



Transcript –DEN Networks Limited-Annual General Meeting – September 23, 2020

Mr. Sameer Manchanda, Chairman:

Ladies and Gentlemen, Good Evening!

I welcome all of you to the Thirteenth Annual General Meeting of your Company.

This Meeting is held through Video Conferencing because of the lockdown and is in compliance with the circulars issued by the Ministry of Corporate Affairs, Government of India and Securities and Exchange Board of India.

The Company has taken all feasible steps to ensure that the Members of our Company are provided an opportunity to participate in the Annual General Meeting and vote. The Company has provided adequate Videoconferencing facility to its Members to participate in this meeting and vote.

The requisite quorum is present and, therefore, I call the Meeting to order.

Register of Directors and Key Managerial Personnel and their Shareholding, Register of Contracts or Arrangements in which Directors are interested, the Auditors' Reports and the Secretarial Audit Report of the Company for the year ended 31st March, 2020 and other documents referred in the Notice convening this meeting are available and will remain accessible to the Members for inspection electronically, if they so desire till the conclusion of the meeting.

I wish to introduce, for the benefit of new members, my colleagues on the Board of the Company:

- Mr. Ajaya Chand- He is also Chairman of the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee
- Ms. Archana Hingorani
- Mr. Rajendra Hingwala

And

- Mr. Saurabh Sancheti

All the directors of the Company are present at this meeting except Mr Atul Sharma, Ms. Geeta Fulwadaya and Mr. Anuj Jain due to pre-occupation.

DEN NETWORKS LIMITED

CIN: L92490MH2007PLC344765

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Apart from directors, we have with us:

Mr. S N Sharma, Chief Executive Officer

Mr. Satyendra Jindal, Chief Financial Officer

Mr. Jatin Mahajan, Company Secretary and the representatives of our Statutory Auditors and Secretarial Auditor are also present at this Meeting.

Ladies and Gentlemen, the Notice dated August 27, 2020 convening this Annual General Meeting and a copy of the Annual Report for the financial year ended March 31, 2020, have already been circulated to Members of the Company electronically.

With your permission, I shall take the same as read.

The Auditors' Reports on the standalone and consolidated financial statements and the Secretarial Audit Report of the Company for the financial year ended March 31, 2020 do not contain any qualification, reservation, adverse remark or disclaimer. Accordingly, the Reports are not required to be read out, as provided in the Companies Act, 2013.

Dear Members,

It gives me great pleasure to welcome you to the Thirteenth Annual General Meeting of your Company.

DEN Networks is a dynamic, mass media & entertainment company that thrives on providing unmatched visual entertainment through cable TV and broadband services. The Company entertains households in India across 13 key states and 50 cities/towns. It is one of the leading cable companies in India.

The Company has a leading presence in Delhi, Uttar Pradesh, Karnataka, Maharashtra, Gujarat, Rajasthan, Haryana, Kerala, West Bengal, Jharkhand, Bihar, Madhya Pradesh and Uttarakhand; and have a strong foothold in the strategic and economically significant Hindi Speaking Markets (HSM).

Let me talk about the industry.

In recent years, India has emerged amongst the fastest-growing economies in the world and has become a key player in the global economy.

The television industry experienced an annual growth of 9.5% in FY 2018-19 and is estimated to be at Rs 714 billion with a CAGR of 9.9% between FY 2014-15 and FY 2018-19.

Growth in broadband internet subscribers was at a strong 37% in FY 2018-19. This has led to greater consumption of content on the internet in India.

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Now, let me give you a brief on the impact of ongoing pandemic on your company.

The outbreak of Coronavirus (COVID -19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

COVID19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lock down of production facilities etc.

Your company has evaluated impact of COVID -19 on its business operations and based on its review there is no significant impact on its financial statements as the company is part of one of the least impacted industry. Therefore we are receiving stable revenue from subscription of cable and broadband. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Now, let me give you insight on various initiatives undertaken by your company during the year.

During the year, one of the most significant initiatives of your company has been towards strengthening and upgrading technology and network architecture. Our capacity to carry channels across the country has also been significantly enhanced.

