



DEN NETWORKS LIMITED

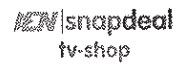
CIN: L92490DL2007PLC165673

Registered Office: 236, Okhla Industrial Estate, Phase-III, New Delhi - 110020

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE, 2016

Particulars		(Rs. in Lakhs)	
		3 months ended 30.6.2016 (See Note - 2) (Unaudited)	Corresponding 3 months ended in the previous year 30.6.2015 (See Note - 2) (Unaudited)
1.	Income from Operations		
	(a) Sale of services	23,697	19,118
	(b) Other operating income	170	571
	Total income from operations	23,867	19,689
2.	Expenses		
	(a) Content cost	10,728	7,947
	(b) Placement fees	4,369	5,589
	(c) Employee benefits expense	1,957	2,283
	(d) Cost of traded items	155	630
	(e) Depreciation and amortisation expenses	5,003	3,009
	(f) Other expenses	6,200	5,884
	Total expenses	28,412	25,342
3.	Profit / (Loss) from operations before other income and finance costs (1-2)	(4,545)	(5,653)
4.	Other income	1,087	2,043
5.	Profit / (Loss) from ordinary activities before finance costs (3+4)	(3,458)	(3,610)
6.	Finance costs	2,282	1,739
7.	Profit / (Loss) from ordinary activities before tax (5-6)	(5,740)	(5,349)
8.	Tax expense	(9)	(274)
9.	Profit / (Loss) after tax (7-8)	(5,731)	(5,075)
10.	Other comprehensive income	38	(99)
11.	Total comprehensive income (after tax) (9+10)	(5,693)	(5,174)
12.	Paid-up Equity Share Capital (Face value Rs. 10/-)	17,820	17,820
13.	EPS (Face value Rs. 10/-) (not annualised)		
	(a) Basic EPS	(3.19)	(2.67)
	(b) Diluted EPS	(3.19)	(2.67)
	See accompanying notes to the standalone unaudited financial results		





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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE, 2016

Segment Revenue, Results, Assets and Liabilities for the quarter 30 June, 2016.

(Rs. in Lakhs)

Particulars	3 months ended 30.6.2016 (See Note - 2)	Corresponding 3 months ended in the previous year 30.6.2015 (See Note - 2)
	(Unaudited)	(Unaudited)
Segment Revenue (a to b)		
(a) Cable distribution network	22,088	19,187
(b) Broadband	1,779	502
Total	23,867	19,689
Segment Results (a to b)		
Profit / (Loss) before finance costs and tax from each segment		
(a) Cable distribution network	(3,119)	(3,729)
(b) Broadband	(1,426)	(1,924)
Total	(4,545)	(5,653)
Less:		
i. Finance costs	2,282	1,739
ii. Other unallocable expenditure (net of unallocable income)	(1,087)	(2,043)
Profit / (Loss) before tax	(5,740)	(5,349)
Less: Tax expense	(9)	(274)
Profit / (Loss) after tax	(5,731)	(5,075)
Segment Assets		
(a) Cable distribution network	167,363	142,680
(b) Broadband	12,657	8,135
(c) Unallocated	128,865	154,097
	308,885	304,912
Segment Liabilities		
(a) Cable distribution network	76,246	46,962
(b) Broadband	25,310	13,748
(c) Unallocated	84,127	92,983
	185,683	153,693



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Notes to the standalone unaudited financial results:

- The above standalone unaudited financial results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at their respective meetings held on 14 September, 2016. The statutory auditors of the Company have carried out a limited review of the results for current quarter.
- This statement of standalone unaudited financial results for the quarter ended 30 June, 2016 is in compliance with Indian Accounting Standards (IND-AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in Section 133 of the Companies Act, 2013 read with SEBI Circular CIR/CFD/CMD/15/2015 dated 30 November, 2015 and SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July, 2016. Consequently, results for the quarter ended 30 June, 2015 have been restated to comply with the IND-AS to make them comparable.
- The Company has investments of Rs. 61,021 lakhs in subsidiary companies, joint venture and associate companies as on 30 June, 2016. Of these, the Company has investment of Rs. 7,549 lakhs (net of provision for impairment) and has balances of loans/advances of Rs. 179 lakhs in various subsidiary companies whose net worth as at 30 June, 2016 has fully/substantially eroded. Of these, investments aggregating to Rs. 4,760 lakhs in companies whose net worth is fully/substantially eroded have earned profits for the quarter ended 30 June, 2016. The management of the Company expects that these 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 further provision for impairment is considered necessary in the value of these investments.
- Pursuant to TRAI notification, Digital Addressable System (DAS) was implemented in the metropolitan cities of the country in Phase 1, Phase 2 and Phase 3 cities effective 1 November, 2012, 1 April, 2013 and 1 January, 2016 respectively. The Company has not been able to finalise subscription rates / agreements with Distributors / Local Cable Operators (LCOs) in notified cities. Pending finalisation of agreements, the Company has recognised subscription income on estimates based on market trends and negotiations with LCOs. 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.
- The Board of Directors of the Company in its meeting held on 5 September, 2016 considered and approved a Scheme of Arrangement ("the Scheme") amongst DEN NETWORKS LIMITED ("Company") and SKYNET CABLE NETWORK PRIVATE LIMITED ("SKYNET"), a wholly owned subsidiary, in terms of provisions of sections 391 to 394 of the Companies Act, 1956. With effect from the Appointed date i.e. 1 April, 2016, the Internet Service Provider business ("Broadband") of the Company will be demerged into SKYNET. The Scheme is subject to the approval of shareholders, sanction of the Scheme by the High Court and all other statutory approvals.
- The excess managerial remuneration of Rs. 73 lakhs as reported in the results for the year ended 31 March, 2016 has been reversed/adjusted by the Company pursuant to Central Government order dated 21 June, 2016.
- Subsequent to the quarter ended 30 June, 2016, the Company has increased its investment stake in Macro Commerce Private Limited ("MCPL"), a joint venture of the Company, from 50% to 82.87% resulting into MCPL becoming a subsidiary.
- During the financial year 2013-14, the Company had raised funds of Rs. 96,082 lakhs by way of Qualified Institutional Placement (QIP) and Preferential Issue of Equity Shares.

The utilisation of the above proceeds are as follows:

Particulars	Amount (Rs. in lakhs)
a. Utilisation for implementation of DAS, broadband and other infrastructure and services	67,132
b. Issue expenses incurred	2,795
c. Balance amount invested in fixed deposits and mutual funds*	26,155
Total	96,082

* Includes Rs. 23,188 lakhs under lien as margin money with banks/ financial institution against letters of credit/ bank guarantees/ term loans.

- Transition to IND- AS:**
The Company has transitioned to IND-AS with effect from 1 April, 2016 with comparative being restated. Accordingly, the impact of transition has been provided in the opening reserve as at 1 April, 2015 and figures for the quarter ended 30 June, 2015 has been restated accordingly.

Reconciliation of standalone unaudited financial results reported to those under previous Generally accepted accounting principles (GAAP):

Nature of Adjustments	(Rs. in lakhs) For the quarter ended 30 June, 2015
Net profit/ (loss) after tax as reported under previous GAAP	(4,762)
- Effect of activation revenue being deferred and amortised over customer relationship period	563
- Effect of employee stock option plan charged at fair value	(139)
- Effect of measuring financial instruments at fair value	(979)
- Effect of actuarial loss on defined benefits plans	99
- Deferred tax adjustment on above items	143
Net profit / (loss) after tax as per IND-AS	(5,075)
Other comprehensive income	(99)
Total comprehensive income (after tax) as per IND-AS	(5,174)

- Previous period figures have been reclassified/ regrouped to conform to the classifications adopted in the current period, where necessary.



For and behalf of Board of Directors
of DEN NETWORKS LIMITED

New Delhi
SAMEER MANCHANDA
Chairman Managing Director
DIN: 00015459

New Delhi
14 September, 2016

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