72)	-
Effect of expenses that are not deductible in determining taxable profit	238.26	0.07
Effect of unused tax losses, timing difference and tax offsets not recognised as deferred tax asset	601.06	217.48
Effect of timing difference recognised as deferred tax asset relating to previous years	172.10	(107.97)
Effect on deferred tax balances due to the change in income tax rates	(10.90)	(9.79)
	128.68	79.51
Adjustments recognised in the current year in relation to the current tax of prior years	-	20.14
<b>Total tax expense charged/(credited) in Consolidated Statement of Profit and Loss</b>	<b>128.68</b>	<b>99.65</b>
<b>B Income tax recognised in other comprehensive income</b>		
<b>(a) Deferred tax [See note 28(C)]</b>		
Arising on income and expenses recognised in other comprehensive income		
- Remeasurement of defined obligation	(1.10)	(1.20)
<b>Total tax expense charged/(credited) in other comprehensive income</b>	<b>(1.10)</b>	<b>(1.20)</b>

The tax rate used for the 2018-2019 and 2017-2018 reconciliations above is the corporate tax rate of 31.20% and 30.90% respectively payable by corporate entities in India on taxable profits under the Indian tax law.

### (C) Movement in deferred tax

#### (i) Movement of Deferred Tax for the year ended 31<sup>st</sup> March, 2019

(Rs. in million)

Particulars	Year ended 31.03.2019			
	Opening balance as on 1 <sup>st</sup> April, 2018	Recognised in profit or loss	Recognised in other com- prehensive income	Closing balance as on 31 <sup>st</sup> March, 2019
<u>Tax effect of items constituting deferred tax liabilities</u>				
Property, plant and equipment and other intangible assets	(8.08)	(11.71)	-	(19.79)
Provision for employee benefits	0.12	0.18	-	0.30
Deferred revenue	2.47	(12.21)	-	(9.74)
Other items	4.74	10.82	-	15.56
	<b>(0.75)</b>	<b>(12.92)</b>	-	<b>(13.67)</b>
<u>Tax effect of items constituting deferred tax assets</u>				
MAT credit entitlement	28.93	(5.61)	-	23.32
Property, plant and equipment and other intangible assets	250.75	111.42	-	362.17
Provision for employee benefits	9.33	7.38	-	16.71
Allowance on trade receivables, advances and impairment	332.16	(2.67)	-	329.49
Deferred revenue	269.35	(146.76)	-	122.59
Other items	39.23	37.55	-	74.14
	<b>929.75</b>	<b>1.31</b>	-	<b>928.42</b>
<b>Net tax asset/(liabilities)</b>	<b>929.00</b>	<b>(11.61)</b>	-	<b>914.75</b>



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### (ii) Movement of Deferred Tax for the year ended 31<sup>st</sup> March, 2018

(Rs. in million)

Particulars	Year ended 31.03.2018			
	Opening Balance as on 1 <sup>st</sup> April, 2017	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance as on 31 <sup>st</sup> March, 2018
<u>Tax effect of items constituting deferred tax liabilities</u>				
Property, plant and equipment and other intangible assets	(8.08)	-	-	(8.08)
Provision for employee benefits	0.12	-	-	0.12
Deferred revenue	2.47	-	-	2.47
Other items	4.89	(0.15)	-	4.74
	<b>(0.60)</b>	<b>(0.15)</b>	-	<b>(0.75)</b>
<u>Tax effect of items constituting deferred tax assets</u>				
MAT credit entitlement	29.34	(0.41)	-	28.93
Property, plant and equipment and other intangible assets	(54.22)	304.97	-	250.75
Provision for employee benefits	3.63	6.90	(1.20)	9.33
Allowance on trade receivables, advances and impairment	347.36	(15.20)	-	332.16
Deferred revenue	317.14	(47.79)	-	269.35
Share issue expenses	52.24	(52.24)	-	-
Other items	63.66	(24.43)	-	39.23
	<b>759.15</b>	<b>171.80</b>	<b>(1.20)</b>	<b>929.75</b>
<b>Net tax asset/(liabilities)</b>	<b>758.55</b>	<b>171.65</b>	<b>(1.20)</b>	<b>929.00</b>

### (D) Unrecognised deductible temporary differences, unused tax losses and unused tax credits

(Rs. in million)

Particulars	As at 31.03.2019	As at 31.03.2018
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)	1,026.61	364.19
- unabsorbed depreciation (revenue in nature)	4,870.62	3,134.54
- deductible temporary differences		
i. Property, plant and equipment and other intangible assets	1,190.09	223.96
ii. Provision for employee benefits	8.41	8.53
iii. Impairment allowance for doubtful balances	1,624.38	1,600.30
iv. Deferred revenue	2,885.51	3,748.94
<b>Deferred tax assets (net)</b>	<b>11,605.62</b>	<b>9,080.46</b>

#### Note:

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

(Rs. in million)

Particulars	As at 31.03.2019	As at 31.03.2018
Deferred tax assets with no expiry date	4,870.62	3,134.54
Deferred tax assets with expiry date*	6,735.00	5,945.92
	<b>11,605.62</b>	<b>9,080.46</b>

\*These would expire between financial year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2027.

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### 29. Commitments and contingent liabilities

(Rs. in million)

Particulars		As at 31.03.2019	As at 31.03.2018
<b>a. Commitments</b>			
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	48.58	65.21
<b>b. Contingent liabilities</b>			
<b>i) Claims against the Group not acknowledged as debts*</b>			
	Income tax disputes where the Group is in appeal	2.69	1.01
	Service tax disputes	39.66	79.73
	Entertainment tax disputes	444.15	211.09
	VAT disputes	1054.45	1,252.60
	GST	0.35	-
	Entry tax disputes	25.30	36.62
	Demand raised by Custom Directorate of Revenue Intelligence	250.67	238.99
<b>ii) Guarantees</b>			
	Bank guarantees	23.78	23.78
<b>iii) Other money for which the Group and its associates is contingently liable</b>			
	Outstanding letter of credits	-	18.02
<b>iv) Group's share of contingent liabilities of its associates</b>			
		-	0.17

\* The Group and its associates has paid advance towards the above claims aggregating to Rs. 536.19 million (31<sup>st</sup> March, 2018: Rs. 305.19 million).

### 30. Segment information

Information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on the types of services provided. The CODM has identified Cable and Broadband as its reportable segments.

- Cable segment consists of distribution and promotion of television channels.
- Broadband segment consists of providing internet services.

Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Property, plant and equipment that is used interchangeably amongst segments is not allocated to segments.

#### I. Segment revenue and results

(Rs. in million)

Particulars	Year ended 31.03.2019			Year ended 31.03.2018		
	Cable	Broad band	Total	Cable	Broad band	Total
<b>A. Segment revenue</b>						
Revenue from operations	11,391.64	669.01	12,060.65	12,097.51	753.50	12,851.01
<b>Total</b>	<b>11,391.64</b>	<b>669.01</b>	<b>12,060.65</b>	<b>12,097.51</b>	<b>753.50</b>	<b>12,851.01</b>
<b>B. Segment result</b>						
	(343.56)	(245.18)	(588.74)	616.33	(319.15)	297.18
Other income			463.41			298.80
Finance costs			(586.55)			(660.51)
Profit/(Loss) before exceptional items and tax expense			<b>(711.88)</b>			<b>(64.53)</b>
Exceptional items			2,111.00			(1.11)
Share of profit / (loss) of associates			(53.94)			(5.90)
<b>Profit / (Loss) before tax</b>			<b>(2,876.82)</b>			<b>(71.54)</b>
Tax expense			128.68			99.65
<b>Profit / (Loss) after tax</b>			<b>(3,005.50)</b>			<b>(171.19)</b>



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### II. Segment assets and liabilities

(Rs. in million)

Particulars	Year ended 31.03.2019			Year ended 31.03.2018		
	Cable	Broad band	Total	Cable	Broad band	Total
<b>C. Segment assets</b>	13,652.77	835.97	14,488.74	13,047.34	1,089.04	14,136.38
Add: Unallocated assets	-	-	25,071.88	-	-	9,436.20
<b>Total assets</b>	<b>13,652.77</b>	<b>835.97</b>	<b>39,560.62</b>	<b>13,047.34</b>	<b>1,089.04</b>	<b>23,572.58</b>
<b>D. Segment liabilities</b>	8,230.15	222.83	8,452.98	8,891.08	282.14	9,173.22
Add: Unallocated liabilities	-	-	4,866.64	-	-	5,500.31
<b>Total liabilities</b>	<b>8,230.15</b>	<b>222.83</b>	<b>13,319.62</b>	<b>8,891.08</b>	<b>282.14</b>	<b>14,673.53</b>

### III. Other segment information

(Rs. in million)

Particulars	Year ended 31.03.2019			Year ended 31.03.2018		
	Cable	Broad band	Total	Cable	Broad band	Total
Depreciation and amortisation (allocable)	2,178.50	237.20	<b>2,415.70</b>	2,178.19	307.71	<b>2,485.90</b>
Addition to non - current assets (allocable) i.e. capital expenditure	892.34	146.96	<b>1,039.30</b>	1,355.09	165.18	<b>1,520.27</b>
Impairment losses recognised in respect of:						
a) Property, plant and equipment / Capital work-in-progress	905.80	124.32	<b>1,030.12</b>	-	-	-
b) financial assets						
- Allowance on trade receivables and advances	1,537.52	11.62	<b>1,549.14</b>	252.25	9.11	<b>261.36</b>

### IV. Geographical information

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

(Rs. in million)

Geography	Year ended 31.03.2019	Year ended 31.03.2018
India	12,060.65	12,851.01
Outside India	-	-
	<b>12,060.65</b>	<b>12,851.01</b>

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

(Rs. in million)

Geography	Year ended 31.03.2019	Year ended 31.03.2018
India	10,077.93	12,714.28
Outside India	-	-
	<b>10,077.93</b>	<b>12,714.28</b>

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

- c. Information about major customers:

No single customer contributed 10% or more to the Group's revenue during the years ended 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018.

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### 31. Operating Lease

The Group has taken office premises under cancellable operating lease agreements. The lease rental expenses recognised in the Consolidated Statement of Profit and Loss:

Particulars	(Rs. in million)	
	Year ended 31.03.2019	Year ended 31.03.2018
Payments recognised as an expense	193.75	210.47
<b>Total</b>	<b>193.75</b>	<b>210.47</b>

### 32. Employee benefit plans

#### (i) Defined contribution plans

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

The total expense recognised in Consolidated Statement of Profit and Loss of Rs. 38.50 million (for the year ended 31<sup>st</sup> March, 2018: Rs. 38.67 million) for provident fund contributions and Rs. 3.59 million (for the year ended 31<sup>st</sup> March, 2018: Rs. 4.06 million) for Employee State Insurance Scheme contributions represents contributions payable to these plans by the Group at rates specified in the rules of the plans. As at 31<sup>st</sup> March, 2019, contributions of Rs. 7.09 million (as at 31<sup>st</sup> March, 2018: Rs. 8.67 million) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

#### (ii) Defined benefit plans

##### Gratuity plan

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

No other post-retirement benefits are provided to these employees.

In respect of the plan in India, the most recent actuarial valuation of the present value of the defined benefit obligation was carried out as at 31<sup>st</sup> March, 2019 by Charan Gupta Consultants Private Limited for the parent and certain subsidiaries, Ashok Kumar Garg and K A Pandit for the other subsidiaries. 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	
	31.03.2019	31.03.2018
Discount rate(s)	7.80%	7.71%
Expected rate(s) of salary increase	7.00%	8.00%
Average longevity at retirement age for current beneficiaries of the plan (years)	15.60	16.01
Average longevity at retirement age for current employees (future beneficiaries of the plan) (years)	19.15	19.64
Retirement age (years)	58	58
Mortality Table	IALM (2006 08)	IALM (2006 08)
Withdrawal Rates	In %	In %
Upto 30 years	3.00	3.00
From 31 years to 44 years	2.00	2.00
Above 44 years	1.00	1.00

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The following tables set out the unfunded status of the defined benefit scheme and amounts recognised in the Group financial statements as at 31<sup>st</sup> March, 2019:

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

(Rs. in million)

Particulars	Year ended	
	31.03.2019	31.03.2018
Service cost		
- Current service cost	13.76	6.27
- Past service cost and (gain)/loss from settlements	-	1.46
Net interest expense	7.80	6.42
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>21.56</b>	<b>14.15</b>
Remeasurement on the net defined benefit liability		
- Actuarial (gains) / losses arising from changes in financial assumptions	(6.95)	(1.11)
- Actuarial (gains) / losses arising from experience adjustments	(6.69)	(3.29)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(13.63)</b>	<b>(4.40)</b>
<b>Total</b>	<b>7.93</b>	<b>9.75</b>

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

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

- c) **The amount included in the Consolidated Balance Sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:**

(Rs. in million)

Particulars	As at	
	31.03.2019	31.03.2018
Present value of funded defined benefit obligation	94.79	96.01
Fair value of plan assets	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>94.79</b>	<b>96.01</b>
- Current portion of the above	6.56	3.07
- Non-current portion of the above	88.23	92.94

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

(Rs. in million)

Particulars	Year ended	
	31.03.2019	31.03.2018
Opening defined benefit obligation	96.01	91.74
Current service cost	13.76	6.27
<b>Interest cost</b>	<b>7.80</b>	<b>6.42</b>
Remeasurement (gains)/losses:		
- Actuarial gains and losses arising from changes in financial assumptions	(6.95)	(1.11)
- Actuarial gains and losses arising from experience adjustments	(6.69)	(3.29)
Past service cost, including losses/(gains) on curtailments	-	1.46
Benefits paid	(9.15)	(5.48)
<b>Closing defined benefit obligation</b>	<b>94.79</b>	<b>96.01</b>

- 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. 4.83 million (increase by Rs. 5.40 million) [as at 31<sup>st</sup> March, 2018: decrease by Rs. 5.92 million (increase by Rs. 5.79 million)].



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

- ii) If the expected salary growth increases (decreases) by 0.50%, the defined benefit obligation would increase by Rs. 5.20 million (decrease by Rs. 4.70 million) [as at 31<sup>st</sup> March, 2018: Rs. 5.83 million (decrease by Rs. 5.76 million)].

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

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

- f) The average duration of the benefit obligation represents average duration for active members at 31<sup>st</sup> March, 2019: 15.60 years (as at 31<sup>st</sup> March, 2018: 16.01 years).
- g) The Group expects to make a contribution of Rs. 16.11 million (as at 31<sup>st</sup> March, 2018: Rs. 13.20 million) 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:

(Rs. in million)

Particulars	Gratuity				
	Year ended 31.03.2019	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2015
Present value of DBO	94.79	96.01	91.74	86.23	68.58
Funded status [Surplus / (Deficit)]	(94.79)	(96.01)	(91.74)	(86.23)	(68.58)
Experience gain / (loss) adjustments on plan liabilities	13.63	4.40	4.33	3.61	0.91

### 33. Earnings per equity share (EPS)

(Rs. in million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
(i) Basic (in Rs.)	(11.63)	(1.77)
(ii) Diluted (in Rs.)*	(11.63)	(1.77)

#### (i) Basic earnings per share

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

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
(i) Profit/(Loss) for the year attributable to shareholders of the Company (Rs. in million)	(2774.85)	(344.10)
(ii) Profit/(Loss) used in the calculation of basic earnings per share (Rs. in million)	(2774.85)	(344.10)
(iii) Weighted average number of equity shares for the purposes of basic earnings per share (Face value of Rs. 10 each)	238,498,977	194,725,448



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### (ii) Diluted earnings per share

(Rs. in million)

The earnings used in the calculation of diluted earnings per share are as follows:

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Net profit/ (Loss) for the year attributable to Equity Shareholders for Basic EPS	(2774.85)	(344.10)
Add Share based payment	4.45	61.23
Net profit/ (Loss) for the year attributable to Equity Shareholders for Diluted EPS	(2770.40)	(282.87)
(i) Profit/(Loss) used in the calculation of diluted earnings per share (Rs. in million)	(2770.40)	(282.87)
(ii) Weighted average number of equity shares for the purposes of basic earnings per share (Face value of Rs. 10 each)	238,498,977	194,725,448
(iii) Weighted average number of equity shares used in the calculation of diluted earnings per share (Face value of Rs. 10 each)**	238,498,977	194,725,448

\* As the Diluted Earning Per Share is anti dilutive, Basic Earning per share has been considered as Diluted earning per share.

\*\* There are no potential dilutive equity shares since the fair value of outstanding ESOP is lower than exercise price.

