

**INDEPENDENT AUDITORS' REVIEW REPORT  
TO THE BOARD OF DIRECTORS OF  
DEN NETWORKSLIMITED**

- 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, 2014 ("the Statement"), being submitted by the Company pursuant to the requirement of 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 Company personnel and analytical procedures applied to financial data and thus provides 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 specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, 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 6 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 with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter and Half year ended 30 September, 2014 of the Statement, from the details furnished by the Registrars.

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



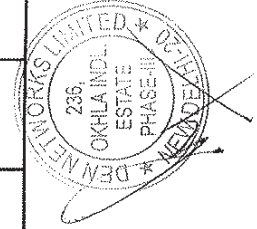
**JITENDRA AGARWAL**  
Partner

(Membership No. 87104)

New Delhi, 14<sup>th</sup> November, 2014

**Den Networks Limited**  
**UNAUDITED FINANCIAL RESULTS**  
**FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2014**

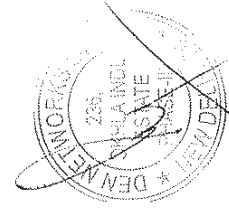
Part-1	Particulars	Consolidated				Stand-alone				Year ended 31.03.2014 (Audited)	
		Quarter ended 30.09.2014 (Unaudited)	Quarter ended 30.09.2013 (Unaudited)	Half year ended 30.09.2014 (Unaudited)	Half year ended 30.09.2013 (Unaudited)	Quarter ended 30.06.2014 (Unaudited)	Quarter ended 30.09.2013 (Unaudited)	Half year ended 30.09.2014 (Unaudited)	Half year ended 30.09.2013 (Unaudited)		
1.	<b>Total Revenue</b>	<b>29,172</b>	<b>27,187</b>	<b>59,053</b>	<b>54,057</b>	<b>111,669</b>	<b>23,115</b>	<b>22,471</b>	<b>45,586</b>	<b>41,861</b>	<b>86,674</b>
	(a) Income from operations	28,910	26,632	58,748	53,194	109,803	22,004	21,390	43,394	32,928	73,887
	(b) Other operating income	262	555	305	863	1,866	1,111	1,081	2,192	933	12,787
2.	<b>Expenses</b>	<b>29,781</b>	<b>22,443</b>	<b>58,274</b>	<b>45,412</b>	<b>96,192</b>	<b>25,854</b>	<b>23,885</b>	<b>49,719</b>	<b>43,095</b>	<b>85,798</b>
	(a) Content cost	10,891	9,054	21,533	17,555	37,173	5,708	5,522	11,230	8,482	18,375
	(b) Operational, administrative and other costs	7,861	6,634	14,508	14,466	28,399	6,427	5,038	11,465	18,139	27,197
	(c) Placement cost	563	552	1,095	1,161	1,792	5,182	5,170	10,352	9,831	20,318
	(d) Subscription share charges	3,180	-	6,278	3,488	3,488	4,396	4,220	8,616	-	6,378
	(e) Personnel cost	2,583	2,499	5,429	5,203	10,601	1,424	1,429	2,853	2,443	5,009
	(f) Depreciation and amortisation expense	4,703	3,704	9,031	7,027	14,740	2,697	2,506	5,203	4,200	8,521
3.	<b>Profit / (loss) from operations before other income, interest and exceptional items (1-2)</b>	<b>(609)</b>	<b>4,744</b>	<b>779</b>	<b>8,645</b>	<b>15,477</b>	<b>(2,719)</b>	<b>(1,414)</b>	<b>(4,133)</b>	<b>(1,234)</b>	<b>876</b>
4.	Other income	2,247	471	4,112	1,144	5,824	2,491	2,099	4,590	1,770	6,988
5.	<b>Profit / (loss) before interest and exceptional items (3+4)</b>	<b>1,638</b>	<b>5,215</b>	<b>4,891</b>	<b>9,789</b>	<b>21,301</b>	<b>(228)</b>	<b>685</b>	<b>457</b>	<b>536</b>	<b>7,864</b>
6.	Interest and other financial charges	2,270	2,428	4,252	4,554	8,897	2,131	1,867	3,998	4,060	8,280
7.	<b>Profit / (loss) after interest but before exceptional items (5-6)</b>	<b>(632)</b>	<b>2,787</b>	<b>639</b>	<b>5,235</b>	<b>12,404</b>	<b>(2,359)</b>	<b>(1,182)</b>	<b>(3,541)</b>	<b>(3,524)</b>	<b>(416)</b>
8.	Exceptional expense - Provision for impairment of non current investment / Loss on sale of investment	-	-	-	-	1,101	-	-	-	-	-
9.	<b>Profit / (loss) from ordinary activities before tax (7-8)</b>	<b>(632)</b>	<b>2,787</b>	<b>639</b>	<b>5,235</b>	<b>11,303</b>	<b>(2,359)</b>	<b>(1,182)</b>	<b>(3,541)</b>	<b>(3,524)</b>	<b>(416)</b>
10.	Provision for tax	691	537	1,120	850	3,789	(182)	(166)	(348)	(1,663)	(933)
11.	<b>Net profit / (loss) from ordinary activities after tax (9-10)</b>	<b>(1,323)</b>	<b>2,250</b>	<b>(481)</b>	<b>4,385</b>	<b>7,514</b>	<b>(2,177)</b>	<b>(1,016)</b>	<b>(3,193)</b>	<b>(1,861)</b>	<b>517</b>
12.	Share of minority interest	722	1,132	1,452	2,252	3,674	-	-	-	-	-
13.	<b>Net profit / (loss) (11-12+13)</b>	<b>(2,045)</b>	<b>1,118</b>	<b>(1,933)</b>	<b>2,133</b>	<b>3,840</b>	<b>(2,177)</b>	<b>(1,016)</b>	<b>(3,193)</b>	<b>(1,861)</b>	<b>517</b>
14.	Paid-up Equity Share Capital (Face value Rs. 10/-)	17,820	17,820	17,820	17,820	17,820	17,820	17,820	17,820	17,820	17,820
15.	Reserves (Net of accumulated losses)	-	-	-	-	167,793	-	-	-	-	158,287
16.	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)	(1.15)	0.77	(1.09)	1.48	2.38	(1.22)	(0.57)	(1.79)	(1.29)	0.32
		(1.15)	0.77	(1.09)	1.48	2.38	(1.22)	(0.57)	(1.79)	(1.29)	0.32



