

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF DEN BROADBAND PRIVATE LIMITED (Formerly SKYNET CABLE  
NETWORK PRIVATE LIMITED)**

**Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of **DEN BROADBAND PRIVATE LIMITED (Formerly SKYNET CABLE NETWORK PRIVATE LIMITED)** ("the Company"), which comprise the Balance Sheet as at 31 March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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



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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2018, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

### **Other matter**

The comparative financial information of the Company for the year ended 31 March, 2017 and the opening balance sheet as at 1 April, 2016 prepared in accordance with Ind AS included in these Ind AS financial statements have been audited by the predecessor auditor before giving effect to the composite scheme of arrangement as mentioned in note 37. The report of the predecessor auditor on the comparative financial information and the said opening balance sheet dated May 12, 2017 expressed an unmodified opinion.

Our opinion on the Ind AS financial statements is not modified in respect of this matter.

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

1. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Company as on 31 March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements. Refer Note 24 (b) to the Ind AS financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note 36 to the Ind AS financial statements.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer Note 34 to the Ind AS financial statements.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"/"CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "ANNEXURE B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



*Jitendra Agarwal*  
**Jitendra Agarwal**  
Partner  
(Membership No. 87104)

Place : New Delhi  
Date : 18 May, 2018

**"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1(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 BROADBAND PRIVATE LIMITED (Formerly SKYNET CABLE NETWORK PRIVATE LIMITED)** ("the Company") as of 31 March, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 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, 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 March, 2018, 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 **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



*Jitendra Agarwal*  
**Jitendra Agarwal**  
Partner  
(Membership No. 87104)

Place: New Delhi  
Date : 18 May, 2018

**"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT  
(Referred to in paragraph 2 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 broadband customer premises equipment (CPE) which are in possession of customers/ third parties and distribution equipment comprising overhead and underground cables. Management is of the view that it is not possible to physically verify these assets due to their nature and location. Pursuant to the program, certain property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to us, the existence of CPE installed at customer premises is verified on the basis of the 'active user' status in the system. No material discrepancies were noticed on such verification.  
  
In our opinion, other than for physical verification of broadband customer premises equipment (CPE) and distribution equipment referred to above, the frequency of verification of property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets.
  - c. The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (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.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (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, Sales Tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities. According to the information and explanations given to us, the Company's operations did not give rise to any Excise Duty.
  - 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 March, 2018 for a period of more than six months from the date they became payable. According to the information and explanations given to us, the Company's operations did not give rise to any Excise Duty.
  - c. There are no dues of Income tax, Sales Tax, Service Tax, Customs Duty and Value Added Tax as on 31 March, 2018 on account of disputes. According to the information and explanations given to us, the Company's operations did not give rise to any Excise Duty.
- (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. The Company has not taken any loans or borrowing from banks and government or has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (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 not paid / provided any managerial remuneration as per the provisions of section 197 read with Schedule V to the Companies Act, 2013 during the year. Accordingly reporting under clause (xi) of the CARO 2016 is not applicable to the Company.
- (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) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (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 associate, as applicable, or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.



**Deloitte  
Haskins & Sells LLP**

- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



*Jitendra Agarwal*  
**Jitendra Agarwal**  
Partner  
(Membership No. 87104)

Place: New Delhi  
Date: 18 May, 2018



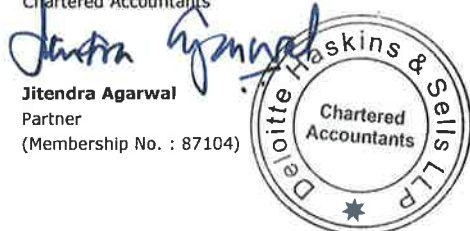
**DEN BROADBAND PRIVATE LIMITED**  
(Formerly SKYNET CABLE NETWORK PRIVATE LIMITED)  
**BALANCE SHEET AS AT 31 MARCH, 2018**

Particulars	Note No.	As at 31.03.2018 (Rs. in million)	As at 31.03.2017 (Rs. in million) (Restated) (See note 37)	As at 01.04.2016 (Rs. in million) (Restated) (See note 37)
<b>A. ASSETS</b>				
<b>1. Non-current assets</b>				
(a) Property, plant and equipment	3A	908.60	1,073.13	979.70
(b) Capital work-in-progress	3A	124.34	99.35	234.91
(c) Other Intangible assets	3B	5.88	8.01	8.55
(d) Financial assets				
(i) Other financial assets	4	0.24	2.40	1.23
(e) Non-current tax assets (net)	5	0.08	0.59	1.34
(f) Deferred tax assets (net)	23B	-	0.85	1.05
(g) Other non-current assets	6	1.67	11.09	16.42
<b>Total non-current assets</b>		<b>1,040.81</b>	<b>1,195.42</b>	<b>1,243.20</b>
<b>2. Current assets</b>				
(a) Financial assets				
(i) Trade receivables	7	23.71	21.98	16.11
(ii) Cash and cash equivalents	8	31.56	9.41	19.93
(iii) Bank balances other than cash and cash equivalents	9	21.00	-	-
(iv) Other financial assets	4	2.79	0.19	0.85
(b) Other current assets	6	30.12	32.78	44.23
<b>Total current assets</b>		<b>109.18</b>	<b>64.36</b>	<b>81.12</b>
<b>Total assets</b>		<b>1,149.99</b>	<b>1,259.78</b>	<b>1,324.32</b>
<b>B. EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	10	47.34	8.15	8.15
(b) Other Equity	11	686.71	(418.99)	(15.01)
<b>Total equity</b>		<b>734.05</b>	<b>(410.84)</b>	<b>(6.86)</b>
<b>Liabilities</b>				
<b>1. Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	12	-	-	172.49
(ii) Other financial liabilities	13	1.17	-	-
(b) Provisions	14	4.55	4.68	4.69
(c) Other non-current liabilities	15	6.83	5.73	7.42
<b>Total non-current liabilities</b>		<b>12.55</b>	<b>10.41</b>	<b>184.60</b>
<b>2. Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	12	129.57	1,191.80	712.45
(ii) Trade payables	16	143.23	175.48	180.59
(iii) Other financial liabilities	13	68.42	213.10	175.90
(b) Provisions	14	4.42	4.91	5.21
(c) Other current liabilities	15	57.75	74.92	72.43
<b>Total current liabilities</b>		<b>403.39</b>	<b>1,660.21</b>	<b>1,146.58</b>
<b>Total liabilities</b>		<b>415.94</b>	<b>1,670.62</b>	<b>1,331.18</b>
<b>Total equity and liabilities</b>		<b>1,149.99</b>	<b>1,259.78</b>	<b>1,324.32</b>

See accompanying notes to the Ind AS financial statements

1 to 41

In terms of our report of even date attached  
For Deloitte Haskins & Sells LLP  
Chartered Accountants



For and on behalf of the Board of Directors of  
DEN BROADBAND PRIVATE LIMITED

**Kunal Verma**  
Director  
DIN: 06366347

**Munish Singla**  
Director  
DIN: 02703417

**Vipul Kumar Srivastava**  
Company Secretary  
M. No. : A26231



New Delhi  
18 May, 2018

New Delhi  
18 May, 2018

**DEN BROADBAND PRIVATE LIMITED**  
**(Formerly SKYNET CABLE NETWORK PRIVATE LIMITED)**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2018**

Particulars	Note No.	Year ended 31.03.2018 (Rs. in million)	Year ended 31.03.2017 (Rs. in million) (Restated) (See note 37)
<b>1. Income</b>			
(a) Revenue from operations	17	753.45	819.65
(b) Other income	18	0.88	2.04
<b>2. Total income</b>		<b>754.33</b>	<b>821.69</b>
<b>3. Expenses</b>			
(a) Employee benefit expense	19	129.60	153.27
(b) Finance costs	20	5.79	30.64
(c) Depreciation and amortisation expense	3C	307.66	281.07
(d) Other expenses	21	635.34	749.07
<b>4. Total Expenses</b>		<b>1,078.39</b>	<b>1,214.05</b>
<b>5. Profit/(loss) before exceptional item and tax expenses (2-4)</b>		<b>(324.06)</b>	<b>(392.36)</b>
6. Exceptional items	22	-	13.30
<b>7. Profit/(loss) before tax (5-6)</b>		<b>(324.06)</b>	<b>(405.66)</b>
<b>8. Tax expenses</b>			
(a) Current tax	23A(a)	-	-
(b) Deferred tax	23A(b)	0.85	0.20
<b>9. Total tax expenses</b>		<b>0.85</b>	<b>0.20</b>
<b>10. Profit/(loss) after tax (7-9)</b>		<b>(324.91)</b>	<b>(405.86)</b>
<b>11. Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss:			
(a) Remeasurements of the defined benefit obligations	29	1.46	1.88
<b>12. Total other comprehensive income</b>		<b>1.46</b>	<b>1.88</b>
<b>13. Total comprehensive Income / (loss) for the period (10+12)</b>		<b>(323.45)</b>	<b>(403.98)</b>
<b>14. Earnings per equity share</b> (Face value of Rs. 10 per share)	28		
Basic (in Rs.)		(181.29)	(497.99)
Diluted (in Rs.)		(181.29)	(497.99)

See accompanying notes to the Ind AS financial statements

1 to 41

In terms of our report of even date attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

*Jitendra Agarwal*  
**Jitendra Agarwal**  
 Partner  
 (Membership No. : 87104)



For and on behalf of the Board of Directors of  
**DEN BROADBAND PRIVATE LIMITED**

*Kunal Verma*  
**Kunal Verma**  
 Director  
 DIN : 06366347

*Munish Singla*  
**Munish Singla**  
 Director  
 DIN : 02703417

*Vipul Kumar Srivastava*  
**Vipul Kumar Srivastava**  
 Company Secretary  
 M. No. : A26231