### 34. Related Party Disclosures

#### I. List of related parties

##### a. Enterprises exercising control

- 1 Reliance Industries Limited (w.e.f 4th February, 2019)
- 2 Reliance Industrial Investments and Holdings Limited# (w.e.f 4th February, 2019)  
(Protector of Digital Media Distribution Trust)
- 3 Digital Media Distribution Trust (w.e.f 4th February, 2019)
- 4 Jio Futuristic Digital Holdings Private Limited @ (w.e.f 4th February, 2019)
- 5 Jio Digital Distribution Holdings Private Limited @ (w.e.f 4th February, 2019)
- 6 Jio Television Distribution Holdings Private Limited @ (w.e.f 4th February, 2019)
- 7 Reliance Strategic Investments Limited^ (w.e.f 4th February, 2019)
- 8 Reliance Ventures Limited^ (w.e.f 4th February, 2019)
- 9 Network18 Media & Investments Limited^ (w.e.f 4th February, 2019)

##### b. Fellow subsidiaries

- 1 TV18 Broadcast Limited^
- 2 IndiaCast Media Distribution Private Limited^
- 3 Network18 Media & Investments Limited^
- 4 Hathway Cable and Datacom Limited^

##### c. Associate entities

- 1 DEN ADN Network Private Limited
- 2 CCN DEN Network Private Limited
- 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

##### d. Entities in which KMP can exercise significant influence

- 1 Lucid Systems Private Limited
- 2 Verver Engineering Private Limited

##### e. Key managerial personnel

- 1 Mr. Sameer Manchanda (Chairman and Managing Director)
- 2 Mr. S.N Sharma (Chief Executive Officer)

##### f. 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.

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

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

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

Particulars	Associates entities	Fellow Subsidiaries	Entities in which KMP can exercise significant influence	Key management personnel	Grand total
<b>A. Transactions during the year</b>					
<b>i. Sale of services</b>					
Den Satellite Network Private Limited	223.38	-	-	-	223.38
	(265.44)	(-)	(-)	(-)	(265.44)
CCN DEN Network Private Limited	21.29	-	-	-	21.29
	(42.96)	(-)	(-)	(-)	(42.96)
DEN ADN Network Private Limited	14.05	-	-	-	14.05
	(26.98)	(-)	(-)	(-)	(26.98)
Others	126.30	-	-	-	126.30
	(-)	(-)	(-)	(-)	(-)
<b>Total</b>	<b>385.02</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>385.02</b>
	<b>(335.38)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(335.38)</b>
<b>ii. Sale of Equipments</b>					
<b>Den Satellite Network Private Limited</b>	10.36	-	-	-	10.36
	(-)	(-)	(-)	(-)	(-)
Others	3.52	-	-	-	3.52
	(-)	(-)	(-)	(-)	(-)
<b>Total</b>	<b>13.88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13.88</b>
	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>
<b>iii. Other operating revenue</b>					
<b>a. Liabilities/ excess provisions written back (net)</b>					
Den Satellite Network Private Limited	0.48	-	-	-	0.48
	(-)	(-)	(-)	(-)	(-)
<b>Total</b>	<b>0.48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.48</b>
	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>
<b>iv. Other income</b>					
<b>a. Interest income on financial assets carried at amortised cost</b>					
CCN DEN Network Private Limited	27.31	-	-	-	27.31
	(27.31)	(-)	(-)	(-)	(27.31)
DEN ADN Network Private Limited	9.02	-	-	-	9.02
	(10.51)	(-)	(-)	(-)	(10.51)
<b>Total</b>	<b>36.33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36.33</b>
	<b>(37.82)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(37.82)</b>
<b>v. Purchase of services</b>					
CCN DEN Network Private Limited	9.57	-	-	-	9.57
	(26.77)	(-)	(-)	(-)	(26.77)
DEN ADN Network Private Limited	5.75	-	-	-	5.75
	(14.78)	(-)	(-)	(-)	(14.78)



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Particulars	Associates entities	Fellow Subsidiaries	Entities in which KMP can exercise significant influence	Key management personnel	Grand total
Den Satellite Network Private Limited	128.05	-	-	-	128.05
	(132.92)	(-)	(-)	(-)	(132.92)
TV18 Broadcast Limited	-	114.00	-	-	114.00
	(-)	(-)	(-)	(-)	(-)
Others	33.59	-	-	-	33.59
	(-)	(-)	(-)	(-)	(-)
<b>Total</b>	<b>176.96</b>	<b>114.00</b>	<b>-</b>	<b>-</b>	<b>290.96</b>
	<b>(174.47)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(174.47)</b>
<b>vi. Compensation of Key Managerial Personnel</b>					
<b>The remuneration of key managerial personnel during the year was as follows:</b>					
-Short-term employee benefits	-	-	-	78.41	78.41
	(-)	(-)	(-)	(98.22)	(98.22)
-Post-employment benefits	-	-	-	2.55	2.55
	(-)	(-)	(-)	(5.56)	(5.56)
-Share-based payments to employees	-	-	-	-	-
	(-)	(-)	(-)	(53.00)	(53.00)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80.96</b>	<b>80.96</b>
	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(156.78)</b>	<b>(156.78)</b>
<b>vii. Investments sold during the year (Equity share capital)</b>					
Delhi Sports & Entertainment Private Limited	-	-	-	-	-
	(6.40)	(-)	(-)	(-)	(6.40)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>(6.40)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(6.40)</b>
<b>viii. Loans received back during the year</b>					
DEN ADN Network Private Limited	-	-	-	-	-
	(5.00)	(-)	(-)	(-)	(5.00)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>(5.00)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(5.00)</b>

### B. Outstanding balances at year end

(Rs. in million)

Particulars		Associates entities	Joint ventures	Entities in which KMP can exercise significant influence	Key management personnel	Grand total
<b>i. Investments in associates and joint venture (Equity and/or preference share capital)</b>						
Den Satellite Network Private Limited	31-Mar-19	644.84	-	-	-	644.84
	31-Mar-18	(686.14)	(-)	(-)	(-)	(686.14)
DEN ADN Network Private Limited	31-Mar-19	40.03	-	-	-	40.03
	31-Mar-18	(50.51)	(-)	(-)	(-)	(50.51)

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Particulars			Associates entities	Joint ventures	Entities in which KMP can exercise significant influence	Key management personnel	Grand total
	CCN DEN Network Private Limited	31-Mar-19	-	-	-	-	-
		31-Mar-18	(2.26)	(-)	(-)	(-)	(2.26)
			<b>684.87</b>	-	-	-	<b>684.87</b>
			<b>(738.91)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(738.91)</b>
<b>ii.</b>	<b>Other financial assets</b>						
<b>a.</b>	<b>Advances recoverable</b>						
	Den Satellite Network Private Limited	31-Mar-19	1.00	-	-	-	1.00
		31-Mar-18	(7.17)	(-)	(-)	(-)	(7.17)
	CCN DEN Network Private Limited	31-Mar-19	0.30	-	-	-	0.30
		31-Mar-18	(0.25)	(-)	(-)	(-)	(0.25)
	DEN ADN Network Private Limited	31-Mar-19	8.40	-	-	-	8.40
		31-Mar-18	(11.01)	(-)	(-)	(-)	(11.01)
	<b>Total</b>		<b>9.69</b>	-	-	-	<b>9.69</b>
			<b>(18.43)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(18.43)</b>
<b>b.</b>	<b>Interest accrued but not due</b>						
	CCN DEN Network Private Limited	31-Mar-19	76.26	-	-	-	76.26
		31-Mar-18	(66.05)	(-)	(-)	(-)	(66.05)
	DEN ADN Network Private Limited	31-Mar-19	0.97	-	-	-	0.97
		31-Mar-18	(1.40)	(-)	(-)	(-)	(1.40)
	Others	31-Mar-19	0.59	-	-	-	0.59
		31-Mar-18	-	(-)	(-)	(-)	-
	<b>Total</b>		<b>77.82</b>	-	-	-	<b>77.82</b>
			<b>(67.45)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(67.45)</b>
<b>c.</b>	<b>Receivable on sale of property, plant and equipment</b>						
	CCN DEN Network Private Limited	31-Mar-19	12.58	-	-	-	12.58
		31-Mar-18	(10.75)	(-)	(-)	(-)	(10.75)
	<b>Total</b>		<b>12.58</b>	-	-	-	<b>12.58</b>
			<b>(10.75)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(10.75)</b>
<b>iii.</b>	<b>Trade receivables</b>						
	Den Satellite Network Private Limited	31-Mar-19	283.09	-	-	-	283.09
		31-Mar-18	(257.91)	(-)	(-)	(-)	(257.91)
	CCN DEN Network Private Limited	31-Mar-19	69.34	-	-	-	69.34
		31-Mar-18	(44.35)	(-)	(-)	(-)	(44.35)
	IndiaCast Media Distribution Private Limited	31-Mar-19	-	110.60	-	-	110.60
		31-Mar-18	(-)	(-)	(-)	(-)	(-)
	Others	31-Mar-19	73.58	5.19	-	-	78.77
		31-Mar-18	(-)	(-)	(-)	(-)	(-)
	<b>Total</b>		<b>426.00</b>	<b>115.79</b>	-	-	<b>541.79</b>
			<b>(302.26)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(302.26)</b>



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Particulars			Associates entities	Joint ventures	Entities in which KMP can exercise significant influence	Key management personnel	Grand total
<b>iv. Loans</b>							
	CCN DEN Network Private Limited	31-Mar-19	182.05	-	-	-	182.05
		31-Mar-18	(182.05)	(-)	(-)	(-)	(182.05)
	DEN ADN Network Private Limited	31-Mar-19	63.75	-	-	-	63.75
		31-Mar-18	(69.39)	(-)	(-)	(-)	(69.39)
	<b>Total</b>		<b>245.80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>245.80</b>
			<b>(251.44)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(251.44)</b>
<b>v. Trade payables</b>							
	Den Satellite Network Private Limited	31-Mar-19	190.82	-	-	-	190.82
		31-Mar-18	(41.25)	(-)	(-)	(-)	(41.25)
	CCN DEN Network Private Limited	31-Mar-19	26.71	-	-	-	26.71
		31-Mar-18	(3.89)	(-)	(-)	(-)	(3.89)
	TV18 Broadcast Limited	31-Mar-19	-	272.53	-	-	272.53
		31-Mar-18	(-)	(-)	(-)	(-)	-
	Others	31-Mar-19	64.66	0.83	-	-	65.48
		31-Mar-18	(-)	(-)	(-)	(-)	(-)
	<b>Total</b>		<b>282.18</b>	<b>273.36</b>	<b>-</b>	<b>-</b>	<b>555.55</b>
			<b>(45.14)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(45.14)</b>
<b>vi. Other current liabilities</b>							
<b>a. Deferred revenue</b>							
	Den Satellite Network Private Limited	31-Mar-19	-	-	-	-	-
		31-Mar-18	(0.13)	(-)	(-)	(-)	(0.13)
	<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
			<b>(0.13)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(0.13)</b>

- vii. Amount recoverable from DNL Employees Welfare Trust as at 31<sup>st</sup> March, 2019: Rs. 0.36 million (As at 31<sup>st</sup> March, 2018: Rs. 0.36 million)
- viii. Lucid Systems Private Limited ('LSPL) has given guarantee by way of pledge of Nil (previous year - 6.00 million) equity shares held in the Company for credit facilities availed by the Company on loans taken from a financial institution / bank during the year ended 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018.

### 35. Share Based payments

#### A. Employee Stock Option Plan 2010 ("ESOP 2010")

##### a) Details of the employee share option plan of the Parent Company

The weighted average fair value of the share options granted under ESOP 2010 during the financial year is Rs. 41.51 (during the year ended 31<sup>st</sup> March, 2018: Rs. 38.97). Options were priced using Black Scholes model.

The Parent Company had established an Employee Stock Option Plan (ESOP 2010) in accordance with "Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014" and "the Securities and Exchange Board of India (Share Based Employee Benefits) (Amendment) Regulation, 2015", which has been approved by the Board of Directors and the shareholders of the Parent Company. A Nomination and Remuneration / Compensation Committee comprising majority of independent, non-executive members of the Board of Directors administers the ESOPs. All option under the ESOPs are exercisable for equity shares. The Parent Company had taken approval of the Shareholders to grant and allot upto 5,219,599 equity options under the said scheme. The total outstanding options under the scheme are 240,000 equity options.

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There shall be a minimum period of one year between the grant of options and vesting of options. The vesting shall happen in one or more tranches as may be decided by the Nomination and Remuneration / Compensation Committee. The exercise period of the options is a period of one year after the vesting of the options. Each option is exercisable for one equity share of Rs. 10 each fully paid up of the Parent Company on payment of exercise price (as determined by the Nomination and Remuneration / Compensation Committee) of share determined with respect to the date of grant.

As per approval of the shareholder, the Parent Company may issue options to employees of the Parent Company/ subsidiaries/ directors of the subsidiaries.

Each employee share option converts into one equity share of the Parent Company on exercise. No amounts are paid or payable by the receipt of the option. The options carry neither rights to dividend nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

During the year ended 31<sup>st</sup> March, 2019, the Nomination and Remuneration/Compensation Committee has not granted any options under Employee Stock Option Plan - 2010.

The following share based arrangements were in existence during the current and prior years :

Options Series	Number	Grant date	Expiry date	No. of Shares Forfeited	Forfeiture date	Exercise Price (in Rs.)	Fair value at grant date (in Rs.)
1 DEN ESOP Scheme, 2010 (Granted on 13 February, 2015)	170,000	13-Feb-15	12-Feb-20	30,000	3-May-19	160.00	43.08
2 DEN ESOP Scheme, 2010 (Granted on 01 January, 2018)	100,000	1-Jan-18	31-Dec-19	-	-	80.00	39.32

All options vested on their date of grant and expiry within twelve months of their issue, or one month after the resignation of the executive or senior employee, whichever is earlier.

### b) Fair value of share options granted during the previous year

The vesting shall happen in one or more tranches as may be decided by the Nomination and Remuneration / Compensation Committee. The exercise period of the options is a period of one year after the vesting of the options. Each option is exercisable for one equity share of Rs. 10 each fully paid up on payment of exercise price (as determined by the Nomination and Remuneration / Compensation Committee) of share determined with respect to the date of grant. The Parent Company has granted 4,026,195 options upto 31<sup>st</sup> March, 2019.

The fair value of the options, calculated by an external valuer, was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

	140,000 Options (Vesting Period -4 Years)				100,000 Options (Vesting Period -1 Year)
	1st Year	2nd Year	3rd Year	4th Year	1st Year
Grant date share price	111.50	111.50	111.50	111.50	105.90
Exercise price	160.00	160.00	160.00	160.00	80.00
Expected volatility (in %)	48.00%	48.00%	48.00%	48.00%	41.80%
Option life (in years)	1.50	2.50	3.50	4.50	1.50
Dividend yield (in %)	Nil	Nil	Nil	Nil	Nil
Risk-free interest rate (in %)	7.93%	7.88%	7.85%	7.81%	6.62%

The volatility of the options is based on the historical volatility of the share price since the Parent Company's equity shares are publicly traded, which may be shorter than the term of the options.



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### c) Movement in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year :

Particulars	2018-2019		2017-2018	
	Number of options	Weighted average exercise price (in Rs.)	Number of options	Weighted average exercise price (in Rs.)
Balance at the beginning of the year	482,500	143.42	595,000	160.00
Granted during the year	-	-	100,000	80.00
Forfeited during the year	30,000	143.42	-	-
Exercised during the year	-	-	-	-
Expired during the year	212,500	-	212,500	160.00
<b>Balance at the end of the year</b>	<b>240,000</b>	<b>143.42</b>	<b>482,500</b>	<b>143.42</b>

### d) Share options outstanding at the end of the year

The share options outstanding at the end of the year had remaining contractual life of 0.82 year (as at 31<sup>st</sup> March, 2018 is 1.41 years).

### e) Share options exercised during the year

No options were exercised during the year

## B. Employee Stock Option Plan 2014 ("ESOP 2014")

### a) Details of the employee share option plan of the Parent Company

The weighted average fair value of the share options granted under ESOP 2014 during the financial year is Rs. 24.15 (during the year ended 31<sup>st</sup> March, 2018: Rs. 20.75). Options were priced using Black Scholes model.

The Parent Company has approved a share option scheme for the executives and senior employees of the Parent Company and its subsidiaries.

The following share based arrangements were in existence during the current and prior years :

Options Series	Number	Grant date	Expiry date	No. of Shares Forfeited	Forfeiture date	Exercise Price (in Rs.)	Fair value at grant date (in Rs.)
1 DEN ESOP Plan B-2014 (Granted on 31 <sup>st</sup> July, 2015)	100,000	3-Jul-15	3-Jul-18	100,000	3-Jul-18	160.00	14.63
	100,000	3-Jul-15	3-Jul-19	-	-	160.00	21.41
	80,000	3-Jul-15	3-Jul-20	-	-	160.00	27.57

### b) Fair value of share options granted in the year

The vesting shall happen in one or more tranches as may be decided by the Nomination and Remuneration / Compensation Committee. The exercise period of the options is a period of one year after the vesting of the options. Each option is exercisable for one equity share of Rs. 10 each fully paid up on payment of exercise price (as determined by the Nomination and Remuneration / Compensation Committee) of share determined with respect to the date of grant.

The fair value of the options, calculated by an external valuer, was estimated on the date of grant using the Black-Scholes model with the following significant assumptions

	180,000 Options (Vesting Period -4 Years)			
	1st Year	2nd Year	3rd Year	4th Year
Grant date share price	108.40	108.40	108.40	108.40
Exercise price	160.00	160.00	160.00	160.00
Expected volatility (in %)	47.65%	47.65%	47.65%	47.65%
Option life (in years)	1.50	2.50	3.50	4.50
Dividend yield (in %)	Nil	Nil	Nil	Nil
Risk-free interest rate (in %)	7.79%	7.78%	7.77%	7.76%



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The volatility of the options is based on the historical volatility of the share price since the Parent Company's equity shares are publicly traded, which may be shorter than the term of the options.

### Movement in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year :

Particulars	2018-2019		2017-2018	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at the beginning of the year	280,000	160.00	2,950,000	160.00
Granted during the year	-	-	-	-
Vested during the year	-	-	1,850,000	18.11
Exercised during the year	-	-	1,750,000	10.00
Forfeited during the year	100,000	160.00	920,000	160.00
<b>Balance at the end of the year</b>	<b>180,000</b>	<b>160.00</b>	<b>280,000</b>	<b>160.00</b>

### Share options exercised during the year

No options were exercised during the year

### Share options outstanding at the end of the year

The share options outstanding at the end of the year had remaining contractual life of year 0.70 year (as at 31<sup>st</sup> March, 2018 is 1 year).

### 36. Goodwill on consolidation

(Rs. in million)

Particulars	As at 31.03.2019	As at 31.03.2018
Cost or deemed cost	1,765.90	1,989.24
Accumulated impairment loss	(142.10)	(343.34)
	<b>1,623.80</b>	<b>1,645.90</b>
<b>Cost or deemed cost</b>		
Balance at the beginning of year	<b>1,765.90</b>	<b>1,967.14</b>
Additional amount recognised from business combinations occurring during the year	-	25.54
Derecognised on disposal of a subsidiary	-	(3.44)
<b>Balance at the end of year</b>	<b>1,765.90</b>	<b>1,989.24</b>
<b>Accumulated impairment loss</b>		
Balance at the beginning of year	142.10	343.34
Impairment losses recognised during the year	-	-
<b>Balance at the end of year</b>	<b>142.10</b>	<b>343.34</b>

### Impairment of goodwill

For the purpose of impairment testing, goodwill has been allocated to the cash generating unit (CGU)- cable segment.

