



**DEN**

*only do  
amazing*

Annual Report 2013-14

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# DEN: An Entertainment Powerhouse

## Cable

India's leading digital cable TV platform serving an estimated 13 million homes with over 6.4 million digital subscribers



## Broadband

DEN Boomband is one of India's fastest broadband services offering speeds up to 100 Mbps



## Football

Owner of the Delhi Dynamos F.C., the Delhi franchise of the Hero Indian Super League



# DEN

# DEN Networks

## Pan India Presence



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**Strong Nationwide Presence in  
200+ Cities Across 13 States**

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**13 Million Homes\* Served**

\*Estimated

---

**6.4 Million+ Digital Subscribers**

# India's Leading Cable TV MSO

# DEN Digital

The Choice of Over 6.4 Million Subscribers

Maximum  
Choice of  
Channels



Real  
HD  
Channels



Weather  
Proof  
Service



Dedicated  
Customer  
Care



Interactive  
and Feature  
Rich EPG



DEN Excite!  
Value Added  
Services





# den boomband.

**DEN Boomband is DEN's  
high speed broadband  
service offering  
speeds up to 100 Mbps  
powered by DOCSIS 3.0  
technology**



**only do amazing**



# superfast internet

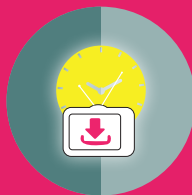
**With the speeds of DEN  
Boomband, one can  
easily download:**



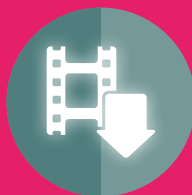
**A 5 minute song in  
< 1 second**



**A 30 minute show in  
< 6 seconds**



**An hour's show in  
< 26 seconds**



**A full length movie in  
< 1 minute**

1. DEN Boomband tested on near-end-consumer conditions
2. File Size: 5 Minute Song- 8 MB, 30 Minute Show- 120 MB, 50 Minute Episode-460 MB, Full Length Movie- 700 MB

# Football

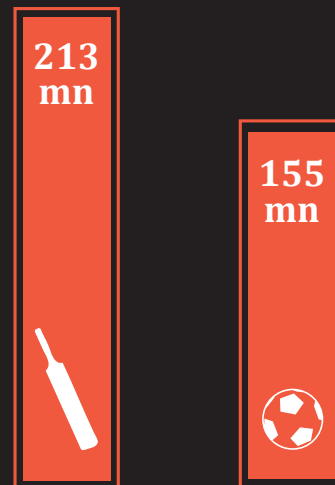
## India's Next Sporting Revolution

**Football Viewership Closely Rivalling Cricket in India**

**134% Growth**  
in viewership since 2011

**Watched by 26% Indians**  
between ages 16-69

Source: FE



2013 - Annual Viewership



## Delhi: A Large Potential Market for Football

**50% of Delhi's population is under-30**

Source: NSDC, Executive Summary of Delhi

**Delhi's population is 2<sup>nd</sup> Largest Globally & largest in India with 25 million+ residents**

Source: UN World Urbanization Prospects

# Delhi Dynamos

The Delhi Team of the Indian Super League

**Strategic Partnership:**  
Feyenoord Rotterdam

**Home Ground:**  
Jawaharlal Nehru Stadium

**International Players from**  
Spain, Brazil, Netherlands and Others

**International Coach:**  
Harm van Veldhoven

A Branding Vehicle for DEN's Transformation  
into a B2C Company



# DIRECTORS' REPORT

## DEAR SHAREHOLDERS,

Your Directors are pleased to present the Seventh Annual Report on the business and operations of your Company along with the Consolidated and Standalone audited financial statements for the year ended March 31, 2014.

## FINANCIAL PERFORMANCE

The key financial figures on standalone and consolidated basis of your Company for the year ended March 31, 2014 are as follows:

## CORPORATE SOCIAL RESPONSIBILITY AND GOVERNANCE COMMITTEE

Your directors have constituted the Corporate Social Responsibility and Governance Committee comprising of Mr. Ajaya Chand as the Chairman and Mr. Sameer Manchanda and Mr. Robindra Sharma as members.

The said Committee has been entrusted with the responsibility of formulating and recommending a Corporate Social Responsibility Policy (CSR Policy) to the Board of

(₹ in millions)

Particulars	Consolidated		Standalone	
	Financial year ended March 31, 2014	Financial year ended March 31, 2013	Financial year ended March 31, 2014	Financial year ended March 31, 2013
Total Revenue	11,749.19	9,346.44	9,366.16	7,260.21
Operating profit/(loss) before interest and depreciation interest	3,493.99	2,355.69	1,638.48	1,580.73
Finance cost	889.71	470.88	828.00	446.84
Depreciation and Amortisation	1,473.90	811.22	852.14	496.15
Net Profit/(loss) before Tax	1,130.38	1,073.59	(41.66)	637.74
Provision for taxes/deferred tax	378.97	294.24	(93.31)	188.12
Minority Interest	367.42	156.34	-	-
Profit/(loss) after tax	383.99	623.01	51.65	449.62

During the year under review, the total revenue of your Company was ₹9,336.16 million on standalone basis and ₹11,749.19 million on consolidated basis as compared to the last year's revenue of ₹7,260.21 million on standalone basis and ₹9,346.44 million on consolidated basis. The Post Tax Profit of your Company is ₹51.65 million on standalone basis and ₹383.99 million on consolidated basis as compared to the last year's Post Tax Profit of ₹449.62 million on standalone basis and ₹623.01 million on consolidated basis.

## CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS – 23 on the Accounting for Investments in Associates and Accounting Standard AS – 27 on accounting on Joint Ventures, issued by The Institute of Chartered Accountants of India, the Audited Consolidated Financial Statements are provided in this Annual Report.

Directors, indicating the CSR activities to be undertaken by the Company, the monitoring and implementation of the framework of the CSR Policy and recommending the amount to be spent on such activities.

## SUBSIDIARY COMPANIES

In accordance with the General Circular No. 51/12/2007-CL-III issued on 08th February, 2011 by the Ministry of Corporate Affairs, the Balance Sheet, Statement of Profit and Loss and other documents of the Subsidiary Companies are not being attached with the Balance Sheet of the Company. However, the financial information of the Subsidiary Companies is disclosed in the Annual Report in Compliance with the said circular. The Company will provide a copy of separate Annual Accounts in respect of each of its subsidiary to any shareholder of the Company who asks for it and the said annual accounts will also be kept open for inspection at the Registered Office of the Company and subsidiary Companies.

## DIRECTORS

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Ankur Ambika Sahu was appointed as an Additional Director and designated as Non Executive Nominee Director w.e.f., September 27, 2013. He shall hold office up to the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Mr. Ankur Ambika Sahu for appointment as Non Executive Nominee Director.

In accordance with the terms of the Articles of Association of the Company Mr. Shahzaad Siraj Dalal, Non Executive Nominee Director is liable to retire by rotation and being eligible, has offered himself for re-appointment. The Company has received requisite notice in writing from a member for his appointment as a Director.

Pursuant to provisions of Section 149, Section 150 and Section 152 read with schedule IV and other applicable provisions of the Companies Act, 2013, Mr. Ajaya Chand, Mr. Robindra Sharma and Mr. Atul Sharma are proposed to be appointed as an Independent Director to hold office up to the conclusion of 12<sup>th</sup> Annual General Meeting of the Company and their terms of appointment will not be liable to retire by rotation.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

A brief profile of the aforesaid directors seeking appointment/re-appointment at the ensuing AGM is forming part of the Corporate Governance Report.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956 as amended, your Directors confirm:

- i) that in the preparation of the annual accounts for the year ended March 31, 2014, the applicable Accounting Standards read with requirements set out under Schedule VI of the Companies Act, 1956, have been followed and there are no material departures from the same;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the Company for the year ended on that date;
- iii) that the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

- iv) that the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

## DIVIDEND

Your Directors do not recommend any Dividend for the financial year ended March 31, 2014.

## TRANSFER TO RESERVES

Your Company has not made any transfer to the Reserves during the financial year 2013-14.

## AUDITORS & AUDITOR'S REPORT

The term of M/s. Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of your Company, expires at the ensuing Annual General Meeting. The Company has received a certificate from them to the effect that their re-appointment, if made, would be within the prescribed limits as mentioned under Section 141(3)(g) of the Companies Act, 2013 and they are not disqualified for re-appointment.

Your Board has duly examined the Report issued by the Statutory Auditor's of the Company on the Accounts for the financial year ended March 31, 2014. The notes on Accounts, as presented in this Annual Report, are self explanatory in this regard and hence do not call for any further clarification.

## COST AUDITORS'

M/s Ajay Kumar Singh & Company, Cost Accountants, have been re-appointed as Cost Auditors for the financial year 2014-15, to conduct cost audit of the accounts maintained by the Company. However, necessary approvals, if any, shall be taken as may be required by the applicable provisions. Full particulars of the Cost Auditor are as under:

M/s Ajay Kumar Singh & Company  
1/26, 2nd Floor, Lalita Park, Laxmi Nagar, Delhi-110092  
Tel. No. : 011-45595822; Email ID – Info@cmaadvisors.in  
(Membership No. 30778)

Your Company has re-appointed M/s Ajay Kumar Singh & Company, Cost Accountants as Cost Auditor under Section 233B of the Companies Act, 1956 for Cost Audit for the financial year 2014-15.

## PUBLIC DEPOSITS

During the year under review your Company has not accepted any deposits from the public under Section 58A of the Companies Act, 1956.

## OPERATIONAL OVERVIEW

### 1. Cable TV Operations

DEN Networks is India's largest cable TV distribution company serving an estimated 13 million homes in over 200 cities. The company has been a frontrunner in the digitisation of Indian cable television and

has over 6.4 million digital subscribers. DEN's geographic footprint spans 13 key states across and has a significant presence in the strategic & economically important Hindi Speaking Markets (HSM) belt. DEN Digital offers a wide choice of channels and services spanning all major genres and languages. DEN's premiere HD digital cable services – "DEN HD" offers over 20 real HD channels in video resolutions of 1080i.

## 2. Broadband

The company has initiated the roll out of its high speed broadband service – DEN Boomband offering speeds up to 100 Mbps on the DOCSIS 3.0 platform. The service has been soft launched in parts of Delhi and will be commercially launched throughout Delhi and in parts of UP in the coming months.

## 3. Indian Super League

DEN, through its wholly owned subsidiary – DEN Soccer Private Limited, is the successful bidder for the Delhi franchise of the Hero Indian Super League (HISL). HISL, the brainchild of IMG-Reliance and Star is a new football league formed under the aegis of The All India Football Federation (AIFF). The team has been named Delhi Dynamos F.C. The club has entered into a strategic partnership with Feyenoord Rotterdam to provide access to top international players and assist overall development of the Club and its initiatives.

## EMPLOYEE STOCK OPTION SCHEME (ESOP)

During the financial year 2010-11, the Company had granted 5,000,000 Equity shares of ₹10/- each to the Employees of the Company and Subsidiary Companies under the DEN Employee Stock Options Scheme 2010, out of which 1,465,874 options were surrendered by the employees of the Company. As on March 31, 2014, the total number of options granted by the Company to purchase Equity Shares pursuant to the DEN ESOP is 3,534,126, of which 3,534,126 have vested and 4,50,000 are yet to be exercised. Disclosures in the accordance with clauses 12 & 19 of ESOP guidelines of SEBI are detailed in Annexure 'A' to this report.

A Certificate from the Statutory Auditor of the Company for implementation of the 'DEN ESOS 2010' in accordance with SEBI Guidelines and the resolutions passed by the members of the Company will be made available for inspection by the members at the ensuing Annual General Meeting (AGM) of the Company.

## INTERNAL CONTROL SYSTEM

The Company has a proper and adequate internal control system, which ensures that all assets are safeguarded and protected and that all the transactions are authorised, recorded and reported correctly. The Company's internal control system comprises audit and compliance by an in-

house system, supplemented by internal audit checks by Internal Auditors.

## PREFERENTIAL ALLOTMENT

During the year under review there were two Preferential Allotments made by the Company. The Preferential Allotments were made to Foreign Investors and Qualified Institutional Placement Participants in pursuant to the provisions of Section 81(1A) of the Companies Act, 1956 and other applicable legal provisions, including but not limited to Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (ICDR Regulations). Details of the preferential allotment have been mentioned below:-

- 1,24,66,321 equity shares of ₹10 each at the rate of ₹217.50 (including premium of ₹207.50 Per Share) issued & allotted on May 10, 2013 through Qualified Institutional Placement;
- 3,17,09,384 equity shares ₹10 each at the rate of ₹217.50 (including premium of ₹207.50 Per Share) issued & allotted on September 27, 2013 to Foreign Investors under Non-Promoter Category.

## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

In accordance with the requirement of Clause 49 of the Listing Agreement with the Stock Exchange(s), the Management's Discussion and Analysis Report disclosing the operations of the Company in detail is provided separately later in this annual report.

## DETAILS OF UNCLAIMED SHARES AS PER CLAUSE 5A OF THE LISTING AGREEMENT

Dematerialization credit of 309 equity shares of ₹10 each, for four allottees could not happen till date, due to incorrect particulars of account holders. The Company through its Registrar and Share Transfer Agent, M/s Karvy Computershare Private Limited, has sent several reminders to these allottees and in the absence of any response from any of them, had finally transferred the aforesaid equity shares to 'DEN Networks Limited – Unclaimed Securities Suspense Account'. As required under clause 5A of the Listing Agreement, following is the status of outstanding shares lying in the aforesaid account as on March 31, 2014:

Particulars	No. of Shareholders	No. of Equity Shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year i.e. 1st April, 2013/ transferred to Account during the year ended 31st March, 2014	4	309

Particulars	No. of Shareholders	No. of Equity Shares
Number of shareholders who approached to the Company / RTA for transfer of shares from Unclaimed Suspense Account during the year ended 31st March 2014	Nil	Nil
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year ended 31st March 2014	1	150
Aggregate Number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e. as on 31st March, 2014.	4	309

The voting rights on these shares are frozen till the rightful owner of these shares claims the shares.

## CORPORATE GOVERNANCE

We at DEN believe that sound Corporate Governance is critical in enhancing and retaining stakeholders trust. Our priority is attainment of all performance goals with integrity. The Company is committed to maintain the highest Standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. A certificate from practicing Company Secretary regarding compliance of the conditions of Corporate Governance, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is attached as an 'Annexure-A' with the Report on Corporate Governance. Certificate of the CMD, CEO & CFO, inter alia, confirming the correctness of the financial statements, compliance with Company's Code of Conduct, adequacy of the internal control measures and reporting of matters to the Audit Committee in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, is attached with the Corporate Governance report and forms part of this Report.

## PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, forms part of this Directors' Report. However, as per the provisions of Section 219(1)(b) (iv) of the Companies Act, 1956, the Report and Accounts are being sent to all shareholders of the Company excluding the Statement of Particulars of Employees under Section 217(2A) of the Companies Act, 1956. Any Shareholder interested in obtaining a copy of the said Statement may write to the Company Secretary at the Registered Office of the Company, and the same will also be available for inspection by Members at the Registered Office of the Company during business hours on working days up to the date of the ensuing AGM.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosures of particulars in the report of the Board of Directors) Rules, 1988, the following information is provided:

### A. Conservation of Energy

Your Company is not an energy intensive unit; however possibilities are continuously explored to conserve energy and to reduce energy consumption at headends, warehouse offices and other facilities.

### B. Technology absorption

Your Company is conscious of implementation of latest technologies in key working areas. Technology is ever-changing and employees of your Company are made aware of the latest working techniques and technologies through workshops, group e-mails and discussion sessions to ensure optimum utilization of available resources and improve operational efficiency.

### C. Foreign Exchange Earnings and Outgo

Disclosure of foreign exchange earnings and outgo as required under Rule 2(C) is given in Note No. 38 "Notes on Accounts" forming part of the Audited Annual Accounts.

Foreign Exchange Earnings : - Nil

Foreign Exchange Outgo : - ₹ 341.25 cr.

## ACKNOWLEDGEMENT

Your Directors place on record their gratitude to the Central Government, State Governments, Company's bankers and business partners for the assistance, co-operation and encouragement extended by them towards the Company. Your Directors take the opportunity to express their sincere thanks and appreciation for the continuing support and unstinting efforts of investors, vendors, dealers, business associates and employees in ensuring an excellent all around operational performance.

**For and on behalf of the Board of Directors**

Sd/-  
**Sameer Manchanda**  
Chairman and Managing Director  
DIN: 00015459

Place : New Delhi  
Dated : 13.08.2014

## Annexure A

(Disclosures pursuant to SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.)

S. No.	Particulars	Details	
1	Options Granted during the year 2013-14	Nil	
2	Exercise price	₹30 Per Share	
3	Total no. of options in force	35,34,126	
4	Options Vested	35,34,126	
5	Options Exercised	30,76,195	
6	Total No. of Shares arising as a result of exercise of Options	Nil	
7	Options Lapsed	7,931	
8	Variation in terms of Options	There is no variation in the terms of options.	
9	Money realized by exercise of Options	NIL	
10	Employee wise details of Options granted during the financial year 2013-14		
	i) Senior Management Personnel	NIL	
	ii) Any other employee who received a grant in any one year of Options amounting to 5% or more of Options granted during the year	NIL	
	iii) Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL	
11	Diluted Earnings Per Share (EPS) before exceptional items pursuant to issue of shares on exercise of Options calculated in accordance with Accounting Standard (AS) 20 on 'Earning Per Share'.	0.32	
12	Computation of employee compensation cost and effect on profit and EPS		
	a) Method of calculation of employee compensation cost	Intrinsic value as per SEBI ESOP guidelines	
	b) Difference between the employee compensation cost so computed at (a) above and the employee compensation cost to P&L account if the Company has used the fair value of the option	Nil	
13	The impact of this difference on the profits and EPS of the Company:	Year Ended 31 March 14	
	Profit after tax	₹ in millions	
	Less: Additional employees compensation cost based on the aforesaid difference	51.65	
	Adjusted PAT	Nil	
	Adjusted Basic EPS	51.65	
	Adjusted Diluted EPS	0.32	
14	Weighted average price and fair value of the stock options granted at price below the market price:		
	Total Options granted during the year	Nil	
	Weighted average exercise price (₹)	₹30.00	
	Weighted average fair value (₹)	₹62.74	
15	Description of the method and significant assumptions used during the year to estimate the fair value of the options, including the following weighted average information:		
		<b>2,233,813 Options (Vesting Period -1 Year)</b>	<b>1,300,313 Options (Vesting Period -2 Year)</b>
	Risk free rate of interest (%)	7.67%	7.74%
	Expected life of the option from the date of grant (in years)	2.00	3.00
	Expected volatility (%)	42.51%	42.51%
	Dividend yield (%)	NIL	NIL
	The price of the underlying share in market at the time of option grant		

# MANAGEMENT DISCUSSION & ANALYSIS

## ECONOMIC OVERVIEW

### Global Economy

The past year has seen mild strengthening in global activity and the trend is set to continue over the next two years. Owing to fiscal consolidation, investors are less worried about debt sustainability. According to IMF's World Economic Outlook 2014, global growth is projected to increase from about 3% in 2013 to about 3.6% in 2014. Growth is mainly forecasted to be fuelled by the developed economies that are slated to grow at over 2% in 2014 as compared to 1.3% in the preceding year.

Despite moderate recovery, many economies face structural barriers and policy constraints. High levels of unemployment and income inequality need immediate attention in order for more investment and faster productivity growth. Most developed and developing countries grappled with challenges in the aftermath of the notable slowdown of the two preceding years.

In emerging economies, growth is projected to pick up gradually from about 4.7% in 2013 to about 5% in 2014. This will largely be fueled by stronger external demand from advanced economies, although monetary conditions might hamper growth in domestic demand.

### Indian Economy

The Indian economy achieved an unprecedented growth of over 9 per cent for three successive years between 2005-08 followed by a quick recovery from the global financial crisis between 2008-09. However over the past two years, the Indian economy has been going through challenging times resulting in a GDP growth rate of below 5 per cent.

There has been persistent uncertainty in the global economic outlook, due to crises in the Euro area and general slowdown in the global economy. This, coupled with domestic structural constraints and inflationary pressures has resulted in an extended slowdown. Fortunately, the upward trend of inflation that played a major role in the slowdown of growth, savings, investment, and consumption, appears to have subsided.

According to the Reserve Bank of India's Database of Indian Economy (RBI DBIE), the economy grew at a rate of 4.47% in 2012-2013 and by 4.74 % in 2013-2014.