New Delhi  
 18 May, 2018



New Delhi  
 18 May, 2018

**DEN BROADBAND PRIVATE LIMITED**  
(Formerly SKYNET CABLE NETWORK PRIVATE LIMITED)  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2018**

**Statement of changes in equity for the year ended 31 March, 2018**

**a. Equity share capital**

Particulars	(Rs. in million)
	Amount
<b>Balance at 1 April, 2016</b>	<b>8.15</b>
Changes in equity share capital during the year	
Issue of equity shares	-
<b>Balance at 31 March, 2017</b>	<b>8.15</b>
Changes in equity share capital during the year	
Issue of equity shares (See note 33)	39.19
<b>Balance at 31 March, 2018</b>	<b>47.34</b>


**b. Other equity**

Particulars	(Rs. in million)		Total
	Reserves and Surplus		
	Securities premium	Retained earnings	
<b>Balance at 1 April, 2016 (Restated) (See note 37)</b>	-	(15.01)	(15.01)
Profit/(Loss) for the year	-	(405.86)	(405.86)
Other comprehensive income for the year	-	1.88	1.88
<b>Total comprehensive income/(loss) for the year</b>	-	<b>(403.98)</b>	<b>(403.98)</b>
Premium on shares issued during the year	-	-	-
Share issue expenses	-	-	-
<b>Balance at 31 March, 2017 (Restated) (See note 37)</b>	-	<b>(418.99)</b>	<b>(418.99)</b>
Profit/(Loss) for the year	-	(324.91)	(324.91)
Other comprehensive income for the year	-	1.46	1.46
<b>Total comprehensive income/(loss) for the year</b>	-	<b>(323.45)</b>	<b>(323.45)</b>
Premium on shares issued during the year (See note 33)	1,430.62	-	1,430.62
Share issue expenses	(1.47)	-	(1.47)
<b>Balance at 31 March, 2018</b>	<b>1,429.15</b>	<b>(742.44)</b>	<b>686.71</b>

See accompanying notes to the Ind AS financial statements

1 to 41

**In terms of our report of even date attached**  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants


  
**Jitendra Agarwal**  
Partner  
(Membership No. : 87104)



**For and on behalf of the Board of Directors of**  
**DEN BROADBAND PRIVATE LIMITED**

  
**Kunal Verma**  
Director  
DIN : 06366347

  
**Munish Singla**  
Director  
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**Vipul Kumar Srivastava**  
Company Secretary  
M. No. : A26231



New Delhi  
18 May, 2018

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**DEN BROADBAND PRIVATE LIMITED**  
(Formerly SKYNET CABLE NETWORK PRIVATE LIMITED)  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018**

Particulars	Year ended 31.03.2018 (Rs. in million)	Year ended 31.03.2017 (Rs. in million) (Restated) (See note 37)
<b>A. Cash flow from operating activities</b>		
Profit / (Loss) after tax	(324.91)	(405.86)
Adjustments for :		
Income tax expense recognised in profit or loss	0.85	0.20
Liabilities/ excess provisions written back (net)	(0.08)	-
Interest income earned on financial assets that are not designated as at fair value through profit or loss	(0.39)	-
Depreciation and amortisation expense	307.66	281.07
Finance costs	5.79	30.64
Net gain on foreign currency transactions and translation	(0.49)	(2.04)
Allowance on trade receivables	4.66	5.00
Advances written off	4.45	-
Capital work in progress written off	-	19.53
<b>Operating profit/ (Loss) before working capital changes</b>	<b>(2.46)</b>	<b>(71.46)</b>
Changes in working capital:		
<u>Adjustments for (increase)/ decrease in operating assets:</u>		
Trade receivables	(6.39)	(10.87)
Other current assets	2.66	11.45
Other non-current assets	(0.63)	1.14
Other financial assets - current	(2.29)	0.66
Other financial assets - non-current	2.16	(1.17)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	(30.22)	(1.19)
Other financial liabilities - current	(3.29)	2.08
Other financial liabilities - non-current	1.17	-
Other current liabilities	(17.17)	2.49
Other non-current liabilities	1.10	(1.69)
Provisions - current	(0.49)	(0.30)
Provisions - non-current	(0.13)	(0.01)
<b>Cash used in operations</b>	<b>(55.98)</b>	<b>(68.87)</b>
Net income tax refunds	0.51	0.75
<b>Net cash used in operating activities</b>	<b>(A) (55.47)</b>	<b>(68.12)</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on property, plant and equipment including capital advances	(164.43)	(321.79)
Proceeds from sale of property, plant and equipment	1.90	1.24
Bank balances not considered as cash and cash equivalents - Placed	(21.00)	-
Interest received	0.08	-
<b>Net cash used in investing activities</b>	<b>(B) (183.45)</b>	<b>(320.55)</b>
<b>C. Cash flow from financing activities (See note 39)</b>		
Proceeds from issue of equity shares	-	-
Share issue expenses	(1.47)	-
Borrowings- current		
- Proceeds	367.58	591.00
- Repayments	(101.93)	(182.21)
Finance costs	(3.11)	(30.64)
<b>Net cash from financing activities</b>	<b>(C) 261.07</b>	<b>378.15</b>
Net (decrease)/Increase in cash and cash equivalents	<b>(A+B+C) 22.15</b>	<b>(10.52)</b>
Cash and cash equivalents as at the beginning of the year	9.41	19.93
<b>Cash and cash equivalents as at the end of the year (See note 8)*</b>	<b>31.56</b>	<b>9.41</b>



**DEN BROADBAND PRIVATE LIMITED**  
**(Formerly SKYNET CABLE NETWORK PRIVATE LIMITED)**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018**

Particulars	Year ended 31.03.2018 (Rs. in million)	Year ended 31.03.2017 (Rs. in million) (Restated) (See note 37)
* Comprises:		
a. Cash on hand	0.31	-
b. Balance with scheduled banks - in current accounts	31.25	9.41
	<b>31.56</b>	<b>9.41</b>

See accompanying notes to the Ind AS financial statements

1 to 41


**In terms of our report of even date attached**

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

  
**Jitendra Agarwal**  
Partner  
(Membership No. : 87104)



For and on behalf of the Board of Directors  
**DEN BROADBAND PRIVATE LIMITED**

  
**Kunal Verma**  
Director  
DIN : 06366347

  
**Munish Singla**  
Director  
DIN : 02703417

  
**Vipul Kumar Srivastava**  
Company Secretary  
M. No. : A26231

New Delhi  
18 May, 2018



New Delhi  
18 May, 2018

**DEN BROADBAND PRIVATE LIMITED**  
**(Formerly SKYNET CABLE NETWORK PRIVATE LIMITED)**  
**NOTES TO THE Ind AS FINANCIAL STATEMENTS**

**1. Corporate information**

DEN BROADBAND PRIVATE LIMITED (hereinafter referred to as 'the Company'), erstwhile known as SKYNET CABLE NETWORK PRIVATE LIMITED, was incorporated on 5 December 2011 under the Companies Act 1956, with the registrar of company, NCT of Delhi & Harayana. The Company is having its registered office at 236, Okhla Industrial Area, Phase III, New Delhi - 110020. The Company is a wholly owned subsidiary of DEN NETWORKS LIMITED and was set up to primarily engage in distribution of television channels through digital cable distribution network and provision of broadband services.

The Board of Directors of the Company, in its meeting held on 5 September, 2016, considered and approved a Composite Scheme of Arrangement ("the Scheme") amongst DEN BROADBAND PRIVATE LIMITED (formerly SKYNET CABLE NETWORK PRIVATE LIMITED) and DEN NETWORKS LIMITED, the holding company, which entails transfer of the Internet Service Provider business ("Broadband") of the holding company into the Company, became effective upon issuance of the National Company Law Tribunal, Principal Bench New Delhi order dated 15 September, 2017. The Company and the Holding company filed the said order with the Registrar of Companies, Delhi ("ROC") on 22 September, 2017. The scheme has become effective from the appointed date i.e 1 April, 2016.

**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.

Effective April 1, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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

Financial statements for the year ended and as on 31 March, 2017 were audited by the previous auditor Mittal Nirbhay & Company.

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

The 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 the Statement of Profit and loss is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information.



**DEN BROADBAND PRIVATE LIMITED**  
**(Formerly SKYNET CABLE NETWORK PRIVATE LIMITED)**  
**NOTES TO THE Ind AS FINANCIAL STATEMENTS**

**2.04 Property, plant and equipment**

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

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

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

a. Headend and distribution equipment	6 -15 years
b. Set top boxes (STBs)	8 years
c. Modems and routers [broadband customer premises equipment (CPE)]	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.

The property, plant and equipment acquired through composite scheme of arrangement are depreciated over the estimated useful life as indicated above or the remaining useful life, whichever is lower.

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

Transition to Ind AS

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

**2.05 Intangible assets**

Intangible assets acquired separately

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

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

Derecognition of intangible assets

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

Useful lives of intangible assets

Estimated useful life of the intangible assets are:

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

Transition to Ind AS

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



**DEN BROADBAND PRIVATE LIMITED**  
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**NOTES TO THE Ind AS FINANCIAL STATEMENTS**

**2.06 Impairment of tangible and intangible assets**

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

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

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

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

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

**2.07 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

**i. Rendering of services**

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

**ii. Sale of goods (equipment)**

Revenue from the sale of goods is recognised when the goods are delivered and the titles have passed, at which time all the following conditions are satisfied:

- a) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- b) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- c) the amount of revenue can be measured reliably
- d) it is probable that the economic benefits associated with the transaction will flow to the Company; and
- e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**2.08 Other income**

**Interest Income**

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





**DEN BROADBAND PRIVATE LIMITED**  
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**NOTES TO THE Ind AS FINANCIAL STATEMENTS**

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**2.09 Foreign Currencies**

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

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.