The recoverable amount of this cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial forecasts covering a five-year period, and a discount rate of 10% per annum (as at 31<sup>st</sup> March, 2018: 10% per annum)

Cash flow projections during the forecast period are based on the same expected gross margins and inflation throughout the forecast period. The cash flows beyond that five-year period have been extrapolated using a steady growth rate of 2% per annum (as at 31<sup>st</sup> March, 2018: 2% per annum) which is the projected long-term average growth rate for Cable CGU. The directors believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

Based on impairment testing as above, the management has concluded that there is no need for provision for impairment.

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### 37. Financial Instruments

#### a) Capital Management

The Group's management reviews the capital structure of the Group 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 Group monitors the capital structure using gearing ratio which is determined as the proportion of net debt to total equity.

The capital structure of the Group consists of net debt (borrowings as detailed in notes 15, 16, 19 and offset by cash and bank balances and current investments in notes 6, 9, 11 and 12) and total equity of the Group.

The Group 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 Group'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 31.03.2019	As at 31.03.2018
<b>Debt</b>		
Borrowings- current (See Note 19)	648.87	1,050.29
Borrowings- non current (See Note 15)	2,660.31	3,141.15
Current maturities of long term debt (See Note 16)	1,510.79	1,113.54
Book overdraft (See note 16)	-	110.05
	<b>4,819.97</b>	<b>5,415.03</b>
<b>Less:</b>		
Cash and cash equivalents (See Note 11)	788.78	1,509.02
Current investments (See Note 9)	20,709.84	529.84
Bank balances (See Note 12)	1,459.38	1,675.04
Other financial assets (See Note 6)	-	126.11
<b>Net debt</b>	<b>(18,138.03)</b>	<b>1,575.02</b>
Total equity	25,460.44	7,859.64
<b>Net debt to equity ratio</b>	<b>N/A</b>	<b>20.04%</b>

### 37 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 31<sup>st</sup> March, 2019

Financial assets	(Rs. in million)			
	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Cash and cash equivalents	788.78	-	-	788.78
Bank balances other than cash and cash equivalents	1,459.38	-	-	1,459.38
Trade receivables	2,260.11	-	-	2,260.11
Current investments	-	-	20,709.84	20,709.84
Loans	336.02	-	-	336.02
Other financial assets	884.58	-	-	884.58
Investment in equity shares of associates carried at cost less impairment	684.87	-	-	684.87
	<b>6,413.74</b>	<b>-</b>	<b>20,709.84</b>	<b>27,123.58</b>

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

As at 31<sup>st</sup> March, 2019

(Rs. in million)

Financial assets	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Cash and cash equivalents	1,509.02	-	-	1,509.02
Bank balances other than cash and cash equivalents	1,675.04	-	-	1,675.04
Trade receivables	3,022.97	-	-	3,022.97
Current investments	-	-	529.84	529.84
Loans	462.87	-	-	462.87
Other financial assets	701.45	-	-	701.45
Investment in equity shares of associates carried at cost less impairment	738.91	-	-	738.91
	<b>8,110.26</b>	<b>-</b>	<b>529.84</b>	<b>8,640.10</b>

As at 31<sup>st</sup> March, 2019

(Rs. in million)

Financial assets	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Borrowings - non-current	3,141.15	-	-	3,141.15
Borrowings - current	1,050.29	-	-	1,050.29
Trade payables	2,545.10	-	-	2,545.10
Other financial liabilities - non-current	4.00	-	-	4.00
Other financial liabilities - current	2,598.75	-	-	2,598.75
	<b>9,339.29</b>	<b>-</b>	<b>-</b>	<b>9,339.29</b>

### (c) Risk management framework

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

The objective of the Group'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 Group'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 - See - 37 c (iv), foreign currency - See - 37 c (iii), and other price risk - See - 37 c (v), such as equity price risk.

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

The Group remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening the balance sheet. The maturity profile of the Group'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 Group.

(Rs. in million)

Financial liabilities	As at 31 <sup>st</sup> March, 2019				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
<b>Non current</b>					
-Borrowings*	-	2,392.49	287.54	21.09	2,701.12
-Other financial liabilities	-	0.35	-	-	0.35
<b>Current</b>					
-Borrowings	648.87	-	-	-	648.87
-Current maturities of long term debt*	1,534.73	-	-	-	1,534.73
-Interest accrued	19.20	-	-	-	19.20
-Trade payables	2,644.31	-	-	-	2,644.31
-Other financial liabilities	1,680.57	-	-	-	1,680.57
<b>Total</b>	<b>6,527.68</b>	<b>2,392.84</b>	<b>287.54</b>	<b>21.09</b>	<b>9,229.15</b>

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

(Rs. in million)

Financial liabilities	As at 31 <sup>st</sup> March, 2018				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
<b>Non current</b>					
-Borrowings*	-	3,059.24	132.65	-	3,191.90
-Other financial liabilities		4.00		-	4.00
<b>Current</b>					
-Borrowings	1,050.29	-	-	-	1,050.29
-Current maturities of long term debt*	1,141.71	-	-	-	1,141.71
-Interest accrued	11.04	-	-	-	11.04
-Trade payables	2,545.10	-	-	-	2,545.10
-Other financial liabilities	1,474.17	-	-	-	1,474.17
<b>Total</b>	<b>6,222.31</b>	<b>3,063.24</b>	<b>132.65</b>	<b>-</b>	<b>9,418.21</b>

\*includes undiscounted interest.

As at 31<sup>st</sup> March, 2019, the Group had access to fund based facilities of Rs. 5,262.22 million, of which Rs. 405.56 million were yet not drawn, as set out below:

	Total Facility (Rs. in million)	Drawn (Rs. in million)	Undrawn (Rs. in million)
	5,290.27	4,884.72	405.55
<b>Total</b>	<b>5,290.27</b>	<b>4,884.72</b>	<b>405.55</b>

As at 31<sup>st</sup> March, 2018, the Group had access to fund based facilities of Rs. 6,024.76 million, of which Rs. 719.78 million were yet not drawn, as set out below:

	Total Facility (Rs. in million)	Drawn (Rs. in million)	Undrawn (Rs. in million)
	6,024.76	5,304.98	719.78
<b>Total</b>	<b>6,024.76</b>	<b>5,304.98</b>	<b>719.78</b>

### (iii) Foreign currency risk

Foreign exchange risk comprises of risk that may be expected to the Group 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 Group was exposed to foreign exchange risk arising from foreign currency payables and buyer's credit denominated in foreign currency availed by the Group.

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

(Rs. in million)

	As at 31.03.2019		As at 31.03.2018	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
USD	-	0.15	-	8.74
Equivalent INR	-	10.09	-	568.53

The results of Group'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 Group.

For the year ended 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018, every 100 basis points depreciation/ appreciation in the exchange rate between the Indian rupee and U.S. dollar will decrease/increase the Group's losses before tax by Rs. 0.10 million (31<sup>st</sup> March, 2018 : Rs. 5.69 million).

### (iv) Interest rate risk

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

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The exposure of the Group's financial liabilities as at 31<sup>st</sup> March, 2019 to interest rate risk is as follows:

(Rs. in million)

	Floating rate	Fixed rate	Non interest bearing	Total
<b>Non current</b>				
Borrowings	2,660.31	-	-	2,660.31
<b>Current</b>				
Borrowings	648.87	-	-	648.87
Current maturities of long term debt	1,510.79	-	-	1,510.79
	<b>4,819.97</b>	-	-	<b>4,819.97</b>
Fixed deposits	-	1,481.68	-	<b>1,481.68</b>
Interest rate range (per annum)	<b>Floating rate</b>	<b>Fixed rate</b>		
Others	8.70% to 10.90%	6.70% to 8.51%		

The exposure of the Group's financial liabilities as at 31<sup>st</sup> March, 2018 to interest rate risk is as follows:

(Rs. in million)

	Floating rate	Fixed rate	Non interest bearing	Total
<b>Non current</b>				
Borrowings	3,141.15	-	-	3,141.15
<b>Current</b>				
Borrowings	1,050.29	-	-	1,050.29
Current maturities of long term debt	1,113.54	-	-	1,113.54
	<b>5,304.98</b>	-	-	<b>5,304.98</b>
Fixed deposits	-	1,842.18	-	1,842.18
Interest rate range (per annum)	<b>Floating rate</b>	<b>Fixed rate</b>		
Others	3.20% to 3.40%	NA		
	10.30% to 11.5%	8.55%		

### Interest rate sensitivity analysis on borrowings:

9%

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's losses before tax for the year ended 31<sup>st</sup> March, 2019 would decrease/increase by Rs. 53.80 million (year ended 31<sup>st</sup> March, 2018 : Rs. 5.41 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

### Interest rate sensitivity analysis on fixed deposits:

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's losses before tax for the year ended 31<sup>st</sup> March, 2019 would decrease/increase by Rs. 16.62 million (year ended 31<sup>st</sup> March, 2018 : Rs. 1.55 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

### (v) Other price risk

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

If prices had been 100 basis points higher/lower, loss before tax for the year ended 31<sup>st</sup> March, 2019 would decrease/increase by Rs. 207.10 million (for the year ended 31<sup>st</sup> March, 2018: Rs. 5.30 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. For details of exposure, default grading and expected credit loss as on the reporting year.



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### 38a. 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 31.03.2019		As at 01.04.2018	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Cash and cash equivalents	788.78	788.78	1,509.02	1,509.02
Bank balances other than cash and cash equivalents	1,459.38	1,459.38	1,675.04	1,675.04
Trade receivables	2,260.11	2,260.11	3,022.97	3,022.97
Security deposits	86.62	86.62	101.95	101.95
Loans	295.17	295.17	362.10	360.92
Other financial assets	884.58	884.58	701.45	701.45
<b>Financial liabilities</b>				
Non-current borrowings	2,660.31	2,660.31	3,141.15	3,141.15
Current borrowings	648.87	648.87	1,050.29	1,050.29
Trade payables	2,644.31	2,644.31	2,545.10	2,545.10
Other financial liabilities - non-current	0.35	0.35	4.00	4.00
Other financial liabilities - current	3,210.56	3,210.56	2,598.75	2,598.75

**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<sup>st</sup> March, 2019; 31<sup>st</sup> March, 2018 is as follows:

(Rs. in million)

Particulars	As at 31.03.2019	Fair value measurement at end of the reporting period/year using			Valuation techniques
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					
Investment in mutual funds	20,709.84	-	20,709.84	-	Based on the NAV report issued by the fund manager
<b>Total financial assets</b>	<b>20,709.84</b>	<b>-</b>	<b>20,709.84</b>	<b>-</b>	

(Rs. in million)

Particulars	As at 31.03.2018	Fair value measurement at end of the reporting period/year using			Valuation techniques
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					
Investment in mutual funds	529.84	-	529.84	-	Based on the NAV report issued by the fund manager
<b>Total financial assets</b>	<b>529.84</b>	<b>-</b>	<b>529.84</b>	<b>-</b>	

### 38b. Reconciliation of liabilities arising from financing activities

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

(Rs. in million)

Particulars	As at 31 <sup>st</sup> March, 2018	Cash Flow	Non-cash Changes	As at 31 <sup>st</sup> March, 2019
Non-current borrowings	3,141.15	(501.92)	21.08	2,660.31
Current borrowings	1,050.29	(401.42)	-	648.87
Current maturities of long term borrowings	1,113.54	397.25	-	1,510.79
<b>Total liabilities from financing activities</b>	<b>5,304.98</b>	<b>(506.09)</b>	<b>21.08</b>	<b>4,819.97</b>

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

39. During the Year, the Parent Company has allotted on preferential basis 28,14,48,000 equity shares of Rs. 72.66 each at a premium of Rs. 62.66 per share to the following entities (the 'Acquirers') aggregating to Rs. 2,045.00 million representing 58.98% of post-preferential allotment equity share capital of the Group.

Name of the Acquirers	No. of Equity Shares	Amount (Rs. in million)
Jio Futuristic Digital Holdings Private Limited	136,847,150	9,943.30
Jio Digital Distribution Holdings Private Limited	71,248,280	5,176.90
Jio Television Distribution Holdings Private Limited	73,352,570	5,329.80
<b>Total</b>	<b>281,448,000</b>	<b>20,450.00</b>

The Acquirers have acquired sole control of the Group and the Acquirers together with the Persons Acting in Concert (PACs) namely Reliance Industries Limited (RIL), Digital Media Distribution Trust, Reliance Content Distribution Limited and Reliance Industrial Investments and Holdings Limited have become part of the 'promoter and promoter group' of the Group pursuant to the:

(a) aforesaid preferential allotment; and (b) purchase by Jio Futuristic Digital Holdings Private Limited (one of the Acquirers) of 3,35,85,000 equity shares of the Group representing 7.04% of the post-preferential allotment paid-up equity share capital from Shri Sameer Manchanda and Verve Engineering Private Limited. Further, prior to the said acquisitions, Reliance Ventures Limited (RVL), Reliance Strategic Investments Limited (RSIL) and Network18 Media and Investments Limited (NW18) (RVL and RSIL are wholly-owned subsidiaries of RIL. Independent Media Trust (of which RIL is the sole beneficiary) owns and controls 73.15% of the paid-up equity share capital of NW18 (directly and indirectly through companies wholly owned and controlled by it) together were holding 26,46,968 equity shares constituting 0.55% of the post-preferential allotment paid-up equity share capital of the Group. Post the aforesaid acquisitions by the Acquirers, RVL, RSIL and NW18 have also become part of the 'promoter and promoter group' of the Group.

On 5<sup>th</sup> March, 2019, the Acquirers acquired an aggregate of 5,74,89,612 equity shares representing 12.05% of the total paid-up equity share capital of the Group pursuant to an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Accordingly, as at 31<sup>st</sup> March, 2019, the aggregate holding of the Acquirers, RVL, RSIL and NW18 in the Group stood at 37,51,69,580 equity shares of the Group representing 78.62% of the total paid-up equity share capital of the Group

'The proceeds of preferential allotment amounting to Rs. 20,450.00 million have been temporarily invested in liquid mutual funds.

40. The Company has consolidated the unaudited financial statements of 3 of its subsidiaries based on the financial statements as certified by the Company's management and which have not been audited by the statutory auditors of these entities. These financial statements reflect total assets of Rs. 138.83 million as at 31<sup>st</sup> March, 2019, total revenues of Rs. 106.15 million for the year ended 31<sup>st</sup> March, 2019, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of loss after tax including total other comprehensive income of Rs. (11.41) million for the year ended 31<sup>st</sup> March, 2019 as considered in the the consolidated financial statements, in respect of 3 associates, based on their financial statements which have not been audited by their auditor. The management is of the view that the adjustments, if any, arising out of the audit of the financial statements of the subsidiaries and associate will not have a material impact on the consolidated Ind AS financial statements.

41. The composite scheme of arrangement ('Scheme') involving amalgamation of 8 wholly-owned subsidiaries (namely Den Ambey Farukabad Cable Network Private Limited, Den Ambey Jhansi Cable Network Private Limited, Melody Cable Network Private Limited, Den Ambey Citi Cable Network Private Limited, Den Deva Cable Network Private Limited, Star Channel Den Network Private Limited, Saturn Digital Cable Network Private Limited, Portrait Cable Network Private Limited) (collectively 'transferor companies') of DEN Ambey Cable Networks Private Limited ('transferee Company'), a subsidiary of the Parent Company, with the transferee Company became effective upon issuance of the order dated 6<sup>th</sup> July, 2018 by Regional Director, Northern Region. The transferee Company filed the said order with the Registrar of Companies, Delhi ('ROC') on 17<sup>th</sup> July, 2018.

Pursuant to the Scheme becoming effective, the Parent Company, the transferor companies and the transferee Company have accounted for the arrangement with effect from the appointed date of 1<sup>st</sup> April, 2017, based on the accounting treatment prescribed in the scheme.

#### 42. Expenditure on Corporate Social Responsibility (CSR)

- a. The provisions of section 135 of the Companies Act 2013 are applicable to the entities incorporated in India. Accordingly, the Group was required to spend Rs. 14.80 million [Previous year Rs. 13.91 million] during the year on account of expenditure towards Corporate Social Responsibility.

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### b. Amount spent during the year ended 31<sup>st</sup> March, 2019:

(Rs. in million)

Particulars	Paid (A)	Yet to be paid (B)	Total (A+B)
(i) Construction/acquisition of any asset	-	-	-
	(-)	(-)	(-)
(ii) On purposes other than (i) above	9.65	6.10	15.75
	(13.91)	(-)	(13.91)

Figures in bracket relates to previous year

### c. Details of related party transactions:

- Contribution during the year ended 31<sup>st</sup> March, 2019 is Rs. Nil [31<sup>st</sup> March 2018 Rs. Nil]

- Payable as at 31<sup>st</sup> March, 2019 is Rs. Nil (As at 31<sup>st</sup> March, 2018: Rs. Nil)

43. The Group and its associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

(Rs. in million)

Particulars	As at 31.03.2019	As at 31.03.2018
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	1.55	10.38
(b) interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and the amount of payment made to the supplier beyond the appointed day.	-	-
(c) interest due and payable for the period of delay in making payment other than the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) interest accrued and remaining unpaid	-	-
(e) further interest remaining due and payable even in the succeeding years for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

45. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and its associates.

### 46. Details of material associates

Details of each of the Group's material associates at the end of the reporting year are as follows:

S. No.	Name of associates	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Group	
				As at 31.03.2019 (Rs. in million)	As at 31.03.2018 (Rs. in million)
1.	DEN ADN Network Private Limited	Cable distribution business	New Delhi	51%	51%
2.	CCN DEN Network Private Limited	Cable distribution business	Delhi	51%	51%
3.	Den Satellite Network Private Limited	Cable distribution business	Mumbai	50%	50%

All the above associates are accounted for using the equity method in these Consolidated Financial Statements.