The country has been consistently rated among the world's top three investment destinations by international bodies such as the World Bank and UNCTAD, supported by its liberal foreign investment policies. Many of the key indicators suggest that India would grow at an unprecedented pace finally cementing its potential as an economic powerhouse.

## INDIA MEDIA AND ENTERTAINMENT INDUSTRY

### Overview

According to the FICCI KPMG report, the television industry in India is estimated at INR 417 billion in 2013, and is expected to grow at a CAGR of 16 per cent over 2013-18, to reach INR 885 billion in 2018. The Indian M&E industry grew at a rate of 11.8% in the current year touching an overall size of INR 918 billion, which is forecasted to double in the next 5 years. This makes it evident that the Indian M&E industry is on an illustrious path and it will continue to evolve with every passing year.

### Emerging Trends in Indian Media

#### Digitisation - Driving Transformation in the Cable Television Ecosystem

The success of digitisation in Phase 1 repeated itself in Phase 2 covering 38 cities with a population of over 1 million across 15 states. Rapid deployment and installation of STBs in the Phase 2 cities saw the majority of analog households converted to digital.

According to the FICCI KPMG Report, a total of approximately 22 million STBs have been installed in the 42 Phase 1 & 2 cities.

#### Growth of HD

As the value chain shifts to addressable systems and tiering, growth in cable TV ARPUs will be driven by customized channel packs, premium content channels, HD channels and other value added services.

The demand for subscription-driven premium content, high definition and digital video recorders are on the rise. For example, a few recently launched channels have given Indian viewers access to American television content in HD at almost the same time as its original telecast. There are over 40 HD channels on-air in India currently and the number is expected to go up rapidly with the increasing penetration of HD and availability of content.

#### Cable Broadband - The Next Growth Driver

There is a growing demand for high speed internet in India fuelled by a rapidly increasing internet device market including computers and handheld devices. A burgeoning e-commerce sector and high data consumption habits make this a vast and untapped potential. Implementation of DAS Phases 1 & 2 has set the stage for the growth of cable broadband in the country.

Cable is the only 'pipe' or wired platform which has an existing deep penetration in Indian households. It also has the capacity to provide double-play services of video and

high-speed broadband internet and triple-play services with the addition of fixed line telephony along with these services. MSOs have been investing in the infrastructure required for setting up broadband networks in their markets and are gearing up to offer bundled cable and broadband offerings to their subscribers.

### The Era of Smart Phones

India has the second largest mobile phone user base and is the third largest smartphone market in the world in terms of shipments (over 44 million units) according to the FICCI KPMG report. By the end of 2013, India had approximately 66 million internet enabled smartphones and the number is expected to grow rapidly over the next few years.

With faster internet speeds and a reduction in data prices, scope for content repurposing, multi screen media viewing etc. on a rise. This is leading to an increase in internet based consumption of music, radio, TV programming, video gaming, VOD services and movies. As a result, numerous players have created dedicated applications for hand held devices, driving the demand for high speed data connections.

### Local Cable Channels: A Potential Game Changer

Considering the diversity and expanse of our country, there is a ready audience for consumption of regional content in India. Most of the major broadcasters now have a foray of regional channels on local and national levels to cater specifically to these audiences. Major print houses are expanding into regional markets with localized publications.

Following digitisation, local cable channels also present a game changing opportunity for the cable television sector. Local cable channels offer an unparalleled platform for tapping large advertisers by giving them access to narrower geographies and target groups, thereby offering them better ad spend ROIs. It also allows local businesses a relevant and cost effective advertising medium.

Digital cable channels could also drive the growth of niche content such as health, education, localised home shopping etc.

### Indian Television Industry

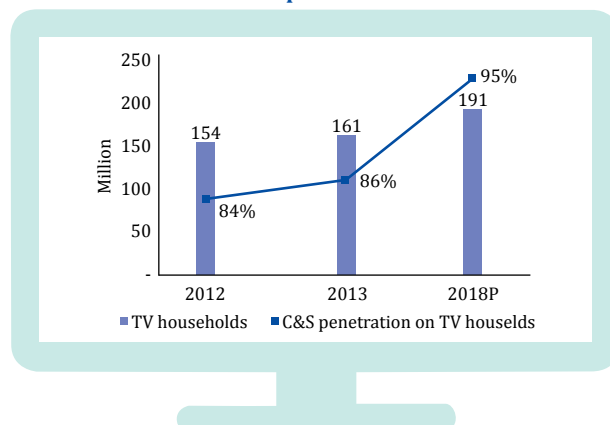
During 2013, the television industry continued on the exciting path of digitisation. This has led to better addressability and increase in subscription revenues.

By the end of 2013, India had 161 million TV households implying a TV penetration of over 60 per cent. Out of these, the number of Cable and Satellite subscribers increased to 139 million signaling a growth of 9 million subscribers and is further forecasted to rise at a rapid rate over the coming years. The total industry value is estimated to be INR 417 billion as per the FICCI KPMG Report, 2014 and is projected to be valued at INR 885 billion in 2018.

Owing to consolidation in an increasingly digitised market and streamlining of processes, the industry is slated to

get rid of problems relating to addressability and piracy. Further, the adoption of high definition content and value added services is likely to generate additional revenues.

### TV households and C&S penetration of TV households



Source: KPMG in India analysis. Industry discussions conducted by KPMG in India

Some of the major developments for the year in review are:

### Phase 3 & 4 – Opportunity for further Consolidation

According to industry estimates there is a total requirement of approximately 80 million digital cable set top boxes in Phase 3 & 4 across the country. This is almost 3 times the total requirement of Phase 1 & 2 markets. The implementation of digitisation involves a lot of dependence on systems, processes, capital and investments. Looking at the nature of the players in Phase 3 & 4 areas, there could possibly be a lot of consolidation opportunity, just like Phase 1 & 2.

### Moving towards an environment of Retail Billing

The final step in the transformation of the MSO-Subscriber relationship into a B2C Model is the initiation of Gross Billing by MSOs. Digitisation has ushered in a new era of consumer focused operations resulting in a phenomenal change in business processes.

MSOs are offering tiered packages at different price points to cater to the needs of different categories of consumers. This alone is likely to be one of the biggest growth drivers for the industry, giving platforms the ability to offer more content and channels to consumers and charge for them accordingly.

In this regard, the TRAI issued a direction to all MSOs in May 2014 whose salient features are as following:

- The MSO should ensure delivery of the bill to each subscriber by hand/post or e-mail (as opted by the subscriber)
- The SMS (Subscriber Management System) of the MSO should provide for an option of online payment of bills by subscribers effective mid July 2014
- An electronic acknowledgement should be sent by the MSO to the subscriber on his registered mobile

number/email ID immediately on receipt of his payment effective end June 2014

The above regulatory changes will help realise the true B2C potential of the cable business.

#### **TRAI Order on Content Aggregation:**

The TRAI has structured the role of content aggregators by setting forth guidelines wherein they can bundle/form bouquets of channels of only one broadcaster. According to the regulation issued in February 2014, the TRAI has given broadcasters 6 months for reworking their existing deals with content distribution platforms.

### **DEN: COMPANY OVERVIEW**

DEN Networks is India's largest cable TV distribution company serving an estimated 13 million homes in over 200 cities. The Company has been a frontrunner in the digitisation of Indian cable television and has over 6.4 million digital subscribers.

DEN's geographic footprint spans 13 key states across India including Delhi, Uttar Pradesh, Karnataka, Maharashtra, Gujarat, Rajasthan, Haryana, Kerala, West Bengal, Jharkhand, Madhya Pradesh, Uttarakhand and Bihar. The company has a significant presence in the strategic & economically important Hindi Speaking Markets (HSM) belt.

DEN Digital - DEN's digital cable services brand is one of the market leaders in India's digital television space. DEN Digital offers a wide choice of channels and services spanning all major genres and languages. DEN's premiere HD digital cable services – "DEN HD" offers channels in real HD in video resolution of 1080i.

The Company has soft launched Boomband, its super-fast broadband internet services on DOCSIS 3.0 technology in parts of Delhi and is now in the process of scaling up rapidly in other parts of Delhi and selective areas of UP.

DEN Networks is the owner of Delhi Dynamos FC, the Delhi Franchisee of the Hero Indian Super League, through its wholly owned subsidiary DEN Soccer Private Limited.

DEN's aim is to become the default destination for entertainment, information and interactivity for the Indian family.

#### **Digitisation Update:**

DEN now has over 6.4 million digital subscribers. It has an estimated analog base of 7 million homes in its Phase 3 & 4 markets. The Company is well capitalised to meet the deployment requirements of its existing subscriber base in these cities.

More than 1.4 million set top boxes have already been installed in these phases and the pace of deployment is picking up rapidly with the deadline approaching.

#### **Expansion into new territories:**

DEN is continually adding more cities to its digital platform by expanding its fibre connectivity and has started seeding digital set top boxes in major cities and towns of Uttar Pradesh, Maharashtra, Bihar, Rajasthan, Karnataka and Uttarakhand over the last few months. The Company is also witnessing a lot of interest from smaller players (MSOs and LCOs) from Phases 3 & 4 areas looking to align themselves with DEN.

#### **DEN HD**

Over 40 HD channels are currently on-air in India. This number is expected to go up rapidly with the increasing penetration of HD on the back of the pan-India DAS implementation drive.

DEN has the capacity to carry a large number of HD channels on its existing bandwidth. Currently DEN HD offers over 20 HD channels. The Company is actively pushing 'DEN HD', its premiere HD service in its digitised markets. On offer are attractive exchange plans for existing SD subscribers and highly competitive HD channel packages for either monthly or annual subscription.

#### **DEN Boomband**

The company believes that the next big opportunity after full digitisation of cable TV is offering high speed broadband services to its subscribers. The company has initiated the roll out of networks with DOCSIS 3.0 technology offering speeds of up to 100 Mbps. The orders for equipment have already been placed and the deliveries are in progress.

A team of highly experienced professionals from the broadband industry is in place and a new office space spreading over 14,000 sq feet has been acquired for the broadband team. A leading global strategy consulting is providing overall project management including market identification, roll out strategy, technological inputs and global expertise in broadband to make the company's foray in this space a success.

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- Over 50% of total internet users in India reside in Phase 1 & 2 cities. DEN is Present in 27 of the 41 cities where full digitisation has been implemented
  - DEN cities account for an estimated 74% of total Indian households having computers
  - DEN is present in 11 out of the 17 top ranking e-commerce cities in India

*(Source: Cedar Research)*

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CISCO, a world leader in technological solutions will be providing end-to-end technology and cable internet equipment. A leading telecom company has been tied up at a strategic level for bandwidth outsourcing and digital and IT connectivity.

## **DEN's Transformation into a Consumer Centric Organization**

DEN is shifting its focus towards becoming a consumer focused organization with the objective of providing a seamless customer experience.

### **Contract for Managed Services with Wipro**

With the rapidly expanding scope of operations of the company, Wipro, the global IT giant has been appointed for a managed services contract for a period of 10 years. This will cater to the billing, CRM, inventory management, web interface and payment gateway requirements of the company, eventually leading to the consumer getting a seamless service experience.

## **FOOTBALL**

DEN, through its wholly owned subsidiary – DEN Soccer Private Limited, is the successful bidder for the Delhi franchise of the Hero Indian Super League (HISL). HISL, the brainchild of IMG-Reliance and Star is a new football league formed under the aegis of The All India Football Federation (AIFF). The inaugural season of the League is scheduled to begin in October, 2014. The team has been named Delhi Dynamos F.C.

The club has entered into a strategic partnership with Feyenoord Rotterdam, a 9 time winner of the Dutch League. Feyenoord is a leading football club with a reputed academy and a vast scouting network. This gives the club an access to the best international talent. Feyenoord will also assist Delhi Dynamos in the overall development of the Club and its initiatives.

Harm van Veldhoven has been signed as the manager for the team. The Dutch/Belgian manager has vast coaching experience and a commendable track record in the top divisions in Netherlands and Belgium. The team has also signed top players like Mads Junker, Morten Skoubø and Kristof van Hout, the latter being the world's tallest professional footballer.

The home ground of the Delhi Dynamos is the Jawaharlal Nehru Stadium. The ground boasts of world class infrastructure having hosted the Commonwealth Games in 2010.

## **SWOT ANALYSIS**

### **Strengths**

- **Market leader in Cable Distribution**

DEN Networks has retained its position as India's

largest MSO in terms of subscriber base. It currently serves an estimated 13 million homes across 200+ cities. The company has been a frontrunner in the digitisation of Indian cable television and has over 6.4 million digital subscribers.

DEN's geographic footprint spans 13 key states across India including Delhi, Uttar Pradesh, Karnataka, Maharashtra, Gujarat, Rajasthan, Haryana, Kerala, West Bengal, etc. The company has a significant presence in the strategic & economically important Hindi Speaking Markets (HSM) belt.

DEN Digital - DEN's digital cable services brand is one of the market leaders in India's digital television space. DEN Digital offers a wide choice of channels and services spanning all major genres and languages. DEN's premiere HD digital cable services – "DEN HD" offers channels in real HD in video resolution of 1080i.

- **Channel Offering**

DEN's channel packages have been designed and customised for local markets to cater to the specific tastes of audiences in these markets while offering the best value for money for the price conscious Indian consumer. With a perfect mix of all genres and regional channels, DEN's packages cater to the diverse needs of the entire family.

- **Transforming into a Consumer Centric Organization**

Over the recent past, DEN Networks has undergone significant overhaul in operations to transform itself from a B2B to a B2C organization. A long term managed services contract with WIPRO, and streamlining of operations and processes are a few steps in this direction. This will cater to the billing, CRM, inventory management, web interface and payment gateway requirements of the company, eventually leading to the consumer getting a seamless service experience.

- **Financially Well Positioned**

DEN is one of the very few MSOs to be financially very well positioned for the implementation of Phase 3 & 4. These phases have a massive deployment requirement and huge investments in terms of infrastructure and seeding demands would be involved to digitise the exiting subscriber base and expand into newer territories. DEN is well capitalized with access to equity and debt funding to meet the needs of digitisation and to fund the company's other growth initiatives like broadband.

## **Opportunities**

- **Broadband**

The next focus area emerging after the implementation of DAS is cable broadband. With a last mile addressable presence in nearly 20 million homes in DAS Phase 1 & 2

cities, MSOs are now looking at expanding through high speed internet services to their digital subscribers.

The Company has started rolling out its superfast broadband service – DEN Boomband in selective areas of Delhi and UP. In the year to come, DEN plans to expand its broadband service across its digitised markets, giving consumers speeds of up to 100 Mbps. A host of consumer friendly plans are on offer ranging across various price points.

- **HD**

DEN has the capacity to carry a large number of HD channels on its existing bandwidth. Currently DEN HD offers over 20 HD channels. The company is actively pushing 'DEN HD', its premiere HD service. On offer are attractive exchange plans for existing SD subscribers and highly competitive HD channel packages for either monthly or long term subscription.

With the increase in penetration of high definition televisions, the demand for HD STBs is also growing rapidly and DEN aims to capture this space by providing state of the art high definition services through its platform.

## Risks and Concerns

- **Hurdles in Implementation of DAS in Phase 3 & 4**

Hurdles in the implementation of DAS could result in under recoveries on box subsidies being given to consumers, delay in full consumer billing and thereby lower revenues.

- **Exchange rate**

Depreciation of the rupee may add to the company's subsidy burden and capex outlay as the cost of set top boxes and other equipments which are imported may rise.

- **Competition from wireless operators for Broadband**

- **Rise in Content Costs**

Any disproportionate rise in content costs charged by broadcasters which the company is unable to pass on to its subscribers could strain the company's finances.

## HUMAN RESOURCE MANAGEMENT

A pool of committed and motivated employees is the most important asset to an organization. Conforming to this, in the past year the company has seen a rapid increase in the number of recruitments. Professionals from diverse fields including Technology, HR, Operations, Finance, Accounting, Marketing, Research, Technical and Administrative functions are being recruited. DEN has adopted HR policies focused on the long term development and retention of its human capital.

## Recruitment

Vast growth in the cable business along with diversification of the company into new verticals; especially broadband has seen a huge demand for talented individuals in the organization. Along with retaining its current employees, the company undertook major recruitment drives taking the total employee count to over 1,000. Employees are recruited with a vision of creating synergy and ensuring great dynamics in the workplace.

## Training & Development

With the company's expanding scope of operations, training and development has an even more vital role to play. DEN continues its endeavor to enhance its human resource capability by investing heavily in skill development and training of its employees along with various employee engagement initiatives. The company has tied up with leading business schools in India for exclusive deals on higher education for DEN employees and their families.

## Rewards & Recognition

DEN has taken various initiatives to improve employee productivity and efficiency by providing enriched jobs, opportunities for career growth and other incentives. The company has a comprehensive remuneration policy that is competitive and in consonance with industry best practices. Rewards and Recognition programs like awarding the 'Star of the Month' to top performers ensures that employee morale and confidence remains high. The Company has a management system in place which aims to align the performance of its employees with the organization's objectives.

## Employee Engagement and Welfare Activities

DEN acknowledges the fact that the productivity of the company is directly proportional to the productivity of its employees and hence organizes a host of employee engagement events throughout the year. Annual excursions, weekly movie and puzzle contests, employee birthday bashes and elaborate celebrations on all festivals and occasions are organized

Apart from this, a comprehensive Employee Wellness Program has been launched to raise awareness about common lifestyle problems, urban ailments and how to combat them in today's world. A different aspect of health is taken up every month. Partnerships with medical institutions, regular health camps and check ups are organized in working hours as a part of this initiative. A very good response has been received from employees and many more such initiatives are planned in the months to come.

## CORPORATE SOCIAL RESPONSIBILITY

DEN has continuously strived to achieve an integrated business model to support its vision of becoming an industry leader in terms of creation of value, corporate citizenship and giving back to society. In its efforts towards social

responsibility, DEN believes in making lifestyle changes that make an impact to the environment in the long term. Mailers, awareness camps, company wide campaigns etc. are carried out periodically to remind employees of their commitment towards reducing wastage, saving energy and doing their bit towards the society.

**Project Akshar:** DEN recently partnered with ENACTUS, a student run NGO, for recycling the organization's used and shredded paper. "Akshar" is an initiative wherein all the waste and used paper of the organization gets recycled by physically disabled and underprivileged families, thus giving them a source of income and healthy employment. This recycled paper is turned into notebooks for official use.

**DEN-I-Care:** DEN I-care is an initiative undertaken with the aim of inculcating socially responsible values among the employees. Employees are made conscious about green environmental practices like saving water, using car pools and energy efficient devices, recycling of paper, etc., thus encouraging them to make a visible difference to the environment.

**"Save the Tiger" in association with WWF:** DEN recently associated with the World Wide Fund for Nature (WWF) for their "Save the Tiger" initiative. The two phased campaign started off with a camp inviting all employees to pledge to carry out small changes in their daily routine that eventually makes a meaningful impact to the environment. This was followed by an awareness drive and voluntary monetary contributions to the WWF's Save the Tiger fund. Employees

turned out in huge numbers to make the pledge and a commendable amount was contributed jointly by DEN employees towards this cause.

**Helping out the less fortunate with Goonj:** DEN has carried ahead its association with the NGO – "Goonj" to contribute to the underprivileged sections of the society. The various initiatives include "Rahat Winters" and "Don't pack your unwanted clothes". Several clothes collection drives are organized in the corporate office and employees are encouraged to contribute whole heartedly.

## INTERNAL CONTROL SYSTEM

DEN's internal control systems include systems and processes for the precise compilation of financial statements, management reports and the compliance of regulatory and statutory requirements. Measures adopted by DEN to safeguard investor interests include high levels of Corporate Governance and periodic communication of important developments with investors through the release of quarterly investor updates and earnings conference calls.

The effectiveness of internal control systems in the company is reviewed by the Audit Committee. DEN also requires its senior managers and functional heads to provide regular updates on their functions. A CEO and CFO certificate forming part of the Corporate Governance Report confirms the existence of effective internal control systems and procedures in the company.

# REPORT ON CORPORATE GOVERNANCE

In accordance with Clause 49 of the Listing Agreement with the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) and some of the best practices followed on Corporate Governance, the report contains the details of Corporate Governance Systems and processes at DEN Networks Limited.

## CORPORATE GOVERNANCE

Corporate governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures transparency, spirit and accountability in all its transactions and meets its stakeholder's expectations. The objective is to meet stakeholder's aspirations and societal expectations. Good Governance practice stem from the dynamics, culture and positive mind set of the organization. It is most often viewed as both, the structure and the relationships which determine corporate direction and performance. The corporate governance framework also depends on the legal, regulatory, institutional and ethical environment of the Company. Enlightened goal setting, effective decision-making and efficient monitoring forms the base for a

recognizes that good governance is a continuing exercise and reiterates its commitment to pursue the highest standards of Corporate Governance in the overall interest of all its stakeholders.