**2.10 Financial instruments**

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**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 Company had elected to continue with the carrying value of all of its equity investments in subsidiaries, associates and joint venture as of 1 April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**Financial assets**

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

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



**DEN BROADBAND PRIVATE LIMITED**  
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**NOTES TO THE Ind AS FINANCIAL STATEMENTS**

**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 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.



**DEN BROADBAND PRIVATE LIMITED**  
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**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 11 and Ind AS 18, 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 continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

**Foreign exchange gains and losses**

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

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

**2.11 Financial liabilities and equity instruments**

**Classification as debt or equity**

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

**Equity Instruments**

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

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

**Financial liabilities**

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

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



**DEN BROADBAND PRIVATE LIMITED**  
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**a) Financial liabilities at FVTPL**

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

A financial liability is classified as held for trading if:

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

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

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

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

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

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

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

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

**c) Foreign exchange gains and losses**

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

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



**DEN BROADBAND PRIVATE LIMITED**  
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**NOTES TO THE Ind AS FINANCIAL STATEMENTS**

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**d) Derecognition of financial liabilities**

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

**2.12 Employee benefit costs**

**Retirement benefits costs and termination benefits**

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

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

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

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

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

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

**Short-term and other long-term employee benefits**

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

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

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

**Contributions from employees or third parties to defined benefit plans**

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

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

- If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability (asset).
- If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the Company reduces service cost by attributing the contributions to periods of service using the attribution method required by Ind AS 19.70 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 19.70.

**2.13 Segment information**

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



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#### 2.14 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.

#### 2.15 Borrowing costs

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

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### 2.16 Earnings per share

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

#### 2.17 Taxation

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

##### Current tax

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



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Deferred tax

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company 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 assets to be recovered.

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

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

Current and deferred tax for the year

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

**2.18 Provisions**

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

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

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.

2.20.1 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.

2.20.2 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.

2.20.3 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 18 Revenue.



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**2.19 Share issue expenses**

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

**2.20 Insurance claims**

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

**2.21 GST input credit**

GST input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing/ utilising the credits.

**2.22 Use of estimates**

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

**2.23 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 37.

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.

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.

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

**Critical accounting judgements**

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

Contingent liabilities

Assessment of whether outflow embodying economic benefits is probable, possible or remote. [See note 24(b)]

**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 2.04)

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.





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Fair value measurements and valuation processes (see note 2.10)

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 29).

Revenue recognition (see note 2.07)

**2.25 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.

**2.26 Recent accounting pronouncements:**

As set out below, amendments to standards are effective for annual periods beginning on or after April 1, 2018 and have not been applied in preparing these financial statements.

**Amendments to Ind AS 21, The Effects of Changes in Foreign Exchange Rates**

The amendment to Ind AS 21 applies when a company pays or receives consideration denominated or priced in foreign currency and recognises a non-monetary prepayment asset or deferred income liability before recognising the related item at a later date.

The Company is evaluating the requirements of amendment to Ind AS 21 and its effect on the financial statements.

**Introduction of Ind AS 115, Revenue from Contracts with Customers**

Ministry of Corporate affairs has notified Ind AS 115 'Revenue from Contracts with customers', which is effective from 1 April, 2018. The new standard outlines a single comprehensive control-based model for revenue recognition and supersedes current revenue recognition guidance based on risks and rewards. The Company is evaluating the requirements of Ind AS 115 and its effect on the financial statements.

**Amendments to Ind AS 12 - Recognition of deferred tax assets for unrealised losses**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. These amendments are effective for annual periods beginning on or after 1 April, 2018. The Company is evaluating the requirements of amendment to Ind AS 12 and its effect on the financial statements.



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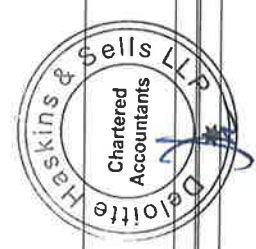


**Note 3**

**3A Property, plant and equipment**

	(Rs. in million)	
	As at 31 March, 2018	As at 31 March, 2017 (Restated) (See note 37)
	As at 31 March, 2018	As at 31 March, 2017 (Restated) (See note 37)
<b>Carrying amounts of :</b>		
a. Leasehold improvements	0.08	0.21
b. Plant and equipment	732.90	841.11
(i) Headend and distribution equipment	-	4.36
(ii) Set top boxes	156.11	200.58
(iii) Modems and routers	1.43	2.95
(iv) Computers	17.46	22.80
(v) Office and other equipment	0.82	0.98
c. Furniture and fixtures	0.10	0.14
d. Vehicles	<b>908.60</b>	<b>1,073.13</b>
	<b>124.34</b>	<b>99.35</b>
Capital work-in-progress	<b>1,032.94</b>	<b>1,172.48</b>
	<b>234.91</b>	<b>234.91</b>
	<b>1,214.61</b>	<b>1,214.61</b>

	Leasehold improvements						Total
	Headend and distribution equipment	Set top boxes	Plant and equipment Modems and routers	Computers	Office and other equipment	Furniture and fixtures	
<b>Gross carrying amount</b>							
Balance at 1 April, 2016	0.40	6.42	160.41	9.71	28.79	1.45	1,140.00
Additions	237.80	-	132.74	0.02	3.19	0.01	373.76
Disposals	(2.10)	-	(4.17)	-	(0.42)	-	(6.69)
Balance at 31 March, 2017	0.40	6.42	288.98	9.73	31.56	1.46	1,507.07
Additions	112.13	-	30.30	0.36	0.03	0.08	142.90
Disposals	(5.70)	(8.25)	(1.48)	-	(0.04)	-	(15.47)
Balance at 31 March, 2018	0.40	(1.83)	317.80	10.09	31.55	1.54	1,634.50
<b>Accumulated depreciation</b>							
Balance at 1 April, 2016	0.06	1.03	19.11	3.74	3.75	0.24	160.30
Depreciation expense	0.13	1.03	73.46	3.04	5.20	0.24	279.09
Elimination on disposals of assets	-	-	(4.17)	-	(0.19)	-	(5.45)
Balance at 31 March, 2017	0.19	2.06	88.40	6.78	8.76	0.48	433.94
Depreciation expense	0.13	4.36	74.77	2.18	5.37	0.24	305.53
Elimination on disposals of assets	-	(8.25)	(1.48)	-	(0.04)	-	(13.57)
Balance at 31 March, 2018	0.32	(1.83)	161.69	8.96	14.09	0.72	725.90
<b>Carrying amount</b>							
Balance at 1 April, 2016	0.34	5.39	141.30	5.97	25.04	1.21	979.70
Additions	237.80	-	132.74	0.02	3.19	0.01	373.76
Disposals	(1.01)	-	-	-	(0.23)	-	(1.24)
Depreciation expense	0.13	1.03	73.46	3.04	5.20	0.24	279.09
Balance at 31 March, 2017	0.21	4.36	200.58	2.95	22.80	0.98	1,073.13
Additions	112.13	-	30.30	0.36	0.03	0.08	142.90
Disposals	(1.90)	-	-	-	-	-	(1.90)
Depreciation expense	0.13	4.36	74.77	2.18	5.37	0.24	305.53
Balance at 31 March, 2018	0.08	-	156.11	1.13	17.46	0.82	908.60



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**3B Other intangible assets**

	(Rs. in million)			
	As at 31 March, 2018	As at 31 March, 2017 (Restated) (See note 37)	As at 1 April, 2016 (Restated) (See note 37)	
<b>Carrying amounts of :</b>				
a) Distribution and network rights	2.29	3.31	4.42	
b) Software	3.01	4.03	3.41	
c) Licence fee for internet service	0.58	0.67	0.72	
	<b>5.88</b>	<b>8.01</b>	<b>8.55</b>	
	<b>Distribution and network rights</b>	<b>Software</b>	<b>Licence fee for internet service</b>	<b>Total</b>
<b>Gross carrying amount</b>				
<b>Balance at 1 April, 2016</b>	<b>5.10</b>	<b>3.60</b>	<b>2.00</b>	<b>10.70</b>
Additions	-	1.44	-	1.44
Disposals	-	-	-	-
<b>Balance at 31 March, 2017</b>	<b>5.10</b>	<b>5.04</b>	<b>2.00</b>	<b>12.14</b>
Additions	-	-	-	-
Disposals	-	-	-	-
<b>Balance at 31 March, 2018</b>	<b>5.10</b>	<b>5.04</b>	<b>2.00</b>	<b>12.14</b>
<b>Accumulated depreciation</b>				
<b>Balance at 1 April, 2016</b>	<b>0.68</b>	<b>0.19</b>	<b>1.28</b>	<b>2.15</b>
Amortisation expense	1.11	0.82	0.05	1.98
Disposals	-	-	-	-
<b>Balance at 31 March, 2017</b>	<b>1.79</b>	<b>1.01</b>	<b>1.33</b>	<b>4.13</b>
Amortisation expense	1.02	1.02	0.09	2.13
Disposals	-	-	-	-
<b>Balance at 31 March, 2018</b>	<b>2.81</b>	<b>2.03</b>	<b>1.42</b>	<b>6.26</b>
<b>Carrying amount</b>				
<b>Balance at 1 April, 2016</b>	<b>4.42</b>	<b>3.41</b>	<b>0.72</b>	<b>8.55</b>
Additions	-	1.44	-	1.44
Disposals	-	-	-	-
Amortisation expense	1.11	0.82	0.05	1.98
<b>Balance at 31 March, 2017</b>	<b>3.31</b>	<b>4.03</b>	<b>0.67</b>	<b>8.01</b>
Additions	-	-	-	-
Disposals	-	-	-	-
Amortisation expense	1.02	1.02	0.09	2.13
<b>Balance at 31 March, 2018</b>	<b>2.29</b>	<b>3.01</b>	<b>0.58</b>	<b>5.88</b>