**DEN Networks Limited**  
**UNAUDITED FINANCIAL RESULTS**  
**FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2014**

(Rs. In Lakhs except per share data)

Part-I	Consolidated						Standalone					
	Quarter ended 30.09.2014 (Unaudited)	Quarter ended 30.06.2014 (Unaudited)	Quarter ended 30.09.2013 (Unaudited)	Half year ended 30.09.2014 (Unaudited)	Half year ended 30.09.2013 (Unaudited)	Year ended 31.03.2014 (Audited)	Quarter ended 30.09.2014 (Unaudited)	Quarter ended 30.06.2014 (Unaudited)	Quarter ended 30.09.2013 (Unaudited)	Half year ended 30.09.2014 (Unaudited)	Half year ended 30.09.2013 (Unaudited)	Year ended 31.03.2014 (Audited)
<b>Part-II</b>												
<b>A Particulars of shareholding</b>												
1. Aggregate of Public shareholding												
(a) Number of Shares	106,839,386	106,839,386	106,839,386	106,839,386	106,839,386	106,839,386	106,839,386	106,839,386	106,839,386	106,839,386	106,839,386	106,839,386
(b) Percentage of Shareholding	59.95	59.95	59.95	59.95	59.95	59.95	59.95	59.95	59.95	59.95	59.95	59.95
(c) 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/-
2. Promoters and promoter group Shareholding												
a) Pledged/Encumbered												
- Number of shares	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
- Percentage of shares (as a % of the total share capital of the company)	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
- 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
- Percentage of shares (as a % of the total share capital of the company)	40.05	40.05	40.05	40.05	40.05	40.05	40.05	40.05	40.05	40.05	40.05	40.05
<b>B INVESTOR COMPLAINTS</b>												
Quarter ended 30.09.2014 (Unaudited)												
Pending at the beginning of the quarter	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Received during the quarter	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Disposed of during the quarter	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Remaining unresolved at the end of the quarter	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil



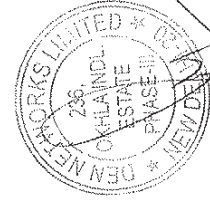
**Notes to the unaudited financial results:**

- 1 The Consolidated and Standalone unaudited financial results of the Company for the quarter and half year ended September 30, 2014 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 14, 2014.
- 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 30 September, 2014.
- 3 During the previous year, the Company has raised funds of Rs. 96,082.16 lakhs by way of Qualified Institutional Placement (QIP) and Preferential Issue of Equity Shares.