## BOARD OF DIRECTORS

### a. Composition of the Board of Directors

The Company's Board is an optimum mix of executive, non-executive and independent directors constituted in conformity with the provisions of the Companies Act, FDI guidelines, listing agreement, terms of the shareholders' agreement and other statutory provisions. Presently the Board comprises of six (06) members, all of whom are Non-Executive Directors except Mr. Sameer Manchanda, Chairman and Managing Director of the Company. In term of clause 49 of the listing agreement half of the total numbers of Directors are Independent. None of the Directors are inter-se related to each other within the meaning of Clause 49 IV(G)(ia) of the Listing Agreement. The composition of the Board and category of Directors are as follows:-

Name of Director	Nature of Directorship	No. of outside Directorships Held	No. of Chairmanships / Memberships of other Board Committees	
			Chairmanship	Membership
Mr. Sameer Manchanda	Chairman & Managing Director	Nil	Nil	Nil
Mr. Shahzaad Siraj Dalal	Non Executive Nominee Director	07	Nil	03
Mr. Krishna Kumar Gangadharan	Alternate Director to Mr. Shahzaad Siraj Dalal	03	01	02
Mr. Ajaya Chand	Non Executive Independent Director	Nil	Nil	Nil
Mr. Robindra Sharma	Non Executive Independent Director	Nil	Nil	Nil
Mr. Atul Sharma	Non Executive Independent Director	Nil	Nil	Nil
Mr. Ankur Ambika Sahu	Non Executive Nominee Director	Nil	Nil	Nil
Mr. Vishal Kamalnain Bakshi	Alternate Director to Mr. Ankur Ambika Sahu	Nil	Nil	Nil

system of good corporate governance. With the increasing complexity of business in today's world, sound governance practices are becoming more and more essential in building and maintaining the trust of all stakeholders such practices are also essential for a sustainable business model for generating long term value for all its stakeholders.

At DEN, we believe that transparent, ethical and responsible corporate governance practices are essential in enhancing and retaining stakeholder trust. Corporate Governance is an integral part of the philosophy of the Company in its pursuit for excellence, growth and value creation. The Company

- For the purpose of considering the total number of directorships, all Public Limited Companies, whether listed or not, have been considered. Private Limited Companies whether subsidiary of a Public Limited Company or not, Alternate Directorships, Foreign Companies and Companies under section 25 of The Companies Act, 1956, have not been included.
- For the purpose of considering the total number of Memberships/ Chairmanships of Committee(s) only Audit Committees

and Shareholders'/ Investors' Grievance Committees of all Public Limited Companies have been considered.

- iii) None of the Directors is a Chairman / member in more than 5 / 10 committees across all Companies in which they are Directors.

#### b. Board Meetings and Procedures

The Board of Directors constantly strives to achieve the overall goals of the Company. The Board consists of professionals and learned executives having in depth knowledge of their respective fields to oversee the overall functioning of the Company and to take strategic decisions in the best interest of the stakeholders.

At least four meetings of the Board are held every year, generally at the end of each financial quarter. Besides this, the members of the Board meet to consider various matters as and when required. The Board also considers urgent matters, if required, by passing of resolutions by circulation.

The Company Secretary is responsible to provide the detailed information to all the Board members regarding matters to be considered at the Board meeting along with the agenda thereof, in advance of the Board Meetings. The members of the Board have complete freedom to express their views on the matters discussed and thereafter the final decision is taken on the basis of consensus on each agenda item. Minutes of the proceedings of every Board meeting are recorded and are discussed before approval by members of the Board at the successive Board meeting, after which they are entered into the minute book. Implementation status of various decisions taken at the Board Meeting is reviewed in the successive meetings of the Board.

#### c. Attendance at Board Meetings and Annual General Meeting:

A total of 07 (Seven) meetings were held during the financial year 2013-14 on April 20, 2013, May 06, 2013, May 30, 2013, August 14, 2013, September 27, 2013, November 12, 2013 and February 14, 2014. The Sixth Annual General Meeting of the Company was held on September 18, 2013.

The details of attendance of Directors at the meetings of the Board and at the last Annual General Meeting are as under:

Name of Director	No. of Board meetings attended	Attended last Annual General Meeting
Mr. Sameer Manchanda	05	Yes
Mr. Shahzaad Siraj Dalal	01	No
Mr. Krishna Kumar (Alternate Director for Mr. Shahzaad Siraj Dalal)	02	No

Name of Director	No. of Board meetings attended	Attended last Annual General Meeting
Mr. Ajaya Chand	07	Yes
Mr. Robindra Sharma	07	No
Mr. Atul Sharma	00	No
Mr. Ankur Ambika Sahu	01	No
Mr. Vishal Kamalnain Bakshi (Alternate Director for Mr. Ankur Ambika Sahu)	01	No

#### d. Appointment/Re-appointment of Directors:

Pursuant to the provisions of Sections 152 of the Companies Act, 2013, Mr. Shahzaad Siraj Dalal shall retire by rotation at the forthcoming Annual General Meeting. As per Clause 49 of the Listing Agreement and Companies Act, 2013 it is necessary to have at-least one half of the total number of directors as independent directors. The provisions of sub section 10 of the Section 149 further stipulates that an independent director shall hold office for a term up to five consecutive years on the Board of the Company and shall not be liable to retire by rotation. The Company has received the notice along with requisite deposit, from members of the Company pursuant to Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Ajaya Chand, Mr. Atul Sharma and Mr. Robindra Sharma for the office of Director, to be designated as Independent Directors of the Company.

During the year, the Board has also appointed Mr. Ankur Ambika Sahu as an Additional Director. He is also a nominee director of Goldman Sachs. Therefore the Board is decided to regularize the appointment of Mr. Ankur Ambika Sahu, as Non Executive Nominee Director.

The Board has recommended to the shareholders the appointment/re-appointment of the aforesaid directors retiring by rotation, Independent Directors and regularization of Director, as in the opinion of the Board, they fulfill the conditions specified in this Act for holding of office of director / independent director. The detailed resumes of the aforesaid proposed appointees are mentioned in following paragraph:-

#### e. Re-appointment of Director retire by rotation

A brief description of the Director, whose candidature is proposed for re-appointment at the forthcoming Annual General Meeting of the Company as required under Clause 49 of the Listing Agreement is provided below:

**Mr. Shahzaad Siraj Dalal – Non Executive Nominee Director**

Mr. Shahzaad Dalal is the Chairman & Chief Executive Officer of IL&FS Investment Advisors LLC which is a fully owned subsidiary of IL&FS Investment Managers Ltd (IIML), one of India's leading Private Equity Fund Managers with US\$ 3.2 billion under management. The private equity funds managed by IIML have a wide canvas across sectors in infrastructure such as telecom, transport, power and oil and gas as well as emerging areas in real estate, technology, retail, life sciences and consumer services. He leads a highly competent team of 40 professionals involved in managing over 95 investments. Mr. Dalal is also on the Boards of various companies to guide their growth plans and other strategic developments. Overall, Mr. Dalal assumes greater responsibility towards the crafting of exits through a range of diverse methods, including IPO's and strategic sales

Mr. Dalal is also responsible for developing the Infrastructure Business of IL&FS Group in key international markets in sectors such as Roads, Power, Renewable Energy, Ports, Logistics, Education and Waste Management

Prior to joining IIML, Mr. Dalal served as the Chief Executive Officer of the Asset Management Business of IL&FS. Within the IL&FS Group he has undertaken various responsibilities including overall planning and raising of resources for IL&FS, its group companies and other IL&FS sponsored infrastructure projects. Mr Dalal has also headed the initiative for large value structured finance/transactions in leasing, project finance and privatizations

Mr. Dalal is a Management Graduate from the USA

#### **f. Appointment of Independent Directors**

A brief description of the Independent Directors, whose candidature is proposed for appointment at the forthcoming Annual General Meeting of the Company as required under Clause 49 of the Listing Agreement is provided below:

##### **Mr. Ajaya Chand- Independent Director**

Mr. Ajaya Chand holds a bachelor's degree in commerce from Hansraj College from University of Delhi and is also a qualified chartered accountant. He is currently an independent financial and management consultant. He has over 25 years of experience in accounting, financial and corporate legal matters. Prior to that, he was associated with ibn18 Broadcast Limited and New Delhi Television Limited.

##### **Mr. Robindra Sharma-Independent Director**

Mr. Robindra Sharma holds a bachelor's degree in commerce from University of Bombay. He is also a qualified chartered accountant. He is currently

the chief financial officer of Triburg Sportswear, an apparel sourcing company in India. He has been associated with Triburg Sportswear for the last 16 years and is responsible for all the accounting, financial and legal matters of the Company.

##### **Mr. Atul Sharma-Independent Director**

Mr. Atul Sharma holds a Bachelor Degree in (Economics) and LL.B. from University of Delhi. He is a Member of Supreme Court Bar Association, Member of Delhi High Court Bar Association and a Member of Bar Council of India. He is currently a managing partner of Link Legal a firm of legal consultancy. Before setting up the firm in 1999, Mr. Atul was an independent counsel from 1986 to 1993, he was associated with Bhasin & Co. where he led the litigation practice and represented and advised banks and public companies on corporate and commercial matters.

Mr. Ajaya Chand, Independent Director holds 64,420 Equity Shares of the Company except and otherwise no Independent Directors hold any shares in the Company. As per the provisions of sub Section (7) of Section 149 of the Companies Act, 2013, the Board of Directors of the Company has received declaration from all the Independent Directors that they meet with the criteria of independence as provided in sub Section (6) of Section 149 of the Companies Act, 2013. The Company has also received from all the proposed appointees (i) consent in writing to act as a director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 (ii) intimation in Form DIR 8 in terms of Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they have not been disqualified under sub Section (2) of Section 164 of the Companies Act, 2013.

#### **g. Regularization of appointment of Additional Director during financial year**

A brief description of the Director, whose candidature is proposed for re-appointment/regularization at the forthcoming Annual General Meeting of the Company as required under Clause 49 of the Listing Agreement is provided below:

##### **Mr. Ankur Ambika Sahu - Non Executive Nominee Director**

Mr. Ankur Ambika Sahu holds a degree in Electrical Engineering from Tufts University (batch of 1991) and an MBA from Harvard Business School (batch of 1996). He joined Goldman Sachs in 1998 as an associate in High Technology and then moved to the Principal Investment Area in 2000. He is currently the co-head of the Merchant Banking Division in Asia Pacific. He was named managing director in 2005 and Partner in 2006.

Prior to joining Goldman Sachs, Mr. Ankur worked at Motorola in a marketing position and at a Matsushita Electric Industrial (Japan) in semiconductor design and corporate planning roles.

#### h. Shareholding of Directors

Shareholding of the Directors of the Company as on March 31, 2014 is as under:

Sl. No.	Name of Director	No. of shares held (face value ₹10/- each)
1	Mr. Sameer Manchanda	46,654,550
2	Mr. Shahzaad Siraj Dalal	20,000
3	Mr. Krishna Kumar (Alternate Director for Mr. Shahzaad Siraj Dalal)	7,720
4	Mr. Ajaya Chand	64,420
5	Mr. Robindra Sharma	Nil
6	Mr. Atul Sharma	Nil
7	Mr. Ankur Ambika Sahu	Nil
8	Mr. Vishal Kamalnain Bakshi (Alternate Director for Mr. Ankur Ambika Sahu)	Nil

### A. COMMITTEE(S) OF BOARD

To facilitate the operations and comply with statutory requirements, the Board of the Company has constituted different Committees having their focused attention on various working aspects of the Company. Presently, the Board has Eight (08) standing committees and has the power to constitute other such committees, as required from time to time. The details of the various Committees of the Board are as under:

#### 1. Audit Committee

##### (a) Composition

The Audit Committee of the Company is constituted in accordance with the provision of Clause 49 of Listing Agreement with the Stock Exchange(s) and Companies Act, 2013. The Audit Committee comprises of the following Directors out of which two third are Independent Directors. The composition of the Audit Committee is as follows:

Name of Member	Category of Directorship	Position
Mr. Ajaya Chand	Non-Executive Independent Director	Chairman
Mr. Robindra Sharma	Non-Executive Independent Director	Member
Mr. Shahzaad Siraj Dalal	Non-Executive Nominee Director	Member

All the members of the Audit Committee are financially literate and the Chairman of the Audit Committee is a financial expert. The

Company Secretary of the Company acts as the Secretary of the Committee

#### (b) Brief description of terms of reference

The terms of Reference of the Audit Committee as defined by the Board are as under:

- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Reviewing with the management and examination of the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - Qualifications in the draft audit report;
- Reviewing, with the management and examination of the quarterly financial statements before submission to the board for approval;
- Approval or any subsequent modification of transactions of the company with related parties;
- of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever necessary;

- (h) Evaluation of internal financial controls and risk management systems;
- (i) Monitoring the end use of funds raised through public offers and related matters.
- (j) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (k) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (l) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (m) Reviewing the performance of statutory and internal auditors and adequacy of the internal control systems with the management;
- (n) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (o) Discussion with internal auditors of any significant findings and follow up there on;
- (p) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (q) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (r) To look into the reasons for substantial defaults in the payment

to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

- (s) To review the functioning of the Whistle Blower mechanism;
- (t) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (u) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Committee invites the Board Members and senior management team, as it considers appropriate to be present at its meetings. The Statutory Auditors are also invited to these meetings. The Audit Committee reviews the reports of the Internal Auditors as and when required and discusses their findings, observations, suggestions, internal control systems, scope of audits and other related matters.

#### (c) Number of meetings & attendance

During the year under review, Five (05) meetings were held during the financial year 2013-14 on April 20, 2013, May 30, 2013, August 14, 2013, November 12, 2013 and February 14, 2014. The details of attendance of members at the Committee Meetings are as under:

Name	No. of meetings attended
Mr. Ajaya Chand	05
Mr. Shahzaad Siraj Dalal	01
Mr. Krishna Kumar (Alternate Director for Mr. Shahzaad Siraj Dalal)	02
Mr. Robindra Sharma	05

## B STAKEHOLDERS' RELATIONSHIP COMMITTEE

### (a) Composition

The Shareholders' Grievance Committee was renamed as Stakeholders' Relationship Committee vide resolution passed by the Board of Directors of the Company on May 30, 2014 in compliance with the provisions of the Companies Act 2013.

The Stakeholders' Relationship Committee has been constituted to look into investor's complaints like transfer of shares, non-receipt of declared dividends etc. and take necessary steps for redressal thereof. The Committee is a Board level committee under the Chairmanship of Mr. Ajaya Chand, Non- Executive Independent

Director. During the financial year 2013-2014, Eight (08) meetings of Shareholders/Investors Grievance Committee were held on June 03, 2013, September 03, 2013, October 21, 2013, November 26, 2013, December 12, 2013, February 03, 2014, February 10, 2014 and March 07, 2014. The present composition of the Stakeholders' Relationship Committee is as under:-

S. No.	Name	Category of Directorship	Position
1	Mr. Ajaya Chand	Non Executive Independent Director	Chairman
2	Mr. Robindra Sharma*	Non Executive Independent Director	Member
3	Mr. Sameer Manchanda	Executive Director	Member

\*Appointed as Member of committee during the year

#### (b) Terms of reference, powers & role of the Committee

The Committee specifically looks into the redressal of shareholders' / investors' complaints. The Committee composition and the terms of reference meet with the requirement of clause 49 of the Listing Agreement and provision of the Companies Act, 2013.

#### (c) Number of Committee meetings & attendance

The Committee discussed the complaints received by the Company and steps taken for their redressal. The details of attendance of members at the Committee Meetings are as under:

Name	No. of meetings attended
Mr. Sameer Manchanda	08
Mr. Ajaya Chand	08
Mr. Atul Sharma*	Nil

\*ceased from membership of committee during the year

#### (d) Investors' correspondence / complaints & their redressal

The Company received Eight (08) correspondence(s) / complaints from the Shareholders during the period from April 1, 2013 to March 31, 2014 which were general in nature. All complaints were redressed/ attended to the satisfaction of the shareholders effectively within the statutory time limit and no complaint was pending at the end of financial year closing on March 31, 2014.

### C. NOMINATION AND REMUNERATION/ COMPENSATION COMMITTEE

#### (a) Composition

The Nomination, Remuneration and Compensation Committee comprises of four members. The Chairman of the Committee is an Independent Director.

The Remuneration Committee has been re-constituted and renamed as Nomination and Remuneration/ Compensation Committee vide resolution passed by the Board of Directors of the Company on May 30, 2014 in compliance with the provisions of the Companies Act 2013.

S. No.	Name of Member	Category of Directorship	Position
1	Mr. Ajaya Chand	Non-Executive Independent Director	Chairman
2	Mr. Robindra Sharma	Non Executive Independent Director	Member
3	Mr. Ankur Ambika Sahu*	Non Executive Nominee Director	Member
4	Mr. Sameer Manchanda	Executive Director	Member

\*Appointed as Member of committee during the year

#### (b) Terms of reference, powers & role of the Committee

The mandate of the Committee' is to review and recommend compensation payable to the executive directors and senior management of the Company. It shall also administer the Company's stock option plans, if any, including the review and grant of the stock options to eligible employees under plans. The Committee may review the performance of the Executive Directors, if any and for the said purpose may lay down requisite parameters for each of the executive directors at the beginning of the year. The Committee composition and the terms of reference meet with the requirement of clause 49 of the Listing Agreement and provision of the Companies Act, 2013.

#### (c) Number of Committee meetings & attendance

The committee met 01 (one) time during the period under review. The details of attendance of members at the Committee Meeting is as under:

S. No.	Name of Member	No. of meetings attended
1	Mr. Ajaya Chand	01
2	Mr. Sameer Manchanda	01
3	Mr. Robindra Sharma	Nil
4	Mr. Atul Sharma*	Nil

\*ceased from membership of committee during the year

## COMPENSATION TO THE MEMBERS OF BOARD

During the financial year 2013-14, the company has not paid remuneration to any Director except Mr. Sameer Manchanda Chairman and Managing Director of the Company. The details of remuneration are mentioned below. Non-Executive & Independent members of the Board are paid sitting fees for attending the Meetings of the Board within the ceiling as provided under the Companies Act, 1956/2013. Besides this Non-Executive Directors do not have any other pecuniary relationship or transaction with the Company. The Company has no policy of advancing any loans to Directors.

S. No.	Particulars	Amount in millions
1.	Basic Salary	99,70,667
2.	House Rent Allowance	49,85,333
3.	Management Allowance	87,74,187
4.	Provident Fund	11,96,481
	Total	2,49,26,668

The shareholders of the Company by the resolution passed by postal ballot dated December 28, 2010 and subsequently revised by a resolution passed by postal ballot dated February 28, 2013, approved the following terms of remuneration for Mr. Sameer Manchanda, Chairman and Managing Director:

- Gross salary: The Company shall pay a basic salary of Rs. 2 million per month with a 10% annual increment.
- Medical benefits (for self and family): The Company shall reimburse expenses actually incurred towards medical expenses, the total cost of which to the Company shall not exceed Mr. Sameer Manchanda one month's salary.
- Leave travel concession (for self and family): The Company shall reimburse such expenses which shall not exceed Mr. Sameer Manchanda one month's salary. Any unspent amount is required to be repaid at the end of tenure or may be carried forward to the succeeding years in case of extension of appointment.
- Provident fund: The Company shall contribute to the Company's provident fund scheme, in accordance with the rules of the scheme.
- Super-Annuation: The Company shall contribute to the superannuation fund scheme in accordance with the rules of the scheme.
- Gratuity: The Company shall pay half of one month's salary for each completed year of service.
- Leave encashment: Mr. Sameer Manchanda is permitted to encash leave at the end of the tenure subject to a maximum of 45 days, including brought forward leaves.
- Car: The Company shall provide free use of Company maintained car with chauffeur for official purpose.
- Telephone: The Company shall provide free telephone facility at residence.
- Club membership: The Company shall pay actual membership fees for a maximum of two clubs.

## REMUNERATION POLICY:

### i) Management Staff:

Remuneration of employees largely consists of basic remuneration and perquisites. The components of the total remuneration vary based on the grade and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him/her, his/her individual performance, etc.

### ii) Non-Executive Directors:

The Company pays sitting fees to all the Non Executive Directors of the Company. The sitting fees paid is within the limits prescribed under the Companies Act.

