

Deloitte Haskins & Sells

Chartered Accountants
7th Floor, Building 10, Tower B
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DLF City Phase-II
Gurgaon - 122 002, Haryana
India

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

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- 1) We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **DEN Networks Limited** ("the Company") for the Quarter and Nine months period ended 31 December, 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 5 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 Nine months period ended 31 December, 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)

Place: New Delhi
Date: 13th February, 2015

DEN Networks Limited
CIN: L92490DL2007PLC165673

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

UNAUDITED FINANCIAL RESULTS

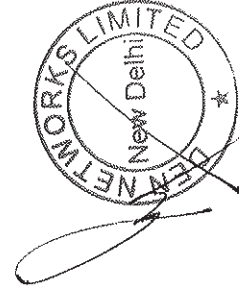
FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2014

Part-I	Consolidated				Standalone			
	Quarter ended 31.12.2014 (Unaudited)	Quarter ended 30.09.2014 (Unaudited)	Nine months ended 31.12.2014 (Unaudited)	Year ended 31.03.2014 (Audited)	Quarter ended 31.12.2013 (Unaudited)	Quarter ended 30.09.2014 (Unaudited)	Nine months ended 31.12.2013 (Unaudited)	Year ended 31.03.2014 (Audited)
1. Total Revenue	26,881	29,172	85,934	111,669	17,923	23,115	63,519	86,574
(a) Income from operations	26,356	28,910	85,104	109,803	17,554	22,004	60,948	73,887
(b) Other operating income	525	262	830	1,866	379	1,111	2,571	12,787
2. Expenses	31,674	29,781	89,948	96,192	21,143	25,834	70,863	85,799
(a) Content cost	11,006	10,891	32,539	37,173	5,132	5,708	16,362	18,375
(b) Placement fees	886	563	1,981	1,792	4,400	5,182	14,752	20,318
(c) Subscription share/ charges	-	3,180	6,278	3,488	1,299	4,396	9,915	6,378
(d) Employee benefits expense	2,629	2,583	8,058	10,601	1,460	1,424	4,313	5,009
(e) Cost of traded items	-	46	-	208	331	476	2,482	12,440
(f) Depreciation and amortisation expenses	4,821	4,703	13,852	14,739	2,827	2,697	8,030	12,440
(g) Other expenses	12,332	7,861	27,240	28,191	5,694	5,342	15,018	14,757
3. Profit / (loss) from operations before other income, finance costs and exceptional items (1-2)	(4,793)	(609)	(4,014)	15,477	(3,210)	(2,719)	(7,344)	876
4. Other income	2,384	2,247	6,496	5,824	2,610	2,491	7,200	6,988
5. Profit / (loss) before finance costs and exceptional items (3+4)	(2,409)	1,638	2,482	21,301	(600)	(228)	(144)	7,864
6. Finance costs	2,341	2,270	6,593	8,897	2,159	2,131	6,157	8,280
7. Profit / (loss) after finance costs but before exceptional items (5-6)	(4,750)	(632)	(4,111)	12,404	(2,759)	(2,359)	(6,301)	(416)
8. Exceptional expense - Provision for impairment of non-current investment / Loss on sale of investment	-	-	-	1,101	-	-	925	-
9. Profit / (loss) from ordinary activities before tax (7-8)	(4,750)	(632)	(4,111)	11,303	(2,759)	(2,359)	(6,301)	(416)
10. Tax expense	818	691	1,938	3,789	(41)	(182)	(389)	(933)
11. Net profit / (loss) from ordinary activities after tax (9-10)	(5,568)	(1,323)	(6,049)	7,514	(2,718)	(2,177)	(5,912)	(517)
12. Share of minority interest	692	722	2,144	3,674	-	-	-	-
13. Net profit / (loss) (11-12+13)	(6,260)	(2,045)	(8,193)	3,840	(2,718)	(2,177)	(5,912)	(517)
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
15. Reserves (Net of accumulated losses)	-	-	-	167,793	-	-	-	158,287
16. EPS (Not annualised)	(3.51)	(1.15)	(4.60)	2.38	(2.75)	(1.22)	(3.32)	0.32
(a) Basic EPS before and after Extraordinary items for the period, for the year to date and for the previous year (not to be annualized)	(3.51)	(1.15)	(4.60)	2.38	(2.75)	(1.22)	(3.32)	0.32
(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)	(3.51)	(1.15)	(4.60)	2.38	(2.75)	(1.22)	(3.32)	0.32