Your company has taken various initiatives in automating business processes thereby allowing channel partners to transact with your company in a seamless manner. Other process improvement initiatives include SAP process improvements, virtual account setup facilities, online collection tools such as CDM cards, and Host-to-Host integration. These automations have been particularly helpful in terms of conducting the business in near normal way during the lockdown period as well.

I am very pleased that your company has been recognized as the "Most trusted brand in Cable TV Industry" by TRA Research, June' 2019.

Now, let me move to financial Highlights starting with Cable Business

Revenues of the Cable business increased to INR 1,221 Crore in FY'20 from INR 1,140 Crore in previous year.

EBITDA for the cable business increased by 14% to INR 208 Crores in FY20 vis-à-vis INR 182 crores in FY19.

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Broadband

Broadband revenues marginally increased in FY'20 to INR 71 Crore from INR 67 Crore in FY19, mainly on account of the net increase in the subscriber base.

EBITDA for the broadband business increased by INR 4 Crores in FY'20 compared to previous year primarily on account of the net increase in the subscriber base.

Consolidated

Treasury income increased to INR 176 Crore in FY'20 from INR 46 Crore in previous year primarily due to interest earned on preferential allotment money.

During the year FY'20, gross debt reduced by INR 269 Crore.

Total income at a consolidated level increased to INR 1,291 Crore in FY'20 from INR 1,207 Crore in previous year.

Consolidated EBITDA has increased by 16% to INR 211 Crores in FY20 vis-à-vis INR 183 crores in FY19.

Consolidated Profit after tax has increased to Rs. 59 crores in FY 20 compared to loss of Rs. 301 crores in FY 19.

On behalf of the Board of Directors, I would like to express our sincere appreciation for the continued and consistent support received from all the members of the Company, from our business partners, associates as well as regulators, banks and other business stakeholders.

I would also like to thank my colleagues on the Board for their continued guidance, support and contributions made to the Company.

On behalf of the Board, I also wish to acknowledge the committed services from the employees of the Company at all levels during the year

In accordance with the Companies Act, 2013, and the SEBI Listing Regulations, remote e-voting facility was provided to the Members to cast their votes from September 19, 2020 to September 22, 2020.

The facility for voting electronically will be made available at the end of this Meeting to those members who have not cast their vote through remote e-voting. The icon for e-voting is available on the Meeting Page, next to the chat box.

The Board of Directors has appointed Shri Nilesh Jain, a Practicing Company Secretary, as Scrutinizer for giving a report on e-voting and the Scrutinizer is present at the Meeting.

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I now move the resolutions contained in the Notice.

The Objective and Implication of each resolution is for ensuring compliance with Companies Act, 2013.

Resolutions + Q&A Session + Vote of Thanks + E-voting (Insta Poll)

After the resolutions set out in the Notice of AGM were proposed and seconded, Mr. Jatin Mahajan, Company Secretary and Compliance Officer, at the direction of the Chairman, facilitated question and answer session.

Mr. Yashpal Singh, Mr. Jasmeet Singh, Mr. Pradeep Sood, Mr. Mahender Pal Bhutani and Mr. Sachin Jain, Shareholders, spoke at the meeting. They expressed their views and sought clarifications inter alia on the Company's business operations and its future growth plans etc. The queries raised by shareholders were replied by Mr. S N Sharma, Chief Executive Officer.

The Chairman, on behalf of the Board, thanked each and every members for their active participation at the meeting and also for their suggestions and comments and also informed that comments and queries received in the chat box on the meeting page will be responded by the secretarial department separately.

The Chairman thereafter requested Mr. Nilesh Jain, Scrutiniser, to take the charge and conduct insta poll voting.

The Chairman stated that the e-voting results along with the consolidated Scrutinizer's report shall be placed on the website of the Company and on the website of KFintech and the results shall also be simultaneously communicated to the Stock Exchanges.

The Chairman expressed his gratitude to all the members who attended this meeting in large numbers.

The Chairman stated that all items of business set out in the Notice of this Annual General Meeting having been concluded, a time period of 15 minutes would be available for voting at the Meeting after which this meeting will stand closed.

Mr. Ajaya Chand proposed a vote of thanks to the Chairman, Directors and to all the members.

The meeting concluded at 04:35 p.m. (IST).

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