**Summarised financial information in respect of each of the Group's material associates is set out below.**

The summarised financial information below represents amount shown in the associate's financial statement prepared as per equity accounting purposes.



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### 1. DEN ADN Network Private Limited

(Rs. in million)

Particulars	As at 31.03.2019	As at 31.03.2018
Non-current assets	149.28	169.11
Current assets	180.17	195.16
Non-current liabilities	18.81	19.77
Current liabilities	231.12	244.42

(Rs. in million)

Particulars	As at 31.03.2019	As at 31.03.2018
Revenue	185.26	219.75
Profit/(Loss) for the year	(20.54)	0.35
Other comprehensive income for the year	(0.02)	(0.05)
Total comprehensive income for the year	(20.56)	0.30

Reconciliation of the above summarised financial information to the carrying amount of interest in DEN ADN Network Private Limited recognised in the Consolidated Financial Statements:

(Rs. in million)

Particulars	As at 31.03.2019	As at 31.03.2018
Net assets of the associate	79.52	100.08
Proportion of the Group's ownership interest in DEN ADN Network Private Limited	51%	51%
Capital reserve	(0.53)	(0.53)
<b>Carrying amount of the Group's interest in DEN ADN Network Private Limited</b>	<b>40.03</b>	<b>50.51</b>

(Rs. in million)

Particulars	As at 31.03.2019	As at 31.03.2018
Non-current assets	274.50	374.19
Current assets	361.93	332.74
Non-current liabilities	62.50	68.66
Current liabilities	733.01	633.83

(Rs. in million)

Particulars	As at 31.03.2019	As at 31.03.2018
Revenue	251.38	306.89
Profit/(Loss) for the year	(115.96)	(53.78)
Other comprehensive income for the year	-	-
Total comprehensive income/(Loss) for the year	(115.96)	(53.78)

Reconciliation of the above summarised financial information to the carrying amount of interest in CCN DEN Network Private Limited recognised in the Consolidated Financial Statements:



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

(Rs. in million)

Particulars	As at 31.03.2019	As at 31.03.2018
Net assets of the associate	(159.08)	4.44
Proportion of the Group's ownership interest in CCN DEN Network Private Limited	51%	51%
Goodwill	-	-
<b>Carrying amount of the Group's interest in CCN DEN Network Private Limited*</b>	<b>-</b>	<b>2.26</b>

\*Restricted to investment amount

### 3. Den Satellite Network Private Limited- Standalone

(Rs. in million)

Particulars	As at 31.03.2019	As at 31.03.2018
Non-current assets	731.46	884.06
Current assets	458.65	454.12
Non-current liabilities	96.23	233.48
Current liabilities	420.68	501.80

(Rs. in million)

Particulars	As at 31.03.2019	As at 31.03.2018
Revenue	1,118.66	1,060.92
Profit /(Loss) for the year	(40.34)	34.55
Other comprehensive income for the year	-	0.52
Total comprehensive income for the year	(40.34)	35.07

Reconciliation of the above summarised financial information to the carrying amount of interest in Den Satellite Network Private Limited recognised in the Consolidated Financial Statements:

(Rs. in million)

Particulars	As at 31.03.2019	As at 31.03.2018
Net assets of the associate	673.20	602.90
Proportion of the Group's ownership interest in Den Satellite Network Private Limited	50%	50%
Goodwill	301.88	301.88
<b>Carrying amount of the Group's interest in the standalone financial statements of Den Satellite Network Private Limited (See 3a, 3b and 3c below for subsidiaries of Den Satellite Network Private Limited) (a)</b>	<b>638.48</b>	<b>603.33</b>

### 3a. DEN New Broad Communication Private Limited

(Rs. in million)

Particulars	As at 31.03.2019	As at 31.03.2018
Non-current assets	36.47	133.52
Current assets	82.83	76.27
Non-current liabilities	81.37	80.81
Current liabilities	57.78	75.57

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

(Rs. in million)

Particulars	As at 31.03.2019	As at 31.03.2018
Revenue	276.73	272.56
Profit /(Loss) for the year	(73.26)	9.10
Other comprehensive income for the year	-	(0.09)
Total comprehensive income/(Loss) for the year	(73.26)	9.01

Reconciliation of the above summarised financial information to the carrying amount of interest in DEN New Broad Communication Private Limited recognised in the Consolidated Financial Statements:

(Rs. in million)

Particulars	As at 31.03.2019	As at 31.03.2018
Net assets of the associate	(19.85)	53.39
Proportion of the Group's effective ownership interest in DEN New Broad Communication Private Limited	26%	26%
Goodwill	51.47	51.47
<b>Carrying amount of the Group's effective interest in DEN New Broad Communication Private Limited included within investment in DEN Satellite Network Private Limited (b)</b>	<b>46.40</b>	<b>65.08</b>

### 3b. DEN ABC Cable Networks Ambarnath Private Limited

(Rs. in million)

Particulars	As at 31.03.2019	As at 31.03.2018
Non-current assets	54.43	78.16
Current assets	16.30	14.68
Non-current liabilities	36.57	35.10
Current liabilities	8.72	19.35

(Rs. in million)

Particulars	As at 31.03.2019	As at 31.03.2018
Revenue	100.52	89.28
Profit /(Loss) for the year	(16.17)	4.53
Other comprehensive income for the year	-	-
Total comprehensive income/(Loss) for the year	(16.17)	4.53

Reconciliation of the above summarised financial information to the carrying amount of interest in DEN ABC Cable Networks Ambarnath Private Limited recognised in the Consolidated Financial Statements:

(Rs. in million)

Particulars	As at 31.03.2019	As at 31.03.2018
Net assets of the associate	25.44	38.39
Proportion of the Group's effective ownership interest in DEN ABC Cable Networks Ambarnath Private Limited	26%	26%
Goodwill	5.69	5.69
<b>Carrying amount of the Group's effective interest in DEN ABC Cable Networks Ambarnath Private Limited included within investment in Den Satellite Network Private Limited (c)</b>	<b>12.18</b>	<b>15.48</b>



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### 3c. Konark IP Dossiers Private Limited

(Rs. in million)

Particulars	As at 31.03.2019	As at 31.03.2018
Non-current assets	88.72	106.70
Current assets	46.58	35.01
Non-current liabilities	42.96	46.72
Current liabilities	70.30	78.25

(Rs. in million)

Particulars	As at 31.03.2019	As at 31.03.2018
Revenue	158.99	171.59
Profit/(Loss) for the year	5.30	2.32
Other comprehensive income for the year	-	-
Total comprehensive income/(Loss) for the year	5.30	2.32

Reconciliation of the above summarised financial information to the carrying amount of interest in Konark IP Dossiers Private Limited recognised in the Consolidated Financial Statements:

(Rs. in million)

Particulars	As at 31.03.2019	As at 31.03.2018
Net assets of the associate	22.04	16.74
Proportion of the Group's ownership interest in Konark IP Dossiers Private Limited	25%	25%
Capital reserve	(1.94)	(1.94)
<b>Carrying amount of the Group's effective interest in Konark IP Dossiers Private Limited included within investment in Den Satellite Network Private Limited (d)</b>	<b>3.57</b>	<b>2.25</b>
<b>Carrying amount of the Group's effective interest in Den Satellite Network Private Limited (consolidated) (a+b+c+d)</b>	<b>700.63</b>	<b>686.14</b>

### 47. Non-controlling interests

(Rs. in million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Balance at beginning of the year	1,039.41	896.40
Share of profit for the year	(231.43)	172.11
Non-controlling interests arising on the acquisition of subsidiaries and additional stake in subsidiaries	60.61	(29.10)
Dividend to Non-controlling interests	(71.47)	-
Merger of Step down subsidiaries	(16.57)	-
<b>Balance at end of the year</b>	<b>780.56</b>	<b>1,039.41</b>

Details of non-wholly owned subsidiaries that have material non-controlling interests

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

S. No.	Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests	
			As at 31.03.2019	As at 31.03.2018
1.	Den Enjoy Cable Networks Private Limited	India	49%	49%
2.	Den Ambey Cable Networks Private Limited	India	39%	39%
3.	Den F K Cable Tv Network Private Limited	India	49%	49%
4.	Eminent Cable Network Private Limited	India	44%	44%
5.	Individually immaterial subsidiaries with non-controlling interests			

(Rs. in million)

S. No.	Name of subsidiary	Accumulated non-controlling interests	
		As at 31.03.2019	As at 31.03.2018
1.	Den Enjoy Cable Networks Private Limited	302.31	325.13
2.	Den Ambey Cable Networks Private Limited	226.96	253.21
3.	Den F K Cable Tv Network Private Limited	59.79	66.08
4.	Eminent Cable Network Private Limited	90.32	89.76
5.	Individually immaterial subsidiaries with non-controlling interests	101.18	305.23
<b>Total</b>		<b>780.56</b>	<b>1,039.41</b>

(Rs. in million)

S. No.	Name of subsidiary	Profit /(Loss) allocated to non-controlling interests	
		Year ended 31.03.2019	Year ended 31.03.2018
1.	Den Enjoy Cable Networks Private Limited	13.26	66.63
2.	Den Ambey Cable Networks Private Limited	(15.91)	37.13
3.	Den F K Cable Tv Network Private Limited	6.04	23.01
4.	Eminent Cable Network Private Limited	0.56	27.26
5.	Individually immaterial subsidiaries with non-controlling interests	(144.90)	18.08
<b>Total</b>		<b>(140.95)</b>	<b>172.11</b>

Summarised financial information in respect of each of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

### 1. Den Enjoy Cable Networks Private Limited

(Rs. in million)

Particulars	As at 31.03.2019	As at 01.04.2018
Non-current assets	423.52	463.85
Current assets	454.02	505.06
Non-current liabilities	90.53	127.95
Current liabilities	170.09	177.42
Equity attributable to owners of the Company	314.63	338.41
Non-controlling interests	302.31	325.13



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Rs. in million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Revenue	640.86	686.04
Expenses	(613.94)	(550.06)
<b>Profit / (Loss) for the year</b>	<b>26.92</b>	<b>135.98</b>
Profit / (Loss) attributable to owners of the Company	13.73	69.35
Profit / (Loss) attributable to the non-controlling interests	13.19	66.63
<b>Profit / (Loss) for the year</b>	<b>26.92</b>	<b>135.98</b>
Other comprehensive income attributable to owners of the Company	0.05	-
Other comprehensive income attributable to the non-controlling interests	0.05	-
<b>Other comprehensive income for the year</b>	<b>0.10</b>	<b>-</b>
Total comprehensive income attributable to owners of the Company	13.78	69.35
Total comprehensive income attributable to the non-controlling interests	13.24	66.63
<b>Total comprehensive income for the year</b>	<b>27.02</b>	<b>135.89</b>
Dividends paid to non-controlling interests	29.93	-
Net cash inflow / (outflow) from operating activities	81.02	105.87
Net cash inflow / (outflow) from investing activities	(42.04)	(17.08)
Net cash inflow / (outflow) from financing activities	(76.12)	(6.19)
<b>Net cash inflow (outflow)</b>	<b>(37.14)</b>	<b>82.60</b>

### 2. Den Ambey Cable Networks Private Limited

Rs. in million)

Particulars	As at 31.03.2019	As at 01.03.2018
Non-current assets	649.82	743.73
Current assets	316.48	320.93
Non-current liabilities	135.17	193.33
Current liabilities	227.76	222.09
Equity attributable to owners of the Company	368.05	396.03
Non-controlling interests	235.32	253.21

Rs. in million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Revenue	781.21	849.00
Expenses	(820.82)	(754.14)
<b>Profit/(Loss) for the year</b>	<b>(39.61)</b>	<b>94.86</b>
Profit/(Loss) attributable to owners of the Company	(24.16)	57.86
Profit/(Loss) attributable to the non-controlling interests	(15.45)	37.00
<b>Profit/(Loss) for the year</b>	<b>(39.61)</b>	<b>94.86</b>
Other comprehensive income attributable to owners of the Company	(0.52)	0.21
Other comprehensive income attributable to the non-controlling interests	(0.33)	0.13
<b>Other comprehensive income for the year</b>	<b>(0.85)</b>	<b>0.34</b>
Total comprehensive income attributable to owners of the Company	(24.68)	58.07
Total comprehensive income attributable to the non-controlling interests	(15.78)	37.13
<b>Total comprehensive income for the year</b>	<b>(40.46)</b>	<b>95.20</b>
Dividends paid to non-controlling interests	7.76	-
Net cash inflow / (outflow) from operating activities	167.30	135.27
Net cash inflow / (outflow) from investing activities	(127.54)	(91.48)
Net cash inflow / (outflow) from financing activities	(53.72)	(2.15)
<b>Net cash inflow (outflow)</b>	<b>(13.96)</b>	<b>41.64</b>

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### 3. Den F K Cable Tv Network Private Limited

Rs. in million)

Particulars	As at 31.03.2019	As at 01.03.2018
Non-current assets	113.89	149.75
Current assets	74.63	75.00
Non-current liabilities	39.17	57.01
Current liabilities	27.40	32.89
Equity attributable to owners of the Company	62.20	68.77
Non-controlling interests	59.75	66.08

Rs. in million)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Revenue	126.11	143.24
Expenses	(114.12)	(96.29)
<b>Profit / (Loss) for the year</b>	<b>11.99</b>	<b>46.95</b>
Profit / (Loss) attributable to owners of the Company	6.11	23.94
Profit / (Loss) attributable to the non-controlling interests	5.88	23.01
<b>Profit / (Loss) for the year</b>	<b>11.99</b>	<b>46.95</b>
Other comprehensive income attributable to owners of the Company	0.13	-
Other comprehensive income attributable to the non-controlling interests	0.13	-
<b>Other comprehensive income for the year</b>	<b>0.26</b>	<b>-</b>
Total comprehensive income attributable to owners of the Company	6.24	23.94
Total comprehensive income attributable to the non-controlling interests	6.01	23.01
<b>Total comprehensive income for the year</b>	<b>12.25</b>	<b>46.95</b>
Dividends paid to non-controlling interests	10.22	7.82
Net cash inflow / (outflow) from operating activities	15.36	63.06
Net cash inflow / (outflow) from investing activities	16.18	18.82
Net cash inflow / (outflow) from financing activities	(25.15)	(89.64)
<b>Net cash inflow (outflow)</b>	<b>6.39</b>	<b>(7.76)</b>

### 4. Eminent Cable Network Private Limited

Rs. in million)

Particulars	As at 31.03.2019	As at 01.03.2018
Non-current assets	236.57	308.63
Current assets	179.70	266.20
Non-current liabilities	68.08	91.54
Current liabilities	142.87	279.29
Equity attributable to owners of the Company	114.98	114.24
Non-controlling interests	90.34	89.76

Rs. in million)

Particulars	As at 31.03.2019	As at 01.03.2018
Revenue	370.18	408.42
Expenses	(368.76)	(346.47)
<b>Profit / (Loss) for the year</b>	<b>1.42</b>	<b>61.95</b>
Profit / (Loss) attributable to owners of the Company	0.80	34.69
Profit / (Loss) attributable to the non-controlling interests	0.62	27.26



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Rs. in million)

Particulars	As at 31.03.2019	As at 01.03.2018
<b>Profit / (Loss) for the year</b>	<b>1.42</b>	<b>61.95</b>
Other comprehensive income attributable to owners of the Company	(0.06)	-
Other comprehensive income attributable to the non-controlling interests	(0.04)	-
<b>Other comprehensive income for the year</b>	<b>(0.10)</b>	<b>-</b>
Total comprehensive income attributable to owners of the Company	0.74	34.69
Total comprehensive income attributable to the non-controlling interests	0.58	27.26
<b>Total comprehensive income for the year</b>	<b>1.32</b>	<b>61.95</b>
Dividends paid to non-controlling interests	-	-
Net cash inflow / (outflow) from operating activities	23.85	103.70
Net cash inflow / (outflow) from investing activities	(14.47)	(45.63)
Net cash inflow / (outflow) from financing activities	(37.07)	(42.45)
<b>Net cash inflow (outflow)</b>	<b>(27.69)</b>	<b>15.62</b>



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### 48 Disclosure of the additional information as required by the Schedule III:

#### a) As at and for the year ended 31<sup>st</sup> March, 2019:

Name of the entity in the Group	Net assets, i.e., total assets minus total liability		Share in Profit / (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rs. in million)	As % of consolidated (Profit)/ Loss	Amount Profit/(Loss) (Rs. in million)	As % of other comprehensive income	Amount In-come/(Loss) (Rs. in million)	As % of consolidated comprehensive Income/ Loss (in %)	Amount In-come/(Loss) (Rs. in million)
	(in %)	(Rs. in million)	(in %)	(Rs. in million)	(in %)	(Rs. in million)	(in %)	(Rs. in million)
<b>Parent</b>								
DEN NETWORKS LIMITED	100.36%	26,334.74	78.95%	(2,190.80)	63.76%	9.15	79.03%	(2,181.65)
<b>Subsidiaries</b>								
1 Den Kashi Cable Network Private Limited	-0.11%	(29.06)	0.51%	(14.14)	0.00%	-	0.51%	(14.14)
2 Ambika DEN Cable Network Private Limited	0.00%	0.63	0.01%	(0.17)	0.00%	-	0.01%	(0.17)
3 Amogh Broad Band Services Private Limited	0.00%	(0.32)	0.00%	0.03	0.00%	-	0.00%	0.03
4 Antique Communications Private Limited	-0.01%	(3.13)	0.06%	(1.59)	0.00%	-	0.06%	(1.59)
5 Bali Den Cable Network Private Limited	0.01%	3.85	0.04%	(1.15)	2.02%	0.29	0.03%	(0.86)
6 Big Den Entertainment Private Limited	0.02%	5.30	0.07%	(1.83)	0.00%	-	0.07%	(1.83)
7 Cab-i-Net Communications Private Limited	-0.01%	(1.57)	-0.19%	5.38	0.00%	-	-0.19%	5.38
8 Crystal Vision Media Private Limited	0.13%	33.85	0.89%	(24.62)	1.05%	0.15	0.89%	(24.47)
9 Den A.F. Communication Private Limited	-0.01%	(2.14)	0.09%	(2.57)	0.00%	-	0.09%	(2.57)
10 Den Aman Entertainment Private Limited	0.04%	10.21	0.05%	(1.27)	0.00%	-	0.05%	(1.27)
11 Den Ambey Cable Networks Private Limited	2.30%	603.37	1.43%	(39.61)	-5.92%	(0.85)	1.47%	(40.46)
12 Den Ashu Cable Private Limited	-0.03%	(8.17)	0.31%	(8.66)	3.28%	0.47	0.30%	(8.19)
13 DEN BCN Suncity Network Private Limited	0.02%	4.72	0.04%	(1.07)	0.98%	0.14	0.03%	(0.93)
14 Den Bindra Network Private Limited	0.00%	0.01	0.01%	(0.16)	0.14%	0.02	0.00%	(0.14)
15 Den Budaun Cable Network Private Limited	0.00%	0.34	0.02%	(0.60)	0.00%	-	0.02%	(0.60)
16 Den Citi Channel Private Limited	-0.03%	(7.93)	-0.01%	0.21	0.00%	-	-0.01%	0.21
17 Den Classic Cable TV Services Private Limited	-0.03%	(7.83)	0.07%	(2.07)	0.14%	0.02	0.07%	(2.05)
18 DEN Crystal Vision Network Private Limited	-0.01%	(2.20)	0.04%	(1.08)	0.00%	-	0.04%	(1.08)
19 Den Digital Cable Network Private Limited	0.07%	19.17	0.36%	(9.99)	13.87%	1.99	0.29%	(8.00)
20 Den Elgee Cable Vision Private Limited	0.02%	5.21	-0.05%	1.32	0.00%	-	-0.05%	1.32
21 Den Enjoy Cable Networks Private Limited	2.35%	616.92	-0.97%	26.92	0.70%	0.10	-0.98%	27.02
22 Den F K Cable TV Network Private Limited	0.46%	121.94	-0.43%	11.99	1.81%	0.26	-0.44%	12.25
23 Den Fateh Marketing Private Limited	-0.14%	(37.79)	0.30%	(8.37)	0.00%	-	0.30%	(8.37)
24 Den Futuristic Cable Networks Private Limited	2.01%	526.60	4.26%	(118.19)	2.44%	0.35	4.27%	(117.84)
25 Den Harsh Mann Cable Network Private Limited	-0.05%	(12.23)	0.19%	(5.34)	0.21%	0.03	0.19%	(5.31)



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Name of the entity in the Group	Net assets, i.e., total assets minus total liability		Share in Profit / (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated (Profit)/ Loss	Amount Profit/(Loss)	As % of consolidated other comprehensive income	Amount In-come/(Loss)	As % of consolidated comprehensive Income)/ Loss	Amount In-come/(Loss)
	(in %)	(Rs. in million)	(in %)	(Rs. in million)	(in %)	(Rs. in million)	(in %)	(Rs. in million)
26 Den Jai Ambey Vision Cable Private Limited	-0.02%	(4.76)	0.07%	(1.93)	0.00%	-	0.07%	(1.93)
27 Den Kattakada Telecasting and Cable Services Private Limited	-0.09%	(24.40)	0.05%	(1.43)	0.00%	-	0.05%	(1.43)
28 Den Krishna Cable TV Network Private Limited	0.12%	31.36	0.45%	(12.35)	0.70%	0.10	0.44%	(12.25)
29 Den Maa Sharda Vision Cable Networks Private Limited	0.04%	10.40	0.37%	(10.23)	0.35%	0.05	0.37%	(10.18)
30 Den Mahendra Satellite Private Limited	0.00%	0.21	0.00%	0.11	0.21%	0.03	-0.01%	0.14
31 Den Malabar Cable Vision Private Limited	-0.02%	(5.68)	0.01%	(0.14)	0.00%	-	0.01%	(0.14)
32 Den Malayalam Telenet Private Limited	-0.04%	(9.96)	0.06%	(1.65)	0.00%	-	0.06%	(1.65)
33 Den MCN Cable Network Private Limited	-0.12%	(32.74)	-0.01%	0.29	0.00%	-	-0.01%	0.29
34 Den Mod Max Cable Network Private Limited	-0.01%	(1.68)	0.03%	(0.77)	0.28%	0.04	0.03%	(0.73)
35 Den Nashik City Cable Network Private Limited	-0.05%	(12.48)	0.35%	(9.63)	0.00%	-	0.35%	(9.63)
36 Den Pawan Cable Network Private Limited	0.01%	3.49	0.30%	(8.20)	1.67%	0.24	0.29%	(7.96)
37 Den Pradeep Cable Network Private Limited	-0.03%	(8.64)	0.14%	(4.02)	0.00%	-	0.15%	(4.02)
38 DEN Prayag Cable Networks Private Limited	-0.01%	(3.83)	0.12%	(3.35)	0.00%	-	0.12%	(3.35)
39 Den Prince Network Private Limited	-0.04%	(9.31)	0.07%	(1.94)	0.00%	-	0.07%	(1.94)
40 Den Radiant Satellite Cable Network Private Limited	0.01%	2.96	0.00%	(0.04)	0.00%	-	0.00%	(0.04)
41 Den Sahyog Cable Network Private Limited	-0.03%	(9.02)	-0.01%	0.21	0.00%	-	-0.01%	0.21
42 Den Sariga Communications Private Limited	-0.01%	(3.51)	-0.03%	0.77	0.00%	-	-0.03%	0.77
43 Den Satellite Cable TV Network Private Limited	-0.09%	(23.41)	0.17%	(4.75)	0.00%	-	0.17%	(4.75)
44 Den Steel City Cable Network Private Limited	-0.03%	(8.46)	0.10%	(2.86)	0.00%	-	0.10%	(2.86)
45 Den Supreme Satellite Vision Private Limited	0.07%	17.54	-0.03%	0.71	0.00%	-	-0.03%	0.71
46 Den Varun Cable Network Private Limited	0.00%	0.93	0.20%	(5.45)	0.00%	-	0.20%	(5.45)
47 Den-Manoranjan Satellite Private Limited	0.39%	102.46	-0.76%	21.17	0.35%	0.05	-0.77%	21.22
48 Disk Cable Network Private Limited	0.03%	7.99	0.00%	(0.03)	0.00%	-	0.00%	(0.03)
49 Drashti Cable Network Private Limited	-0.06%	(14.90)	-0.02%	0.53	0.00%	-	-0.02%	0.53
50 Fab Den Network Private Limited	0.04%	9.29	0.18%	(4.90)	1.46%	0.21	0.17%	(4.69)
51 Fortune (Baroda) Network Private Limited	-0.03%	(7.61)	0.02%	(0.44)	0.00%	-	0.02%	(0.44)
52 Galaxy Den Media & Entertainment Private Limited	-0.03%	(8.10)	0.20%	(5.51)	0.00%	-	0.20%	(5.51)

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Name of the entity in the Group	Net assets, i.e., total assets minus total liability		Share in Profit / (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated (Profit)/ Loss	Amount Profit/(Loss)	As % of consolidated other comprehensive income	Amount In-come/(Loss)	As % of consolidated comprehensive Income/ Loss	Amount In-come/(Loss)
	(in %)	(Rs. in million)	(in %)	(Rs. in million)	(in %)	(Rs. in million)	(in %)	(Rs. in million)
53	-0.28%	(73.84)	1.72%	(47.60)	-0.63%	(0.09)	1.73%	(47.69)
54	-0.02%	(3.97)	0.01%	(0.31)	0.00%	-	0.01%	(0.31)
55	-0.08%	(21.35)	0.09%	(2.44)	0.00%	-	0.09%	(2.44)
56	0.22%	58.87	0.23%	(6.49)	-0.35%	(0.05)	0.24%	(6.54)
57	0.09%	22.49	0.21%	(5.92)	0.00%	-	0.21%	(5.92)
58	-0.09%	(22.94)	0.13%	(3.54)	0.00%	-	0.13%	(3.54)
59	-0.02%	(5.06)	0.08%	(2.32)	0.00%	-	0.08%	(2.32)
60	-0.16%	(42.30)	0.00%	-	0.00%	-	0.00%	-
61	0.11%	28.93	0.92%	(25.58)	0.00%	-	0.93%	(25.58)
62	-0.04%	(9.74)	0.08%	(2.23)	0.00%	-	0.08%	(2.23)
63	-0.02%	(5.29)	0.10%	(2.80)	0.00%	-	0.10%	(2.80)
64	-0.06%	(15.41)	-0.12%	3.26	0.00%	-	-0.12%	3.26
65	0.03%	8.86	0.09%	(2.61)	0.00%	-	0.09%	(2.61)
66	-0.06%	(16.36)	0.01%	(0.32)	0.00%	-	0.01%	(0.32)
67	-0.01%	(1.83)	0.03%	(0.92)	0.00%	-	0.03%	(0.92)
68	-0.08%	(20.98)	0.19%	(5.32)	0.00%	-	0.19%	(5.32)
69	0.00%	(0.94)	0.15%	(4.07)	0.00%	-	0.15%	(4.07)
70	0.03%	9.07	0.37%	(10.14)	0.21%	0.03	0.37%	(10.11)
71	-0.14%	(36.55)	0.34%	(9.51)	0.00%	-	0.34%	(9.51)
72	-0.05%	(13.64)	0.13%	(3.61)	0.00%	-	0.13%	(3.61)
73	0.41%	106.32	-0.30%	8.41	-0.07%	(0.01)	-0.30%	8.40
74	-0.02%	(5.51)	0.01%	(0.27)	0.00%	-	0.01%	(0.27)
75	0.00%	(0.52)	0.02%	(0.52)	0.00%	-	0.02%	(0.52)
76	0.00%	0.35	0.02%	(0.44)	0.00%	-	0.02%	(0.44)
77	0.00%	(0.91)	0.07%	(1.82)	0.00%	-	0.07%	(1.82)
78	0.80%	210.12	-0.05%	1.41	-0.70%	(0.10)	-0.05%	1.31



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

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	As % of consolidated net assets	Amount	As % of consolidated (Profit)/ Loss	Amount Profit/(Loss)	As % of consolidated other comprehensive income	Amount In-come/(Loss)	As % of consolidated comprehensive Income)/ Loss	Amount In-come/(Loss)
	(in %)	(Rs. in million)	(in %)	(Rs. in million)	(in %)	(Rs. in million)	(in %)	(Rs. in million)
79	-0.04%	(11.46)	0.28%	(7.70)	0.00%	-	0.28%	(7.70)
80	0.04%	10.21	0.03%	(0.90)	-0.35%	(0.05)	0.03%	(0.95)
81	-0.01%	(2.69)	0.05%	(1.44)	0.00%	-	0.05%	(1.44)
82	0.10%	26.74	0.43%	(12.02)	1.46%	0.21	0.43%	(11.81)
83	0.00%	(0.68)	0.02%	(0.42)	0.00%	-	0.02%	(0.42)
84	-0.03%	(7.18)	0.11%	(3.12)	0.00%	-	0.11%	(3.12)
85	-0.02%	(4.69)	0.12%	(3.38)	0.00%	-	0.12%	(3.38)
86	0.00%	(1.16)	0.04%	(1.23)	0.00%	-	0.04%	(1.23)
87	-0.01%	(1.90)	0.04%	(1.11)	0.00%	-	0.04%	(1.11)
88	-0.06%	(16.67)	0.18%	(4.91)	0.00%	-	0.18%	(4.91)
89	-0.02%	(4.77)	0.06%	(1.69)	0.00%	-	0.06%	(1.69)
90	0.20%	52.02	0.34%	(9.42)	-4.53%	(0.65)	0.36%	(10.07)
91	-0.04%	(11.73)	0.65%	(18.02)	0.49%	0.07	0.65%	(17.95)
92	-0.01%	(2.62)	0.02%	(0.52)	0.00%	-	0.02%	(0.52)
93	0.00%	-	0.00%	-	0.00%	-	0.00%	-
94	-0.01%	(2.83)	0.02%	(0.58)	0.00%	-	0.02%	(0.58)
95	0.00%	-	0.00%	-	0.00%	-	0.00%	-
96	1.19%	312.98	-1.06%	29.54	3.48%	0.50	-1.09%	30.04
97	0.09%	22.44	0.39%	(10.72)	0.00%	-	0.39%	(10.72)
98	-0.04%	(11.33)	0.10%	(2.75)	0.00%	-	0.10%	(2.75)
99	0.13%	35.03	-0.31%	8.74	0.00%	-	-0.32%	8.74
100	0.01%	2.05	0.04%	(1.07)	0.00%	-	0.04%	(1.07)
101	-0.02%	(4.19)	0.04%	(1.00)	0.00%	-	0.04%	(1.00)
102	-0.01%	(3.11)	0.12%	(3.26)	0.00%	-	0.12%	(3.26)
103	0.00%	(0.32)	0.10%	(2.65)	0.00%	-	0.10%	(2.65)
104	-0.01%	(1.54)	0.08%	(2.26)	0.00%	-	0.08%	(2.26)
105	2.14%	560.73	14.88%	(412.83)	5.99%	0.86	14.92%	(411.97)
106	0.03%	9.05	-0.36%	9.86	0.00%	-	-0.36%	9.86
107	0.00%	(0.25)	0.02%	(0.45)	0.00%	-	0.02%	(0.45)

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Name of the entity in the Group	Net assets, i.e., total assets minus total liability		Share in Profit / (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated (Profit)/ Loss	Amount Profit/(Loss)	As % of consolidated other comprehensive income	Amount In-come/(Loss)	As % of consolidated comprehensive Income)/ Loss	Amount In-come/(Loss)
	(in %)	(Rs. in million)	(in %)	(Rs. in million)	(in %)	(Rs. in million)	(in %)	(Rs. in million)
108 Macro Commerce Private Limited	0.00%		0.00%		0.00%		0.00%	-
<b>Subtotal</b>	<b>111.51%</b>	<b>29,262.65</b>	<b>108.99%</b>	<b>(3,024.26)</b>	<b>94.50%</b>	<b>13.56</b>	<b>109.06%</b>	<b>(3,010.70)</b>
<b>Associates (Investments as per equity method)</b>								
1 Den Satellite Network Private Limited			-1.48%	41.20	0.00%	-	-1.49%	41.20
2 DEN ADN Network Private Limited			-0.38%	10.48	0.14%	0.02	-0.38%	10.50
3 CCN DEN Network Private Limited			-0.08%	2.26	0.00%	-	-0.08%	2.26
<b>Less:</b>								
Adjustment arising out of consolidation	14.49%	3,802.21	-1.27%	35.18	0.07%	0.01	-1.27%	35.19
Non-controlling interests in subsidiaries	-2.97%	(780.56)	8.31%	(230.65)	-5.44%	(0.78)	8.38%	(231.43)
<b>Total</b>	<b>100.00%</b>	<b>26,241.00</b>	<b>100.00%</b>	<b>(2,774.85)</b>	<b>100.00%</b>	<b>14.35</b>	<b>100.00%</b>	<b>(2,760.50)</b>



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### 48 Disclosure of the additional information as required by the Schedule III: a) As at and for the year ended 31<sup>st</sup> March, 2018:

Name of the entity in the Group	Net assets, i.e., total assets minus total liability		Share in Profit / (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated (Profit)/ Loss	Amount Profit/(Loss)	As % of consolidated other comprehensive income	Amount In-come/(Loss)	As % of consolidated total comprehensive Income)/ Loss	Amount In-come/(Loss)
	(in %)	(Rs. in million)	(in %)	(Rs. in million)	(in %)	(Rs. in million)	(in %)	(Rs. in million)
<b>Parent</b>								
DEN NETWORKS LIMITED	91.04%	8,101.89	89.128%	(309.79)	73.634%	3.06	89.32%	(306.73)
<b>Subsidiaries</b>								
1 Den Kashi Cable Network Private Limited	0.13%	11.92	1.601%	(5.51)	-	-	1.62%	(5.51)
2 Ambika DEN Cable Network Private Limited	0.01%	0.80	(0.046%)	0.16	-	-	(0.047%)	0.16
3 Amogh Broad Band Services Private Limited	(0.004%)	(0.35)	0.218%	(0.75)	-	-	0.22%	(0.75)
4 Antique Communications Private Limited	(0.017%)	(1.54)	0.038%	(0.13)	-	-	0.04%	(0.13)
5 Bali Den Cable Network Private Limited	0.05%	4.71	(0.279%)	0.96	(1.188%)	(0.05)	(0.268%)	0.91
6 Big Den Entertainment Private Limited	0.08%	7.12	0.151%	(0.52)	-	-	0.15%	(0.52)
7 Cab-i-Net Communications Private Limited	(0.078%)	(6.94)	(1.343%)	4.62	-	-	(1.359%)	4.62
8 Crystal Vision Media Private Limited	0.66%	58.32	(0.282%)	0.97	-	-	(0.285%)	0.97
9 Den A.F. Communication Private Limited	0.01%	0.42	(0.012%)	0.04	-	-	(0.012%)	0.04
10 Den Aman Entertainment Private Limited	0.13%	11.48	0.105%	(0.36)	-	-	0.11%	(0.36)
11 Den Ambey Cable Networks Private Limited	7.41%	659.29	(27.568%)	94.86	8.076%	0.34	(28.009%)	95.20
12 Den Ashu Cable Private Limited	0.00%	0.03	1.165%	(4.01)	-	-	1.18%	(4.01)
13 DEN BCN Suncity Network Private Limited	0.06%	5.48	(1.061%)	3.65	(1.425%)	(0.06)	(1.056%)	3.59
14 Den Bindra Network Private Limited	0.00%	0.16	(0.020%)	0.07	-	-	(0.021%)	0.07
15 Den Budaun Cable Network Private Limited	0.01%	0.94	0.134%	(0.46)	-	-	0.14%	(0.46)
16 Den Citi Channel Private Limited	(0.048%)	(4.24)	0.564%	(1.94)	-	-	0.57%	(1.94)
17 Den Classic Cable TV Services Private Limited	(0.065%)	(5.79)	0.206%	(0.71)	-	-	0.21%	(0.71)
18 DEN Crystal Vision Network Private Limited	(0.013%)	(1.12)	0.064%	(0.22)	-	-	0.06%	(0.22)
19 Den Digital Cable Network Private Limited	0.31%	27.17	0.081%	(0.28)	(32.779%)	(1.38)	0.49%	(1.66)
20 Den Elgee Cable Vision Private Limited	0.04%	3.89	0.360%	(1.24)	-	-	0.36%	(1.24)
21 Den Enjoy Cable Networks Private Limited	7.46%	663.50	(39.518%)	135.98	-	-	(40.007%)	135.98
22 Den F K Cable TV Network Private Limited	1.52%	134.85	(13.644%)	46.95	-	-	(13.813%)	46.95
23 Den Fateh Marketing Private Limited	(0.331%)	(29.42)	0.494%	(1.70)	-	-	0.50%	(1.70)
24 Den Futuristic Cable Networks Private Limited	7.28%	647.99	4.778%	(16.44)	-	-	4.84%	(16.44)
25 Den Harsh Mann Cable Network Private Limited	(0.078%)	(6.92)	0.735%	(2.53)	-	-	0.74%	(2.53)

