

Deloitte Haskins & Sells

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AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF DEN NETWORKS LIMITED

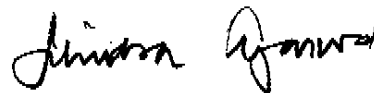
1. We have reviewed the accompanying statement of "Unaudited Financial Results for the Quarter and Nine Months ended 31 December, 2011 of **DEN Networks Limited** ("the Company") (herein referred to as "the Statement"). This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Our review has been restricted to the figures shown in the columns headed "Quarter ended 31.12.2011", "Nine Months ended 31.12.2011", "Quarter ended 30.09.2011", "Quarter ended 31.12.2010" and "Nine Months ended 31.12.2010" for the Company and the applicable notes. The figures stated in the columns headed "Year ended 31.03.2011" for the Company and "Year ended 31.03.2011" for consolidated financial results have been traced from the audited financial statements as at and for the year ended 31 March, 2011 for the Company and the Group respectively. We have not performed any review in respect of the figures shown in columns headed "Quarter ended 31.12.2011", "Nine Months ended 31.12.2011", "Quarter ended 30.09.2011", "Quarter ended 31.12.2010" and "Nine Months ended 31.12.2010" for the consolidated financial results included in the Statement or the notes applicable thereto and accordingly, do not express any opinion thereon.
4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.



**Deloitte
Haskins & Sells**

5. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements from the details furnished by the management and the particulars relating to the undisputed investor complaints from the details furnished by the Registrar.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 015125N)



JITENDRA AGARWAL
Partner
(Membership No. 87104)

New Delhi
13 February, 2012

DEW Networks Limited
UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED 31 DECEMBER 2011

(Rs. In Lakhs except per share data)

Particulars	2011			2010			Year ended 31.03.2011 (Audited)	9 Month ended 31.12.2011 (Unaudited)	9 Month ended 31.12.2010 (Unaudited)	9 Month ended 31.03.2011 (Audited)		
	Quarter ended 31.12.2011 (Unaudited)	Quarter ended 30.09.2011 (Unaudited)	Quarter ended 31.12.2011 (Unaudited)	Quarter ended 31.12.2010 (Unaudited)	Quarter ended 30.09.2011 (Unaudited)	Quarter ended 31.12.2010 (Unaudited)						
1. Revenue	27,822	25,656	26,444	81,770	76,406	104,185	10,727	10,209	8,489	31,114	24,914	33,937
(a) Income from operations	27,806	25,520	26,198	81,189	74,619	102,211	10,704	10,150	8,386	30,683	23,236	32,820
(b) Other operating income	16	136	246	581	1,787	1,974	23	59	103	431	778	1,017
2. Expenditure	26,871	24,498	24,933	79,997	70,909	97,665	10,240	9,797	8,564	30,055	24,180	32,941
(a) Operational, administrative and other costs (see item no. 20 below)	23,030	20,606	21,898	67,491	61,668	85,118	8,112	7,728	7,115	23,659	19,552	26,840
(b) Personnel cost	1,824	1,926	1,595	5,579	4,643	6,342	864	932	796	2,674	2,445	3,221
(c) Provision for doubtful debts/ advances (including write off)	28	349	270	856	1,176	1,628	134	80	-	250	228	249
(d) Depreciation	1,395	1,287	1,170	3,907	3,422	4,568	786	737	653	2,209	1,954	2,612
(e) Employees stock compensation expenses	344	330	-	1,264	-	19	344	330	-	1,263	-	19
3. Profit / (loss) from operations before other Income, interest and exceptional items (1-2)	951	1,158	1,511	2,673	5,497	6,520	487	412	(75)	1,059	(166)	896
4. Other Income	394	340	380	1,119	994	1,621	410	463	520	1,323	1,159	1,616
5. Profit / (loss) before interest and exceptional items (3+4)	1,345	1,498	1,891	3,792	6,491	8,141	897	875	445	2,382	993	2,512
6. Interest and other financial charges	678	681	471	1,871	1,413	1,919	676	674	466	1,652	1,372	1,863
7. Profit / (loss) after interest but before exceptional items (5-6)	667	817	1,420	1,921	5,078	6,222	221	201	(21)	730	(379)	649
8. Exceptional expense - Provision for diminution in value of Investment	-	-	-	-	50	-	-	-	-	-	-	50
9. Profit / (loss) from Ordinary activities before tax (7-8)	667	817	1,420	1,921	5,078	6,172	221	201	(21)	730	(379)	599
10. Provision for tax	153	274	380	575	646	1,739	-	-	1	-	(96)	(96)
11. Net profit / (loss) from ordinary activities after tax (9-10)	514	543	1,040	1,346	4,430	4,433	221	201	(22)	730	(283)	595
12. Share of minority interest	161	100	140	405	1,477	682	-	-	-	-	-	-
13. Share in (loss)/ profit of associates	-	-	17	40	17	2	-	-	-	-	-	-
14. Net profit / (loss) (11-12+13)	353	443	917	981	2,970	3,753	221	201	(22)	730	(283)	695

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DEN Networks Limited
UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED 31 DECEMBER 2011

(Rs. in Lakhs except per share data)