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Particulars	Year ended 31.03.2018 (Rs. in million)	Year ended 31.03.2017 (Rs. in million) (Restated) (See note 37)
<b>3C. Depreciation and amortisation expense</b>		
a) Depreciation expense (See note 3A)	305.53	279.09
b) Amortisation expense (See note 3B)	2.13	1.98
<b>Total</b>	<b>307.66</b>	<b>281.07</b>



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Particulars	As at 31.03.2018 (Rs. in million)	As at 31.03.2017 (Rs. in million) (Restated) (See note 37)	As at 01.04.2016 (Rs. in million) (Restated) (See note 37)
<b>4. Other financial assets</b>			
<b><u>Non Current</u></b>			
(i) Security deposits	0.24	2.40	1.23
<b>Total</b>	<b>0.24</b>	<b>2.40</b>	<b>1.23</b>
<b><u>Current</u></b>			
(i) Security deposits	2.48	-	0.85
(ii) Unbilled revenue - from others	-	0.19	-
(iii) Interest accrued but not due on fixed deposits	0.31	-	-
<b>Total</b>	<b>2.79</b>	<b>0.19</b>	<b>0.85</b>
<b>5. Non current tax assets (net)</b>			
(i) Advance tax including TDS recoverable Less: Provision for income tax	0.08	0.59	1.34
<b>Total</b>	<b>0.08</b>	<b>0.59</b>	<b>1.34</b>
<b>6. Other assets</b>			
<b><u>Non-current</u></b>			
(i) Prepaid expenses	-	3.82	4.96
(ii) Capital advances	1.67	7.27	11.46
<b>Total</b>	<b>1.67</b>	<b>11.09</b>	<b>16.42</b>
<b><u>Current</u></b>			
(i) Prepaid expenses	14.94	21.55	35.04
(ii) Balance with government authorities	7.97	0.48	0.48
(iii) Supplier advances Less: Impairment allowance for supplier advance	7.56 (0.35)	11.10 (0.35)	9.06 (0.35)
	7.21	10.75	8.71
<b>Total</b>	<b>30.12</b>	<b>32.78</b>	<b>44.23</b>
<b>7. Trade receivables</b>			
<b><u>Current</u></b>			
(i) Trade receivables [See notes below]			
- Unsecured, considered good	23.71	21.98	16.11
- Doubtful	10.29	5.63	0.63
	34.00	27.61	16.74
Less: Allowance for doubtful debts (expected credit loss allowance)	(10.29)	(5.63)	(0.63)
<b>Total</b>	<b>23.71</b>	<b>21.98</b>	<b>16.11</b>

**Notes:**

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



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- b) The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

<b>Ageing</b>	<b>Expected credit loss (%)</b>		
0 - 90 days			0.1% - 5%
91 - 180 days			1% - 50%
180 days and above			50% - 100%

<b>Particulars</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
	<b>(Rs. in million)</b>	<b>(Rs. in million) (Restated) (See note 37)</b>	<b>(Rs. in million) (Restated) (See note 37)</b>
<b>Age of receivables</b>			
0 - 90 days	15.90	20.16	15.25
91 - 180 days	5.39	3.20	0.52
180 days and above	12.71	4.25	0.97
	<b>34.00</b>	<b>27.61</b>	<b>16.74</b>

c) **Movement in the expected credit loss allowance**

Balance at the beginning of the year	(5.63)	(0.63)
Movement in expected credit loss allowance	(4.66)	(5.00)
<b>Balance at the end of the year</b>	<b>(10.29)</b>	<b>(5.63)</b>

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

**8. Cash and cash equivalents**

(i) Cash in hand	0.31	-	-
(ii) Balance with scheduled banks - in current accounts	31.25	9.41	19.93
<b>Total</b>	<b>31.56</b>	<b>9.41</b>	<b>19.93</b>

**9. Bank balances other than cash and cash equivalents**

(i) in earmarked accounts - Balances held as margin money or security against borrowings, guarantees and other commitments	21.00	-	-
<b>Total</b>	<b>21.00</b>	<b>-</b>	<b>-</b>



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Particulars	As at 31.03.2018 (Rs. in million)	As at 31.03.2017 (Rs. in million) (Restated) (See note 37)	As at 01.04.2016 (Rs. in million) (Restated) (See note 37)
<b>10. Equity share capital</b>			
Equity share capital	47.34	8.15	8.15
	<b>47.34</b>	<b>8.15</b>	<b>8.15</b>
<b>Authorised share capital:</b>			
6,000,000 (As at 31 March, 2017 : 900,000; As at 1 April, 2016 : 900,000) equity shares of Rs. 10 each with voting rights	60.00	9.00	9.00
	<b>60.00</b>	<b>9.00</b>	<b>9.00</b>
<b>Issued and subscribed capital comprises:</b>			
4,734,485 (As at 31 March 2017 : 815,000, As at 1 April, 2016 : 815,000) equity shares of Rs. 10 each fully paid up with voting rights	47.34	8.15	8.15
	<b>47.34</b>	<b>8.15</b>	<b>8.15</b>
<b>Fully paid equity shares:</b>		<b>Number of shares</b>	<b>Share capital (Rs. in millions)</b>
<b>Balance as at 1 April, 2016</b>		815,000	8.15
Add: Issue of shares		-	-
<b>Balance as at 31 March, 2017</b>		<b>815,000</b>	<b>8.15</b>
Add: Issue of shares (See note 33)		3,919,485	39.19
<b>Balance as at 31 March, 2018</b>		<b>4,734,485</b>	<b>47.34</b>

Of the above:

- Fully paid equity shares, which have a par value of Rs. 10, carry one vote per share and carry a right to dividends.
- 3,919,485 fully paid up equity shares of Rs. 10 each at premium of Rs. 365 were issued during the financial year 2017-18.
- Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at 31.03.2018		As at 31.03.2017	
	No of shares	% Holding	No of shares	% Holding
<b>Fully paid equity shares with voting rights:</b>				
DEN NETWORKS LIMITED (Holding Company)	4,734,479	99.99%	814,994	99.99%

Particulars	As at 01.04.2016	
	No of shares	% Holding
<b>Fully paid equity shares with voting rights:</b>		
DEN NETWORKS LIMITED (Holding Company)	814,994	99.99%

- 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.



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<b>11. Other equity</b>			
Securities premium account	1,429.15	-	-
Deficit in Statement of Profit and Loss	(742.44)	(418.99)	(15.01)
	<b>686.71</b>	<b>(418.99)</b>	<b>(15.01)</b>

Particulars	Year ended 31.03.2018 (Rs. in million)	Year ended 31.03.2017 (Rs. in million) (Restated) (See note 37)
<b>a. Securities premium account</b>		
i. Opening balance	-	-
ii. Add : Premium on shares issued during the year (See note 33)	1,430.62	-
iii. Less : Utilised during the year for writing off share issue expenses	(1.47)	-
<b>(A)</b>	<b>1,429.15</b>	<b>-</b>
<b>b. Deficit in Statement of Profit and Loss</b>		
i. Opening balance	(418.99)	(15.01)
ii. Add: Profit / (Loss) for the year	(324.91)	(405.86)
iii. Other comprehensive income arising from remeasurement of defined benefit obligation	1.46	1.88
iv. Closing balance	<b>(742.44)</b>	<b>(418.99)</b>
<b>(A+B)</b>	<b>686.71</b>	<b>(418.99)</b>





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Particulars	As at 31.03.2018 (Rs. in million)	As at 31.03.2017 (Rs. in million) (Restated) (See note 37)	As at 01.04.2016 (Rs. in million) (Restated) (See note 37)
<b>12. Borrowings</b>			
<b>At amortised cost:</b>			
<b>Non Current</b>			
a. Long-term maturities of finance lease obligations [See note 27] (Secured by hypothecation of assets purchased under finance lease agreement and payable in equal monthly installments. Applicable rate of interest is 8.55%)	-	-	172.49
	<u>-</u>	<u>-</u>	<u>172.49</u>
<b>Current</b>			
a. Buyers credit on imports (Secured by first pari passu charge on property, plant and equipment of the Company (existing and proposed) and second pari passu charge on all current assets of the Company (existing and proposed))	-	-	111.65
b. Loan from holding company (Repayable on demand. Applicable rate of interest is 15%)	129.57	1,191.80	600.80
<b>Total</b>	<u>129.57</u>	<u>1,191.80</u>	<u>712.45</u>
<b>13. Other financial liabilities</b>			
<b>Non Current</b>			
Security deposits received	1.17	-	-
	<u>1.17</u>	<u>-</u>	<u>-</u>
<b>Current</b>			
a. Current maturities of finance lease obligations [See note 27]	-	101.93	-
b. Interest accrued to holding company [See note 30]	2.68	-	-
c. Payables on purchase of property, plant and equipment	65.74	67.88	134.69
d. Security deposit received	-	1.62	1.21
e. Book overdraft	-	1.67	-
f. Other payable to holding company [See note 30 and 37]	-	40.00	40.00
	<u>68.42</u>	<u>213.10</u>	<u>175.90</u>
<b>14. Provisions</b>			
<b>Non-current</b>			
a. Employee benefits - Gratuity (See note 29)	4.55	4.68	4.69
	<u>4.55</u>	<u>4.68</u>	<u>4.69</u>
<b>Current</b>			
a. Employee benefits - Gratuity (See note 29) - Compensated absences	0.03 4.39	0.04 4.87	0.05 5.16
	<u>4.42</u>	<u>4.91</u>	<u>5.21</u>
<b>15. Other liabilities</b>			
<b>Non-current</b>			
a. Deferred revenue	6.83	5.73	7.42
	<u>6.83</u>	<u>5.73</u>	<u>7.42</u>
<b>Current</b>			
a. Deferred revenue	50.27	55.12	62.99
b. Statutory remittances	4.05	0.01	0.33
c. Other payables (i) Advances from customers (ii) Others	3.43 -	18.52 1.27	8.30 0.81
	<u>57.75</u>	<u>74.92</u>	<u>72.43</u>
<b>16. Trade payables</b>			
Trade payables - Other than acceptances			
a. total outstanding dues of micro enterprises and small enterprises [See note 38]	-	-	-
b. total outstanding dues of creditors other than micro enterprises and small enterprises	143.23	175.48	180.59
	<u>143.23</u>	<u>175.48</u>	<u>180.59</u>

Note: The normal credit period for these trade payables is generally from 0 to 90 days. No interest is charged by the vendors on overdue payables.