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

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	As % of consolidated net assets	Amount	As % of consolidated (Profit)/ Loss	Amount Profit/(Loss)	As % of consolidated other comprehensive income	Amount In-come/(Loss)	As % of consolidated comprehensive Income)/ Loss	Amount In-come/(Loss)
	(in %)	(Rs. in million)	(in %)	(Rs. in million)	(in %)	(Rs. in million)	(in %)	(Rs. in million)
26	Den Jai Ambey Vision Cable Private Limited	(0.032%)	(2.82)	0.174%	(0.60)	-	0.18%	(0.60)
27	Den Kattakada Telecasting and Cable Services Private Limited	(0.256%)	(22.81)	0.712%	(2.45)	-	0.72%	(2.45)
28	Den Krishna Cable TV Network Private Limited	0.49%	43.61	1.267%	(4.36)	0.20	1.22%	(4.16)
29	Den Maa Sharda Vision Cable Networks Private Limited	0.23%	20.58	(0.221%)	0.76	(0.19)	(0.165%)	0.57
30	Den Mahendra Satellite Private Limited	0.00%	0.07	0.201%	(0.69)	-	0.20%	(0.69)
31	Den Malabar Cable Vision Private Limited	(0.063%)	(5.57)	(0.241%)	0.83	-	(0.244%)	0.83
32	Den Malayalam Telenet Private Limited	(0.094%)	(8.37)	0.866%	(2.98)	-	0.88%	(2.98)
33	Den MCN Cable Network Private Limited	(0.434%)	(38.65)	0.148%	(0.51)	-	0.15%	(0.51)
34	Den Mod Max Cable Network Private Limited	(0.011%)	(0.95)	0.105%	(0.36)	(0.15)	0.15%	(0.51)
35	Den Nashik City Cable Network Private Limited	(0.032%)	(2.85)	6.239%	(21.47)	-	6.32%	(21.47)
36	Den Pawan Cable Network Private Limited	0.13%	11.45	(0.657%)	2.26	-	(0.665%)	2.26
37	Den Pradeep Cable Network Private Limited	(0.052%)	(4.62)	0.264%	(0.91)	-	0.27%	(0.91)
38	DEN Prayag Cable Networks Private Limited	(0.005%)	(0.48)	13.293%	(45.74)	-	13.46%	(45.74)
39	Den Prince Network Private Limited	(0.083%)	(7.37)	0.087%	(0.30)	-	0.09%	(0.30)
40	Den Radiant Satellite Cable Network Private Limited	0.03%	2.97	0.160%	(0.55)	-	0.16%	(0.55)
41	Den Sahyog Cable Network Private Limited	(0.107%)	(9.56)	1.412%	(4.86)	-	1.43%	(4.86)
42	Den Sariga Communications Private Limited	(0.052%)	(4.59)	0.090%	(0.31)	-	0.09%	(0.31)
43	Den Satellite Cable TV Network Private Limited	(0.210%)	(18.67)	0.023%	(0.08)	-	0.02%	(0.08)
44	Den Steel City Cable Network Private Limited	(0.063%)	(5.60)	0.116%	(0.40)	-	0.12%	(0.40)
45	Den Supreme Satellite Vision Private Limited	0.19%	16.83	(0.235%)	0.81	-	(0.238%)	0.81
46	Den Varun Cable Network Private Limited	0.07%	6.38	0.401%	(1.38)	-	0.41%	(1.38)
47	Den-Manoranjan Satellite Private Limited	0.91%	81.23	(3.729%)	12.83	-	(3.775%)	12.83
48	Disk Cable Network Private Limited	0.09%	8.02	0.006%	(0.02)	-	0.01%	(0.02)
49	Drashti Cable Network Private Limited	(0.176%)	(15.70)	0.453%	(1.56)	-	0.46%	(1.56)
50	Fab Den Network Private Limited	0.16%	13.97	0.851%	(2.93)	-	0.86%	(2.93)
51	Fortune (Baroda) Network Private Limited	(0.086%)	(7.61)	1.226%	(4.22)	-	1.24%	(4.22)
52	Galaxy Den Media & Entertainment Private Limited	0.06%	4.97	-	-	-	0.00%	-



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Name of the entity in the Group	Net assets, i.e., total assets minus total liability		Share in Profit / (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated (Profit)/ Loss	Amount Profit/(Loss)	As % of consolidated other comprehensive income	Amount In-come/(Loss)	As % of consolidated comprehensive Income)/ Loss	Amount In-come/(Loss)
	(in %)	(Rs. in million)	(in %)	(Rs. in million)	(in %)	(Rs. in million)	(in %)	(Rs. in million)
53	0.00%	-	-	-	-	-	0.00%	-
54	0.00%	-	-	-	-	-	0.00%	-
55	(0.449%)	(39.94)	1.904%	(6.55)	-	-	1.93%	(6.55)
56	(0.039%)	(3.47)	0.349%	(1.20)	-	-	0.35%	(1.20)
57	(0.213%)	(18.92)	0.017%	(0.06)	-	-	0.02%	(0.06)
58	0.75%	67.07	(6.239%)	21.47	-	-	(6.317%)	21.47
59	0.49%	43.19	(0.410%)	1.41	-	-	(0.415%)	1.41
60	(0.218%)	(19.41)	0.349%	(1.20)	-	-	0.35%	(1.20)
61	(0.015%)	(1.37)	0.453%	(1.56)	0.01	0.01	0.46%	(1.55)
62	(0.475%)	(42.30)	-	-	-	-	0.00%	-
63	0.52%	45.99	(7.283%)	25.06	-	-	(7.373%)	25.06
64	(0.085%)	(7.52)	1.203%	(4.14)	-	-	1.22%	(4.14)
65	(0.028%)	(2.49)	0.081%	(0.28)	-	-	0.08%	(0.28)
66	(0.213%)	(18.94)	(0.148%)	0.51	-	-	(0.150%)	0.51
67	0.13%	11.47	(0.442%)	1.52	-	-	(0.447%)	1.52
68	(0.180%)	(16.04)	0.067%	(0.23)	-	-	0.07%	(0.23)
69	(0.016%)	(1.39)	0.201%	(0.69)	-	-	0.20%	(0.69)
70	(0.176%)	(15.65)	0.055%	(0.19)	-	-	0.06%	(0.19)
71	0.04%	3.14	0.648%	(2.23)	-	-	0.66%	(2.23)
72	0.07%	6.08	(0.439%)	1.51	-	-	(0.444%)	1.51
73	0.04%	3.12	(0.756%)	2.60	-	-	(0.765%)	2.60
74	0.08%	7.49	0.157%	(0.54)	-	-	0.16%	(0.54)
75	0.08%	6.70	(0.160%)	0.55	-	-	(0.162%)	0.55
76	0.03%	2.49	0.029%	(0.10)	-	-	0.03%	(0.10)
77	0.09%	8.21	(0.564%)	1.94	-	-	(0.571%)	1.94
78	0.22%	19.17	(5.327%)	18.33	-	-	(5.393%)	18.33



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Name of the entity in the Group	Net assets, i.e., total assets minus total liability		Share in Profit / (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated (Profit)/ Loss	Amount Profit/(Loss)	As % of consolidated other comprehensive income	Amount In-come/(Loss)	As % of consolidated comprehensive Income)/ Loss	Amount In-come/(Loss)
	(in %)	(Rs. in million)	(in %)	(Rs. in million)	(in %)	(Rs. in million)	(in %)	(Rs. in million)
79 Den Faction Communication System Private Limited	(0.304%)	(27.04)	0.573%	(1.97)	-	-	0.58%	(1.97)
80 Fun Cable Network Private Limited	(0.113%)	(10.04)	0.017%	(0.06)	-	-	0.02%	(0.06)
81 Den Enjoy Navaratan Network Private Limited	1.10%	97.93	(12.639%)	43.49	(0.238%)	(0.01)	(12.792%)	43.48
82 Kishna DEN Cable Networks Private Limited	(0.059%)	(5.25)	0.052%	(0.18)	-	-	0.05%	(0.18)
83 Divya Drishti Den Cable Network Private Limited	0.00%	0.01	0.044%	(0.15)	-	-	0.04%	(0.15)
84 Bhadohi DEN Entertainment Private Limited	0.01%	0.79	0.017%	(0.06)	-	-	0.02%	(0.06)
85 DEN Enjoy SBNM Cable Network Private Limited	0.01%	0.91	0.189%	(0.65)	-	-	0.19%	(0.65)
86 Eminent Cable Network Private Limited	2.29%	204.00	(18.003%)	61.95	-	-	(18.226%)	61.95
87 Trident Entertainment Private Limited	(0.042%)	(3.76)	0.575%	(1.98)	-	-	0.58%	(1.98)
88 Rose Entertainment Private Limited	0.13%	11.16	(0.171%)	0.59	-	-	(0.174%)	0.59
89 Blossom Entertainment Private Limited	(0.015%)	(1.33)	0.046%	(0.16)	-	-	0.05%	(0.16)
90 Ekta Entertainment Network Private Limited	0.37%	32.68	0.378%	(1.30)	-	-	0.38%	(1.30)
91 Devine Cable Network Private Limited	(0.003%)	(0.26)	0.035%	(0.12)	-	-	0.04%	(0.12)
92 Nectar Entertainment Private Limited	(0.046%)	(4.07)	0.241%	(0.83)	-	-	0.24%	(0.83)
93 DEN STN Television Network Private Limited	(0.015%)	(1.32)	0.070%	(0.24)	-	-	0.07%	(0.24)
94 Multitrack Cable Network Private Limited	0.00%	0.07	0.241%	(0.83)	-	-	0.24%	(0.83)
95 Glimpse Communications Private Limited	(0.009%)	(0.80)	0.070%	(0.24)	-	-	0.07%	(0.24)
96 Indradhanush Cable Network Private Limited	(0.132%)	(11.76)	0.238%	(0.82)	-	-	0.24%	(0.82)
97 Adhunik Cable Network Private Limited	(0.035%)	(3.08)	0.044%	(0.15)	-	-	0.04%	(0.15)
98 Libra Cable Network Private Limited	0.70%	62.09	(0.192%)	0.66	-	-	(0.194%)	0.66
99 Srishti DEN Networks Private Limited	0.07%	6.22	4.519%	(15.55)	-	-	4.57%	(15.55)
100 Maitri Cable Network Private Limited	(0.024%)	(2.10)	0.070%	(0.24)	-	-	0.07%	(0.24)
101 Melody Cable Network Private Limited	0.00%	0.23	(0.183%)	0.63	-	-	(0.185%)	0.63
102 Mountain Cable Network Private Limited	(0.025%)	(2.25)	0.041%	(0.14)	-	-	0.04%	(0.14)
103 Portrait Cable Network Private Limited	0.01%	0.86	(0.421%)	1.45	-	-	(0.427%)	1.45
104 Mansion Cable Network Private Limited	3.63%	323.25	(16.725%)	56.75	(0.238%)	(0.01)	(16.929%)	56.74
105 Den Discovery Digital Network Private Limited	0.34%	29.89	0.686%	(2.36)	-	-	0.69%	(2.36)
106 Jhankar Cable Network Private Limited	(0.097%)	(8.67)	0.125%	(0.43)	-	-	0.13%	(0.43)
107 Den Premium Multilink Cable Network Private Limited	0.26%	22.76	2.305%	(7.93)	(0.475%)	(0.02)	2.34%	(7.95)



## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Name of the entity in the Group	Net assets, i.e., total assets minus total liability		Share in Profit / (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated (Profit)/ Loss	Amount Profit/(Loss)	As % of consolidated other comprehensive income	Amount In-come/(Loss)	As % of consolidated comprehensive Income)/ Loss	Amount In-come/(Loss)
	(in %)	(Rs. in million)	(in %)	(Rs. in million)	(in %)	(Rs. in million)	(in %)	(Rs. in million)
108	0.04%	3.12	0.087%	(0.30)	-	-	0.09%	(0.30)
109	(0.036%)	(3.19)	0.273%	(0.94)	-	-	0.28%	(0.94)
110	0.00%	0.16	0.198%	(0.68)	-	-	0.20%	(0.68)
111	0.03%	2.34	0.067%	(0.23)	-	-	0.07%	(0.23)
112	0.01%	0.72	0.137%	(0.47)	-	-	0.14%	(0.47)
113	8.22%	731.55	94.471%	(324.91)	1.46	1.46	95.16%	(323.45)
114	(0.009%)	(0.81)	(0.601%)	2.07	-	-	(0.608%)	2.07
115	(0.001%)	(0.10)	0.203%	(0.70)	-	-	0.21%	(0.70)
116	0.00%	-	-	-	-	-	0.00%	-
<b>Subtotal</b>	<b>132.81%</b>	<b>11,819.09</b>	<b>79.838%</b>	<b>(278.62)</b>	<b>76.722%</b>	<b>3.20</b>	<b>79.88%</b>	<b>(275.42)</b>
<b>Associates (Investments as per equity method)</b>								
1			(6.173%)	21.34	2.14%	0.24	(6.276%)	21.58
2			(0.093%)	0.18	(0.475%)	(0.03)	(0.088%)	0.15
3			8.00%	(27.42)	2.61%		8.07%	(27.42)
<b>Less:</b>								
Adjustment arising out of consolidation	44.49%	3,959.45	31.83%	(113.33)	-	-	32.22%	(113.33)
Non-controlling interests in subsidiaries	(11.680%)	(1,039.41)	(50.250%)	172.91	(19.002%)	(0.80)	(50.637%)	172.11
<b>Total</b>	<b>100.00%</b>	<b>8,899.05</b>	<b>100.00%</b>	<b>(344.10)</b>	<b>100.00%</b>	<b>4.21</b>	<b>100.00%</b>	<b>(339.89)</b>

## NOTES TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### 49. 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
<b>Loans given</b>			
DEN BROADBAND PRIVATE LIMITED (Formerly SKYNET CABLE NETWORK PRIVATE LIMITED)	-	Repayable on demand. Rate of interest is 15 % p.a.	Funds provided would be utilised for following purposes: a) working capital requirements b) general corporate purpose
	(407.58)		

### Investment made

Name of entity	Amount (Rs. in million)	Full Particulars	Purpose
DEN BROADBAND PRIVATE LIMITED (Formerly SKYNET CABLE NETWORK PRIVATE LIMITED)	238.90	Investment in equity shares	Strategic investment as part of business expansion.
	(1469.81)		
Eminent Cable Network Private Limited	11.20	Investment in equity shares	Strategic investment as part of business expansion.
	(0.00)		
VBS Digital Distributor Network Private Limited	-	Investment in equity shares	Strategic investment as part of business expansion.
	(26.38)		
DEN Digital Cable Network Private Limited	-	Investment in equity shares	Strategic investment as part of business expansion.
	(34.00)		

(Figures in brackets relates to previous year)

**50.** During the provisional assessment towards the license fees for the years 2011-12 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. 6278.90 million.

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

Further the Hon'ble TDSAT in association of Unified Telecom Service Providers of India & others vs. Union of India has clearly held that imposition of interest and penalty is wholly unjustified

**51.** Previous year figures have been regrouped / reclassified wherever necessary to make them comparable.

**52.** The Consolidated Financial Statements were approved for issue by the Board of Directors on 16<sup>th</sup> April, 2019.

#### In terms of our report attached

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

**Vijay Napawaliya**  
Partner  
Membership No. 109859

Place : New Delhi  
Date : 16<sup>th</sup> April, 2019

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

**Sameer Manchanda**  
Chairman and Managing Director  
DIN: 00015459

**Jatin Mahajan**  
Company Secretary  
M.No: F6887

Place : New Delhi  
Date : 16<sup>th</sup> April, 2019

**Ajaya Chand**  
Director  
DIN: 02334456

**Satyendra Jindal**  
Chief Financial Officer

**S.N. Sharma**  
Chief Executive Officer



## NOTICE

Notice is hereby given that the 12<sup>th</sup> Annual General Meeting of the members of DEN Networks Limited ("the Company") will be held on Monday, the 23<sup>rd</sup> day of September, 2019 at 11:30 A.M. (IST) at Sri Sathya Sai Auditorium, Lodhi Road, Bhishm Pitamah Marg, New Delhi – 110003 to transact the following business:-

### ORDINARY BUSINESS:

#### 1. To consider and adopt:

(a) the audited standalone financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 and the reports of the Board of Directors and Auditors thereon; and

(b) the audited consolidated financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 and the reports of Auditors thereon:

and in this regard, to consider and, if thought fit, to pass, with or without modification(s), the following resolutions as **Ordinary Resolutions**:-

(a) **"RESOLVED THAT** the audited standalone financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 and the reports of the Board of Directors and Auditors thereon laid before this meeting be and are hereby considered and adopted"

(b) **"RESOLVED THAT** the audited consolidated financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 and report of Auditors thereon laid before the meeting, be and are hereby considered and adopted"

2. To re-appoint Mr. Sameer Manchanda (DIN: 00015459), who retires by rotation as a Director at this Annual General Meeting and in this regard, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:-

**"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 Mr. Sameer Manchanda (DIN: 00015459), who retires by rotation at this meeting, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

3. To appoint M/s Chaturvedi & Shah LLP, Chartered Accountants as Statutory Auditors of the Company and in this regard, to consider and, if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:-

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013, M/s Chaturvedi & Shah LLP, Chartered Accountants (FRN.: 101720W/W100355), be and is hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Seventeenth AGM of the Company on such remuneration as shall be fixed by the Board of Directors."