Particulars	2011			2010			2009			Year ended 31.03.2011 (Audited)	Year ended 31.05.2011 (Audited)
	Quarter ended 31.12.2011 (Unaudited)	Quarter ended 30.09.2011 (Unaudited)	9 Month ended 31.12.2011 (Unaudited)	Quarter ended 31.12.2010 (Unaudited)	Quarter ended 30.09.2010 (Unaudited)	9 Month ended 31.12.2010 (Unaudited)	Quarter ended 31.12.2010 (Unaudited)	Quarter ended 30.09.2010 (Unaudited)	9 Month ended 31.12.2010 (Unaudited)		
15. Paid-up Equity Share Capital (Face value Rs. 10/-)	13,049	13,049	13,049	13,049	13,049	13,049	13,049	13,049	13,049	13,049	13,049
16. Reserves (Net of accumulated losses)				64,143							60,249
17. EPS (Not annualised) (a) Basic EPS before and after Extraordinary items for the period, for the year to date and for the previous year (not to be annualised) (b) Diluted EPS before and after Extraordinary items for the period, for the year to date and for the previous year (not to be annualised)	0.27	0.34	0.75	2.88	2.88	2.28	0.15	0.17	0.41	(0.22)	0.53
18. Aggregate of Public Shareholding (a) Number of Shares (b) Percentage of Shareholding (c) Face Value per share (Rs.)	59,125,455 45,31 Rs. 10/-	59,125,455 45,31 Rs. 10/-	59,125,455 45,31 Rs. 10/-	60,373,255 46,27 Rs. 10/-	60,373,255 46,27 Rs. 10/-	60,373,255 46,27 Rs. 10/-	59,125,455 45,31 Rs. 10/-	59,125,455 45,31 Rs. 10/-	60,373,255 46,27 Rs. 10/-	60,373,255 46,27 Rs. 10/-	60,373,255 46,27 Rs. 10/-
19. Promoters and promoter group Shareholding (a) Pledged/Encumbered - Number of shares - Percentage of shares (as a % of the total shareholding of promoter and promoter group) - Percentage of shares (as a % of the total share capital of the company) (b) Non-pledged - Number of shares - Percentage of shares (as a % of the total shareholding of promoter and promoter group) - Percentage of shares (as a % of the total share capital of the company)	NII NII NII NII	NII NII NII NII	NII NII NII NII	NII NII NII NII	NII NII NII NII	NII NII NII NII	NII NII NII NII	NII NII NII NII	NII NII NII NII	NII NII NII NII	NII NII NII NII
20. Item exceeding 10% of total expenditure (included in 2 (a) above) - Content cost - Placement cost	16,693 1,631	14,104 2,210	46,775 7,220	42,843 6,968	58,390 10,869	1,945 3,856	1,966 3,648	1,569 3,083	5,823 11,166	4,352 8,899	6,013 12,410

Notes to the Financial Results:

- The Company had granted stock options during the quarter ended March 31, 2011. There are no comparatives for stock options in the quarter and nine months ended December 31, 2010.
- The consolidated financial results and the standalone financial results of the Company for the quarter and nine months ended December 31, 2011 have been reviewed by the Audit Committee of the Board and have been approved by the Board of Directors at their respective meetings held on February 13, 2012.
- The Statutory Auditors of the Company have carried out the Limited Review of the standalone financial results of the Company for the quarter and nine months ended December 31, 2011.
- This statement of financial results has been prepared by applying the accounting policies as adopted in the last audited annual financial statements for the year ended March 31, 2011.
- The Initial Public Offer (IPO) proceeds have been utilised as per objects as stated in the Prospectus dated November 5, 2009 as under :-

Objects of the Issue	(Rs. In lakhs)	
	Proposed	Actual
Investment in the development of cable television infrastructure and services	21,000	14,778
Investment in the development of cable broadband Infrastructure and services	2,500	102
Investment in acquisition of content and broadcasting rights	1,000	348
Repayment of loans	4,000	4,000
Fund expenditure for general corporate purposes	5,258	5,203
Share Issue Expenses	2,688	2,688
	36,446	27,118

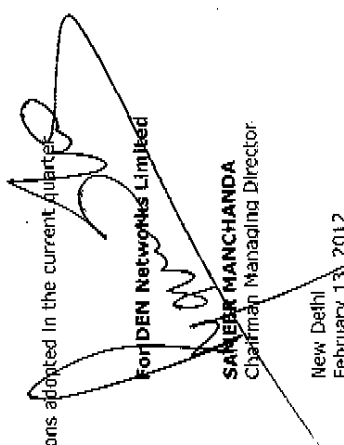
- The unutilised balance of Rs. 9,327.44 lakhs has been retained as Bank Balance and Investment in Mutual Funds.
- There were no investor grievances pending as on October 1, 2011. The Company received 1 complaint from Equity Shareholders during the quarter ended December 31, 2011. All complaints were resolved during the quarter.
- The Company has not consolidated the results of two subsidiary companies due to non availability of the management certified accounts. In the opinion of the management, the results are not significant to the Consolidated results.
- The Company has total investments of Rs. 38,641.25 lakhs in subsidiaries and a joint venture. Of these, the Company has investment of Rs. 536.12 lakhs and has balances of loans/advances of Rs. 710.73 lakhs in various subsidiary companies whose net worth as at December 31, 2011 (as per management certified accounts) has been substantially eroded. The Company has investments of Rs. 921.61 lakhs and has balances of loans/advances of Rs. 46.56 lakhs in various subsidiary companies whose net worth as at December 31, 2011 (as per management certified accounts) has been completely eroded. Some of these Companies whose net worth is substantially or completely eroded have (as per management certified accounts), earned profits for the quarter ended December 31, 2011. The management of the Company expects that these subsidiary Companies will have positive cash flows to adequately sustain its operations in the foreseeable future. Having regard to the long term investment and strategic involvement no provision for diminution of these investments has been considered necessary.
- The Company is engaged in the distribution of cable television and related services which is considered as the only reportable business segment. The Company's operations are based in India.
- The amounts for the previous periods have been reclassified/ regrouped to conform to the classifications adopted in the current quarter.

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants


ATENDRA AGARWAL
Partner

New Delhi
February 13, 2012

FOR DEN Networks Limited


SAMEER MANCHANDA
Chairman / Managing Director

New Delhi
February 13, 2012