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Particulars	Year ended 31.03.2018 (Rs. in million)	Year ended 31.03.2017 (Rs. in million) (Restated) (See note 37)
<b>17. Revenue from operations</b>		
a. Sale of services (see note below)	753.07	818.15
b. Other operating revenue		
i. Liabilities/ excess provisions written back (net)	0.08	-
ii. Miscellaneous income	0.30	1.50
<b>Total</b>	<b>753.45</b>	<b>819.65</b>
<b>Note:</b>		
Sale of services comprises:		
a. Internet revenue	733.72	810.04
b. Activation revenue	19.35	8.11
<b>Total</b>	<b>753.07</b>	<b>818.15</b>
<b>18. Other income</b>		
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)	0.39	-
b. Other gains and losses		
i. Net gain on foreign currency transactions and translation	0.49	2.04
<b>Total</b>	<b>0.88</b>	<b>2.04</b>
<b>19. Employee benefit expense</b>		
a. Salaries and allowances	120.60	136.62
b. Contribution to provident and other funds [See note 29]	4.72	6.86
c. Gratuity expense [See note 29]	1.91	2.15
d. Staff welfare expenses	2.37	7.64
<b>Total</b>	<b>129.60</b>	<b>153.27</b>
<b>20. Finance costs</b>		
a. Interest costs		
- Interest on bank overdraft and loans	2.68	23.70
b. Other borrowing costs	3.11	6.94
<b>Total</b>	<b>5.79</b>	<b>30.64</b>



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Particulars	Year ended 31.03.2018 (Rs. in million)	Year ended 31.03.2017 (Rs. in million) (Restated) (See note 37)
<b>21. Other expenses</b>		
a. Rent and hire charges [See note 26]	58.86	75.32
b. Repairs and maintenance		
i. Plant and equipment	37.97	67.09
ii. Others	14.37	19.03
c. Power and fuel	35.11	47.44
d. Legal and professional charges*	0.57	9.18
e. Distributor commission/ incentive	121.82	149.55
f. Contract service charges	184.80	189.79
g. Printing and stationery	0.41	2.40
h. Travelling and conveyance	6.14	16.29
i. Advertisement, publicity and business promotion	4.82	8.54
j. Communication expenses	1.17	5.53
k. Leaseline/bandwidth expenses	148.71	125.62
l. Security charges	0.61	2.58
m. Freight and labour charges	0.98	1.46
n. Insurance	0.04	0.43
o. Rates and taxes	1.73	0.78
p. Allowance on trade receivables	4.66	5.00
q. Advances written off	4.45	-
y. Capital work in progress written off	-	19.53
s. Miscellaneous expenses	8.12	3.51
<b>Total</b>	<b>635.34</b>	<b>749.07</b>
* Legal and professional charges includes payment to auditor's (net of indirect tax credit):		
a. To statutory auditors:		
For audit	0.50	0.01**
	0.50	0.01
b. To cost auditors for cost audit	0.05	-
<b>Total</b>	<b>0.55</b>	<b>0.01</b>
** Paid to previous auditor		
<b>22. Exceptional items [See note 32]</b>		
a. Restructuring expenses	-	13.30
<b>Total</b>	<b>-</b>	<b>13.30</b>



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Particulars	Year ended 31.03.2018 (Rs. in million)	Year ended 31.03.2017 (Rs. in million) (Restated) (See note 37)
<b>23. Income taxes</b>		
<b>A. Income tax recognised in Statement of Profit and Loss</b>		
<b>(a) Current tax</b>		
In respect of current year	-	-
In respect of prior years	-	-
<b>(b) Deferred tax [See note 23B]</b>		
In respect of current year	-	-
Write-downs (reversals of previous write-downs) of deferred tax assets	0.85	0.20
	0.85	0.20
<b>Total tax expense charged/(credited) in Statement of Profit and Loss</b>	<b>0.85</b>	<b>0.20</b>
<b>(c) The income tax expense for the year can be reconciled to the accounting profit as follows:</b>		
Profit/(Loss) before tax	(324.06)	(405.66)
Income tax expense calculated	(83.45)	(121.17)
Effect of expenses that are not deductible in determining taxable profits	-	5.83
Effect of unused tax losses, timing difference and tax offsets not recognised as deferred tax asset	83.45	115.34
Effect on deferred tax balances due to the change in income tax rates	-	-
	-	-
Adjustments recognised in the current year in relation to the deferred tax of prior years	0.85	0.20
<b>Total tax expense charged/(credited) in Statement of Profit and Loss</b>	<b>0.85</b>	<b>0.20</b>

The tax rate used for the 2017-2018 and 2016-2017 reconciliations above is the corporate tax rate of 25.75 % and 29.87% respectively payable by corporate entities in India on taxable profits under the Indian tax law.

**B. Movement in deferred tax**

**(i) Movement of deferred tax for the year ended 31 March, 2018**

Particulars	Year ended 31.03.2018 (Rs. in million)		
	Opening balance as on 1 April, 2017	Recognised in profit or loss	Closing balance as on 31 March, 2018
<u>Tax effect of items constituting deferred tax liabilities</u>			
Prepaid expenses	(1.72)	1.72	-
	(1.72)	1.72	-
<u>Tax effect of items constituting deferred tax assets</u>			
Deferred revenue	2.57	(2.57)	-
	2.57	(2.57)	-
<b>Deferred tax assets (net)</b>	<b>0.85</b>	<b>(0.85)</b>	<b>-</b>



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(ii) Movement of deferred tax for the year ended 31 March, 2017

Particulars	(Rs. in million)		
	Year ended 31.03.2017 (Restated) (See note 37)		
	Opening balance as on 1 April, 2016	Recognised in profit and Loss	Closing balance as on 31 March, 2017
<u>Tax effect of items constituting deferred tax liabilities</u>			
Prepaid expenses	(2.11)	0.39	(1.72)
	<b>(2.11)</b>	<b>0.39</b>	<b>(1.72)</b>
<u>Tax effect of items constituting deferred tax assets</u>			
Deferred revenue	3.16	(0.59)	2.57
	<b>3.16</b>	<b>(0.59)</b>	<b>2.57</b>
<b>Deferred tax assets (net)</b>	<b>1.05</b>	<b>(0.20)</b>	<b>0.85</b>

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

Particulars	(Rs. in million)		
	As at 31.03.2018	As at 31.03.2017 (Restated) (See note 37)	As at 01.04.2016 (Restated) (See note 37)
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)	115.19	95.11	0.34
- unabsorbed depreciation (revenue in nature)	394.79	201.03	2.52
- deductible temporary differences			
i. Property, plant and equipment and other intangible assets	197.29	81.20	-
ii. Provision for employee benefits	10.43	11.47	9.90
iii. Impairment allowance for doubtful balances	10.64	5.98	0.98
iv. Deferred revenue	6.83	16.32	11.22
	<b>735.17</b>	<b>411.11</b>	<b>24.96</b>

**Note:**

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

Particulars	(Rs. in million)		
	As at 31.03.2018	As at 31.03.2017 (Restated) (See note 37)	As at 01.04.2016 (Restated) (See note 37)
Deferred tax assets with no expiry date	735.17	411.11	24.96
	<b>735.17</b>	<b>411.11</b>	<b>24.96</b>



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Particulars	(Rs. in million)		
	As at 31.03.2018	As at 31.03.2017 (Restated) (See note 37)	As at 01.04.2016 (Restated) (See note 37)
<b>24. Commitments and contingent liabilities</b>			
<b>a. Commitments</b>			
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	22.53	26.69	202.94
<b>b. Contingent liabilities</b>			
<b>i) Guarantees</b>			
Bank guarantees	21.00	21.00	21.00
<b>25. Segment information</b>			

**I.** The Company is engaged mainly in the business of "providing internet services". The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocates resources based on the analysis of the various performance indicators of the Company as a single unit. Therefore there is no reportable segment for the Company, in accordance with the requirements of Ind AS 108- 'Operating Segment Reporting', notified under the Companies (Indian Accounting Standard) Rules, 2015. Also see note 37.

**II. Geographical information**

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

Geography	(Rs. in million)	
	Year ended 31.03.2018	Year ended 31.03.2017 (Restated) (See note 37)
India	753.45	819.65
Outside India	-	-
	<b>753.45</b>	<b>819.65</b>

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

Geography	(Rs. in million)		
	As at 31.03.2018	As at 31.03.2017 (Restated) (See note 37)	As at 01.04.2016 (Restated) (See note 37)
India	1,040.49	1,191.58	1,239.58
Outside India	-	-	-
	<b>1,040.49</b>	<b>1,191.58</b>	<b>1,239.58</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 Company's revenue during the years ended 31 March, 2018 and 31 March, 2017.

**26. Operating Lease**

The company has taken office premises and accommodation for its employee under cancellable operating lease agreements. The lease rental expenses recognised in the Statement of Profit and Loss:

Particulars	(Rs. in million)	
	Year ended 31.03.2018	Year ended 31.03.2017 (Restated) (See note 37)
Payments recognised as an expense	58.86	75.32
<b>Total</b>	<b>58.86</b>	<b>75.32</b>



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**27. Finance lease as lessee**

The Company has entered into finance lease arrangements for certain equipment which provide the Company an option to purchase the assets at the end of the lease period. The average lease term is 3 years.