**Besides the above-mentioned Committees, the Company also has the following working Committees as a part of the Board:**

- 1 Finance Committee
- 2 Securities Issue Committee
- 3 Routine Business Matters Committee
- 4 Corporate Social Responsibility Committee
- 5 Whistle Blower Committee

## III. CODE OF CONDUCT

The Board had laid down a Code of Conduct for all the Directors and Senior Management Executive(s) of the Company as required under Clause 49 (I D) of the Listing Agreement. This code is also posted on the Company website ([www.dennetworks.com](http://www.dennetworks.com)). All the Board Members and Senior Management Personnel to whom this Code of Conduct is applicable have affirmed compliance with the Code and a declaration of this affirmation from Chairman and Managing Director of the Company forms a part of this report as Annexure – 'B'.

### Code of Conduct for Prohibition of Insider Trading

The Company has formulated a Code of Conduct for Prevention of Insider Trading ('Code') in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. The Code, inter alia, prohibits purchase and/or sale of shares of the Company by an insider, while in possession of unpublished price sensitive information in relation to the Company and also during certain prohibited periods. This code is available on the Company website ([www.dennetworks.com](http://www.dennetworks.com)).

### Disclosures

- None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of the members is drawn to the disclosures of transactions with the related parties as set out in the Notes on Accounts, forming part of this Annual Report.

- The Company has complied with all the requirements, as applicable to the Company, to the best of its knowledge and understanding, of the Listing Agreement with the Stock Exchange(s), the regulations and guidelines of the Securities and Exchange Board of India (SEBI). SEBI, Stock Exchange(s) or any other statutory authorities have imposed no penalties or strictures on matters relating to capital markets from the date of listing i.e. November 24, 2009.
- The Company has complied with all the mandatory requirements under Clause 49, as applicable.
- Management Discussion and Analysis Report is provided as a part of the Directors' Report published as the previous section in this Annual Report.
- In preparation of the financial statements, the Company has followed the Accounting Standards as issued by 'The Institute of the Chartered Accountants of India', to the extent applicable.
- Business Risk Evaluation and Management is an ongoing process within the Company. The objective of the Company's risk management practices is to identify the potential areas that may affect the affairs of the Company and ensure reasonable assurances to avoid any possible damage to the assets and properties of the Company.
- The Chairman Managing Director (CMD), Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Company have furnished to the Board, a certificate in respect of the financial statements and the Cash Flow Statement of the Company for the financial year ended March 31, 2014, which forms part of this report as Annexure – 'C'.

#### IV. GENERAL BODY MEETINGS

The details of the last three Annual General Meetings of the Company are as follows:

Year	Location	Date	Day	Time
2010-11	Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110003	September 27, 2011	Tuesday	03.00 P.M.
2011-12	Kamani Auditorium, 1 Copernicus Marg, Near Mandi House – New Delhi – 110001	September 27, 2012	Thursday	12.30 P.M.
2012-13	Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110003	September 18, 2013	Wednesday	11.30 A.M.

##### Special resolutions passed at the last 3 Annual General Meetings (AGM)

1. At the AGM held on September 27, 2011:- There was no matter that required passing of a special resolution.
2. At the AGM held on September 27, 2012:- There was no matter that required passing of a special resolution.

3. At the AGM held on September 18, 2013:- There was no matter that required passing of a special resolution.

During this financial year, two (2) Extra Ordinary General Meeting of the members of the company were convened and held during the year under review for the purpose of increase in the limit of FII holding in the Company, further issue of securities pursuant to section 81(1A) of the Companies Act, 1956 on April 25, 2013 and Preferential allotment of securities other than promoter & promoter group of companies on June 05, 2013.

##### Details of Postal Ballot conducted

During the year, the Company conducted One (01) postal ballot for equity shareholders in accordance with the provisions of section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2011. Postal Ballot Notices containing proposed resolutions and explanatory statements thereto were sent to the registered addresses of the shareholders along with the Postal Ballot form and a postage pre paid envelope containing the address of the Scrutinizer appointed by the Board. The Postal Ballot Forms received within 30 days of dispatch were considered by the Scrutinizer and thereafter the Scrutinizer submitted his report to the Company for declaration of results. Details of the voting pattern and resolutions are given below:

Date of Declaration of Postal Ballot of Result & Name of the Scrutinizer	Brief particulars of Resolution(s)	Percentage of votes cast in favour of resolution
<b>Date of Declaration of Postal Ballot Result:</b> November 22, 2013	<b>Alteration of Articles of Association- Special Resolution</b>	<b>93.88%</b>
<b>Name of the Scrutinizer: Mr. Neelesh Kumar Jain, Practicing Company Secretary</b>		

#### V. DISCLOSURE ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS THAT MAY HAVE POTENTIAL CONFLICT WITH THE INTERESTS OF THE COMPANY AT LARGE:

None of the transactions with any of the related parties i.e. transactions of the Company of material

nature, with its Promoters, the Directors and the management, their relatives or subsidiaries, etc. were in conflict with the interest of the Company. Attention of members is drawn to the disclosure of transactions with the related parties set out in Notes of the Standalone Financial Statements, forming part of the Annual Report. The Company's major related party transactions are generally with its subsidiaries and associates. These transactions are entered into based on considerations of various business exigencies such as synergy in operations, sectoral specialization, the Company's long-term strategy for sectoral investments, optimization of market share, profitability, legal requirements, liquidity and capital resources of subsidiaries and associates. All related party transactions are negotiated on arms length basis and are intended to further serve the interests of the Company.

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges or any other statutory authority.

The Company has framed a Whistle Blower Policy which was approved by the Board of Directors on May 30, 2014. The Company's personnel have access to the Chairman of the Audit Committee in cases such as concerns about unethical behavior, frauds and other grievances. No personnel of the Company have been denied access to the Audit Committee.

## MEANS OF COMMUNICATION

- Quarterly financial results and audited Annual financial results are published regularly within the prescribed time limit in 'Business Standard' (English and Hindi editions).
- In compliance with the Listing Agreement, the Company promptly submits the financial results and other business updates to the Stock Exchange(s) to enable them to display these on their websites.
- The Financial results and other shareholders information(s) is also displayed on the Company website ([www.dennetworks.com](http://www.dennetworks.com))

## VI. GENERAL SHAREHOLDERS INFORMATION

### Annual General Meeting

Day & Date	Thursday & 25-09-2014
Time	At 11.30 A.M
Venue	PHD Chamber of Commerce & Industry, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016

### Financial Calendar:

[Tentative and subject to change]

Day & Date	No. of meetings attended
Financial Reporting for the 1st Quarter ending June 30th, 2014.	Within first 15 days of August, 2014.
Financial Reporting for the 2nd Quarter ending September 30th, 2014.	Within first 15 days of November, 2014.
Financial Reporting for the 3rd Quarter ending December 31st, 2014.	Within first 15 days of February, 2015.
Financial Reporting for the last Quarter ending March 31st, 2015.	Within first 15 days of May, 2014, in case of Unaudited Financial Results or within 60 from the end of March 31, 2015, in case of Audited Financial Results.

### DATE OF BOOK CLOSURE

Friday, the 19th September, 2014 to Thursday, the 25th September, 2014 (both days inclusive)

### LISTING ON STOCK EXCHANGE(S) AND STOCK CODE(S)

The Equity shares of the Company are listed on BSE Limited (BSE) under scrip code 533137 and on National Stock Exchange of India Limited (NSE) with scrip code 'DEN'.

The Annual Listing fee for 2014-15 has been paid to the aforesaid Stock Exchange(s) within the stipulated time period.

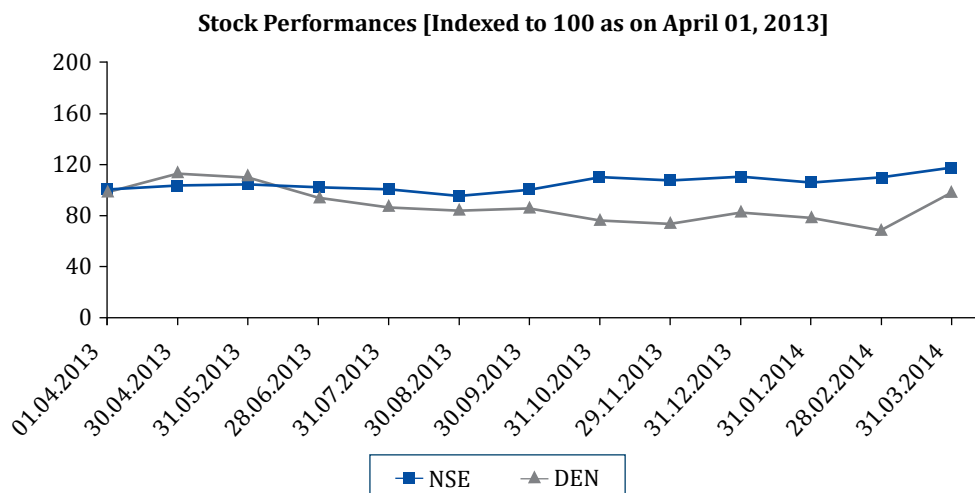
The International Securities Identification Number (ISIN) allotted to the Company's share under the Depository System is INE947J01015.

## MARKET PRICE DATA

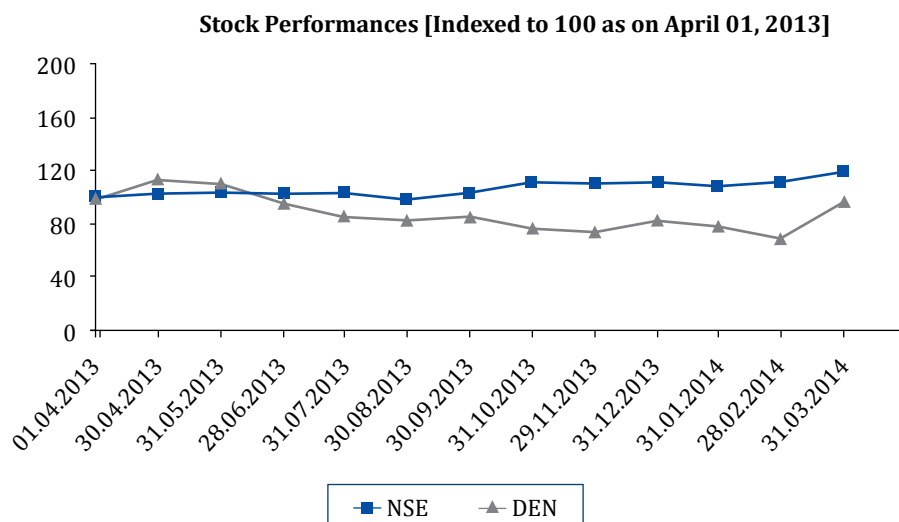
Equity Shares of the Company are listed and traded on BSE and NSE and the High Low rates of the shares of the Company during the year ended March 31, 2014 are as follows:

Month	NSE (in Rs. Per share)		BSE (in Rs. Per share)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
Apr-13	222.90	191.50	222.80	192.00
May-13	232.00	202.55	231.65	204.50
Jun-13	219.50	143.15	218.80	143.25
Jul-13	193.60	162.30	194.25	160.50
Aug-13	174.90	140.25	178.00	141.00
Sep-13	184.95	150.05	187.85	150.50
Oct-13	171.95	144.20	171.40	143.20
Nov-13	152.50	133.35	152.00	133.60
Dec-13	169.70	120.10	170.00	110.45
Jan-14	169.40	138.30	169.95	138.90
Feb-14	155.75	132.50	159.00	132.60
Mar-14	195.00	133.25	194.90	133.95

### Stock Performance in Comparison with NSE Nifty



### Stock performance in Comparison with BSE SENSEX



## Address of the Registrar & Share Transfer Agent:

Karvy Computershare Private Limited  
Karvy House, 46 Avenue 4, Street No. 1,  
Banjara Hills, Hyderabad- 500 034  
Ph # (+ 91 40) 2342 0815)  
Fax # (91 40) 2342 0814  
Email : einward.ris@karvy.com

## Name and designation of Compliance Officer

Jatin Mahajan  
Compliance Officer & Company Secretary  
Ph # (+91 - ) 40522242  
Fax # (+91 - 120) 40522204  
Email : jatin.mahajan@denonline.in

## Share Transfer System

M/s Karvy Computer Share Private Limited is appointed as the Registrar & Share Transfer Agent of the Company. The transfer of shares is approved at the meetings of the Share Transfer Committee which met 6 times during the year 2013 – 14.

Approximate time taken for share transfer, if documents are in order in all respects : 15 days

Total No. of shares transferred during 2013 – 2014 : 146

Number of Shares pending for Transfer as on 31.03.2014 : Nil

## VII INVESTOR UPDATE

- a) Investors are requested to communicate change of address, if any, directly to the share transfer agent of the Company at the above address.
- b) As required by SEBI, investors shall furnish details of their bank account number and name and address of the bank for incorporating the same in the warrants. This would avoid wrong credits being obtained by unauthorised persons.
- c) The shareholders are requested to dematerialise their physical share certificates, through a depository participant. Shareholders requiring any further clarification/assistance on the subject may contact the Company's share transfer agent.
- d) Investors who have not availed nomination facility are requested to avail the same by submitting the nomination form. The form will be made available on request.
- e) Investors holding shares in electronic form are requested to deal only with their depository participant in respect of change of address,

nomination facility and furnishing bank account number etc.

- f) Investors are requested to kindly note that any dividend which remains uncashed for a period of seven years will be transferred to "Investors Education and Protection Fund" in terms of Section 125 of the Companies Act, 2013 corresponding to Section 205C of the erstwhile Companies Act, 1956.

- g) Ministry of Corporate Affairs (MCA) vide Circular bearing Nos. 17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011 respectively has taken steps towards "Green Initiative", by allowing paperless compliances by serving documents through electronic mode (e-mail) by companies to its shareholders. As an enlightened corporate citizen, going forward we propose to send all future shareholders' communications like Notices, Company's Annual Report etc. through electronic mode. This will also ensure prompt receipt of communication avoid loss in postal transit and saving of huge cost incurred in printing and postage.

In support to the "Green Initiative" introduced by MCA, your Company's desire to participate in the same. We therefore request you to kindly provide your e-mail address to our Registrar. As directed by MCA vide its above circulars, the Company would also make available these documents on the Company's website for reference and download by the shareholders.

The Shareholders who still hold the shares in the physical mode are requested to convert their respective holding in Dematerialisation form and get their e-mail registered with the Company/ Registrar & Share Transfer Agent to enable your Company to actively participate in the said Green Initiative.

## REDRESSAL OF INVESTORS COMPLAINTS

The philosophy of the Company is to give utmost importance to the redressal of investor's grievances. In terms of Clause 47(f) of the Listing Agreement the Company has designated a separate e-mail address as mentioned hereunder, for investors to lodge their complaints:

investor.grievance@denonline.in

## IX DEMATERIALIZATION OF SHARES AND LIQUIDITY

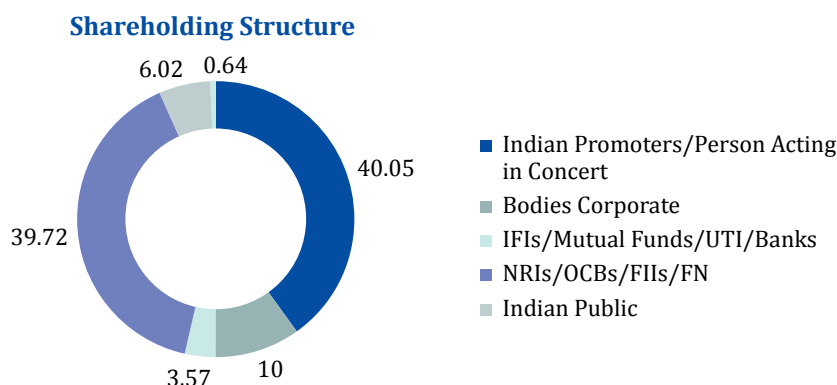
The shares of the Company are compulsorily traded in dematerialized mode and are registered for trading with both the depository participants i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The status of holding in dematerialized and physical mode, as on March 31, 2014 is as under:

Sl. No.	Mode of Holding	No. of shares	% of total share capital
1	Demat	177,969,177	99.87
2	Physical	230,629	0.13
	<b>TOTAL</b>	<b>178,199,806</b>	<b>100.00</b>

### Distribution of Shareholding as on 31.03.2013

S. No.	Category	No. of Shareholders	No. of Shares	%
1	Indian Promoters / Person Acting in Concert	06	71,360,420	40.05
2	Bodies Corporates	287	17,822,578	10.00
3	Indian Public	5,665	10,729,038	6.02
4	IFIs / Mutual Funds / UTI / Banks	20	6,353,397	3.57
5	NRIs / OCBs / FIIs / FN	141	70,786,030	39.72
6	Trust/Clearing member	93	1,148,343	0.64
	<b>Total</b>	<b>6,212</b>	<b>178,199,806</b>	<b>100</b>

### Graphic Presentation of Shareholding pattern as on 31.03.2014



DISTRIBUTION SCHEDULE AS ON 31/03/2014					
S. No	Category	Cases	% of Cases	Amount	Percentage
1	upto 1 - 5000	5458	87.86	3,766,150.00	0.21
2	5001 - 10000	210	3.38	1,685,010.00	0.09
3	10001 - 20000	111	1.79	1,704,980.00	0.10
4	20001 - 30000	71	1.14	1,846,520.00	0.10
5	30001 - 40000	43	0.69	1,568,040.00	0.09
6	40001 - 50000	30	0.48	1,414,980.00	0.08
7	50001 - 100000	66	1.06	5,142,440.00	0.29
8	100001 & ABOVE	223	3.59	1,764,869,940.00	99.04
	<b>Total:</b>	<b>6212</b>	<b>100.00</b>	<b>1,781,998,060.00</b>	<b>100.00</b>

### Plant Locations

Not applicable

### Outstanding GDRs/ADRs/Warrants/Convertible Instruments/ESOPs

The Company has not issued any ADRs/GDRs/Convertible instruments during the year under review.

### Registered Office Address:

DEN Networks Limited  
236, Okhla Industrial Estate,  
Phase-III, New Delhi-110020  
Phone Nos: 011-40522200  
Fax No. : 011-40522203

## ANNEXURE 'A'

### CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)

To  
The Members  
**DEN Networks Limited**

1. We have reviewed the implementation of the Corporate Governance procedures by DEN Networks Limited (the Company) during the year ended March 31, 2014, with the relevant records and documents maintained by the Company, furnished to us for our review and report on Corporate Governance, as approved by the Board of Directors.
2. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.
3. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. On the basis of our review and according to the best of our information and explanations given to us, the company has been complying with the conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange(s), as in force.

For **AMJ & Associates,**  
Company Secretaries

Sd/-  
**Manoj Jain**  
Proprietor

Place: New Delhi  
Date : 13-08-2014

Membership No. FCS 5832  
Certificate of Practice No. 5629

## ANNEXURE 'B'

### DECLARATION UNDER CLAUSE 49-I (D) OF THE LISTING AGREEMENT

To,  
Dear Members,  
**DEN Networks Limited,**

In compliance with the provisions of Clause 49 of the Listing Agreement, the Company had laid down a "Code of Conduct" to be followed by all the Board members and senior management personnel which received the sanction of the Board and had been posted on the website of the Company. The Code lays down the standards of ethical and moral conduct to be followed by the members in the course of proper discharge of their official duties and commitments. All the members are duly bound to follow and confirm to the Code.

It is hereby certified that all the members of the Board and senior management personnel have confirmed to and complied with the "Code of Conduct" during the financial year 2013-14 and there have been no instances of violation of the Code.

For **DEN Networks Limited**

Place: New Delhi  
Date : 13-08-2014

Sd/-  
**Sameer Manchanda**  
Chairman and Managing Director  
DIN: 00015459

## ANNEXURE 'C'

### CMD, CEO AND CFO CERTIFICATION

Dear Members,

**DEN Networks Limited,**

We, Sameer Manchanda (Chairman Managing Director), S.N. Sharma (Chief Executive Officer) and Rajesh Kaushall (Chief Financial Officer), responsible for the finance function and the compliance of the Code of Conduct of the Company certify that:

1. We have reviewed the financial statements and cash flow statement for the year and to the best of our knowledge and belief:
  - i) These statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading
  - ii) These statements together represent a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, there are no transactions entered into by the company during the

year which are fraudulent, illegal or violative of the Company's Code of Conduct.