Part-I	Consolidated						Standalone					
	Quarter ended 31.12.2014 (Unaudited)	Quarter ended 30.09.2014 (Unaudited)	Quarter ended 31.12.2013 (Unaudited)	Nine months ended 31.12.2014 (Unaudited)	Nine months ended 31.12.2013 (Unaudited)	Year ended 31.03.2014 (Audited)	Quarter ended 31.12.2014 (Unaudited)	Quarter ended 30.09.2014 (Unaudited)	Quarter ended 31.12.2013 (Unaudited)	Nine months ended 31.12.2014 (Unaudited)	Nine months ended 31.12.2013 (Unaudited)	Year ended 31.03.2014 (Audited)
Part-II												
A												
Particulars												
1. Accreditee 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
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	INVESTOR COMPLAINTS	Quarter ended 31.12.2014 (Unaudited)
	Pending at the beginning of the quarter	Nil
	Received during the quarter	148
	Disposed of during the quarter	148
	Remaining unresolved at the end of the quarter	Nil



Notes to the standalone unaudited financial results:

- 1 The Consolidated and Standalone unaudited financial results of the Company for the quarter and nine months period ended 31 December, 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 13 February, 2015.
- 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 nine months period ended 31 December, 2014.
- 3 During the previous year, the Company had raised funds of Rs. 96,082 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	17,711
b. Issue expenses incurred	2,795
c. Balance amount invested in fixed deposits and mutual funds	75,576
Total	96,082

- 4 The Company has investments of Rs. 55,245.70 lakhs in subsidiary companies and a joint venture company. Of these, the Company has investment of Rs. 6,136.73 lakhs and has balances of loans/advances of Rs. 196.72 lakhs in various subsidiary companies whose Net Worth as at 31 December, 2014 has fully/substantially eroded. Of these, companies with investments aggregating to Rs. 3,340.96 lakhs and with balances of loans/advances of Rs. 94.93 lakhs, whose net worth is fully/substantially eroded have earned profits for the quarter and nine month period ended 31 December, 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 subscription income on 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 nine month period ended 31 December, 2014 is higher by Rs. 66.51 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 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
13 February, 2015



Notes to the consolidated unaudited financial results:

- 1 The Consolidated and Standalone unaudited financial results of the Company for the quarter and nine months period ended 31 December, 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 13 February, 2015.
- 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 nine months period ended 31 December, 2014.
- 3 During the previous year, the Company had raised funds of Rs. 96,082 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	17,711
b. Issue expenses incurred	2,795
c. Balance amount invested in fixed deposits and mutual funds	75,576
Total	96,082

- 4 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 nine month period ended 31 December, 2014 is higher by Rs. 66.51 lakhs and depreciation related to the assets whose life had expired as on 1 April, 2014 is Rs. 138.60 lakhs which has been adjusted with the opening reserves.
- 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 subscription income on 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 The Company, engaged in the distribution of cable television services has during the current quarter, launched Broadband business in the city of Delhi NCR and Kanpur. 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. 1,300 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. 3,611 lakhs on account of these activities. The Company's operations are based in India.



Notes to the consolidated unaudited financial results:

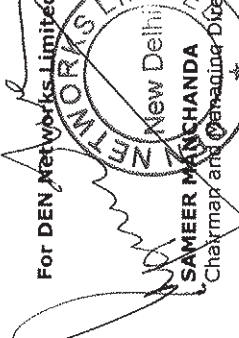
7 The segment information for the quarter ended 31 December, 2014, 30 September, 2013, Nine months ended 31 December, 2014 & 2013 and year ended 31 March, 2014 is as follows:

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 31 December, 2014, 30 September, 2014, 31 December, 2013, Nine months ended 31 December, 2014 & 2013 and year ended 31 March, 2014 is given below :

Particulars	Quarter ended 31.12.2014 (Unaudited)	Quarter ended 30.09.2014 (Unaudited)	Quarter ended 31.12.2013 (Unaudited)	Nine months ended 31.12.2014 (Unaudited)	Nine months ended 31.12.2013 (Unaudited)	Year ended 31.03.2014 (Audited)
Segment Revenue						
Cable & Broadband	26,072	29,172	27,426	85,125	81,483	111,669
Soccer	809	-	-	809	-	-
Total	26,881	29,172	27,426	85,934	81,483	111,669
Segment Results Profit/ (Loss) before tax and finance costs from each segment						
Cable & Broadband	1,112	2,092	5,861	6,860	15,650	21,301
Soccer	(3,521)	(454)	-	(4,378)	-	-
Total	(2,409)	1,638	5,861	2,482	15,650	21,301

8 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

New Delhi
 13 February, 2015