Particulars	(Rs. in million)		
	As at 31.03.2018	As at 31.03.2017 (Restated) (See note 37)	As at 01.04.2016 (Restated) (See note 37)
<b>Future minimum lease payments:</b>			
(i) Not later than one year	-	101.93	-
(ii) Later than one year and not later than five years	-	-	187.85
(iii) Later than five years	-	-	-
	<u>-</u>	<u>101.93</u>	<u>187.85</u>
Less : Future finance charges	-	-	15.36
	<u>-</u>	<u>101.93</u>	<u>172.49</u>
<b>Present value of minimum lease payments payable:</b>			
(i) Not later than one year	-	101.93	-
(ii) Later than one year and not later than five years	-	-	172.49
(iii) Later than five years	-	-	-
	<u>-</u>	<u>101.93</u>	<u>172.49</u>
<b>Included in the financial statements as:</b>			
(i) Current maturities of finance lease obligations [See note 13]	-	101.93	-
(ii) Non-current borrowings [See note 12]	-	-	172.49

Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging Nil (at 31 March, 2017 - 8.55% per annum; at 1 April, 2016 - 8.55%).

**28. Earning per equity share (EPS)\***

Particulars	(Rs. in million)	
	Year ended 31.03.2018	Year ended 31.03.2017 (Restated) (See note 37)
(i) Basic (in Rs.)	(181.29)	(497.99)
(ii) Diluted* (In Rs.)	(181.29)	(497.99)

**(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:

	Year ended 31.03.2018	Year ended 31.03.2017 (Restated) (See note 37)
(i) Profit/(Loss) for the year attributable to shareholders of the Company (Rs. in million)	(324.91)	(405.86)
(ii) Profit/(Loss) used in the calculation of basic earnings per share (Rs. in million)	(324.91)	(405.86)
(iii) Weighted average number of equity shares for the purposes of basic earnings per share (Face value of Rs. 10 each)	1,792,187	815,000

**(ii) Diluted earnings per share**

The earnings used in the calculation of diluted earnings per share are as follows:

	Year ended 31.03.2018	Year ended 31.03.2017 (Restated) (See note 37)
(i) Profit/(Loss) used in the calculation of diluted earnings per share (Rs. in million)	(324.91)	(405.86)
(ii) Weighted average number of equity shares for the purposes of basic earnings per share (Face value of Rs. 10 each)	1,792,187	815,000
(iii) Shares deemed to be issued for no consideration in respect of: - employee options	-	-
(iv) Weighted average number of equity shares used in the calculation of diluted earnings per share (ii+iii)	1,792,187	815,000

\* There are no potential dilutive equity shares.



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**29. 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. 4.62 million (previous year Rs. 6.84 million) for provident fund contributions and Rs. 0.10 million (previous year Rs. 0.02 million) for Employee State Insurance Scheme contributions represents contributions payable to these plans by the Company at rates specified in the rules of the plans. As at 31 March, 2018, contributions of Rs. 0.80 million (as at 31 March, 2017: Rs. Nil, as at 1 April, 2016: Rs. Nil) due in respect of 2017-18 (2016-17) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

**(ii) Defined benefit plans**

**Gratuity plan**

Gratuity liability arises on retirement, withdrawal, resignation, and death of an employee. The aforesaid liability is calculated on the basis of 15 days salary (i.e. last drawn salary plus dearness allowance) for each completed year of service or part thereof in excess of 6 months, subject to a maximum of Rs. 2 million (previous year Rs. 1 million) Vesting occurs upon completion of 5 years of service.

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

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

Interest risk	A decrease in the bond interest rate will increase the plan liability.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will 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 March, 2018 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.





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**29. Employee benefit plans (contd.)**

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

Particulars	Valuations as at		
	31.03.2018	31.03.2017	01.04.2016
Discount rate(s)	7.71%	7.54%	8.00%
Expected rate(s) of salary increase	8.00%	8.00%	8.00%
Average longevity at retirement age for current beneficiaries of the plan (years)	16.90	16.90	17.34
Average longevity at retirement age for current employees (future beneficiaries of the plan) (years)	20.98	20.98	21.96
Retirement age (years)	58	58	58
Mortality Table	IALM (2006 08)	IALM (2006 08)	IALM (2006 08)
Withdrawal Rates	In %	In %	In %
Upto 30 years	3.00	3.00	3.00
From 31 years to 44 years	2.00	2.00	2.00
Above 44 years	1.00	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 March, 2018:

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

Particulars	(Rs. in million)	
	Year ended	
	31.03.2018	31.03.2017
	(Restated)	
	(See note 37)	
Service cost		
- Current service cost	1.55	1.77
Net interest expense	0.36	0.38
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>1.91</b>	<b>2.15</b>
Remeasurement on the net defined benefit liability		
- Actuarial (gains) / losses arising from changes in financial assumptions	(0.12)	0.32
- Actuarial (gains) / losses arising from experience adjustments	(1.34)	(2.20)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(1.46)</b>	<b>(1.88)</b>
<b>Total</b>	<b>0.45</b>	<b>0.27</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.

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

Particulars	(Rs. in million)		
	As at		
	31.03.2018	31.03.2017	01.04.2016
	(Restated)		(Restated)
	(See note 37)		(See note 37)
Present value of funded defined benefit obligation	4.58	4.72	4.74
Fair value of plan assets	-	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>4.58</b>	<b>4.72</b>	<b>4.74</b>
- Current portion of the above	0.03	0.04	0.05
- Non current portion of the above	4.55	4.68	4.69



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

Particulars	(Rs. in million)	
	Year ended	
	31.03.2018	31.03.2017
	(Restated)	
	(See note 37)	
Opening defined benefit obligation	4.72	4.74
Current service cost	1.55	1.77
Interest cost	0.36	0.38
Remeasurement (gains)/losses:		
- Actuarial (gains) / losses arising from financial assumption	(0.12)	0.32
- Actuarial (gains) / losses arising from experience adjustments	(1.34)	(2.20)
Benefits paid	(0.59)	(0.29)
Closing defined benefit obligation	<b>4.58</b>	<b>4.72</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. 0.36 million (increase by Rs. 0.40 million) [as at 31 March, 2017: decrease by Rs. 0.30 million (increase by Rs. 0.40 million)]

ii) If the expected salary growth increases (decreases) by 0.50%, the defined benefit obligation would increase by Rs. 0.39 million (decrease by Rs. 0.36 million) [as at 31 March, 2017: increase by Rs. 0.30 million (decrease by Rs. 0.40 million)]

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

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

f) The average duration of the benefit obligation represents average duration for active members at 31 March, 2018: 16.90 years (as at 31 March, 2017: 16.90 years; as at 1 April, 2016: 17.34 years).

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

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

i) The gratuity plan is unfunded.

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

Particulars	(Rs. in million)				
	Gratuity				
	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 01.04.2016	Year ended 31.03.2015	Year ended 31.03.2014
	(Restated)				
	(See note 37)				
Present value of DBO	4.58	4.72	4.74	-	-
Funded status [Surplus / (Deficit)]	(4.58)	(4.72)	(4.74)	-	-
Experience gain / (loss) adjustments on plan liabilities	1.46	1.88	-	-	-



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**30 Related Party Disclosures**

**I. List of related parties**

**a Holding Company**

- 1 DEN NETWORKS LIMITED (w.e.f. 1 April, 2016)
- 2 Amogh Broadband Service Private Limited (upto 31 March, 2016)

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

Particulars	(Figures in bracket relates to previous year) (Rs. in million)		
	DEN NETWORKS LIMITED	Amogh Broadband Service Private Limited	Grand total
<b>A. Transactions during the year</b>			
<b>i. Equity share capital (including securities premium) issued during the year. (See note 39)</b>	1,469.81 (-)	(-) (-)	1,469.81 (-)
<b>ii. Loan taken during the year</b>	367.58 (591.00)	- (-)	367.58 (591.00)
<b>iii. Loan paid / adjusted during the year (See note 39)</b>	1,469.81 (-)	- (-)	1,469.81 (-)
<b>iv. Interest costs</b>	2.68 (-)	- (-)	2.68 (-)
<b>v. Miscellaneous expenses (Digital activation cost)</b>	- (1.13)	- (-)	- (1.13)
<b>B. Outstanding balances at year end</b>			
<b>i. Prepaid expenses (Deferred activation cost)</b>			
31 March, 2018	-	-	-
31 March, 2017	(4.95)	-	(4.95)
1 April, 2016	(6.09)	-	(6.09)
<b>ii. Loan from holding company</b>			
31 March, 2018	129.57	-	129.57
31 March, 2017	(1,191.80)	(-)	(1,191.80)
1 April, 2016	(600.80)	(-)	(600.80)
<b>iii. Interest accrued to holding company</b>			
31 March, 2018	2.68	-	2.68
31 March, 2017	(-)	(-)	(-)
1 April, 2016	(-)	(-)	(-)
<b>iv. Other payable to holding company</b>			
31 March, 2018	-	-	-
31 March, 2017	(40.00)	(-)	(40.00)
1 April, 2016	(40.00)	(-)	(40.00)
<b>v. Other current liabilities</b>			
31 March, 2018	-	0.33	0.33
31 March, 2017	(0.81)	(0.33)	(1.14)
1 April, 2016	(0.74)	(0.33)	(1.07)
<b>vi. Trade payables</b>			
31 March, 2018	-	3.36	31.05
31 March, 2017	(40.00)	(3.36)	(3.36)
1 April, 2016	(3.36)	(3.36)	(3.36)



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**31. 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 12 and 13 and offset by cash and bank balances in notes 8, 9) and total equity of the Company.