3. We accept the responsibility for establishing and maintaining internal controls and we have evaluated the effectiveness of the internal control systems of the company. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we were aware and the steps we have taken or propose to take to rectify these deficiencies.
4. During the year in review there were no –
  - (i) Changes in internal control
  - (ii) Changes in accounting policies; and
  - (iii) Instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

**For DEN Networks Limited**

**Sd/-**  
**Sameer Manchanda**  
Chairman Managing Director

**For Den Networks Limited**

**Sd/-**  
**S.N. Sharma**  
Chief Executive Officer

**For DEN Networks Limited**

**Sd/-**  
**Rajesh Kaushall**  
Chief Financial Officer

Place: New Delhi

Date : 13-08-2014

## DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING (PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

S. No.	Name	Nature of Appointment	Date of Birth	Date of Appointment on the Board	Qualification Expertise	Experience	No. of other Companies in which he holds Directorships as on 31/03/2014*	Chairman/ Member of Committees of the Board of other Companies in which he is director as on 31/03/2014**	Equity Shares held in the Company
1	Mr. Shahzaad Siraj Dalal (DIN: 00011375)	Re-Appointment	01-12-1958	28-08-2008	B.Com, MBA	Mr. Shahzaad Dalal is the Chairman & Chief Executive Officer of IL&FS Investment Advisors LLC which is a fully owned subsidiary of IL&FS Investment Managers Ltd (IIML), one of India's leading Private Equity Fund Managers with US\$ 3.2 billion under management. Mr. Dalal is also responsible for developing the Infrastructure Business of IL&FS Group in key international markets in sectors such as Roads, Power, Renewable Energy, Ports, Logistics, Education and Waste Management	1. IL & FS Investment Managers Limited 2. IL & FS Financial Services Limited 3. Shoppers Stop Limited 4. Datamatics Global Services Limited 5. IG3 Infra Limited 6. Ramky Enviro Engineers Limited 7. Sterling Holidays Resorts (India) Limited	1. Shoppers Stop Limited-Member 2. Datamatics Global Services Limited-Member 3. IG3 Infra Limited-Member	20,000
2	Mr. Ajaya Chand*** (DIN: 02334456)	Appointment	24-08-1955	20-09-2008	B.Com, Chartered Accountant	Mr. Ajaya Chand has over 25 years of Experience in Accounting, financial and Corporate legal matters. He is currently an independent Financial & Management Consultant.	01	Nil/Nil	64.420

S. No.	Name	Nature of Appointment	Date of Birth	Date of Appointment on the Board	Qualification Expertise	Experience	No. of other Companies in which he holds Directorships as on 31/03/2014*	Chairman/ Member of Committees of the Board of other Companies in which he is director as on 31/03/2014**	Equity Shares held in the Company
3	Mr. Robindra Sharma*** (DIN: 00375141)	Appointment	08-09-1961	06-07-2009	B.Com, Chartered Accountant	Mr. Robindra Sharma is Chief Financial Officer of Triburg Sportswear, an apparel outsourcing Company and he is responsible for all the accounting, financial and legal matters of the Company	Nil	Nil/Nil	Nil
4	Mr. Atul Sharma*** (DIN: 00308698)	Appointment	13-12-1955	06-07-2009	Bachelor in Economics, LLB	Mr. Atul Sharma is managing partner of Link Legal a firm of legal consultancy. He is member of Supreme Court Bar Association, Member of Delhi High Court Bar Association and a Member of Bar Council of India	Nil	Nil/Nil	Nil
5	Mr. Ankur Ambika Sahu (DIN: 03623120)	Appointment	18-10-1969	27-09-2013	Degree in Electrical Engineering, MBA from Harvard Business School	Mr. Ankur Ambika Sahu holds a degree in Electrical Engineering from Tufts University (batch of 1991) and an MBA from Harvard Business School (batch of 1996). He joined Goldman Sachs in 1998 as an associate in High Technology and then moved to the Principal Investment Area in 2000. He is currently the co-head of the Merchant Banking Division in Asia Pacific.	Nil	Nil/Nil	Nil

\* Private Companies, Foreign Companies and Alternate Directorship are not included

\*\* Audit Committee and Investors Grievance/Share Transfer Committee in public limited Companies are considered

\*\*\* Appointed as Independent Director for the term of 5 years

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF DEN NETWORKS LIMITED

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **DEN Networks Limited**, ('the Company') which comprise the Balance Sheet as at 31 March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### EMPHASIS OF MATTER

- a) We draw attention to note 28 of the financial statements wherein it is stated that the remuneration aggregating to ₹13.42 million paid to the Chairman and Managing Director of the Company which is in excess of the provisions of Sections 198 and 309 read with Schedule XIII of the Companies Act, 1956 and for which the approval from the Central Government is awaited.
- b) We draw attention to note 43 of the financial statements 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.

Our opinion is not qualified in respect of this matter.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
  - (e) On the basis of the written representations received from the directors as on 31 March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

**JITENDRA AGARWAL**  
Partner  
(Membership No. 87104)

New Delhi  
30th May, 2014

# ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. Having regard to the nature of the Company's business/ activities/result, clauses ii, x, xiii, xiv and xix of Companies (Auditor's Report) Order, 2003 are not applicable.
- ii. In respect of its fixed assets:
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. The Company has a program of verification of fixed assets to cover all items in a phased manner over a period of three years other than set top boxes which are in possession of the customers/ third parties and distribution equipment comprising overhead and underground cables. Management is of the view that it is not possible to verify these assets due to their nature and location. Pursuant to the program, certain fixed assets were physically verified by the Management during the year and no material discrepancies were noticed on such verification. In our opinion, other than for physical verification of set top boxes and distribution equipment referred to above, the frequency of verification of fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
  - c. The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- iii. In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
  - a. The Company has granted a loan of ₹ (million) 61.01 to one party during the year. At the year-end, the outstanding balance of such loan was ₹ (million) 61.01 and the maximum amount involved during the year was ₹ (million) 61.01.
  - b. The rate of interest and other terms and conditions of such loan are, in our opinion, *prima facie* not prejudicial to the interest of the Company.
  - c. The receipts of principal amounts and interest have been regular/as per stipulations.
  - d. There is no overdue amount in excess of ₹ (million) 0.1 remaining outstanding as at the year-end.
- iv. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the capital items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system. The Company's operations do not give rise to any purchase of inventory during the current year.
- v. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
  - a. The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
  - b. Where each of such transactions is in excess of ₹ (million) 0.5 in respect of any party other than certain purchases which are of a special nature for which comparable quotations are not available being of a specialised nature, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.
- vi. According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year, within the meaning of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- vii. In our opinion, the internal audit function carried out during the year by firm of Chartered Accountants appointed by the Management has been commensurate with the size of the Company and the nature of its business.
- viii. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, *prima facie*, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

ix. According to the information and explanations given to us in respect of statutory dues:

- a. The Company has generally been regular in depositing its undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Entertainment Tax, Cess and other material statutory dues applicable to it with the appropriate authorities during the year and that there are no undisputed amounts payable in respect of these dues which have remained outstanding as at 31 March, 2014 for a period of more than six months from the date they became payable except for the dues related to amusement tax, the details of which are given below:

Name of Statute	Nature of Dues	Amount Involved (₹ in million)	Period to which the Amount Relates	Due Date
West Bengal Entertainment Cum Amusement Tax Act, 1982	Amusement tax	12.24	April 2013 to September 2013	Within 30 days from the expiry of each month

According to information and explanations given to us, the Company's operations did not give rise to any Excise Duty and Investor Education and Protection Fund.

- b. Details of dues of Value Added Tax, Entertainment Tax and Entry Tax which have not been deposited as on 31 March, 2014 on account of various disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in million)
UP Value Added Tax Act, 2008	Value added tax	Commercial Tax Tribunal, Lucknow	June 2013	5.84
UP Value Added Tax Act, 2008	Value added tax	Deputy Commissioner, Lucknow	September 2013 to October 2013	14.36
Delhi Entertainment Tax Act, 1996	Entertainment tax	Delhi High Court	April 2013 to May 2013	38.50
MPLEAAT Act, 2011	Entertainment tax	Appellant Authority, Gwalior	April 2011 to March 2012	3.28
The Rajasthan Tax on Entry of Goods into Local Areas Act, 1999	Entry tax	High Court/ Deputy Commissioner Appeals	April 2012 to May 2013	22.01

We are informed that there are no dues in respect of Income Tax, Customs Duty, Service Tax, Wealth Tax and Cess which have not been deposited on account of any dispute.

- x. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions. The Company has not issued any debentures.
- xi. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by the way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantee given by the Company for loan taken by its subsidiary company from bank is not prima facie prejudicial to the interests of the Company.
- xiii. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xiv. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short term basis have, prima facie, not been used during the year for long term investment.
- xv. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xvi. The Management has disclosed the end use of money raised by public issues in the notes to the financial statements and we have verified the same.
- xvii. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

**JITENDRA AGARWAL**  
New Delhi  
30th May, 2014  
Partner  
(Membership No. 87104)

# BALANCE SHEET

As at 31 March, 2014

(₹ in million)

Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
a. Share capital	3	1,775.67	1,327.71
b. Reserves and surplus	4	15,828.69	6,801.68
		<b>17,604.36</b>	<b>8,129.39</b>
<b>2. Non-Current Liabilities</b>			
a. Long-term borrowings	5	4,461.86	4,006.85
b. Deferred tax liabilities (net)		-	14.29
c. Other long-term liabilities	6	2.84	0.31
d. Long-term provisions	7	61.58	46.35
		<b>4,526.28</b>	<b>4,067.80</b>
<b>3. Current Liabilities</b>			
a. Short-term borrowings	8	486.56	1,929.19
b. Trade payables	9	1,736.19	1,227.77
c. Other current liabilities	10	5,912.63	2,570.10
d. Short-term provisions	11	1.75	2.09
		<b>8,137.13</b>	<b>5,729.15</b>
<b>TOTAL</b>		<b>30,267.77</b>	<b>17,926.34</b>
<b>B. ASSETS</b>			
<b>1. Non-Current Assets</b>			
a. Fixed assets			
i. Tangible assets	12	6,115.69	4,912.68
ii. Intangible assets	12	49.81	87.49
iii. Capital work in progress		752.08	533.71
		<b>6,917.58</b>	<b>5,533.88</b>
b. Non-current investments	13	4,961.60	4,367.47
c. Deferred tax assets (net)		180.65	-
d. Long-term loans and advances	14	843.91	460.39
e. Other non-current assets	15	854.93	747.15
		<b>13,789.87</b>	<b>11,140.09</b>
<b>2. Current Assets</b>			
a. Current investments	16	3,614.69	1,314.24
b. Trade receivables	17	2,835.55	1,570.44
c. Cash and bank balances	18	7,393.67	1,918.70
d. Short-term loans and advances	19	950.56	1,022.56
e. Other current assets	20	1,714.63	991.51
		<b>16,509.10</b>	<b>6,817.45</b>
<b>TOTAL</b>		<b>30,267.77</b>	<b>17,926.34</b>

See accompanying notes forming part of the financial statements

In terms of our report attached For <b>DELOITTE HASKINS &amp; SELLS</b> Chartered Accountants (Firm registration no. 015125N)			For and on behalf of the Board of Directors		
<b>JITENDRA AGARWAL</b> Partner Membership No. 87104 New Delhi 30 May, 2014			<b>SAMEER MANCHANDA</b> Chairman and Managing Director DIN: 00015459		
			<b>RAJESH KAUSHALL</b> Chief Financial Officer ACA-093668 New Delhi 30 May, 2014		
			<b>AJAYA CHAND</b> Director DIN: 02334456		
			<b>JATIN MAHAJAN</b> Company Secretary FCS-6887		

# STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2014

(₹ in million)

Particulars	Note No.	For the year ended 31.03.2014	For the year ended 31.03.2013
<b>1. REVENUE</b>			
a. Revenue from operations	21	8,612.23	6,951.45
b. Other income	22	753.93	308.76
<b>TOTAL REVENUE</b>		<b>9,366.16</b>	<b>7,260.21</b>
<b>2. EXPENSES</b>			
a. Employee benefits expense	23	500.93	456.25
b. Finance costs	24	828.00	446.84
c. Depreciation and amortisation expense	12	852.14	496.15
d. Other expenses	25	7,226.75	5,223.23
<b>TOTAL EXPENSES</b>		<b>9,407.82</b>	<b>6,622.47</b>
<b>3. PROFIT/(LOSS) BEFORE TAX</b>		(41.66)	637.74
<b>4. TAX EXPENSE</b>			
a. Current tax expense		30.04	162.66
b. Short provision for tax relating to prior years		(4.40)	3.59
c. Reversal of excess MAT credit taken in prior years		-	7.58
d. Net current tax expense		25.64	173.83
e. Deferred tax	30 (b)	(118.95)	14.29
<b>NET TAX EXPENSE</b>		<b>(93.31)</b>	<b>188.12</b>
<b>5. PROFIT AFTER TAX</b>		<b>51.65</b>	<b>449.62</b>
Earnings per equity share (Face value of ₹10 per share)	40		
Basic (₹ per share)		0.32	3.38
Diluted (₹ per share)		0.32	3.38

See accompanying notes forming part of the financial statements

In terms of our report attached  
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm registration no. 015125N)

**JITENDRA AGARWAL**  
Partner  
Membership No. 87104  
New Delhi  
30 May, 2014

For and on behalf of the Board of Directors

**SAMEER MANCHANDA**  
Chairman and Managing Director  
DIN: 00015459

**RAJESH KAUSHALL**  
Chief Financial Officer  
ACA-093668  
New Delhi  
30 May, 2014

**AJAYA CHAND**  
Director  
DIN: 02334456

**JATIN MAHAJAN**  
Company Secretary  
FCS-6887

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2014

(₹ in million)

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	(41.66)	637.74
<b>Adjustments for :</b>		
Depreciation and amortisation expense	852.14	496.15
Loss on sale of investment	92.54	-
Interest and other financial expenses	828.00	446.84
Employee stock compensation expenses	-	40.21
Provision for impairment of investment	-	31.20
Net (gain)/ loss on foreign currency transactions and translation	10.62	(32.54)
Doubtful debts and advances written off/provided	183.44	112.57
Fixed assets/ capital work in progress written off	4.25	34.22
Interest income	(520.45)	(192.20)
Profit from sale of current investment	(168.48)	(35.87)
Profit from sale of fixed assets	(0.70)	-
Liabilities written back	(50.87)	(21.84)
Operating profit before working capital changes	1,188.83	1,516.48
<b>Adjustments for changes in working capital:</b>		
Decrease/(increase) in current assets	(1,717.17)	(1,485.39)
Decrease/(increase) in non current assets	(62.80)	(483.16)
Increase/(decrease) in current liabilities and provisions	622.33	939.32
Increase/(decrease) in non current liabilities and provisions	17.76	(12.20)
Cash generated from/ (used in) operations	48.95	475.05
Direct taxes paid (net of refunds)	(268.96)	(278.33)
Net cash from/ (used in) operating activities	<b>(220.01)</b>	<b>196.72</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
<b>Investments purchased:</b>		
- in subsidiaries/joint venture (including share application money)	(480.22)	(519.79)
- in mutual funds	(23,392.93)	(5,307.74)
<b>Sale of investments:</b>		
- in subsidiaries	16.25	-
- in mutual funds	21,260.96	4,252.66
Loan repaid by/(to) subsidiaries (net)	14.92	(23.45)
Advance recovered/(given) for investment	(8.30)	53.03
Interest income received	206.92	190.40
Purchase of fixed assets (including capital advances)	(3,541.94)	(3,205.10)
Proceeds from sale of fixed assets	314.33	251.29
Bank balances not considered as Cash and cash equivalents	(5,150.32)	(69.56)
Net cash from/ (used in) investing activities	<b>(10,760.33)</b>	<b>(4,378.26)</b>

(₹ in million)		
Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity shares	9,626.81	68.44
Share issue expenses	(279.49)	-
Proceeds from short term borrowings	137.08	8,001.98
Repayment of short term borrowings	-	(6,237.56)
Proceeds from long term borrowings	4,043.60	2,799.99
Repayment of long term borrowings	(1,567.96)	16.46
Interest paid	(810.95)	(420.60)
Net cash from/ (used in) financing activities	<b>11,149.09</b>	<b>4,228.71</b>
Net increase/ (decrease) in cash and cash equivalents	168.75	47.17
Cash and cash equivalents as at the beginning of the year	1,190.73	1,143.56
<b>Cash and cash equivalents as at the end of the year (See note 18)**</b>	<b>1,359.48</b>	<b>1,190.73</b>
<b>**Comprises:</b>		
a. Cash on hand	9.44	15.42
b. Cheques on hand	0.05	51.28
c. Balance with scheduled banks		
i. in current accounts	1,237.50	1,109.79
ii. in deposit accounts		
- original maturity of 3 months or less	112.49	14.24
	<b>1,359.48</b>	<b>1,190.73</b>

See accompanying notes forming part of the financial statements

In terms of our report attached  
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm registration no. 015125N)

**JITENDRA AGARWAL**  
Partner  
Membership No. 87104  
New Delhi  
30 May, 2014

**For and on behalf of the Board of Directors**

**SAMEER MANCHANDA**  
Chairman and Managing Director  
DIN: 00015459

**RAJESH KAUSHALL**  
Chief Financial Officer  
ACA-093668

New Delhi  
30 May, 2014

**AJAYA CHAND**  
Director  
DIN: 02334456

**JATIN MAHAJAN**  
Company Secretary  
FCS-6887

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 1. BACKGROUND

DEN Networks Limited (hereinafter referred to as 'the Company' or 'DEN') was incorporated on 10 July, 2007 and is engaged in distribution of television channels through analog and digital cable distribution network and provision of broadband services.

The Company changed its status from a Private Limited Company to a Public Limited Company on 15 April, 2008 thereby changing its name to DEN Digital Entertainment Networks Limited. Subsequently, the Company changed its name to DEN Networks Limited on 27 June, 2008.

During the financial year 2009-10, the Company issued and allotted 18,567,240 Equity Shares of face value of ₹10/- each, pursuant to the Initial Public Offer (IPO), which were admitted for listing and trading on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) with effect from November 24, 2009.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/ 2013 dated 13 September 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

### 2.2 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities (including contingent liabilities) at the date of the financial statements and reported amounts of income and expenses during the year. Such estimates includes provision for income tax, future obligations under employment retirement benefit plans, provision for doubtful debts and advances and estimated

useful life of tangible and intangible assets. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

### 2.3 Cash and cash equivalents (for purpose of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition) and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 2.4 Cash flow statement

Cash flows are reported using indirect method, whereby loss before tax is adjusted for the effects of transactions of non-cash nature and any deferrals and accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated based on available information.

### 2.5 Depreciation and amortisation

Depreciation on fixed assets except leasehold improvements is provided on the straight-line method over their estimated useful lives, as determined by the management, at the rates which are equal to or higher than the rates prescribed under Schedule XIV of the Companies Act, 1956. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year. Assets costing ₹5,000 or less are fully depreciated in the year of purchase.

The management's estimate of the useful life of the various fixed assets is as follows:

a.	Headend & distribution equipment	6 -15 years
b.	Set Top Boxes (STBs)	8 years
c.	Computers	6 years
d.	Office & other equipment	3 to 10 years
e.	Furniture & fixtures	6 years
g.	Vehicles	6 years
h.	Software	5 years
i.	Leasehold improvements	Lower of the useful life and the period of the lease.

j.	License fee for internet service	Over the period of license agreement
"k.	Fixed assets acquired through business purchase"	5 years as estimated by an approved valuer
l.	Intangible assets	5 years

## 2.6 Revenue recognition

### i. Income from operations

1. Service revenue comprises subscription income from digital and analog subscribers, placement of channels, advertisement revenue, fees for rendering management, technical and consultancy services and other related services. Income from services is recognised upon completion of services as per the terms of contracts with the customers. Period based services are accrued and recognised pro-rata over the contractual period.
2. Activation fees on STBs is recognized on activation of boxes once issued to customers.
3. Amounts billed for services in accordance with contractual terms but where revenue is not recognised, have been classified as advance billing and disclosed under current liabilities.

### ii. Sale of equipment

Revenue for sale of equipment is recognized on delivery to customers which coincide with transfer of significant risks and rewards of ownership of the equipment. The time of transfer and the amount is determined based on the arrangement between the parties involved.

In case of VAT collected on sales, exclusive method is followed, where sales and expenditure will not include VAT. VAT collected is disclosed under current liabilities and not routed through Statement of Profit and Loss.

## 2.7 Other income

1. Profit on sale of investments in mutual funds is recorded on transfer of title from the Company and is determined as the difference between the sales price and the carrying value of the investment.