### SPECIAL BUSINESS:

4. To re-appoint Mr. Ajaya Chand (DIN: 02334456) as an Independent Director and in this regard, to consider and if thought fit, to pass, with or without modification(s) the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Ajaya Chand (DIN: 02334456), who was appointed as an Independent Director and who holds office as an Independent Director up to the conclusion of the Twelfth Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, being eligible, be and is hereby re-appointed as an Independent Director, not liable to retire by rotation and to hold office for a second term of three consecutive years up to 22<sup>nd</sup> September, 2022.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. To re-appoint Mr. Atul Sharma (DIN: 00308698) as an Independent Director and in this regard, to consider and if thought fit, to pass, with or without modification(s) the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Atul Sharma (DIN: 00308698), who was appointed as an Independent Director up to the conclusion of the Twelfth Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, being eligible, be and is hereby re-appointed as an Independent Director, not liable to retire by rotation and to hold office for a second term of three consecutive years i.e. up to 22<sup>nd</sup> September, 2022.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all acts and take all such steps as

may be necessary, proper or expedient to give effect to this resolution.”

6. To appoint Mr. Anuj Jain (DIN: 08351295) as a Director liable to retire by rotation and in this regard, to consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 (‘the Act’)(including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Anuj Jain (DIN: 08351295) who was appointed as an Additional Director pursuant to the provisions of section 161(1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as Non-Executive Director of the Company, liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

7. To appoint Ms. Geeta Fulwadaya (DIN: 03341926) as a Director liable to retire by rotation and in this regard, to consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 (‘the Act’) (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Geeta Fulwadaya (DIN: 03341926) who was appointed as an Additional Director pursuant to the provisions of section 161(1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as Non-Executive Director of the Company liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. To appoint Mr. Saurabh Sancheti (DIN: 08349457) as Director liable to retire by rotation and in this regard, to consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 (‘the Act’) (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Saurabh Sancheti (DIN 08349457) who was appointed as an Additional Director pursuant to the provisions of section 161(1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing

under Section 160 of the Act from a member proposing his candidature for office of Director, be and is hereby appointed as Non-Executive Director of the Company liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

9. To ratify the remuneration payable to M/s. Ajay Kumar Singh & Co., Cost Accountants as Cost Auditors of the Company, for the financial year ending 31<sup>st</sup> March, 2020 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:-

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force) the remuneration of Rs. 60,000 (Rupees Sixty Thousand only), excluding reimbursement of out of pocket expenses and applicable taxes, if any, thereon, as approved by the Board of Directors of the Company to be paid to M/s. Ajay Kumar Singh & Co., Cost Accountants (FRN-000386) to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2020, be and is hereby ratified.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**By order of the Board  
For DEN Networks Limited**

**Jatin Mahajan  
Company Secretary**

**Place: New Delhi  
Date: 19<sup>th</sup> August, 2019**

**Registered Office:**  
236, Okhla Industrial Estate, Phase-III, New Delhi-110020  
Tel.: 011-40522200, Fax: - 011-40522200  
Website: www.dennetworks.com  
Email id: investorrelations@denonline.in

**Notes:-**

1. **A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**

**A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more**

**than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.**

2. Corporate members intending to send their authorised representative(s) to attend the 12<sup>th</sup> Annual General Meeting ("AGM") are requested to send to the Company a certified true copy of the relevant Board Resolution/other valid authorization together with the specimen signatures of the representative(s) authorized under the said Board Resolution/authorization to attend and vote on their behalf at the Meeting.
3. The Statement pursuant to Section 102 (1) of the Companies Act, 2013 ("Act") relating to the special business to be transacted at the AGM is annexed hereto.
4. In terms of Section 152 of the Act, Mr. Sameer Manchanda (DIN: 00015459), Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Brief resumes/information of Mr. Sameer Manchanda, nature of expertise and names of other listed companies in which he holds directorship and chairmanship / membership of committees of Board is annexed herewith. On re-appointment, Mr. Sameer Manchanda (DIN: 00015459) will continue to act as Managing Director of the Company. The Nomination and Remuneration Committee and the Board of directors of the Company commends his re-appointment.

Further, Mr. Sameer Manchanda is interested in the Ordinary Resolution set out at Item No. 2 of the Notice with regard to his re-appointment. The relatives of Mr. Manchanda may be deemed to be interested in the said resolution set out at Item No. 2 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the Directors/Key Managerial Personnel of the Company/their relatives are concerned or interested, financially or otherwise, in the Ordinary Business set out under Item Nos. 1 and 2 of the Notice.

5. **The Company is providing facility for voting by electronic means (e-voting) through an electronic voting system which will include remote e-voting and the business set out in the Notice will be transacted through such voting. Information and instructions including details of user id and password relating to e-voting are sent herewith in e-voting communication. Once the vote on a resolution is cast by member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again. The members who have cast their vote(s) by using remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again at the Meeting.**
6. Members/ Proxies/Authorised Representatives are requested

to bring a copy of this notice as no copies will be made available at the meeting. Under no circumstances, photocopies of the admission slip will be allowed for admission to the meeting place.

7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
8. All documents referred to in the accompanying notice are available for inspection at the Registered Office of the Company during working hours between 10.00 A.M to 1.00 P.M. upto the date of the AGM except holidays.
9. Members are requested to send all the correspondence concerning registration of transfer, transmission, subdivision, consolidation of shares or any other share related matters and/or change in address to the Company's Registrar & Share Transfer agent, M/s Karvy Fintech Private Limited ("Karvy"), at Karvy Selenium Tower B, Plot number 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032.
10. The Company has uploaded the details of unclaimed amounts lying with the Company on the website of the Company ([www.dennetworks.com](http://www.dennetworks.com)) and the same can be accessed through link: <http://www.dennetworks.com/investors.events-roadshows#investor-contract>. The said details have also been uploaded on the website of IEPF Authority and the same can be accessed through the link: [www.iepf.gov.in](http://www.iepf.gov.in).

**In accordance with the provisions of Section 124(6) of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has transferred all equity shares in respect of Share Application Money received and due for refund for 7 (seven) consecutive years or more. Members are advised to visit the web-link: <http://www.dennetworks.com> to ascertain details of shares transferred in the name of Investor Education and Protection Fund ("IEPF") Authority. The said details are also available at the website of IEPF Authority at [www.iepf.gov.in](http://www.iepf.gov.in).**

11. Members holding shares in electronic mode are:
  - (a) requested to submit their Permanent Account Number (PAN) and bank account details to their respective DPs with whom they are maintaining their demat accounts, as mandated by Securities and Exchange Board of India ("SEBI").
  - (b) advised to contact their respective DPs for registering nomination.
  - (c) requested to register/update their e-mail address with their respective DPs for receiving all communications from the Company electronically.
12. Members holding shares in physical mode are:
  - (a) required to submit their PAN and bank account details to the Company/ Karvy, if not registered with the Company, as mandated by SEBI.

- (b) advised to register nomination in respect of their shareholding in the Company as per Section 72 of the Act and are requested to write to Karvy.
- (c) requested to register/update their e-mail address with the Company/Karvy for receiving all communications from the Company electronically.
13. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to Karvy for consolidation into a single folio.
- 14. SEBI has mandated that securities of listed companies can be transferred only in dematerialized form w.e.f. 1<sup>st</sup> April, 2019. Accordingly, the Company/Karvy has stopped accepting any fresh lodgment of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialization.**
15. Non-Resident Indian members are requested to inform Karvy/respective DPs, immediately of:
- (a) Change in their residential status on return to India for permanent settlement.
- (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
16. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.
17. Attendance slip and route map of the venue of the meeting is annexed to the notice.
18. The Register of Directors' and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act will be available for inspection by the members at the Annual General Meeting.
19. Notice of this AGM, inter alia, indicating the process and manner of e-voting is being sent to all the members whose e-mail IDs are registered with the Company/Depository Participants for communication purposes through electronic mode unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Notice of the AGM of the Company, inter alia, indicating the process and manner of e-voting is being sent through the permitted mode
20. The Annual Accounts of the Subsidiary Companies shall be available at the Registered Office of the Company for inspection by any shareholder.

## INSTRUCTIONS FOR E-VOTING

### 1. Voting through electronic means:

- a) Pursuant to the provisions of Section 108 of the

Act read with the Companies (Management and Administration) Rules, 2014, a member may exercise his right to vote by electronic means (e-voting) in respect of the resolutions contained in this notice.

- b) The Company is providing E-voting facility to its members to enable them to cast their votes electronically. The Company has engaged the services of Karvy Fintech Private Limited ("Karvy") as the Authorised Agency to provide E-voting facilities.
- c) The Board of Directors has appointed Mr. Manoj Kumar Jain, Company Secretary in practice as the Scrutinizer, for conducting the E-voting process in a fair and transparent manner.
- d) Members are requested to carefully read the instructions for E-voting before casting their vote(s).
- e) The cut-off date (i.e. the record date) for the purpose of e-voting is 13<sup>th</sup> September, 2019
- f) The procedure and instructions for e-voting are as under:
- i) Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'
- ii) Enter the login credentials (i.e., user-id & password) mentioned on the Postal Ballot Form. Your folio/DP Client ID will be your User-ID.

	<p>For Members holding shares in Demat Form:-</p> <p>a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID</p> <p>b) b) For CDSL :- 16 digits beneficiary ID</p> <p>For Members holding shares in Physical Form:-</p> <ul style="list-style-type: none"> <li>Event no. followed by Folio Number registered with the Company</li> </ul>
	Your Unique password is printed on the Postal Ballot Form / via email forwarded through the electronic notice
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.
	<p>iii) Please contact toll free No. 1800-3454-001 for any further clarifications.</p> <p>iv) Members can cast their vote online from 19<sup>th</sup> September, 2019 at 9.00 A.M. upto 22<sup>nd</sup> September, 2019 at 5.00 P.M.</p> <p>v) After entering these details appropriately, click on "LOGIN".</p> <p>vi) Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z) one</p>



lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Fintech Private Limited e-Voting platform. System will prompt you to change your password and update any contact details like mobile #, email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- vii) You need to login again with the new credentials.
- viii) On successful login, system will prompt to select the 'Event' i.e., 'DEN NETWORKS LIMITED'.
- ix) If you are holding shares in Demat form and had logged on to <https://evoting.karvy.com> and casted your vote earlier for any Company, then your exiting login id and password are to be used.
- x) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder do not wants to cast, select 'ABSTAIN'
- xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xii) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xiii) Corporate/Institutional Members (Corporate/FIs/FII's/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to [manojfcs@gmail.com](mailto:manojfcs@gmail.com), with copy to [evoting@karvy.com](mailto:evoting@karvy.com). The file scanned image of the Board Resolution should be in the naming format "Corporate Name\_ Event no."
- xiv) Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have casted their vote electronically shall not be allowed to vote again at the Meeting.
- xv) The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the

cut-off date (i.e. the record date), being 13<sup>th</sup> September, 2019.

The results shall be declared on or after the AGM. The results along with the Scrutinizer's Report shall also be placed on the website of the Company ([www.dennetworks.com](http://www.dennetworks.com)) and on Karvy's website (<https://evoting.karvy.com>) and will also be submitted to the BSE Limited and National Stock Exchange of India Limited.

### ITEM No. 3

#### Statement Pursuant to Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Members of the Company at the Extra-Ordinary General Meeting held on 15<sup>th</sup> April, 2019 appointed M/s. Chaturvedi & Shah LLP, Chartered Accountants (Firm Registration No. 101720W/100355) as Statutory Auditors of the Company to fill the casual vacancy caused due to the resignation of M/s. BSR & Associates LLP, Chartered Accountants (Firm Registration No.: 116231W/W-100024) to hold office up to the ensuing Annual General Meeting.

The Board at its meeting held on 16<sup>th</sup> April, 2019 on the recommendation of the Audit Committee approved the appointment of M/s. Chaturvedi & Shah LLP, Chartered Accountants as Statutory Auditors of the Company subject to the approval of the shareholders of the Company, to hold office from the conclusion of the 12<sup>th</sup> Annual General Meeting up-to the conclusion of the 17<sup>th</sup> Annual General Meeting at a remuneration of Rs. 40 Lakhs plus applicable taxes and reimbursement of out of pocket expenses incurred by them to conduct the audit for the financial year 2019-20. There has been no material change in the remuneration in comparison to the outgoing Auditor.

The Committee considered various parameters like capability to serve a complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc., and found Chaturvedi & Shah LLP to be best suited to handle the complexity associated with the audit of the financial statements of the Company.

M/s Chaturvedi & Shah was founded in the year 1967. It is one of the leading firms of Chartered Accountants and Financial Advisors in the country having a national presence through its head office in Mumbai and branches at Ahmedabad, Bangalore, Jamnagar and New Delhi. Chaturvedi & Shah was converted into Chaturvedi & Shah LLP w.e.f. 19<sup>th</sup> November, 2018

The Company has obtained a certificate from the auditors of the Company that they continue to meet the criteria of independence, eligibility and qualification as prescribed in section 141 of the Companies Act, 2013.

None of the Directors/Key Managerial Personnel of the Company/ their relatives are in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 3 of this Notice.

The Board commends the Ordinary Resolution set out at Item No. 3 of the Notice for approval of members.

#### Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013 ("Act")

The following Statements sets out all the material facts relating to



special business mentioned in the notice:

#### **ITEM NO. 4 & 5**

The first term of office of Mr. Ajaya Chand (DIN: 02334456) and Mr. Atul Sharma (DIN: 00308698) as Independent Directors, expires at the ensuing Annual General Meeting. The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. Ajaya Chand and Mr. Atul Sharma for a second term of three consecutive years as an Independent Director, on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that, given the background, knowledge, experience and contributions made by them, the continued association of Mr. Ajaya Chand and Mr. Atul Sharma would be beneficial to the Company and it is desirable to continue to avail their services as an Independent Directors. Accordingly, it is proposed to re-appoint:

- i. Mr. Ajaya Chand as an Independent Director of the Company, not liable to retire by rotation, for a second term of three consecutive years on the Board of the Company; and
- ii. Mr. Atul Sharma as an Independent Director of the Company, not liable to retire by rotation, for a second term of three consecutive years on the Board of the Company

Mr. Ajaya Chand and Mr. Atul Sharma are not disqualified from being appointed as directors in terms of Section 164 of the Act and have given their consent to act as directors of the Company. Further, the Board has received declarations from Mr. Ajaya Chand and Mr. Atul Sharma that they meet the criteria of Independence prescribed under Section 149 (6) of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, Mr. Ajaya Chand and Mr. Atul Sharma fulfill the conditions specified in the Act and rules made thereunder and Listing Regulations for re-appointment as Independent Directors of the Company and they are independent of the management of the Company.

Details of Mr. Ajaya Chand and Mr. Atul Sharma, in terms of the Act and Listing Regulations, as stipulated under Listing Regulations and Secretarial Standard-2 ("SS-2") issued by the Institute of Company Secretaries of India, are provided in the "Annexure" to this notice. They shall be paid remuneration by way of fee for attending meetings of the Board or committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limit stipulated under section 197 of the Act.

Copy of the draft letters of appointment of Mr. Ajaya Chand and Mr. Atul Sharma as Independent Directors setting out the terms and conditions of appointment are available for inspection by members at the registered office of the Company.

Mr. Ajaya Chand and Mr. Atul Sharma are interested in the resolutions set out respectively at item Nos. 4 and 5 of the Notice with regard to their respective re-appointments. The relatives of Mr. Ajaya Chand and Mr. Atul Sharma may be deemed to be interested

in the respective resolutions, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise in the resolutions set out at Item No. 4 & 5 of the Notice.

This Statement may also be regarded as an appropriate disclosure under the Act and Listing Regulations.

The Board commends the Special Resolutions set out at Item No. 4 & 5 of the Notice for approval by the members.

#### **ITEM NO. 6,7 & 8**

Pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors have appointed Mr. Anuj Jain (DIN: 08351295), Ms. Geeta Fulwadaya (DIN: 03341926) and Mr. Saurabh Sancheti (DIN: 08349457) as Non-Executive Directors of the Company with effect from 29<sup>th</sup> March, 2019 to hold the office up to the date of the ensuing Annual General Meeting.

Mr. Anuj Jain, Ms. Geeta Fulwadaya and Mr. Saurabh Sancheti are not disqualified from being appointed as directors in terms of Section 164 of the Act and have given their consent to act as directors of the Company. Further, the Board considers that their association would be of immense benefit to the Company and it is desirable to avail their services as Non-Executive Directors.

Details of Mr. Anuj Jain, Ms. Geeta Fulwadaya and Mr. Saurabh Sancheti, in terms of the Act and Listing Regulations, as stipulated under Listing Regulations and Secretarial Standard-2 ("SS-2") issued by the Institute of Company Secretaries of India, are provided in the "Annexure" to this notice. They shall be paid remuneration by way of fee for attending meetings of the Board or committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limit stipulated under section 197 of the Act.

Mr. Anuj Jain, Ms. Geeta Fulwadaya and Mr. Saurabh Sancheti are interested in the resolutions set out respectively at item Nos. 6, 7 and 8 of the Notice with regard to their respective appointments. The relatives of Mr. Anuj Jain, Ms. Geeta Fulwadaya and Mr. Saurabh Sancheti may be deemed to be interested in the respective resolutions, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise in the resolution set out at Item Nos. 6, 7 & 8 of the Notice.