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

Gearing ratio

The gearing at end of the reporting period was as follows

Particulars	As at 31.03.2018 (Rs. in million)	As at 31.03.2017 (Rs. in million) (Restated) (See note 37)	As at 01.04.2016 (Rs. in million) (Restated) (See note 37)
<b>Debt</b>			
Borrowings- current (See Note 12)	129.57	1,191.80	712.45
Borrowings- non current(See Note 12)	-	-	172.49
Current maturities of long term debt (See Note 13)	-	101.93	-
	<b>129.57</b>	<b>1,293.73</b>	<b>884.94</b>
<b>Less:</b>			
Bank balances other than cash and cash equivalents (See Note 9)	21.00	-	-
Cash and cash equivalents (See Note 8)	31.56	9.41	19.93
<b>Net debt</b>	<b>77.01</b>	<b>1,284.32</b>	<b>865.01</b>
<b>Total equity</b>	<b>734.05</b>	<b>(410.84)</b>	<b>(6.86)</b>
<b>Net debt to equity ratio</b>	<b>10.49%</b>	<b>(312.61)%</b>	<b>(12,609.48)%</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:

**As at 31 March, 2018**

Financial assets	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	(Rs. in million) Total carrying value
Cash and cash equivalents	31.56	-	-	31.56
Bank balances other than cash and cash equivalents	21.00	-	-	21.00
Trade receivables	23.71	-	-	23.71
Security deposits	2.72	-	-	2.72
Other financial assets - current	0.31	-	-	0.31
	<b>79.30</b>	<b>-</b>	<b>-</b>	<b>79.30</b>

Financial liabilities	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	(Rs. in million) Total carrying value
Borrowings - non-current	-	-	-	-
Borrowings - current	129.57	-	-	129.57
Trade payables	143.23	-	-	143.23
Other financial liabilities - non-current	1.17	-	-	1.17
Other financial liabilities - current	68.42	-	-	68.42
	<b>342.39</b>	<b>-</b>	<b>-</b>	<b>342.39</b>

**As at 31 March, 2017 (Restated) (See note 37)**

Financial assets	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	(Rs. in million) Total carrying value
Cash and cash equivalents	9.41	-	-	9.41
Trade receivables	21.98	-	-	21.98
Security deposits	2.40	-	-	2.40
Other financial assets - current	0.19	-	-	0.19
	<b>33.98</b>	<b>-</b>	<b>-</b>	<b>33.98</b>



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Financial liabilities	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	(Rs. in million) Total carrying value
Borrowings - non-current	-	-	-	-
Borrowings - current	1,191.80	-	-	1,191.80
Trade payables	175.48	-	-	175.48
Other financial liabilities - non-current	-	-	-	-
Other financial liabilities - current	213.10	-	-	213.10
	<b>1,580.38</b>	<b>-</b>	<b>-</b>	<b>1,580.38</b>

**As at 1 April, 2016 (Restated) (See note 37)**

Financial assets	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	(Rs. in million) Total carrying value
Cash and cash equivalents	19.93	-	-	19.93
Trade receivables	16.11	-	-	16.11
Security deposits	2.08	-	-	2.08
Other financial assets - current	-	-	-	-
	<b>38.12</b>	<b>-</b>	<b>-</b>	<b>38.12</b>

Financial liabilities	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	(Rs. in million) Total carrying value
Borrowings - non-current	172.49	-	-	172.49
Borrowings - current	712.45	-	-	712.45
Trade payables	180.59	-	-	180.59
Other financial liabilities - non-current	-	-	-	-
Other financial liabilities - current	175.90	-	-	175.90
	<b>1,241.43</b>	<b>-</b>	<b>-</b>	<b>1,241.43</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 - 31(c)(iv), foreign currency - See - 31(c)(iii) and other price risk - See - 31(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, 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

(Rs. in million)

	As at 31 March, 2018			Total
	<1 year	1-3 Years	> 3 Years	
<b>Non current</b>				
- Borrowings	-	-	-	-
- Other financial liabilities	-	1.17	-	1.17
<b>Current</b>				
- Borrowings	129.57	-	-	129.57
- Trade payables	143.23	-	-	143.23
- Other financial liabilities	68.42	-	-	68.42
<b>Total</b>	<b>341.22</b>	<b>1.17</b>	<b>-</b>	<b>342.39</b>



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(Rs. in million)				
As at 31 March, 2017 (Restated) (See note 37)				
	<1 year	1-3 Years	> 3 Years	Total
<b>Non current</b>				
- Borrowings	-	-	-	-
- Other financial liabilities	-	-	-	-
<b>Current</b>				
- Borrowings	1,191.80	-	-	1,191.80
- Current maturities of long term debt	101.93	-	-	101.93
- Trade payables	175.48	-	-	175.48
- Other financial liabilities	111.17	-	-	111.17
<b>Total</b>	<b>1,580.38</b>	<b>-</b>	<b>-</b>	<b>1,580.38</b>

(Rs. in million)				
As at 1 April, 2016 (Restated) (See note 37)				
	<1 year	1-3 Years	> 3 Years	Total
<b>Non current</b>				
- Borrowings	-	172.49	-	172.49
- Other financial liabilities	-	-	-	-
<b>Current</b>				
- Borrowings	712.45	-	-	712.45
- Current maturities of long term debt	-	-	-	-
- Trade payables	180.59	-	-	180.59
- Other financial liabilities	175.90	-	-	175.90
<b>Total</b>	<b>1,068.94</b>	<b>172.49</b>	<b>-</b>	<b>1,241.43</b>

As at 31 March, 2018, the Company has no fund based facilities.

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

As at 31 March, 2017, the Company had access to fund based facilities of Rs. 275.81 million, as set out below:

	Total Facility (Rs. in million)	Drawn (Rs. in million)	Undrawn (Rs. in million)
<b>Total</b>	<b>275.81</b>	<b>275.81</b>	<b>-</b>

As at 1 April, 2016, the Company had access to fund based facilities of Rs. 275.81 million, as set out below:

	Total Facility (Rs. in million)	Drawn (Rs. in million)	Undrawn (Rs. in million)
<b>Total</b>	<b>275.81</b>	<b>275.81</b>	<b>-</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 statement of profit and loss. As at the year end, the Company was exposed to foreign exchange risk arising from foreign currency payables and buyer's credit denominated in foreign currency availed by the Company.

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

Particulars	As at 31.03.2018		As at 31.03.2017 (Restated) (See note 37)	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
USD	-	0.31	-	0.28
Equivalent INR	-	20.40	-	17.89



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Financial assets	Financial liabilities
-	2.49
-	165.09

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 March, 2018 and 31 March, 2017, 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. 0.20 million (previous year Rs. 0.18 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 March, 2018 to interest rate risk is as follows:

	Floating rate	Fixed rate	Non interest bearing	Total
<b>(Rs in million)</b>				
<b>Non current</b>				
- Borrowings	-	-	-	-
<b>Current</b>				
- Borrowings	-	129.57	-	129.57
- Current maturities of long term debt	-	-	-	-
	-	<b>129.57</b>	-	<b>129.57</b>
- Fixed deposits	-	21.00	-	21.00
	-	-	-	-
	-	-	-	-
<u>Weighted average interest rate (per annum)</u>	<u>Floating rate</u>	<u>Fixed rate</u>		
Buyer's credit (denominated in FC)	NA	NA		
Others	NA	15.00%		

The exposure of the Company's financial liabilities as at 31 March, 2017 (Restated) (See note 37) to interest rate risk is as follows:

	Floating rate	Fixed rate	Non interest bearing	Total
<b>(Rs in million)</b>				
<b>Non current</b>				
- Borrowings	-	-	-	-
<b>Current</b>				
- Borrowings	-	-	1,191.80	1,191.80
- Current maturities of long term debt	-	101.93	-	101.93
	-	<b>101.93</b>	<b>1,191.80</b>	<b>1,293.73</b>
- Fixed deposits	-	-	-	-
	-	-	-	-
	-	-	-	-
<u>Weighted average interest rate (per annum)</u>	<u>Floating rate</u>	<u>Fixed rate</u>		
Buyer's credit (denominated in FC)	NA	NA		
Others	NA	8.55%		

The exposure of the Company's financial liabilities as at 1 April, 2016 (Restated) (See note 37) to interest rate risk is as follows:

	Floating rate	Fixed rate	Non interest bearing	Total
<b>(Rs in million)</b>				
<b>Non current</b>				
- Borrowings	-	172.49	-	172.49
<b>Current</b>				
- Borrowings	111.65	-	600.80	712.45
- Current maturities of long term debt	-	-	-	-
	<b>111.65</b>	<b>172.49</b>	<b>600.80</b>	<b>884.94</b>
- Fixed deposits	-	-	-	-
	-	-	-	-
	-	-	-	-
<u>Weighted average interest rate (per annum)</u>	<u>Floating rate</u>	<u>Fixed rate</u>		
Buyer's credit	1.4% to 1.6%	NA		
Others	NA	8.55%		



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**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 March 31, 2018 would increase/decrease by Rs. 1.30 million (previous year Rs. 12.94 million).

**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 March, 2018 would decrease/increase by Rs. 0.21 million (year ended 31 March, 2017 : Nil).

**(v) Other price risk**

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

**(vi) Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk primarily arises from trade receivables, balances with banks and security deposits. The credit risk on bank balances is limited because the counterparties are banks with good credit ratings. Trade receivables consist of a large number of customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Company's policies on assessing expected credit losses is detailed in notes to accounting policies (See note 2.10). For details of exposure, default grading and expected credit loss as on the reporting year (See note 7).





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**32.** Exceptional item comprise the following:

During the year ended 31 March, 2017, the Company had incurred expenses of Rs. 13.30 million on account of separation pay paid to some employees as part of the organisational restructuring of the Company. The same has been disclosed as an exceptional item in the Ind AS financial statements.