2. Interest on the deployment of surplus funds is recognised using the time-proportion method, based on interest rates implicit in the transaction.
3. Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

## 2.8 Tangible assets Tangible assets

1. Fixed assets are stated at the cost of acquisition less accumulated depreciation and impairment losses, if any. The actual cost capitalised includes purchase price, and all other attributable costs of bringing the assets to working condition for intended use.
2. Assets are capitalised on the date when they are ready for intended use.
3. Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

## 2.9 Intangible assets

1. Intangible assets acquired in business acquisitions are stated at fair value as determined by the management of the Company on the basis of valuation by expert valuers, less accumulated amortisation.
2. Other intangible assets are stated at cost of acquisition less accumulated amortisation. The actual cost capitalised includes purchase price, and all other attributable costs of bringing the assets to working condition for intended use.

## 2.10 Foreign currency transactions and translations

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Realised gains and losses on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss.

Long-term foreign currency monetary items outstanding at the balance sheet date are translated at the rates prevailing on that date and resultant gains/losses on foreign exchange translations are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets.

In case of forward contracts for foreign exchange, the difference between the forward rate and the exchange rate at the date of transaction are recognised over the life of the contract.

## 2.11 Investments

Trade investments are investments made to enhance the Company's business interests. Investments are classified either as long term or current investments, based on management's intention at the time of purchase. Long-term investments are stated at cost less provision for other than temporary diminution in the carrying value, as determined separately for each investment. Current investments are stated at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

## 2.12 Employee benefits

### 1. Short term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange of services rendered by employees is recognised during the period when the employee renders the services. These benefits include salaries, bonus, leave travel allowance and performance incentives.

### 2. Long term employee benefits

#### a. Provident fund and other state plans

Company's contributions towards recognised Provident Fund, Employee State Insurance Fund and Employees Pension Scheme under defined contribution plans are recognised in the Statement of Profit and Loss during the period when services are rendered by the employees.

#### b. Gratuity

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance

Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

### c. Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of unutilised accrued compensated absence and utilize it in future periods or receive cash compensation for the unutilised accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the service that increase this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

Liability with regard to compensated absences and gratuity is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. Actuarial valuation is carried out using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation is based on the market yields on government securities as at the balance sheet date. Actuarial gains/losses are recognised immediately in the Statement of Profit and Loss as income or expense.

## 2.13 Employee Stock Option Scheme (ESOS)

Stock options granted to the employees under the stock options schemes are accounted at intrinsic value as per the accounting treatment prescribed by the guidance note on Employee share based payments issued by the Institute of Chartered Accountants of India. Accordingly, the excess of market price, determined as per the guidance note, of underlying equity shares (market value), over the exercise price of the options is recognised as deferred stock compensation expense and

is charged to statement of profit and loss on a straight line basis over the period of the options. The amortised portion of the cost is shown under reserve and surplus.

## 2.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

## 2.15 Segment information

### 1. Business segments

Based on similarity of activities, risks and reward structure, organisation structure and internal reporting systems, the Company operates in the distribution & placement of television channels and related services.

### 2. Geographical segments

Secondary segmental reporting is performed on the basis of the geographical location of customers i.e. within India and overseas.

## 2.16 Leases

### 1. Finance leases

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets taken on finance lease are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

### 2. Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Lease payments under operating leases are recognised as expense in the statement of profit and loss on a straight line basis over the lease term.

## 2.17 Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed

by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

## 2.18 Taxation

Current tax is determined in accordance with the provisions of Income Tax Act, 1961. Advance taxes and provisions for current taxes are presented in the balance sheet after off - setting advance taxes paid and income tax provisions.

Deferred tax charge or credit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal, subject to consideration of prudence, in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets on unabsorbed depreciation and carry forward of losses are not recognised unless there is a virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are reviewed for the appropriateness of their carrying values at each balance sheet date.

Minimum alternate tax (MAT) paid in accordance with Income Tax Act, 1961, which gives rise to future economic benefit in the form of adjustment from income tax liability arising in future periods and is recognised when it is probable that the Company will be able to set off the same and is accordingly adjusted from the current tax charge for that year.

Provision for wealth tax is made based on tax liability computed after considering tax allowances and exemptions available in accordance with the provisions of the Wealth tax Act, 1957.

## 2.19 Impairment of assets

At each balance sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the

continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognised immediately as income in the statement of profit and loss.

## 2.20 Provisions and contingencies

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. A disclosure of a contingent liability is made when there is a possible obligation the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events or a present obligation that may, but probably will not, require an outflow of resources or when a reliable estimate of the amount of obligation cannot be made. Where there is a possible obligation or a present obligation in respect of which the likelihood of

outflow of resources is remote, no provision or disclosure is made.

## 2.21 Share issue expenses

Share issue expenses are adjusted against the Securities premium account as permissible under Section 78(2) of the Companies Act, 1956, to the extent balance is available for utilisation in the Securities Premium Account.

## 2.22 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing/ utilizing the credits.

## 2.23 Operating Cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of assets and liabilities as current and non-current.

Particulars	(₹ in million)	
	As at 31.03.2014	As at 31.03.2013
<b>3. SHARE CAPITAL</b>		
<b>A. Authorised</b>		
200,000,000 (Previous year 200,000,000) equity shares of ₹10 each with voting rights	2,000.00	2,000.00
<b>B. ISSUED, SUBSCRIBED AND FULLY PAID UP</b>		
178,199,806 (Previous year 134,024,101) equity shares of ₹10 each fully paid up with voting rights	1,782.00	1,340.24
Less : Amount recoverable from DNL Employee Welfare Trust [632,942 (Previous year 1,252,776) number of shares issued to trust @ ₹10 per share]	6.33	12.53
	<b>1,775.67</b>	<b>1,327.71</b>

### Of the above:

- 72,475,520 equity shares of ₹10 each were issued in 2009-10 as bonus shares in the ratio of 4:1 for every one equity share by utilisation of securities premium.
- In 2009-10, the Company issued bonus shares for 39,993,000 .001% cumulative convertible preference shares of ₹10 each in the ratio of one share for every ten .001% cumulative convertible preference shares held by its shareholders by utilisation from the securities premium account resulting into total of 43,992,300 .001% cumulative convertible preference shares. These shares were subsequently converted into 13,361,361 fully paid up equity shares of ₹10 each in 2009-10.
- 4,019,606 fully paid up equity shares of ₹10 each at premium of ₹185 were issued in 2009-10 against consideration payable towards investments made in subsidiary companies.

- d. Reconciliation of the number and amount of equity shares outstanding at the beginning and at the end of the year:

(₹ in million)

Particulars	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	Amount	No. of Shares	Amount
Opening balance	134,024,101	1,340.24	130,489,975	1,304.90
Add : Allotment under Qualified Institutional Placement (QIP) as per chapter VIII of SEBI (ICDR) Regulations, 2009.	12,466,321	124.66	-	-
Add : Allotment under Preferential Issue as per Chapter VII of SEBI (ICDR) Regulations, 2009.	31,709,384	317.10	-	-
Add : Allotment under ESOP Scheme during the year	-	-	3,534,126	35.34
<b>Closing Balance</b>	<b>178,199,806</b>	<b>1,782.00</b>	<b>134,024,101</b>	<b>1,340.24</b>

- e. Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Equity shares with voting rights:</b>				
Sameer Manchanda	46,654,550	26.18%	46,654,550	34.81%
Broad Street Investment (Singapore) Pte. Ltd.	28,826,713	16.18%	-	-
Lucid Systems Private Limited	16,000,000	8.98%	16,000,000	11.94%

**f. Other disclosures**

The Company has one class of equity shares having a par value of ₹10 per share. Each equity shareholder is eligible for one vote per share held and dividend as and when declared by the Company. Interim Dividend is paid as and when declared by the Board. Final dividend is paid after obtaining shareholder's approval. Dividends are paid in Indian Rupees. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount in proportion to their shareholding.

(₹ in million)

Particulars		As at 31.03.2014	As at 31.03.2013
<b>4. RESERVES AND SURPLUS</b>			
<b>a. Securities premium account</b>			
i. Opening balance		6,176.00	6,105.32
ii. Add : Premium on shares issued during the year		9,166.46	70.68
iii. Less : Share issue expenses (Net of Deferred tax assets of ₹76.00 million)		203.49	-
iv. Closing balance		<b>15,138.97</b>	<b>6,176.00</b>
v. Less : Amount recoverable from DNL Employee Welfare Trust [632,942 (Previous year 1,252,776) number of shares issued to trust @ ₹20 per share]		12.66	25.05
	<b>(A)</b>	<b>15,126.31</b>	<b>6,150.95</b>
<b>b. Share options outstanding account</b>			
i. Employees stock option outstanding		-	202.86
ii. Less: Transferred to General Reserve		-	202.86
	<b>(B)</b>	<b>-</b>	<b>-</b>
<b>c. General reserve</b>			
i. Opening balance		202.86	-
ii. Add : Transferred from share options outstanding account		-	202.86
iii. Closing balance	<b>(C)</b>	<b>202.86</b>	<b>202.86</b>
<b>d. Surplus / (Deficit) in Statement of Profit and Loss</b>			
i. Opening balance		447.87	(1.75)
ii. Add: Profit for the year		51.65	449.62
iii. Closing balance	<b>(D)</b>	<b>499.52</b>	<b>447.87</b>
	<b>(A+B+C+D)</b>	<b>15,828.69</b>	<b>6,801.68</b>

(₹ in million)

Particulars	As at 31.03.2014	As at 31.03.2013
<b>5. LONG-TERM BORROWINGS</b>		
a. Term loans (Secured)		
i. from banks (See footnote i)	530.33	773.51
ii. from financial institution (See footnote ii)	1,200.00	1,600.00
iii. from other parties (See footnote iii)	750.53	-
b. Long-term maturities of finance lease obligations (Secured by hypothecation of assets purchased under finance lease agreement and payable in equal monthly installments. Applicable rate of interest is 8.55%)	1,973.45	1,622.13
c. Other loans		
Vehicle Loans (Secured by hypothecation of vehicles and payable in equal monthly installments. The loan is repayable in 4 to 34 installments ending in Jan-2017. Applicable rate of interest is 10.31% to 11.23%)	2.47	3.54
Unsecured (See footnote iv)	5.08	7.67
	<b>4,461.86</b>	<b>4,006.85</b>

Details of terms of repayment for the long-term borrowings and security provided in respect of the secured borrowings:

(₹ in million)

Particulars	As at 31.03.2014		As at 31.03.2013	
	Long-Term debts	Current Maturities of long-term debts	Long-Term debts	Current Maturities of long-term debts
<b>FOOTNOTES</b>				
<b>Secured</b>				
<b>i. Term loan from banks are secured as follows:</b>				
By first pari passu charge on fixed assets of the Company (existing and proposed) & second pari passu charge on all current assets of the Company. The loan is repayable in 6 quarterly installments commencing from June-2014 and ending in Sept-2015. Applicable rate of interest is 14.50%.	54.97	110.00	137.51	195.38
By first pari passu charge on fixed assets of the Company (existing and proposed) & second pari passu charge on all current assets of the Company. This loan is further guaranteed by Mr. Sameer Manchanda (Chairman and Managing Director of the Company). The loan is repayable in 8 quarterly installments commencing from Apr-2014 and ending in Jan-2016. Applicable rate of interest is 13.00%.	184.88	185.00	369.75	185.00
By first pari passu charge on fixed assets of the Company (existing and proposed) & second pari passu charge on all current assets of the Company. The loan is repayable in 13 quarterly installments commencing from Apr-2014 and ending in Apr-2017. Applicable rate of interest is 13.00%.	139.61	65.00	211.27	48.75
By first pari passu charge on fixed assets of the Company (existing and proposed) & second pari passu charge on all current assets of the Company. The loan is repayable in 12 installment commencing from Oct-2015 and ending in Jul-2018. Applicable rate of interest is 13.00%.	58.22	-	54.98	3.23

(₹ in million)

Particulars	As at 31.03.2014		As at 31.03.2013	
	Long-Term debts	Current Maturities of long-term debts	Long-Term debts	Current Maturities of long-term debts
By first pari passu charge on entire fixed assets of the Company (existing and proposed) & second pari passu charge on entire current assets of the Company. The loan is repayable in 8 installment commencing from Apr-2016 and ending in Jan-2018. Applicable rate of interest is 12.30%.	92.65	-	-	-
	530.33	360.00	773.51	432.36
<b>ii. Term loan from financial institution is secured as follows:</b>				
By first pari passu charge on fixed assets of the Company (existing and proposed) & first pari passu charge on all current assets of the Company. Pledge of shares held by the Company in its Subsidiaries, both present and future. The loan is repayable in 16 quarterly installments commencing from June-2014 and ending in Mar-2018. Applicable rate of interest is 13.00% to 13.10%.	1,200.00	400.00	1,600.00	400.00
<b>iii. Term loan from others</b>				
This term loan from Cisco Systems Capital India Private Limited is secured by first and exclusive charge in respect of the fixed assets acquired under the loan agreement. The loan is repayable in 46 equal monthly installments commencing from Apr-2014 and ending in Jan-2018. Applicable rate of interest is 8.55%.	750.53	235.83	-	-
	<b>2,480.86</b>	<b>995.83</b>	<b>2,373.51</b>	<b>832.36</b>
<b>Unsecured</b>				
<b>iv. Long-term maturities of other loans</b>				
This unsecured loan from Cisco Systems Capital India Private Limited is payable in 44 monthly installments commencing from Apr-2014 and ending in Nov-2017.	5.08	2.59	7.67	2.59
	<b>5.08</b>	<b>2.59</b>	<b>7.67</b>	<b>2.59</b>

For the current maturities of long term borrowings, see items (a) to (d) in Note 10 Other current liabilities

(₹ in million)

Particulars	As at 31.03.2014	As at 31.03.2013
<b>6. OTHER LONG-TERM LIABILITIES</b>		
a. Security deposits received	2.84	0.31
	<b>2.84</b>	<b>0.31</b>
<b>7. LONG-TERM PROVISIONS</b>		
a. <b>Provision for employee benefits</b>		
i. Gratuity [See note 35 (B) (i)]	34.83	26.24
ii. Leave encashment	26.75	20.11
	<b>61.58</b>	<b>46.35</b>
<b>8. SHORT-TERM BORROWINGS (Secured)</b>		
a. Loan repayable on demand		
Secured		
from banks*	486.56	349.48
b. Buyers credit on imports (See footnote i to iv under Note 10)	-	1,579.71
Secured		
	<b>486.56</b>	<b>1,929.19</b>
* secured by first pari passu charge on current assets of the Company both existing and future & second pari passu charge on all fixed assets of the Company both existing and future. Applicable rate of interest is 12.80% to 13.50%.		
<b>9. TRADE PAYABLES</b>		
a. Micro and small enterprises (See note 34)	-	-
b. Others	1,736.19	1,227.77
	<b>1,736.19</b>	<b>1,227.77</b>
<b>10. OTHER CURRENT LIABILITIES</b>		
a. Current maturities of secured term loans (See footnote i below)	995.83	832.36
b. Buyers credit on imports (See footnote ii below)	2,942.90	-
c. Current maturities of finance lease obligations (See footnote i below)	847.06	352.30
d. Current maturities of other secured loans (See footnote i below)	3.38	4.17
e. Current maturities of other unsecured loans (See footnote i below)	2.59	2.59
f. Balance consideration payable on investments	23.72	36.74
g. Interest accrued and due on borrowings	0.64	-
h. Interest accrued and not due on borrowings	52.34	35.93
i. Advance billings	184.75	178.46
j. Other payables		
i. Statutory remittances	143.30	143.64
ii. Payables on purchase of fixed assets	201.66	526.87
iii. Security deposits received	6.30	4.00
iv. Book overdraft	476.55	340.57
v. Advances from customers	31.22	112.47
vi. Others	0.39	-
	<b>5,912.63</b>	<b>2,570.10</b>

(₹ in million)

Particulars	As at 31.03.2014	As at 31.03.2013
<b>FOOTNOTES</b>		
i. See note 5 (Long-term borrowings) for details of security and guarantee		
ii. Secured by first pari passu charge on fixed assets of the Company (existing and proposed) & second pari passu charge on all current assets of the Company.	2,942.90	1,579.71
<b>11. SHORT-TERM PROVISIONS</b>		
<b>a. Provision for employee benefits</b>		
i. Gratuity [See note 35 (B) (i)]	0.67	1.15
ii. Leave encashment	0.95	0.80
	1.62	1.95
<b>b. Provision - others</b>		
i. Wealth tax [net of advance tax of ₹0.43 million (Previous year ₹0.43 million)]	0.13	0.14
	<b>1.75</b>	<b>2.09</b>

## (₹ in million)

\*Figures in bracket relates to previous year

(₹ in million)		
Particulars	As at 31.03.2014	As at 31.03.2013
<b>13. NON-CURRENT INVESTMENTS (at cost)</b>		
a. Trade and unquoted - long term in equity shares - at cost of subsidiaries		
i. of subsidiaries		
1. 1,160,028 (Previous year 860,028) equity shares of ₹10 each, fully paid up in DEN Futuristic Cable Networks Private Limited	115.10	85.10
2. 7,237,200 (Previous year 7,237,200) equity shares of ₹10 each, fully paid up in DEN Entertainment Network Private Limited	357.94	357.94
3. 590,000 (Previous year 590,000) equity shares of ₹10 each, fully paid up in Aster Entertainment Private Limited	54.50	54.50
4. 1,000,000 (Previous year 200,000) equity shares of ₹10 each, fully paid up in DEN Digital Entertainment Gujarat Private Limited	128.00	8.00
5. 250,000 (Previous year 250,000) equity shares of ₹10 each, fully paid up in Shine Cable Network Private Limited	12.50	12.50
6. 109,236 (Previous year 34,484) equity shares of ₹10 each, fully paid up in Mahavir DEN Entertainment Private Limited	17.11	0.34
7. 1,205,334 (Previous year 135,334) equity shares of ₹10 each, fully paid up in Matrix Cable Network Private Limited	17.60	6.90
8. 36,361 (Previous year 31,224) equity shares of ₹10 each, fully paid up in DEN Ambey Cable Networks Private Limited	33.72	13.17
9. 2,550 (Previous year 2,550) equity shares of ₹100 each, fully paid up in DEN Manoranjan Satellite Private Limited	127.81	127.81
10. Nil (Previous year 40,500) equity shares of ₹10 each, fully paid up in Dew Shree Network Private Limited	-	121.75
11. 51,000 (Previous year 51,000) equity shares of ₹10 each, fully paid up in Meerut Cable Network Private Limited	83.41	83.41
12. 70,935 (Previous year 25,935) equity shares of ₹10 each, fully paid up in DEN Krishna Cable TV Network Private Limited	79.95	28.07
13. 25,500 (Previous year 25,500) equity shares of ₹10 each, fully paid up in Shree Siddhivinayak Cable Network Private Limited	25.77	25.77
14. 43,053 (Previous year 26,315) equity shares of ₹10 each, fully paid up in DEN Pawan Cable Network Private Limited	61.16	28.05
15. 2,111,400 (Previous year 122,400) equity shares of ₹10 each, fully paid up in Mahadev DEN Network Private Limited	48.78	28.89
16. 45,899 (Previous year 45,899) equity shares of ₹10 each, fully paid up in Mahadev DEN Cable Network Private Limited	28.03	28.03
17. 26,300 (Previous year 26,300) equity shares of ₹10 each, fully paid up in DEN Mod Max Cable Network Private Limited	12.27	12.27
18. 27,380 (Previous year 27,380) equity shares of ₹10 each, fully paid up in DEN BCN Suncity Network Private Limited	10.02	10.02
19. 29,150 (Previous year 29,150) equity shares of ₹10 each, fully paid up in DEN Crystal Vision Network Private Limited	8.18	8.18
20. 45,900 (Previous year 45,900) equity shares of ₹10 each, fully paid up in DEN Patel Entertainment Network Private Limited (formerly known as Mahadev DEN Cable Net Private Limited)	14.55	14.55
21. 25,501 (Previous year 25,501) equity shares of ₹10 each, fully paid up in DEN Kashi Cable Network Private Limited	5.01	5.01
22. 27,565 (Previous year 27,565) equity shares of ₹10 each, fully paid up in DEN Harsh Mann Cable Network Private Limited	3.32	3.32
23. 33,300 (Previous year 33,300) equity shares of ₹10 each, fully paid up in DEN Mahendra Satellite Private Limited	3.01	3.01
Less : Provision for diminution in value of DEN Mahendra Satellite Private Limited	(0.50)	(0.50)
24. 27,384 (Previous year 27,384) equity shares of ₹10 each, fully paid up in DEN Prince Network Private Limited	3.00	3.00
25. 65,416 (Previous year 30,416) equity shares of ₹10 each, fully paid up in DEN Varun Cable Network Private Limited	4.32	2.22