This Statement may also be regarded as an appropriate disclosure under the Act and Listing Regulations.

The Board commends the Ordinary Resolution set out at Item Nos. 6, 7 & 8 of the Notice for approval by the members.

**ITEM NO. 9**

Based on the recommendations of the Audit Committee, the Board of Directors has approved the appointment and remuneration of M/s Ajay Kumar Singh & Company, Cost Accountants (Firm Registration no. 000386) as Cost Auditors, to conduct the audit of cost records of the Company for the financial year ending 31<sup>st</sup> March, 2020 as set out in the resolution.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company.

Accordingly, ratification by the members is sought for the remuneration payable to the Cost Auditors for the financial year

ending 31<sup>st</sup> March, 2020 by passing an Ordinary Resolution as set out at Item No. 9 of the Notice.

None of the Directors/Key Managerial Personnel of the Company/ their relatives are, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the members.

**By order of the Board  
For DEN Networks Limited**

**Jatin Mahajan  
Company Secretary**

**Place: New Delhi  
Date: 19<sup>th</sup> August, 2019**

## ANNEXURE TO THE NOTICE

### Details of Directors retiring by rotation/seeking appointment/re-appointment at the Meeting

<b>Mr. Sameer Manchanda</b>	
Date of Birth	17 <sup>th</sup> June, 1961
Date of Appointment on the Board	15 <sup>th</sup> September, 2007
Qualifications	Chartered Accountant
Terms and conditions of Re-appointment	In terms of Section 152(6) of the Act, Mr. Sameer Manchanda who was re-appointed as Chairman Managing Director of the Company w.e.f 10 <sup>th</sup> September, 2018 is liable to retire by rotation at the meeting.
Remuneration last drawn (including sitting fees, if any)	Rs. 30.08 millions
Remuneration proposed to be paid	As per existing approved terms and conditions
Number of meetings of Board attended during the financial year (2018-19)	7
Expertise in Specific Functional Area	A qualified Chartered Accountant, he has over three decade's experience in the Indian media and television industry. His expertise spans across strategic & financial planning, media distribution, capital structuring, mergers & acquisitions, collaborations and joint ventures.  Prior to DEN, he co-founded the erstwhile IBN18, home of CNN IBN and IBN7 and was Joint Managing Director of the Company from 2005 to 2010. He was a founding members of the News Broadcasters Association and served as its President in 2009 to 2010.
Number of shares held in the Company	1,75,99,220 equity shares
Disclosure of relationships between directors inter-se	N/A
Directorships of other Boards as on 31 <sup>st</sup> March, 2019	NIL
Membership / Chairmanship of Committees of other Boards as on 31 <sup>st</sup> March, 2019	NIL
<b>Mr. Ajaya Chand</b>	
Date of Birth	24 <sup>th</sup> August, 1955
Date of Appointment on the Board	20 <sup>th</sup> September, 2008
Qualifications	Chartered Accountant
Terms and conditions of Re-appointment	As per the resolution at item No. 4 of the Notice convening this meeting read with explanatory statement thereto, Mr. Ajaya Chand is proposed to be re-appointed as an Independent Director
Remuneration last drawn (including sitting fees, if any)	Rs. 4,90,000/- as Sitting fees
Remuneration proposed to be paid	As per existing approved terms and conditions
Number of meetings of Board attended during the financial year (2018-19)	8
Expertise in Specific Functional Area	Mr. Ajaya Chand holds a Bachelor's degree in commerce from University of Delhi and is also a qualified Chartered Accountant. He is currently an independent financial and management consultant. He has over 30 years of experience in accounting, financial and corporate legal matters. Prior to that, he was associated with IBN18 Broadcast Limited and New Delhi Television Limited.
Number of shares held in the Company	64,420 equity shares
Disclosure of relationships between directors inter-se	N/A
Directorships of other Boards as on 31 <sup>st</sup> March, 2019	CD Pharma India Private Limited
Membership / Chairmanship of Committees of other Boards as on 31 <sup>st</sup> March, 2019	NIL



<b>Mr. Atul Sharma</b>	
Date of Birth	13 <sup>th</sup> December, 1955
Date of Appointment on the Board	6 <sup>th</sup> July, 2009
Qualifications	Bachelor Degree in (Economics) and LL.B. from University of Delhi
Terms and conditions of Re-appointment	As per the resolution at item No. 5 of the Notice convening this meeting read with explanatory statement thereto, Mr. Atul Sharma is proposed to be re-appointed as an Independent Director
Remuneration last drawn (including sitting fees, if any)	Rs. 1,00,000/- as Sitting fees
Remuneration proposed to be paid	As per existing approved terms and conditions
Number of meetings of Board attended during the financial year (2018-19)	2
Expertise in Specific Functional Area	Mr. Atul Sharma holds a Bachelor Degree in (Economics) and LL.B. from University of Delhi. He is a Member of Supreme Court Bar Association, Member of Delhi High Court Bar Association and a Member of Bar Council of India. He is currently a managing partner of Link Legal a firm of legal consultancy. Before setting up the firm in 1999, Mr. Atul was an independent counsel from 1986 to 1993, he was associated with Bhasin & Co. where he led the litigation practice and represented and advised banks and public companies on corporate and commercial matters.
Number of shares held in the Company	NIL
Disclosure of relationships between directors inter-se	N/A
Directorships of other Boards as on 31 <sup>st</sup> March, 2019	NIL
Membership / Chairmanship of Committees of other Boards as on 31 <sup>st</sup> March, 2019	NIL
<b>Mr. Anuj Jain</b>	
Date of Birth	6 <sup>th</sup> March, 1967
Date of Appointment on the Board	29 <sup>th</sup> March, 2019
Qualifications	B.Tech (AMU, India), MBA (CSU, San Jose USA)
Terms and conditions of Re-appointment	As per the resolution at item No. 6 of the Notice convening this meeting read with explanatory statement thereto, Mr. Anuj Jain is proposed to be appointed as a Non- Executive Director
Remuneration last drawn (including sitting fees, if any)	Nil
Remuneration proposed to be paid	As per existing approved terms and conditions
Number of meetings of Board attended during the financial year (2018-19)	-
Expertise in Specific Functional Area	Mr. Anuj Jain has over 6 years of experience with Reliance Jio. He has been working in Reliance Jio since inception. He has total 27 years of industry experience in multiple sectors.
Number of shares held in the Company	NIL
Disclosure of relationships between directors inter-se	N/A
Directorships of other Boards as on 31 <sup>st</sup> March, 2019	Hathway Cable and Datacom Limited
Membership / Chairmanship of Committees of other Boards as on 31 <sup>st</sup> March, 2019	NIL
<b>Ms. Geeta Fulwadaya</b>	
Date of Birth	17 <sup>th</sup> November, 1979
Date of Appointment on the Board	29 <sup>th</sup> March, 2019
Qualifications	B.Com, C.S. and Law Graduate
Terms and conditions of Re-appointment	As per the resolution at item No. 7 of the Notice convening this meeting read with explanatory statement thereto, Ms. Geeta Fulwadaya is proposed to be appointed as a Non- Executive Director

Remuneration last drawn (including sitting fees, if any)	Nil
Remuneration proposed to be paid	As per existing approved terms and conditions
Number of meetings of Board attended during the financial year (2018-19)	-
Expertise in Specific Functional Area	She has been associated with Reliance group for over a decade and has extensive experience in the field of corporate laws and allied matters.
Number of shares held in the Company	NIL
Disclosure of relationships between directors inter-se	N/A
Directorships of other Boards as on 31 <sup>st</sup> March, 2019	Reliance Retail Limited Reliance SMSL Limited Sikka Ports & Terminals Limited Reliance Petro Marketing Limited Reliance Gas Pipelines Limited Reliance Commercial Dealers Limited IMG Reliance Limited Indiawin Sports Private Limited Jamnagar Utilities & Power Private Limited Prakhar Commercials Private Limited Jio Content Distribution Holdings Private Limited Jio Television Distribution Holdings Private Limited Jio Digital Distribution Holdings Private Limited Jio Digital Cableco Private Limited Hathway Cable and Datacom Limited
Membership / Chairmanship of Committees of other Boards as on 31 <sup>st</sup> March, 2019	<b>Reliance Gas Pipelines Limited</b> Nomination and Remuneration Committee <b>Sikka Ports &amp; Terminals Limited</b> Finance Committee <b>Reliance Retail Limited</b> Compliance Committee <b>Jamnagar Utilities &amp; Power Private Limited</b> Nomination and Remuneration Committee Corporate Social Responsibility Committee

<b>Mr. Saurabh Sancheti</b>	
Date of Birth	8 <sup>th</sup> March, 1985
Date of Appointment on the Board	29 <sup>th</sup> March, 2019
Qualifications	B.Tech & PGDM
Terms and conditions of Re-appointment	As per the resolution at item No. 8 of the Notice convening this meeting read with explanatory statement thereto, Mr. Saurabh Sancheti is proposed to be appointed as a Non- Executive Director
Remuneration last drawn (including sitting fees, if any)	Nil
Remuneration proposed to be paid	As per existing approved terms and conditions
Number of meetings of Board attended during the financial year (2018-19)	-
Expertise in Specific Functional Area	He has a decade of experience across multiple sectors. He has been with Reliance since 2012 and is presently working in digital services business of Reliance.
Number of shares held in the Company	NIL
Disclosure of relationships between directors inter-se	N/A



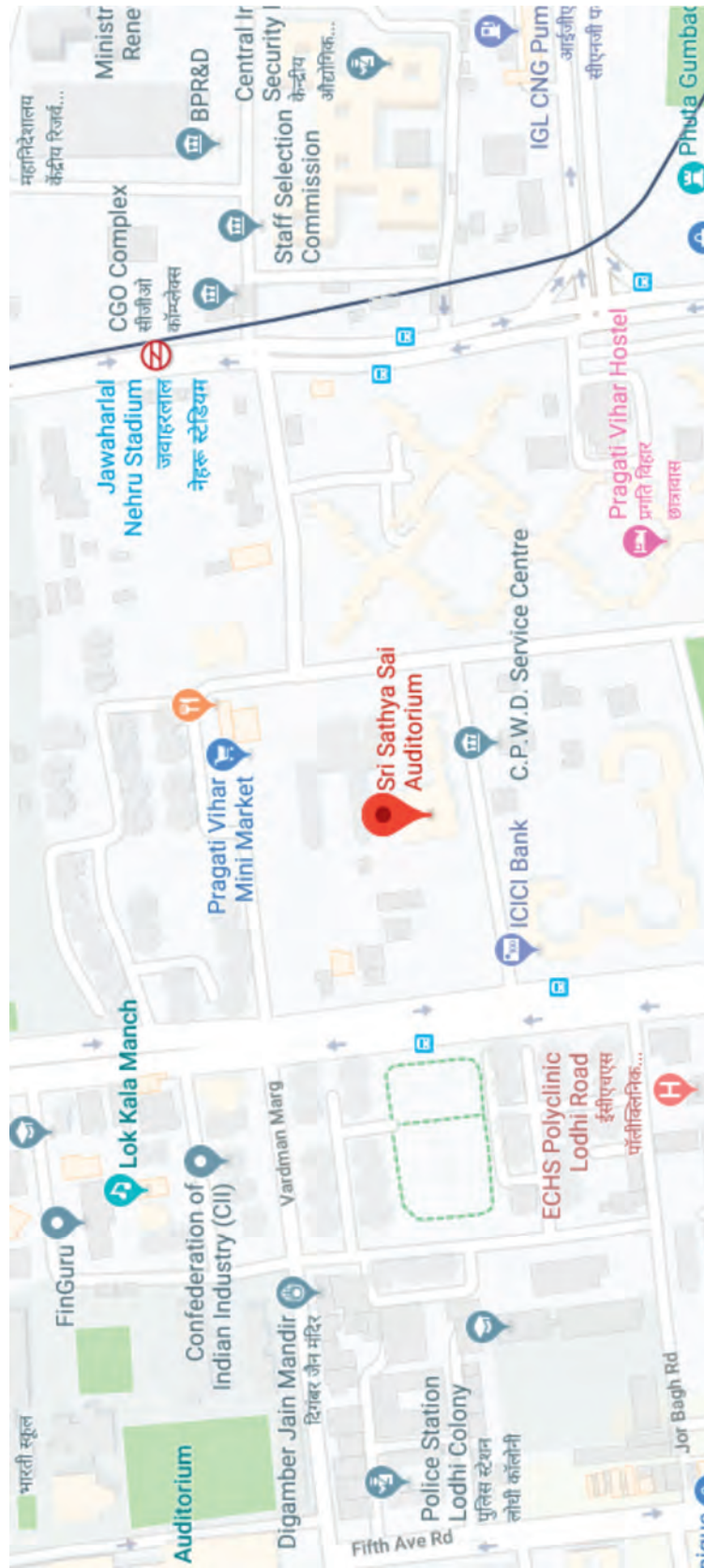
Directorships of other Boards as on 31 <sup>st</sup> March, 2019	Hathway Cable and Datacom Limited
Membership / Chairmanship of Committees of other Boards as on 31 <sup>st</sup> March, 2019	NIL

**By order of the Board  
For DEN Networks Limited**

**Jatin Mahajan  
Company Secretary**

**Place: New Delhi  
Date: 19<sup>th</sup> August, 2019**

### Route map to the venue of the AGM





## NOTES

A series of horizontal dotted lines spanning the width of the page, intended for handwritten notes.





## DEN NETWORKS LIMITED

Registered Office: 236, Okhla Industrial Estate, Phase-III, New Delhi – 110020  
investorrelations@denonline.in | www.dennetworks.com  
Tel: + 91 11 40522200, Fax: + 91 11 40522203  
12<sup>th</sup> Annual General Meeting – 23<sup>rd</sup> September, 2019

### Attendance Slip

Registered Folio no. / Client ID no. :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

DP ID no:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Number of shares held

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Name and address of the Shareholder.

I hereby record my presence at the 12<sup>th</sup> Annual General Meeting of the Company on Monday, the 23<sup>rd</sup> day of September, 2019 at 11:30 A.M. at Sri Sathya Sai Auditorium, Lodhi Road, Bhishm Pitamah Marg, New Delhi – 110003

.....  
Name of the member / proxy  
(in BLOCK letters)

.....  
Signature of the member / proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.



## DEN NETWORKS LIMITED

Registered Office: 236, Okhla Industrial Estate, Phase-III, New Delhi – 110020  
investorrelations@denonline.in | www.dennetworks.com  
Tel: + 91 11 40522200, Fax: + 91 11 40522203  
12<sup>th</sup> Annual General Meeting – 23<sup>rd</sup> September, 2019

### Proxy form

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s) 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Registered address 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Email 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Folio no. / Client ID 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

DP ID 

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I/We, being the member(s) of ..... shares of the above named Company, hereby appoint

Name: ..... Email: .....

Address: .....

.....Signature:  
or failing him / her

Name: ..... Email: .....

Address: .....

.....Signature:  
or failing him / her

Name: ..... Email: .....

Address: .....

.....Signature:

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 12<sup>th</sup> Annual General Meeting of the Company on Monday, the 23<sup>rd</sup> day of September, 2019 at 11:30 A.M. at Sri Sathya Sai Auditorium, Lodhi Road, Bhisim Pitamah Marg, New Delhi – 110003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution no.	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
<b>Ordinary Business</b>				
1	Consideration and adoption of: (a) Audited Standalone Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2019 and the reports of the Board of Directors and Auditors thereon; and (b) Audited Consolidated Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2019 and the reports of auditors thereon			
2	Re-appointment of Mr. Sameer Manchanda, a Director retiring by rotation.			
3	Appointment of Statutory Auditors of the Company			
<b>Special Business</b>				
4	Re-appointment of Mr. Ajaya Chand as an Independent Director of the Company			
5	Re-appointment of Mr. Atul Sharma as an Independent Director of the Company			
6	Appointment of Mr. Anuj Jain as Non-Executive Director of the Company			
7	Appointment of Ms. Geeta Fulwadaya as Non-Executive Director of the Company			
8	Appointment of Mr. Saurabh Sancheti as Non-Executive Director of the Company			
9	Ratification of the remuneration of the Cost Auditors for the financial year ending 31 <sup>st</sup> March, 2020			

Signed this ..... day of .....2019.

.....

Signature of the member(s)

Signature of the proxy holder(s)

Affix revenue stamp

**Notes:**

1. This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.
2. A proxy need not be a member of the Company and shall prove his identity at the time of attending the Meeting
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.
5. Appointing a proxy does not prevent a member from attending the Meeting in person if he / she so wishes. When a Member appoints a proxy and both the Member and proxy attend the Meeting, the proxy will stand automatically revoked.
6. In the case of jointholders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated
7. This form of proxy shall be signed by the appointer or his attorney duly authorised in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.
8. This form of proxy will be valid only if it is duly completed in all respects, properly stamped and submitted as per the applicable law. Incomplete form or form which remains unstamped or inadequately stamped or form upon which the stamps have not been cancelled will be treated as invalid.
9. Undated proxy form will not be considered valid.
10. If Company receives multiple proxies for the same holdings of a member, the proxy which is dated last will be considered valid; if they are not dated or bear the same date without specific mention of time, all such multiple proxies will be treated as invalid.

The logo for DEN Broadband features the word "DEN" in a bold, red, italicized font with a yellow and orange flame-like graphic behind it. Below "DEN" is the word "BROADBAND" in a smaller, blue, sans-serif font.

**DEN**  
BROADBAND

The logo for DEN TV+ features the word "DEN" in a bold, red, italicized font with a yellow and orange flame-like graphic behind it. To the right of "DEN" is "TV" in a bold, red, italicized font, followed by a plus sign "+" in a smaller, black font.

**DEN TV+**

The logo for DEN HD features the word "DEN" in a bold, red, italicized font with a yellow and orange flame-like graphic behind it. To the right of "DEN" is "HD" in a bold, blue, italicized font.

**DEN HD**

DEN Networks Limited.  
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New Delhi - 110020  
[www.dennetworks.com](http://www.dennetworks.com)