

Deloitte Haskins & Sells

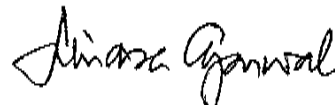
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INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF DEN NETWORKS LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **DEN NETWORKS LIMITED** ("the Company") for the Quarter and Half Year ended 30 September, 2013 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 5 below. 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 misstatement. A review is limited primarily to inquiries of the 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. 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 notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) 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 the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We draw attention to note 9 of the Statement wherein it is stated that the Digital Addressable System (DAS) subscription fee has not yet been finalised and the revenue on account of the same has been recognised based on certain estimates which in the management's view are reasonable.
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 and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter and Half Year ended 30 September, 2013 of the Statement, from the details furnished by the Registrars.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 015125N)



Jitendra Agarwal
Partner
(Membership No. 87104)

NEW DELHI, 12 November, 2013

DEN Networks Limited
UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2013

Part-I	Particulars	30.09.2013		30.09.2012		31.03.2013		30.09.2013		30.06.2013		30.09.2012		30.09.2013	
		Quarter ended (Unaudited)	Quarter ended (Unaudited)	Quarter ended (Unaudited)	Quarter ended (Unaudited)	Year ended (Audited)	Quarter ended (Unaudited)	Quarter ended (Unaudited)	Quarter ended (Unaudited)	Quarter ended (Unaudited)	Quarter ended (Unaudited)	Quarter ended (Unaudited)	Quarter ended (Unaudited)	Quarter ended (Unaudited)	Quarter ended (Unaudited)
1.	Total Revenue	27,187	26,870	21,060	59,087	40,849	91,495	17,739	24,122	14,632	41,661	27,675	70,061		
	(a) Income from operations	26,632	26,562	20,274	53,194	39,709	89,652	16,757	16,171	13,349	32,928	26,195	57,476		
	(b) Other operating income	555	308	786	893	840	1,753	982	7,951	1,324	8,933	1,461	12,615		
2.	Expenses	22,443	22,969	18,466	45,412	38,657	72,709	17,516	28,579	12,574	43,025	24,083	61,528		
	(a) Content cost	9,054	8,591	7,659	17,555	14,410	29,890	4,117	4,565	2,148	8,462	3,890	9,137		
	(b) Operational, administrative and other costs (see note 11)	6,471	7,565	5,415	14,016	10,235	23,995	4,037	5,227	2,553	9,264	4,843	11,904		
	(c) Placement cost	552	609	1,378	1,161	3,049	4,259	5,048	4,783	5,166	9,631	10,056	19,084		
	(d) Personnel cost	2,499	2,704	2,167	5,203	4,389	9,481	1,192	1,251	961	2,443	2,021	4,161		
	(e) Cost of traded items	163	267	16	430	28	1,560	944	733	995	8,475	1,137	11,974		
	(f) Depreciation and amortisation expense	3,704	3,323	1,729	7,027	3,285	8,112	2,178	2,022	1,059	4,280	1,973	4,563		
	(g) Employee stock compensation expenses	-	-	82	-	163	402	-	-	81	-	163	402		
3.	Profit / (loss) from operations before other income, interest and exceptional items (1-2)	4,744	3,901	2,594	6,645	4,892	13,696	223	(1,457)	1,658	(1,234)	3,593	8,566		
4.	Other income	471	673	581	1,144	1,122	2,060	790	980	1,144	1,770	1,256	2,581		
5.	Profit / (loss) before interest and exceptional items (3+4)	5,215	4,574	3,145	7,789	6,014	15,756	1,013	(477)	2,803	536	5,349	11,157		
6.	Interest and other financial charges (see note 11)	2,428	2,126	906	4,554	1,903	4,708	2,142	1,918	869	4,060	1,680	4,468		
7.	Profit / (loss) after interest but before exceptional items (5-6)	2,787	2,448	2,239	3,235	4,111	11,048	(1,129)	(2,395)	1,934	(3,524)	3,669	6,689		
8.	Exceptional expense - Provision for impairment of non current investment	-	-	-	-	-	312	-	-	-	-	-	312		
9.	Profit / (loss) from ordinary activities before tax (7-8)	2,787	2,448	2,239	3,235	4,111	10,736	(1,129)	(2,395)	1,934	(3,524)	3,669	6,377		
10.	Provision for tax	537	313	440	850	887	2,942	(527)	(1,136)	525	(1,663)	852	1,881		
11.	Net profit / (loss) from ordinary activities after tax (9-10)	2,250	2,135	1,799	2,385	3,224	7,794	(602)	(1,259)	1,409	(1,861)	2,817	4,496		
12.	Share of minority interest	1,132	1,120	241	2,252	443	1,563	-	-	-	-	-	-		
13.	Share in (loss)/ profit of associates	-	-	-	-	-	-	-	-	-	-	-	-		
14.	Net profit / (loss) (11-13+14)	1,118	1,015	1,558	2,133	2,781	6,231	(602)	(1,259)	1,409	(1,861)	2,817	4,496		
15.	Paid-up Equity Share Capital (Face value Rs. 10/-)	17,820	14,649	13,273	17,820	13,273	13,402	17,820	14,649	13,273	17,820	13,273	13,402		
16.	Reserves (net of accumulated losses)	-	-	-	-	-	74,244	-	-	-	-	-	68,017		
17.	EPS (Net 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)	0.77	0.72	1.18	1.48	2.13	4.68	(0.42)	(0.89)	1.08	(1.29)	1.97	3.38		