(₹ in million)

Particulars	As at 31.03.2014	As at 31.03.2013
26. Nil (Previous year 25,501) equity shares of ₹10 each, fully paid up in DEN Prayag Cable Networks Private Limited	-	2.04
27. 131,160 (Previous year 27,160) equity shares of ₹10 each, fully paid up in DEN Pradeep Cable Network Private Limited	3.42	1.86
28. 29,223 (Previous year 29,223) equity shares of ₹10 each, fully paid up in DEN Ashu Cable Private Limited	12.31	12.31
29. 26,841 (Previous year 26,841) equity shares of ₹10 each, fully paid up in DEN Bindra Network Private Limited	5.11	5.11
30. 29,685 (Previous year 29,685) equity shares of ₹10 each, fully paid up in DEN Classic Cable TV Services Private Limited	2.65	2.65
31. 30,140 (Previous year 30,140) equity shares of ₹10 each, fully paid up in DEN Digital Cable Network Private Limited	132.83	132.83
32. 889,950 (Previous year 355,980) equity shares of ₹10 each, fully paid up in DEN Enjoy Cable Networks Private Limited	89.99	36.59
33. 58,148 (Previous year 27,675) equity shares of ₹10 each, fully paid up in DEN F K Cable TV Network Private Limited	39.27	25.55
34. 25,624 (Previous year 25,624) equity shares of ₹10 each, fully paid up in DEN Jai Ambey Vision Cable Private Limited	2.10	2.10
35. 31,230 (Previous year 31,230) equity shares of ₹10 each, fully paid up in DEN Maa Sharda Vision Cable Networks Private Limited	6.00	6.00
36. 56,059 (Previous year 56,059) equity shares of ₹10 each, fully paid up in DEN MCN Cable Network Private Limited	33.97	33.97
37. 339,500 (Previous year 339,500) equity shares of ₹10 each, fully paid up in DEN Mewar Rajdev Cable Network Private Limited	37.88	37.88
38. 51,209 (Previous year 26,117) equity shares of ₹10 each, fully paid up in DEN Montooshah Network Private Limited	21.65	20.45
39. 35,140 (Previous year 35,140) equity shares of ₹10 each, fully paid up in DEN Radiant Satellite Cable Network Private Limited	1.95	1.95
40. 269,920 (Previous year 269,920) equity shares of ₹10 each, fully paid up in DEN RIS Cable Network Private Limited	7.53	7.53
41. 31,265 (Previous year 31,265) equity shares of ₹10 each, fully paid up in DEN Satellite Cable TV Network Private Limited	5.33	5.33
42. 167,964 (Previous year 25,500) equity shares of ₹10 each, fully paid up in DEN Shiva Cable Network Private Limited	2.24	0.82
43. 1,328,600 (Previous year 1,328,600) equity shares of ₹10 each, fully paid up in DEN Sky Media Network Private Limited	284.72	284.72
44. 30,452 (Previous year 30,452) equity shares of ₹10 each, fully paid up in DEN Supreme Satellite Vision Private Limited	25.56	25.56
45. 27,325 (Previous year 27,325) equity shares of ₹10 each, fully paid up in Drashti Cable Network Private Limited	23.00	23.00
46. 25,500 (Previous year 25,500) equity shares of ₹10 each, fully paid up in DEN Fateh Marketing Private Limited	10.23	10.23
47. 25,500 (Previous year 25,500) equity shares of ₹10 each, fully paid up in DEN Nashik City Cable Network Private Limited	73.59	73.59
48. 76,500 (Previous year 76,500) equity shares of ₹10 each, fully paid up in Radiant Satellite (India) Private Limited	46.01	46.01
49. 30,529 (Previous year 30,529) equity shares of ₹10 each, fully paid up in DEN Aman Entertainment Private Limited	4.12	4.12
50. 37,113 (Previous year 37,113) equity shares of ₹10 each, fully paid up in DEN Budaun Cable Network Private Limited	2.00	2.00
51. 1,450,750 (Previous year 1,450,750) equity shares of ₹10 each, fully paid up in DEN Narmada Network Private Limited	72.30	72.30
52. 28,928 (Previous year 28,928) equity shares of ₹10 each, fully paid up in DEN Bellary City Cable Private Limited	36.84	36.84
53. 608,265 (Previous year 571,996) equity shares of ₹10 each, fully paid up in DEN Malayalam Telenet Private Limited	55.34	52.05

(₹ in million)

Particulars	As at 31.03.2014	As at 31.03.2013
54. 57,252 (Previous year 57,252) equity shares of ₹10 each, fully paid up in DEN ELGEE CABLE VISION PRIVATE LIMITED	6.38	6.38
55. 5,100 (Previous year 5,100) equity shares of ₹10 each, fully paid up in DEN RAJKOT CITY COMMUNICATION PRIVATE LIMITED (formerly known as RAJKOT CITY COMMUNICATION PRIVATE LIMITED)	98.43	98.43
56. 30,633 (Previous year 30,633) equity shares of ₹10 each, fully paid up in DEN MALABAR CABLE VISION PRIVATE LIMITED	26.89	26.89
57. 249,234 (Previous year 27,882) equity shares of ₹10 each, fully paid up in DEN Infoking Channel Entertainers Private Limited	81.35	60.12
58. 3,167 (Previous year 3,167) equity shares of ₹100 each, fully paid up in DEN UCN Network India Private Limited	23.09	23.09
59. 51,000 (Previous year 51,000) equity shares of ₹10 each, fully paid up in Fortune (Baroda) Network Private Limited	36.46	36.46
60. 25,500 (Previous year 25,500) equity shares of ₹10 each, fully paid up in Galaxy DEN Media & Entertainment Private Limited	43.35	43.35
61. 27,300 (Previous year 27,300) equity shares of ₹10 each, fully paid up in Bali DEN Cable Network Private Limited	50.65	50.65
62. 32,941 (Previous year 32,941) equity shares of ₹10 each, fully paid up in DEN Citi Channel Private Limited	17.13	17.13
63. 29,227 (Previous year 29,227) equity shares of ₹10 each, fully paid up in Fab DEN Network Private Limited	41.47	41.47
64. 50,295 (Previous year 50,295) equity shares of ₹10 each, fully paid up in DEN Satellite Network Private Limited	461.58	461.58
65. 102,039 (Previous year 102,039) equity shares of ₹100 each, fully paid up in Cab-i-Net Communications Private Limited	30.04	30.04
66. 25,500 (Previous year 25,500) equity shares of ₹10 each, fully paid up in DEN Krishna Vision Private Limited	3.68	3.68
67. 45,900 (Previous year 45,900) equity shares of ₹10 each, fully paid up in Shri Ram DEN Network Private Limited	31.20	31.20
Less: Provision for diminution in value of Shri Ram DEN Network Private Limited	(31.20)	(31.20)
68. 25,500 (Previous year 25,500) equity shares of ₹10 each, fully paid up in United Cable Network (Digital) Private Limited	4.60	4.60
69. 10,554,820 (Previous year 282,678) equity shares of ₹10 each, fully paid up in Amogh Broad Band Services Private Limited	1,048.73	938.80
70. 48,939 (Previous year 34,285) equity shares of ₹10 each, fully paid up in DEN Sariga Communication Private Limited	9.77	9.06
71. 25,500 (Previous year 25,500) equity shares of ₹10 each, fully paid up in DEN Sahyog Cable Network Private Limited	1.58	1.58
72. 2,119,000 (Previous year 2,099,000) equity shares of ₹10 each, fully paid up in IME Networks Private Limited	21.19	20.99
73. 48,931 (Previous year 48,931) equity shares of ₹10 each, fully paid up in DEN A.F. Communication Private Limited	0.49	0.49
74. 50,775 (Previous year 50,775) equity shares of ₹10 each, fully paid up in DEN Kattakada Telecasting and Cable Services Private Limited	16.41	16.41
75. 30,620 (Previous year 30,620) equity shares of ₹10 each, fully paid up in Big DEN Entertainment Private Limited	12.22	12.22
76. 5,100 (Previous year 5,100) equity shares of ₹10 each, fully paid up in Sree Gokulam Starnet Communication Private Limited	11.53	11.53
77. 32,786 (Previous year 32,786) equity shares of ₹10 each, fully paid up in Ambika DEN Cable Network Private Limited	1.84	1.84
78. 30,682 (Previous year 30,682) equity shares of ₹10 each, fully paid up in DEN Steel City Cable Network Private Limited	8.62	8.62
79. 28,172 (Previous year 28,172) equity shares of ₹10 each, fully paid up in Sanmati DEN Cable TV Network Private Limited	9.02	9.02
80. 28,334 (Previous year 28,334) equity shares of ₹10 each, fully paid up in Multi Channel Cable Network Private Limited	9.73	9.73

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(₹ in million)

Particulars	As at 31.03.2014	As at 31.03.2013
81. 301,000 (Previous year 51,000) equity shares of ₹10 each, fully paid up in Victor Cable TV Network Private Limited	5.92	3.42
82. 51,000 (Previous year 51,000) equity shares of ₹10 each, fully paid up in Gemini Cable Network Private Limited	5.87	5.87
83. 29,147 (Previous year 29,147) equity shares of ₹10 each, fully paid up in Antique Communications Private Limited	1.79	1.79
84. 30,721 (Previous year 30,721) equity shares of ₹10 each, fully paid up in Sanmati Entertainment Private Limited	3.01	3.01
85. 25,500 (Previous year 25,500) equity shares of ₹10 each, fully paid up in VM Magic Entertainment Private Limited	12.53	12.53
86. 25,500 (Previous year 25,500) equity shares of ₹10 each, fully paid up in Crystal Vision Media Private Limited	149.08	149.08
87. 34,170 (Previous year 34,170) equity shares of ₹10 each, fully paid up in Multi Star Cable Network Private Limited	1.02	1.02
88. 84,551 (Previous year 32,510) equity shares of ₹10 each, fully paid up in Disk Cable Network Private Limited	4.26	1.66
89. 134,000 (Previous year 51,000) equity shares of ₹10 each, fully paid up in Shaakumabari DEN Media Private Limited	1.34	0.51
90. 38,250 (Previous year 38,250) equity shares of ₹10 each, fully paid up in Silverline Television Network Private Limited	15.32	15.32
91. 36,746 (Previous year 36,746) equity shares of ₹10 each, fully paid up in Eminent Cable Network Private Limited	1.50	1.50
92. 27,418 (Previous year 27,418) equity shares of ₹10 each, fully paid up in Ekta Entertainment Network Private Limited	3.01	3.01
93. 2,040,000 (Previous year 2,040,000) equity shares of ₹10 each, fully paid up in CCN DEN Network Private Limited	20.40	20.40
94. 27,190 (Previous year 27,190) equity shares of ₹10 each, fully paid up in Devine Cable Network Private Limited	1.17	1.17
95. 1,938,000 (Previous year 1,530,000) equity shares of ₹10 each, fully paid up in DEN ADN Network Private Limited	20.91	15.30
96. 30,312 (Previous year 30,312) equity shares of ₹10 each, fully paid up in Necter Entertainment Private Limited	1.35	1.35
97. 25,500 (Previous year 25,500) equity shares of ₹10 each, fully paid up in Trident Entertainment Private Limited	2.52	2.52
98. 25,500 (Previous year 25,500) equity shares of ₹10 each, fully paid up in Adhunik Cable Network Private Limited	1.58	1.58
99. 5,100 (Previous year 5,100) equity shares of ₹10 each, fully paid up in Glimpse Communications Private Limited	3.34	3.34
100. 25,500 (Previous year 25,500) equity shares of ₹10 each, fully paid up in Indradhanush Cable Network Private Limited	4.27	4.27
101. 25,500 (Previous year 25,500) equity shares of ₹10 each, fully paid up in Blossom Entertainment Private Limited	1.55	1.55
102. 14,256 (Previous year 14,256) equity shares of ₹100 each, fully paid up in Multitrack Cable Network Private Limited	9.88	9.88
103. 153,000 (Previous year 153,000) equity shares of ₹10 each, fully paid up in Rose Entertainment Private Limited	11.50	11.50
104. 149,775 (Previous year 25,500) equity shares of ₹10 each, fully paid up in Libra Cable Networks Private Limited	25.11	0.26
105. 11,859 (Previous year 11,859) equity shares of ₹100 each, fully paid up in Pee Cee Cable Network Private Limited	1.19	1.19
106. 18,687 (Previous year Nil) equity shares of ₹10 each, fully paid up in Discovery Digital Cable Network Private Limited	7.70	-
107. 33,040 (Previous year Nil) equity shares of ₹10 each, fully paid up in Mansion Cable Network Private Limited	15.86	-
108. 127,500 (Previous year Nil) equity shares of ₹10 each, fully paid up in Jhankar Cable Network Private Limited	4.01	-

(₹ in million)		
Particulars	As at 31.03.2014	As at 31.03.2013
109. 5,100 (Previous year Nil) equity shares of ₹10 each, fully paid up in Premium Multilink Cable Network Private Limited	0.05	-
110. 102,000 (Previous year Nil) equity shares of ₹10 each, fully paid up in Scorpio Cable Network Private Limited	2.51	-
111. 51,000 (Previous year Nil) equity shares of ₹10 each, fully paid up in Augment Cable Network Private Limited	3.01	-
112. 72,675 (Previous year Nil) equity shares of ₹10 each, fully paid up in Desire Cable Network Private Limited	7.52	-
113. 98,410 (Previous year Nil) equity shares of ₹10 each, fully paid up in Marble Cable Network Private Limited	3.51	-
	4,722.32	4,253.89
ii. of joint venture		
1. 2,500,000 (Previous year 2,500,000) equity shares of ₹10 each, fully paid up in Star DEN Media Services Private Limited	25.00	25.00
	25.00	25.00
Aggregate of unquoted - long term trade investments in equity shares (i+ii) (I)	4,747.32	4,278.89
b. Trade and unquoted - long term in preference shares - at cost		
i. of subsidiaries		
1. 3% 5 years 750,000 (Previous year 750,000) non cumulative preference shares of ₹10 each in DEN Kashi Cable Network Private Limited	37.50	37.50
2. 13.5% 7 years 707,500 (Previous year 707,500) non cumulative preference shares of ₹10 each in DEN Citi Channel Private Limited	7.08	7.08
3. 13.5% 3 years 1,900,000 (Previous year 1,900,000) non cumulative preference shares of ₹10 each in Gemini Cable Network Private Limited	19.00	19.00
4. 13.5% 7 years 2,500,000 (Previous year 2,500,000) non cumulative redeemable preference shares of ₹10 each in Meerut Cable Network Private Limited	25.00	25.00
5. 5% 2 years 300,000 (Previous year Nil) non cumulative redeemable preference shares of ₹10 each in Mahavir DEN Entertainment Private Limited	3.00	-
6. 7.5% 5 years 7,600,000 (Previous year Nil) non cumulative redeemable preference shares of ₹10 each in Amogh Broad Band Services Private Limited	76.00	-
7. 10% 5 years 4,670,000 (Previous year Nil) non cumulative redeemable preference shares of ₹10 each in Mansion Cable Network Private Limited	46.70	-
(II)	214.28	88.58
<b>Total (I+II)</b>	<b>4,961.60</b>	<b>4,367.47</b>

**Note :**

- Of the above 19,188,728 (Previous year 15,049,820) equity shares amounting to ₹3,865.59 million (Previous year ₹3,655.72 million) worth of investments in subsidiaries are pledged with IDFC Limited against loans taken by the Company (See note 5)
- Of the above 2,607,500 (Previous year Nil) preference shares amounting to ₹26.08 million (Previous year Nil) worth of investments in subsidiaries are pledged with IDFC Limited against loans taken by the Company (See note 5)
- Of the above 22,992,338 (Previous year 10,035,476) equity shares amounting to ₹913.43 million (Previous year ₹623.17 million) worth of investments in subsidiaries and joint venture Company are yet to be pledged with IDFC Limited against loans taken by the Company.
- Of the above 15,820,000 (Previous year 5,857,500) preference shares amounting to ₹188.20 million (Previous year ₹88.58 million) worth of investments in subsidiaries are yet to be pledged with IDFC Limited against loans taken by the Company.

(₹ in million)

Particulars	As at 31.03.2014	As at 31.03.2013
<b>14. LONG-TERM LOANS AND ADVANCES (Unsecured)</b>		
<b>i. Considered good</b>		
a. Capital advances	96.84	17.74
b. Advance for investments	12.76	14.46
c. Security deposits	43.35	43.12
d. Prepaid expenses	37.44	30.37
d. Advance tax [including tax deducted at source ₹803.68 million Previous year ₹534.72 million (Net of provision ₹224.82 million (Previous year ₹208.58 million))]	579.76	327.06
e. MAT credit entitlement [Net of provision ₹18.26 million (Previous year 27.64)]	18.26	27.64
f. Deposits against cases with		
i. Sales tax authority	34.74	-
ii. Entertainment tax authorities	15.04	-
iii. Entry tax authority	5.72	-
<b>ii. Considered doubtful</b>		
a. Advance for investments	54.15	54.15
	898.06	514.54
Less: Provision for doubtful advances	54.15	54.15
	<b>843.91</b>	<b>460.39</b>
<b>15. OTHER NON-CURRENT ASSETS</b>		
a. Deposits with banks with more than 12 months maturity*	119.95	275.85
b. Receivable on sale under finance lease (See note 33)	734.98	471.30
	<b>854.93</b>	<b>747.15</b>
* i. Under lien as margin money with bank for letters of credit ₹Nil (Previous year ₹275.85 million) ii. Under lien as margin money with bank for term loans ₹119.95 million (Previous year Nil)		
<b>16. CURRENT INVESTMENTS (at cost)**</b>		
Unquoted - Current investments in units of mutual funds (at lower of cost or fair value)		
1. Nil (Previous year 2,163,179) units of ₹ Nil in Birla Sun Life Dynamic Bond Fund Retail Growth	-	41.89
2. Nil (Previous year 344,369) units of ₹ Nil in SBI Magnum Income Fund	-	10.00
3. 1,461,629 (Previous year 953,865) units of ₹53.96 in Birla Sun Life Income Plus Growth Regular Plan	78.87	50.00
4. Nil (Previous year 652,392) units of ₹ Nil in Birla Sunlife Cash Plus Growth Regular Plan	-	122.45
5. Nil (Previous year 720,538) units of ₹ Nil in Birla Sunlife Floating rate fund Long term Growth Regular Plan	-	100.26
6. Nil (Previous year 4,982,809) units of ₹ Nil in DWS Banking & PSU Debt Fund Growth	-	50.00
7. Nil (Previous year 17,963) units of ₹ Nil in Pramerica Dynamic Bond Fund Growth Option	-	20.00
8. 232,437 (Previous year 288,204) units of ₹1,540.19 in IDFC Cash Fund Growth*	358.00	406.20
9. Nil (Previous year 2,140,778) units of ₹ Nil in IDFC Dynamic Bond Fund Plan Growth	-	30.00
10. 1,727,920 (Previous year 1,059,722) units of ₹29.42 in IDFC Super Saver Income Fund Investement Plan Growth Regular Plan	50.84	30.00
11. Nil (Previous year 1,019,987) units of ₹ Nil in IDFC Super Saver Income Fund Medium Term Plan Growth Regular Plan	-	20.00
12. Nil (Previous year 6,163,563) units of ₹ Nil in IDFC Ultra Short term Growth Regular Plan	-	100.32
13. Nil (Previous year 12,620) units of ₹ Nil in DSP Black Rock liquidity Fund Institutional Plan Growth	-	21.16

(₹ in million)