The utilization of the above proceeds are as follows:-

Particulars	Amount (Rs. in lacs)
a. Utilization for implementation of DAS, broadband and other infrastructure and services	13,213
b. Issue expenses incurred	2,795
c. Balance amount invested in fixed deposits and mutual funds	80,074
<b>Total</b>	<b>96,082</b>

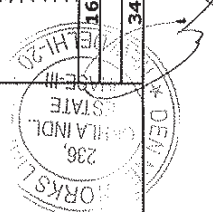
- 4 The Company has total investments of Rs. 55,161.20 lakhs in subsidiary companies and a joint venture company. Of these, the Company has investment of Rs. 6,271.67 lakhs and has balances of loans/advances of Rs. 197.82 lakhs in various subsidiary companies whose Net Worth as at September 30, 2014 has fully/substantially eroded. Of these, companies with investments aggregating to Rs. 3,487.62 lakhs and with balances of loans/advances of Rs. 80.68 lakhs, whose net worth is fully/substantially eroded have earned profits for the quarter and half year ended September 30, 2014. 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.
- 5 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 other than for Delhi and Kolkata subscribers where subscription fees has been finalised. Pending finalisation of such subscription fees, the Company has recognised subscriber 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.
- 6 Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing after 1 April, 2014, the Company has reassessed the useful life of its fixed assets and has computed depreciation with reference to the useful life of assets as recommended in Schedule II to the Act. Consequently depreciation for the half year ended 30 September 2014 is higher by Rs. 46.66 lakhs and depreciation related to the assets whose life had expired as on 1 April, 2014 is Rs. 120.34 lakhs which has been adjusted with the opening reserves.
- 7 The Company, engaged in the distribution of cable television services has during the current quarter, launched Broadband business in the city of Delhi NCR. In accordance with AS-17 "Segment Reporting", both cable and broadband services are considered as one reportable business segment. The Company, has incurred expenses of approx Rs. 850 lakhs on account of rolling out broadband services during current quarter. The Company, through one of its wholly owned subsidiary, has participated in Indian Super League (ISL) of Soccer and has been awarded the rights for the home town, Delhi. The initiative gives unparalleled opportunity to establish the "DEN Brand" and pave the way in expanding its presence in digital cable and broadband. The same has been considered as separate reportable business segment. The Company has incurred expenses of approx Rs. 416 lakhs on account of these activities. The Company's operations are based in India.