**33.** During the year ended 31 March 2018, the Company has issued and allotted 3,919,485 fully paid up equity shares of Rs. 10 each at premium of Rs. 365 per share to DEN NETWORKS LIMITED against the right issue. The total allotment consideration of Rs. 1,469.81 million, comprised Rs. 39.19 million towards equity share capital and Rs. 1,430.62 million towards the securities premium account. (Also see note 39).

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

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

a. Gross amount required to be spent by the Company during the period ended 31 March, 2018 is Rs. Nil (Previous year Rs. Nil).

b. Amount spent during the period ended 31 March, 2018

Particulars	(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	-	-	-
	(-)	(-)	(-)

*Figures in bracket relates to previous year*

c. Details of related party transactions:

- Contribution during the period ended 31 March, 2018 is Rs. Nil (Previous year Rs. Nil)
- Payable as at 31 March, 2018 is Rs. Nil (Previous year Rs. Nil)

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

**37.** The composite scheme of arrangement ('the Scheme') amongst DEN BROADBAND PRIVATE LIMITED (formerly SKYNET CABLE NETWORK PRIVATE LIMITED) ('Company') and DEN NETWORKS LIMITED ('Den' or 'Holding company'), which entails transfer of the Internet Service Provider business ("Broadband") of the Holding Company into the Company, became effective upon issuance of the National Company Law Tribunal, Principal Bench New Delhi order dated 15 September, 2017. The Company and the Holding company filed the said order with the Registrar of Companies, Delhi ('ROC') on 22 September, 2017. In terms of the scheme, the Company shall pay to the holding company an aggregate all-inclusive lump sum cash consideration of Rs. 40 million without values being assigned to individual assets and liabilities. The consideration has been settled by way of issuance of equity shares.

Pursuant to the Scheme, the Company has given effect to the merger from the appointed date i.e. 1 April, 2016 and accordingly, the figures for the year ended 31 March, 2017 include the operations of Broadband business thereby increasing the loss after tax by Rs. 405.06 million. Also, the same has been considered as continued operations from the appointed date.



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The details of assets and liabilities of broadband business incorporated in the balance sheet of the Company on a line by line basis and the resultant recognition of loans/consideration payable pursuant to the demerger scheme are as follows:

**a) Assets and liabilities increased:**

Particulars	As at 31.03.2017 (Rs. in million)	As at 01.04.2016 (Rs. in million)
<b>A. ASSETS</b>		
<b>1. Non-current assets</b>		
(a) Property, plant and equipment	1,068.77	974.31
(b) Capital work-in-progress	99.35	234.91
(c) Other intangible assets	8.01	8.55
(d) Financial assets	-	-
(i) Other financial assets	2.40	1.23
(e) Non-current tax assets (net)	0.59	1.34
(f) Other non-current assets	3.01	7.21
<b>Total non-current assets</b>	<b>1,182.13</b>	<b>1,227.55</b>
<b>2. Current assets</b>		
(a) Financial assets	-	-
(i) Trade receivables	21.98	16.11
(ii) Cash and cash equivalents	9.40	19.92
(iii) Other financial assets	0.19	0.85
(b) Other current assets	31.17	42.63
<b>Total current assets</b>	<b>62.74</b>	<b>79.51</b>
<b>Total assets (A)</b>	<b>1,244.87</b>	<b>1,307.06</b>
<b>B. LIABILITIES</b>		
<b>1. Non-current liabilities</b>		
(a) Financial liabilities	-	-
(i) Borrowings	-	172.49
(b) Provisions	4.68	4.69
<b>Total non-current liabilities</b>	<b>4.68</b>	<b>177.18</b>
<b>2. Current liabilities</b>		
(a) Financial liabilities	-	-
(i) Borrowings	-	111.65
(ii) Trade payables	173.07	177.18
(iii) Other financial liabilities	173.10	135.90
(b) Provisions	4.91	5.21
(c) Other current liabilities	71.93	69.57
<b>Total current liabilities</b>	<b>423.01</b>	<b>499.51</b>
<b>Total liabilities (B)</b>	<b>427.69</b>	<b>676.69</b>



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b) Pursuant to the demerger scheme, the resultant excess of assets over liabilities was to be settled by way of consideration payable and loan payable and has been recognised in the balance sheet as follows:

Particulars	As at 31.03.2017 (Rs. in million)	As at 01.04.2016 (Rs. in million)
<b>Excess of assets over the liabilities (A-B)</b>	<b>817.18</b>	<b>630.37</b>
- Loan payable	777.18	590.37
- Consideration payable	40.00	40.00

The details of income and expenses included in the Statement of Profit and Loss of the Company for the year ended 31 March, 2017 are as follows:

Particulars	Year ended 31.03.2017 (Rs. in million)
<b>1. Income</b>	
(a) Revenue from operations	817.95
(b) Other income	1.41
	<u>819.36</u>
<b>2. Total income</b>	
<b>3. Expenses</b>	
(a) Content cost	-
(b) Placement fees	-
(c) Employee benefits expense	153.27
(d) Finance costs	30.01
(e) Depreciation and amortisation expense	280.04
(f) Other expenses	747.80
	<u>1,211.12</u>
<b>4. Total expenses</b>	
<b>5. Profit / (Loss) before exceptional items and tax expense (2-4)</b>	(391.76)
6. Exceptional items	13.30
<b>7. Profit / (Loss) before tax (5-6)</b>	<b>(405.06)</b>
<b>8. Tax expense</b>	
(a) Current tax	-
(b) Deferred tax	-
<b>9. Total tax expense</b>	<u>-</u>
<b>10 Profit / (Loss) after tax (7-9)</b>	<b>(405.06)</b>
<b>11 Other comprehensive income</b>	
(i) Items that will not be reclassified to profit or loss:	
(a) Remeasurement of defined benefit obligations	1.88
(b) Income tax relating to items that will not be reclassified to profit or loss	-
<b>12 Total other comprehensive income</b>	<u>1.88</u>
<b>13 Total comprehensive income/(loss) for the year (10+12)</b>	<u><b>(403.18)</b></u>



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

Particulars	As at	As at	As at
	31 March, 2018	31 March, 2017	1 April, 2016
	(Rs. in million)	(Rs. in million) (Restated) (See note 37)	(Rs. in million) (Restated) (See note 37)
(a) (i) the principal amount remaining unpaid to any supplier	-	-	-
(ii) interest due thereon	-	-	-
(b) interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and the amount of payment made to the supplier beyond the appointed day.	-	-	-
(c) interest due and payable for the period of delay in making payment other than the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
(d) interest accrued and remaining unpaid	-	-	-
(e) further interest remaining due and payable even in the succeeding years for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-

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

**39. a).** During the current year, the Company entered into the following non-cash financing activities which are not reflected in the statement of cash flows :

- (i) Equity share capital issued by the Company to DEN NETWORKS LIMITED (the Holding company) amounting to Rs. 1,469.81 million comprising Rs. 39.19 million towards equity share capital and Rs. 1,430.62 million towards the securities premium account by conversion of loan amount received during financial year 2016-17 and 2017-18.

**b) Reconciliation of liabilities arising from financing activities**

The table below details the changes in Company's liabilities arising from financing activities, including

Particulars	As at	Cash Flow	Non-cash Changes	(Rs. in million)
	31 March, 2017			As at 31 March, 2018
Non-current borrowings	-	-	-	-
Current borrowings	1,333.73	265.65	(1,469.81)	129.57
<b>Total liabilities from financing activities</b>	<b>1,333.73</b>	<b>265.65</b>	<b>(1,469.81)</b>	<b>129.57</b>

Effective 1 April, 2017, the Company adopted the amendment to Ind AS 7- Statement of Cash Flows, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any impact on the standalone Ind AS financial statements.

**40. Fair value measurement**

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

Particulars	(Rs. in million)					
	As at 31.03.2018		As at 31.03.2017 (Restated) (See note 37)		As at 01.04.2016 (Restated) (See note 37)	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>						
Cash and cash equivalents	31.56	31.56	9.41	9.41	19.93	19.93
Bank balances other than cash and cash equivalents	21.00	21.00	-	-	-	-
Trade receivables	23.71	23.71	21.98	21.98	16.11	16.11
Security deposits	2.72	2.72	2.40	2.40	2.08	2.08
Other financial assets - current	0.31	0.31	0.19	0.19	-	-
<b>Financial liabilities</b>						
Non-current borrowings	-	-	-	-	172.49	172.49
Current borrowings	129.57	129.57	1,191.80	1,191.80	712.45	712.45
Trade payables	143.23	143.23	175.48	175.48	180.59	180.59
Other financial liabilities - non-current	1.17	1.17	-	-	-	-
Other financial liabilities - current	68.42	68.42	213.10	213.10	175.90	175.90

**Note :**

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

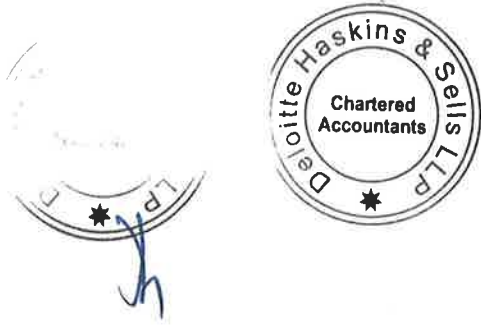


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41. The Ind AS financial statements were approved for Issue by the Board of Directors on 18 May, 2018.

**For and on behalf of the Board of Directors of  
DEN BROADBAND PRIVATE LIMITED**




**Kunal Verma**

Director  
DIN : 06366347



**Munish Singla**

Director  
DIN : 02703417



**Vipul Kumar Srivastava**  
Company Secretary  
M. No. : A26231

Place: New Delhi  
Date: 18 May, 2018