DEN Networks Limited
UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2013

Particulars	Quarter ended 30.09.2013 (Unaudited)		Quarter ended 30.06.2013 (Unaudited)		Quarter ended 30.09.2012 (Unaudited)		Half year ended 30.09.2013 (Unaudited)		Half year ended 30.09.2012 (Unaudited)		Year ended 31.03.2013 (Audited)		Quarter ended 30.09.2013 (Unaudited)		Quarter ended 30.06.2013 (Unaudited)		Quarter ended 30.09.2012 (Unaudited)		Half year ended 30.09.2013 (Unaudited)		Half year ended 30.09.2012 (Unaudited)		Year ended 31.03.2013 (Audited)			
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%		
A Particulars of shareholding																										
1. Aggregate of Public Shareholding																										
(a) Number of Shareholding	106,839,386		75,130,002		61,369,555		106,839,386		61,369,555		62,663,681		106,839,386		75,130,002		61,369,555		106,839,386		61,369,555		62,663,681		106,839,386	
(b) Face Value per share (Rs.)	Rs. 10/-		Rs. 10/-		Rs. 10/-		Rs. 10/-		Rs. 10/-		Rs. 10/-		Rs. 10/-		Rs. 10/-		Rs. 10/-		Rs. 10/-		Rs. 10/-		Rs. 10/-		Rs. 10/-	
2. Promoters and promoter group Shareholding																										
a) Pledged/Encumbered																										
- Number of shares	Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil	
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil	
b) Non-encumbered																										
- Number of shares	71,360,420		71,360,420		71,360,420		71,360,420		71,360,420		71,360,420		71,360,420		71,360,420		71,360,420		71,360,420		71,360,420		71,360,420		71,360,420	
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00		100.00		100.00		100.00		100.00		100.00		100.00		100.00		100.00		100.00		100.00		100.00		100.00	
- Percentage of shares (as a % of the total share capital of the company)	40.05		48.71		53.76		40.05		53.76		53.24		40.05		48.71		53.76		40.05		53.76		53.24		40.05	
B INVESTOR COMPLAINTS																										
Received at the beginning of the quarter	Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil	
Received during the quarter	2		2		2		2		2		2		2		2		2		2		2		2		2	
Disposed of during the quarter	Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil	
Remained unresolved at the end of the quarter	Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil		Nil	



Notes to the audited financial results:

- 1 Consolidated and Standalone financial results of the Company for the quarter and half year ended September 30, 2013 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 November 12, 2013.
- 2 The Statutory Auditors of the Company have carried out the Limited Review of the standalone financial results of the Company for the quarter and half year ended September 30, 2013.
- 3 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, 2013.
- 4 The Company has issued and allotted 12,466,321 equity shares on May 10, 2013 for cash at a price of Rs. 217.50 (including share premium of Rs. 207.50 per equity share) aggregating to Rs. 27,114.25 lakhs by way of a Qualified Institutional Placement (QIP) under chapter VIII of SEBI (ICDR) Regulation, 2009. Out of the total proceeds, the Company has spent Rs. 981.21 lakhs towards issue expenses and the balance has been invested in fixed deposits and mutual funds.
- 5 The Company has issued and allotted 31,709,384 equity shares on September 27, 2013 for cash at a price of Rs. 217.50 (including share premium of Rs. 207.50 per equity share) aggregating to Rs. 68,967.91 lakhs by way of a Preferential Issue under Chapter VII of SEBI (ICDR) Regulation, 2009. Out of the total proceeds, the Company has spent Rs. 1,724.20 lakhs towards issue expenses and the balance has been invested in fixed deposits and mutual funds.
- 6 These consolidated results do not include the results of two subsidiary companies due to non availability of audited or management certified accounts of those subsidiaries. The management is of the view that the results of these subsidiaries are not significant in relation to the Consolidated results and accordingly will have no material impact on the results of the Group.
- 7 The Company has total investments of Rs. 45,767.70 lakhs in subsidiary companies and a joint venture company. Of these, the Company has investment of Rs. 3,771.99 lakhs and has balances of loans/advances of Rs. 647.17 lakhs in various subsidiary companies whose Net Worth as at September 30, 2013 (as per management certified accounts) has fully/substantially eroded. Of these, companies with investments aggregating to Rs. 298.51 lakhs and with balances of loans/advances of Rs. 179.91 lakhs, whose net worth is fully/substantially eroded have (as per management certified accounts), earned profits for the half year ended September 30, 2013. 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.