**Notes to the unaudited financial results:**

8 The statement of assets and liabilities is as follows :

Particulars	Consolidated		Standalone	
	As at 30.09.2014 (Unaudited)	As at 31.03.2014 (Audited)	As at 30.09.2014 (Unaudited)	As at 31.03.2014 (Audited)
<b>A</b>				
<b>EQUITY AND LIABILITIES</b>				
<b>1 Shareholder's fund</b>				
(a) Share capital	17,774	17,757	17,774	17,757
(b) Reserves and surplus	165,588	167,793	154,888	158,287
	<b>183,362</b>	<b>185,550</b>	<b>172,662</b>	<b>176,044</b>
<b>2 Share application money pending allotment</b>	92	45	-	-
<b>3 Preference Shares Issued By Subsidiary Company Outside The Group</b>	250	250	-	-
<b>4 Minority interest</b>	14,782	13,352	-	-
<b>5 Non-current liabilities</b>				
(a) Long-term borrowings	40,887	44,644	40,862	44,619
(b) Deferred tax liabilities (net)	564	511	-	-
(c) Other long-term liabilities	189	51	28	28
(d) Long-term provisions	845	816	633	616
	<b>42,484</b>	<b>46,021</b>	<b>41,523</b>	<b>45,263</b>
<b>6 Current liabilities</b>				
(a) Short-term borrowings	5,552	7,087	3,118	4,866
(b) Trade payables	29,807	31,147	24,417	17,362
(c) Other current liabilities	69,544	72,597	59,535	59,126
(d) Short-term provisions	61	122	18	18
	<b>104,963</b>	<b>110,954</b>	<b>87,088</b>	<b>81,372</b>
<b>TOTAL</b>	<b>345,933</b>	<b>356,172</b>	<b>301,273</b>	<b>302,679</b>
<b>B</b>				
<b>ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Fixed assets				
(i) Tangible assets	110,322	106,771	64,483	61,157
(ii) Intangible assets	1,461	1,243	475	498
(iii) Capital work in progress	11,409	9,397	10,458	7,521
(b) Goodwill on consolidation	30,009	27,506	-	-
(c) Non-current investments	-	-	55,161	49,616
(d) Deferred tax assets (net)	5,035	4,514	2,059	1,807
(e) Long-term loans and advances	20,552	20,864	9,347	8,439
(f) Other non-current assets	1,864	2,322	4,059	8,549
	<b>180,652</b>	<b>172,617</b>	<b>146,042</b>	<b>137,587</b>
<b>2 Current assets</b>				
(a) Current investments	25,181	37,947	23,270	36,147
(b) Trade receivables	37,086	39,192	28,924	28,356
(c) Cash and bank balances	78,267	86,298	70,387	73,937
(d) Short-term loans and advances	10,187	10,347	8,920	9,506
(e) Other current assets	14,560	9,771	23,730	17,146
	<b>165,281</b>	<b>183,555</b>	<b>155,231</b>	<b>165,092</b>
<b>TOTAL</b>	<b>345,933</b>	<b>356,172</b>	<b>301,273</b>	<b>302,679</b>



**Notes to the unaudited financial results:**

9 The segment information for the quarter ended September 30, 2014, June 30, 2014, September 30, 2013, Half year ended September 30, 2014 & 2013 and year ended March 31, 2014 is as follows:

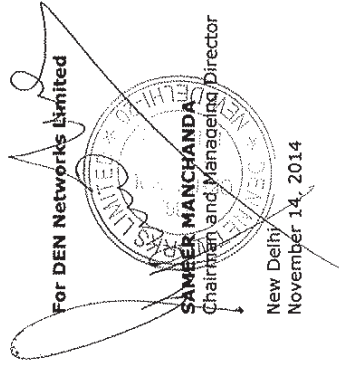
The Company is organized by business which primarily includes two strategic business segments viz. Cable & Broadband Business and Soccer Business segment. The Company's operations are based in India.

Information on reportable segments on the new basis of segmentation for the quarter ended September 30, 2014, June 30, 2014, September 30, 2013, Half year ended September 30, 2014 & 2013 and year ended March 31, 2014 is given below :

Particulars	(Rs. in lakhs)					
	Quarter ended 30.09.2014 (Unaudited)	Quarter ended 30.06.2014 (Unaudited)	Quarter ended 30.09.2013 (Unaudited)	Half year ended 30.09.2014 (Unaudited)	Half year ended 30.09.2013 (Unaudited)	Year ended 31.03.2014 (Audited)
<b>Segment Revenue</b>						
Cable & Broadband	29,172	29,881	27,187	59,053	54,057	111,669
Soccer	-	-	-	-	-	-
<b>Total</b>	<b>29,172</b>	<b>29,881</b>	<b>27,187</b>	<b>59,053</b>	<b>54,057</b>	<b>111,669</b>
<b>Segment Results Profit/ (Loss) before tax and interest from each segment</b>						
Cable & Broadband	2,092 (454)	3,656 (403)	5,215	5,748 (857)	9,789	21,301
Soccer	-	-	-	-	-	-
<b>Total</b>	<b>1,638</b>	<b>3,253</b>	<b>5,215</b>	<b>4,891</b>	<b>9,789</b>	<b>21,301</b>

10 Previous period figures have been reclassified/ regrouped to conform to the classifications adopted in the current period.

For DEN Networks Limited



**SAMEER MANCHANDA**  
Chairman and Managing Director

New Delhi  
November 14, 2014