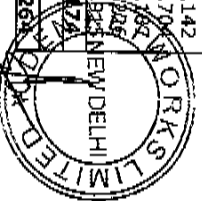


Notes to the audited financial results:

8 The statement of assets and liabilities is as follows :

Particulars	Consolidated		Standalone	
	As at 30.09.2013 (Unaudited)	As at 31.03.2013 (Audited)	As at 30.09.2013 (Unaudited)	As at 31.03.2013 (Audited)
A	EQUITY AND LIABILITIES			
1	Shareholder's fund			
(a) Share capital	18,095	13,527	17,748	13,277
(b) Reserves and surplus	165,443	74,245	155,220	68,017
	183,538	87,772	172,968	81,294
2	Share application money pending allotment			
	584	573	-	-
3	Minority Interest			
	10,620	9,101	-	-
4	Non-current liabilities			
(a) Long-term borrowings	44,580	40,096	44,447	40,068
(b) Deferred tax liabilities (net)	489	478	-	143
(c) Other long-term liabilities	42	212	3	3
(d) Long-term provisions	809	703	591	464
	45,919	41,489	45,031	40,678
5	Current liabilities			
(a) Short-term borrowings	9,516	22,737	4,951	19,292
(b) Trade payables	36,168	34,925	21,823	12,278
(c) Other current liabilities	57,258	31,387	50,154	25,701
(d) Short-term provisions	146	119	18	21
	103,088	89,168	76,946	57,292
TOTAL	343,748	228,103	294,945	179,264
B	ASSETS			
1	Non-current assets			
(a) Fixed assets				
(i) Tangible assets	96,572	73,234	56,561	49,127
(ii) Intangible assets	1,539	1,828	690	875
(iii) Capital work in progress	4,255	6,625	4,085	5,337
(b) Goodwill on consolidation	27,024	29,534	-	-
(c) Non-current investments	1,213	0	45,768	43,675
(d) Deferred tax assets (net)	5,113	3,073	1,520	4,604
(e) Long-term loans and advances	13,409	16,579	7,625	4,604
(f) Other non-current assets	804	4,293	7,059	7,472
	149,929	135,166	123,308	111,090
2	Current assets			
(a) Current investments	34,049	13,143	32,343	13,142
(b) Trade receivables	43,599	32,562	22,441	15,770
(c) Cash and bank balances	96,392	33,638	86,393	19,784
(d) Short-term loans and advances	11,545	8,924	10,089	10,125
(e) Other current assets	8,235	4,671	20,371	9,845
	193,819	92,937	171,637	68,172
TOTAL	343,748	228,103	294,945	179,264


(Rs. in lakhs)

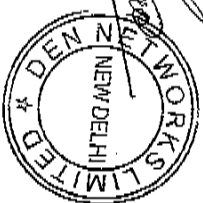


Notes to the audited financial results:

- 9 Pursuant to TRAI notification, Digital Addressable System (DAS) was implemented in metropolitan cities of the country in phase I with effect from 1 November, 2012 and in 38 other cities in phase II with effect from 1 April, 2013. The Company is in the process of finalising the subscription fee to be billed to subscribers. Pending finalisation of such subscription fees, the Company has recognised subscription income on best estimates based on market trends and negotiations with distributors/ local cable operators. Based on its review of such estimates on a regular basis management is of the view that any change arising in the subscription fee once finalised will not have significant impact on the revenue of the Company for the current period.
- 10 The Company has opted to apply the provisions under paragraph 46A of Accounting Standard (AS) - 11 "The Effects of Change in Foreign Exchange Rates" with effect from April 1, 2013. Accordingly, during the quarter under review, exchange difference of Rs. 850.55 lakhs, arising on all long terms monetary items relating to the acquisition of depreciable assets are added to the cost of fixed assets/ capital work in progress as against Rs. 1,112.97 lakhs in previous quarter and will be depreciated over the balance useful life of the assets.
- 11 During the quarter under review, the Company has accounted for an unrealised foreign exchange fluctuation loss of Rs. 513.19 lakhs as against 1,000.49 lakhs in previous quarter on imported equipments; of which Rs. 238.10 lakhs has been included in operational, administrative and other costs as against Rs. 871.70 lakhs in previous quarter and Rs 275.09 lakhs has been included in interest and other financial charges as against Rs. 128.79 lakhs in previous quarter in accordance with paragraph 4(e) of Accounting Standard (AS) - 16 "Borrowing Costs".
- 12 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.
- 13 The Company had issued and allotted 31,709,384 equity shares in terms of Chapter VII, ICDR Regulation, 2009 on September 27, 2013. These shares were listed and trading approval was received from National Stock Exchange on October 15, 2013 and BSE Limited on October 18, 2013.
- 14 The Department of Entertainment Tax has raised a demand of Rs. 827.05 lakhs against the Company towards entertainment tax on Digital Addressable System ("DAS") revenue, for the month of April & May 2013. The Company has preferred an appeal against the said demand. The management is confident that based on its own assessment and the legal advice so received, no entertainment tax is payable and accordingly no provision has been made against this demand.
- 15 The amounts for the previous periods have been reclassified/ regrouped to conform to the classifications adopted in the current quarter.

For DEN Networks Limited


Atiya Chand
Director



New Delhi
November 12, 2013