Particulars	As at 31.03.2014	As at 31.03.2013
14. Nil (Previous year 14,986) units of ₹ Nil in Kotak Floater Short term Growth	-	28.77
15. Nil (Previous year 1,991,133) units of ₹ Nil in Reliance Dynamic Bond Fund Growth Plan Growth Option	-	30.39
16. Nil (Previous year 776,591) units of ₹ Nil in Reliance Income Fund Growth Plan Growth Option	-	30.00
17. 160,956 (Previous year 89,161) units of ₹1,754.59 in Reliance Money Manager fund Growth Option	282.41	142.80
18. Nil (Previous year 2,542,351) units of ₹ Nil in ICICI Prudential Ultra Short Term Regular Plan Growth	-	30.00
19. Nil (Previous year 3,742,935) units of ₹ Nil in BNP Paribas Money Plus Fund Growth	-	50.00
20. 710,334 (Previous year Nil) units of ₹307.98 in Birla Sunlife Cash Manager-Growth -Regular plan	218.77	-
21. 5,000,000 (Previous year Nil) units of ₹10 in Birla Sun Life Fixed Term Plan Series HB Regular Growth***	50.00	-
22. 20,000,000 (Previous year Nil) units of ₹10 in Birla Sunlife Fixed Term Plan -Series IU (527 days)-Gr.Regular***	200.00	-
23. 7,000,000 (Previous year Nil) units of ₹10 in Birla Sunlife Interval Income Fund Annual Plan IX Gr Regular***	70.00	-
24. 10,469,794 (Previous year Nil) units of ₹10 in Birla Sunlife Fixed term Plan -Series KF(368 days) Gr Regular***	104.70	-
25. 10,642,488 (Previous year Nil) units of ₹10 in DWS FMP sr-49-Regular Plan -growth***	106.43	-
26. 10,000,000 (Previous year Nil) units of ₹10 in DSP Black Rock FMP Series 126-12 M -Reg - Growth***	100.00	-
27. 30,674 (Previous year Nil) units of ₹1,735.91 in DSP Black Rock Money Manager Fund Regular Plan Growth	53.25	-
28. 10,000,000 (Previous year Nil) units of ₹10 in HDFC FMP 370D Feb 2014(1) sr-29 reg growth***	100.00	-
29. 10,000,000 (Previous year Nil) units of ₹10 in DWS Fixed Maturity Plan Series -39 -Regular Plan -Growth***	100.00	-
30. 3,943,926 (Previous year Nil) units of ₹20.76 in L&T Ultra Short Term Growth	81.89	-
31. 5,000,000 (Previous year Nil) units of ₹10 in HDFC FMP 538D Nov 2013 (1) series 28-Regular -Growth***	50.00	-
32. 2,918,661 (Previous year Nil) units of ₹16.83 in ICICI Income Opportunities Fund Regular Plan Growth	49.13	-
33. 20,000,000 (Previous year Nil) units of ₹13.43 in L&T FMP Series 9-Plan E Growth***	200.00	-
34. 20,000,000 (Previous year Nil) units of ₹10 in ICICI Prudential FMP Series 70-367 days Plan N regular Plan Cumulative***	200.00	-
35. 10,089,487 (Previous year Nil) units of ₹10 in ICICI Prudential FMP Series 71 -366 D Plan C regular Plan Cumulative***	100.89	-
36. 5,000,000 (Previous year Nil) units of ₹10 in ICICI Prudential FMP Series 71 -525 days Plan D regular Plan Cumulative***	50.00	-
37. 8,121,351 (Previous year Nil) units of ₹10 in IDFC Fixed Term Plan Series 24 regular Plan***	81.21	-
38. 10,000,000 (Previous year Nil) units of ₹10 in Relaince Fixed Horizon Fund XXV- sr 24 Growth Plan***	100.00	-
39. 20,065,603 (Previous year Nil) units of ₹10 in L&T FMP Series 9-Plan-G Growth***	200.66	-
40. 5,000,000 (Previous year Nil) units of ₹10 in L&T FMP Series 10 Plan H***	50.00	-

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(₹ in million)

Particulars	As at 31.03.2014	As at 31.03.2013
41. 5,385,846 (Previous year Nil) units of ₹12.28 in L&T Triple Ace Bond Fund Bonus Original	66.11	-
42. 5,000,000 (Previous year Nil) units of ₹10 in Reliance Fixed Horizon Fund XXIV Sr 4 Growth Plan***	50.00	-
43. 6,674,152 (Previous year Nil) units of ₹23.55 in Reliance Short Term Fund- Growth Plan- Growth Option	157.17	-
44. 20,000,000 (Previous year Nil) units of ₹10 in SBI Debt Fund Series -18 Month 13 -Regular -Growth***	200.00	-
42. 10,435,651 (Previous year Nil) units of ₹10 in SBI Debt Fund Series -366 days 47 Regular Plan -Growth***	104.36	-
<b>Aggregate of unquoted - current investment in units of mutual funds</b>	<b>3,614.69</b>	<b>1,314.24</b>
* 232,437 units (Previous year 232,437 units) are under lien with IDFC for term loan taken		
** Having total NAV of ₹3,696.86 million (Previous year ₹1,323.31 million)		
*** 221,824,372 units are under lock in period having total value of ₹2,218.25 million		
<b>17. TRADE RECEIVABLES (Unsecured)</b>		
a. Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
i. Considered good	626.17	429.71
ii. Considered doubtful	250.20	100.50
	876.37	530.21
Less: Provision for doubtful debts	250.20	100.50
	626.17	429.71
b. Others (considered good)	2,209.38	1,140.73
	<b>2,835.55</b>	<b>1,570.44</b>
<b>18. TRADE RECEIVABLES (Unsecured)</b>		
<b>A. Cash and cash equivalents</b>		
a. Cash on hand	9.44	15.42
b. Cheques on hand	0.05	51.28
c. Balance with scheduled banks		
i. in current accounts	1,237.50	1,109.79
ii. in deposit accounts		
- original maturity of 3 months or less	112.49	14.24
	<b>1,359.48</b>	<b>1,190.73</b>
<b>B. Other bank balances</b>		
i. in deposit accounts		
- original maturity more than 3 months*	6,026.69	497.12
- original maturity of 3 months or less**	7.50	230.85
	<b>6,034.19</b>	<b>727.97</b>
	<b>7,393.67</b>	<b>1,918.70</b>

- \* a. Under lien as securities with:
- Tax authorities for statutory registrations - ₹0.27 million (Previous year ₹0.15 million)
  - Financial Institutions as Debt Service Reserve Account ₹30.96 million (Previous year Nil)
  - Financial Institution to secure term loan to a subsidiary ₹50.00 million (Previous year ₹50.00 million)
- b. Balances with banks include deposit with remaining maturity of more than 12 months from the balance sheet date ₹177.00 million (Previous year ₹129.29 million)
- c. ₹1,007.73 million (Previous year ₹290.55 million) under lien as margin money with bank for letters of credit/ bank guarantees/ term loans.
- \*\* a. Under lien as securities with:
- Tax authorities for statutory registrations - Nil (Previous year ₹0.08 million)
  - Financial Institutions as Debt Service Reserve Account Nil (Previous year ₹30.96 million)
- b. ₹7.50 million (Previous year ₹199.81 million) under lien as margin money with bank for letters of credit/ bank guarantees/ term loans.

(₹ in million)		
Particulars	As at 31.03.2014	As at 31.03.2013
<b>19. SHORT-TERM LOANS AND ADVANCES (Unsecured, considered good)</b>		
a. Loans and advances to related parties		
i. Advances recoverable	43.06	29.15
ii. Loans to Subsidiaries	396.16	411.08
iii. Share application money paid pending allotment	60.50	201.23
	499.72	641.46
b. Security deposits	14.33	10.48
c. Loans to employees	-	4.12
d. Prepaid expenses	61.69	56.22
e. Balance with government authorities		
i. CENVAT credit receivable	196.40	176.09
ii. VAT credit receivable	6.93	0.19
iii. Service tax credit receivable	115.15	81.62
	318.48	257.90
f. Others	56.34	52.38
	<b>950.56</b>	<b>1,022.56</b>
<b>20. OTHER CURRENT ASSETS (Unsecured, Considered good)</b>		
a. Unbilled Revenue	290.18	87.69
b. Interest accrued but not due on fixed deposits	287.81	25.22
c. Interest accrued and due on others	139.37	88.43
d. Others		
i. Receivable on sale of fixed assets	796.68	551.31
ii. Receivable on sale under finance lease (See note 33)	200.43	221.18
iii. Others	0.16	17.68
	<b>1,714.63</b>	<b>991.51</b>

(₹ in million)		
Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
<b>21. REVENUE FROM OPERATIONS</b>		
a. Operating revenue	7,388.66	5,747.61
b. Other operating revenue		
i. Sale of equipment	1,223.57	1,203.66
ii. Commission income	-	0.18
	1,223.57	1,203.84
	<b>8,612.23</b>	<b>6,951.45</b>
<b>22. OTHER INCOME</b>		
a. Interest income		
i. on fixed deposits [including tax deducted at source ₹14.47 million (Previous year ₹8.37 million)]	358.24	111.65
ii. on loans to subsidiaries [including tax deducted at source ₹4.55 million (Previous year ₹2.52 million)]	61.15	68.05
iii. on income tax refund	6.20	3.69
vi. on sale of assets under finance lease [including tax deducted at source ₹6.76 million (Previous year ₹0.24 million)]	94.86	8.81
b. Gain on sale of current investments (other than trade and unquoted)	168.48	35.87
c. Dividend income from current investments	7.83	0.35
d. Dividend income from long term investment	2.06	-
e. Dividend income from long term investment in joint venture	-	25.00
f. Net gain on foreign currency transactions & translation	-	31.00
g. Other non-operating income		
i. Profit on sale of fixed assets	0.70	-
ii. Liabilities/ excess provisions written back	50.87	21.84
iii. Miscellaneous income	3.54	2.50
	<b>753.93</b>	<b>308.76</b>

(₹ in million)

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
<b>23. EMPLOYEE BENEFIT EXPENSE</b>		
a. Salaries and allowances	444.02	371.67
b. Contribution to provident and other funds	23.69	19.73
c. Gratuity expense [See note 35 (B) (ii)]	9.70	7.22
d. Expense on employee stock option (ESOP) scheme [See note 37]	-	40.21
e. Staff welfare expenses	23.52	17.42
	<b>500.93</b>	<b>456.25</b>
<b>24. FINANCE COSTS</b>		
a. Interest on loans from banks	774.25	404.82
b. Other borrowing costs	53.75	42.02
	<b>828.00</b>	<b>446.84</b>
<b>25. OTHER EXPENSES</b>		
a. Content cost	1,837.53	913.69
b. Placement fees	2,031.78	1,908.38
c. Cost of traded items	1,244.04	1,187.35
d. Distributor commission/ incentive	91.79	97.10
e. Rent and hire charges (See note 31)	110.68	104.14
f. Repairs and maintenance		
i. Plant and machinery	180.73	87.08
ii. Others	64.49	61.39
g. Power and fuel	48.49	40.69
h. Director's sitting fees	0.44	0.36
i. Consultancy, professional and legal charges*	166.74	181.43
j. Brokerage/ commission	12.56	10.07
k. Subscription share/ charges	637.77	-
l. Contract service charges	70.76	72.75
m. Printing and stationery	13.70	10.38
n. Travelling and conveyance	94.76	92.26
o. Advertisement, publicity and business promotion	42.65	65.24
p. Communication expenses	29.74	18.78
q. Leaseline expenses	166.73	109.80
r. Security charges	15.70	14.82
s. Freight and labour charges	15.73	15.19
t. Insurance	9.12	7.47
u. Rates and taxes	20.88	30.62
v. Provision for doubtful debts/ advances	149.70	75.14
w. Bad debts/ advances written off	33.74	37.43
x. Provision for impairment of investment	-	31.20
y. Fixed assets/ capital work in progress written off	4.25	1.03
z. Loss on sale/ disposal of fixed assets	-	33.19
z. Loss on sale of investment	92.54	-
aa. Miscellaneous expenses	28.14	16.25
ab. Net loss on foreign currency transactions and translation	11.57	-
	<b>7,226.75</b>	<b>5,223.23</b>
* Consultancy, professional and legal charges includes Auditor's remuneration as under :		
Statutory audit fees	9.00	8.05
Others	1.26	0.08
	<b>10.26</b>	<b>8.13</b>

(₹ in million)

Particulars	As at 31.03.2014	As at 31.03.2013
<b>26. Capital commitments and contingent liabilities</b>		
<b>a. Capital commitments</b>		
Estimated amount of contracts remaining to be executed on tangible capital account (net of advances) ₹1,900.92 million [Previous year ₹3,116.61 million].		
<b>b. Contingent liabilities</b>		
<b>Claims against the Company not acknowledged as debts</b>		
a. Bank guarantee issued	22.50	22.10
b. Corporate guarantee issued by the Company	250.00	250.00
c. Outstanding letter of credits	19.25	401.88
d. Demand raised by UP Commercial Tax Department for payment of VAT on transfer of STB's	26.04	51.03
e. Demand raised by Delhi Entertainment Tax Department for payment of Entertainment Tax	84.70	-
f. Demand raised by Madhya Pradesh Entertainment Tax department for payment of Entertainment Tax	3.65	-
g. Demand raised by Rajasthan Entry Tax department for payment of Entry Tax	25.30	-

## 27. SEGMENT REPORTING

"The Company is engaged in the distribution and promotion of television channels and related services which is considered as the only reportable business segment. The Company's operations are based in India. As the Company operates in a single business and geographical segment, the reporting requirements for primary and secondary segment disclosures prescribed by paragraphs 39 to 51 of Accounting Standard 17 - Segment Reporting, are not required to be disclosed in these financial statements."

**28.** "During the year, the Company has paid managerial remuneration to Chairman and Managing Director amounting to ₹24.93 million. Of this, remuneration amounting to ₹13.42 million is paid in excess of the provisions of Section 198 & 309 read with Schedule XIII of the Companies Act, 1956 for which the approval from the Central Government is awaited."

## 29. RELATED PARTY DISCLOSURES

### I. List of related parties

#### a. Related parties where control exists

##### i. Subsidiaries held directly

- DEN Mahendra Satellite Private Limited (w.e.f. 27-Dec-07)
- DEN Mod Max Cable Network Private Limited (w.e.f. 27-Dec-07)
- DEN Krishna Cable TV Network Private Limited (w.e.f. 27-Dec-07)
- DEN Pawan Cable Network Private Limited (w.e.f. 27-Dec-07)
- DEN BCN Suncity Network Private Limited (w.e.f. 27-Dec-07)
- DEN Harsh Mann Cable Network Private Limited (w.e.f. 1-Mar-08)
- DEN Classic Cable TV Services Private Limited (w.e.f. 1-May-08)
- DEN Bindra Network Private Limited (w.e.f. 1-Jul-08)
- DEN Montooshah Network Private Limited (w.e.f. 16-Jul-08)
- DEN Ashu Cable Private Limited (w.e.f. 22-Aug-08)
- Shree Siddhivinayak Cable Network Private Limited (w.e.f. 1-Dec-07)
- Drashti Cable Network Private Limited (w.e.f. 1-Apr-08)
- DEN MCN Cable Network Private Limited (w.e.f. 8-Apr-08)
- Mahadev DEN Network Private Limited (w.e.f. 1-Feb-08)
- Mahadev DEN Cable Network Private Limited (w.e.f. 1-Feb-08)
- DEN Patel Entertainment Network Private Limited (w.e.f. 1-Feb-08)
- DEN Digital Cable Network Private Limited (w.e.f. 1-May-08)
- DEN Malayalam Telenet Private Limited (w.e.f. 22-Aug-08)
- DEN Bellary City Cable Private Limited (w.e.f. 1-Jan-09)
- DEN-Manoranjan Satellite Private Limited (w.e.f. 1-Mar-08)
- DEN Supreme Satellite Vision Private Limited (w.e.f. 30-May-08)

22. DEN Nashik City Cable Network Private Limited (w.e.f. 26-Jun-08)
23. Radiant Satellite (India) Private Limited (w.e.f. 2-Apr-08)
24. DEN Radiant Satellite Cable Network Private Limited (w.e.f. 2-Apr-08)
25. DEN Mewar Rajdev Cable Network Private Limited (w.e.f. 2-Apr-08)
26. DEN RIS Cable Network Private Limited (w.e.f. 1-Jun-08)
27. DEN Sky Media Network Private Limited (w.e.f. 31-May-08)
28. DEN Prince Network Private Limited (w.e.f. 1-Feb-08)
29. DEN Varun Cable Network Private Limited (w.e.f. 7-Jan-08)
30. DEN Crystal Vision Network Private Limited (w.e.f. 27-Dec-07)
31. Meerut Cable Network Private Limited (w.e.f. 1-Dec-07)
32. DEN Jai Ambey Vision Cable Private Limited (w.e.f. 5-Apr-08)
33. DEN Fateh Marketing Private Limited (w.e.f. 9-Apr-08)
34. DEN Enjoy Cable Networks Private Limited (w.e.f. 2-Apr-08)
35. DEN Maa Sharda Vision Cable Networks Private Limited (w.e.f. 1-Apr-08)
36. DEN F K Cable TV Network Private Limited (w.e.f. 1-May-08)
37. DEN Shiva Cable Network Private Limited (w.e.f. 1-May-08)
38. DEN Pradeep Cable Network Private Limited (w.e.f. 1-Feb-08)
39. DEN Satellite Cable TV Network Private Limited (w.e.f. 1-Apr-08)
40. DEN Narmada Network Private Limited (w.e.f. 1-Sep-08)
41. DEN Ambey Cable Networks Private Limited (w.e.f. 11-Sep-07)
42. DEN Budaun Cable Network Private Limited (w.e.f. 1-Oct-08)
43. DEN Aman Entertainment Private Limited (w.e.f. 1-Oct-08)
44. DEN Kashi Cable Network Private Limited (w.e.f. 1-Mar-08)
45. DEN Futuristic Cable Networks Private Limited (w.e.f. 9-Oct-07)
46. DEN Digital Entertainment Gujarat Private Limited (w.e.f. 31-May-08)
47. Aster Entertainment Private Limited (w.e.f. 31-May-08)
48. DEN Entertainment Network Private Limited (w.e.f. 1-Sep-07)
49. Shine Cable Network Private Limited (w.e.f. 1-Dec-08)
50. DEN Rajkot City Communication Private Limited (w.e.f. 10-Apr-09)
51. DEN Elgee Cable Vision Private Limited (w.e.f. 3-Jun-09)
52. DEN Malabar Cable Vision Private Limited (w.e.f. 30-Apr-09)
53. Amogh Broad Band Services Private Limited (w.e.f. 29-Jul-09)
54. Galaxy DEN Media & Entertainment Private Limited (w.e.f. 15-Jul-09)
55. DEN UCN Network India Private Limited (w.e.f. 25-Jul-09)
56. Bali DEN Cable Network Private Limited (w.e.f. 1-Sep-09)
57. Mahavir DEN Entertainment Private Limited (w.e.f. 1-Sep-09)
58. DEN Citi Channel Private Limited (w.e.f. 16-Nov-09)
59. DEN Satellite Network Private Limited (w.e.f. 15-Jan-10)
60. Fab DEN Network Private Limited (w.e.f. 1-Jan-10)
61. Fortune (Baroda) Network Private Limited (w.e.f. 31-Jul-09)
62. DEN Infoking Channel Entertainers Private Limited (w.e.f. 1-Aug-09)
63. United Cable Network (Digital) Private Limited (w.e.f. 1-Apr-10)
64. Shri Ram DEN Network Private Limited (w.e.f. 1-Apr-10)
65. DEN Krishna Vision Private Limited (w.e.f. 1-Apr-10)
66. CAB-I-NET Communications Private Limited (w.e.f. 1-May-10)
67. DEN Sahyog Cable Network Private Limited (w.e.f. 1-Jul-10)
68. DEN Sariga Communications Private Limited (w.e.f. 1-Aug-10)
69. IME Networks Private Limited (w.e.f. 27-Sep-10)
70. DEN Kattakada Telecasting and Cable Services Private Limited (w.e.f. 1-Oct-10)

71. DEN A.F. Communication Private Limited (w.e.f. 1-Dec-10)
  72. Sree Gokulam Starnet Communication Private Limited (w.e.f. 24-Jan-11)
  73. Big DEN Entertainment Private Limited (w.e.f. 1-Feb-11)
  74. Ambika DEN Cable Network Private Limited (w.e.f. 1-Jul-11)
  75. DEN Steel City Cable Network Private Limited (w.e.f. 1-Jul-11)
  76. Crystal Vision Media Private Limited (w.e.f. 12-Jul-11)
  77. Victor Cable TV Network Private Limited (w.e.f. 13-Jul-11)
  78. Sanmati DEN Cable TV Network Private Limited (w.e.f. 25-Aug-11)
  79. Multi Channel Cable Network Private Limited (w.e.f. 1-Sep-11)
  80. Gemini Cable Network Private Limited (w.e.f. 1-Oct-11)
  81. Multi Star Cable Network Private Limited (w.e.f. 1-Oct-11)
  82. VM Magic Entertainment Private Limited (w.e.f. 1-Oct-11)
  83. Matrix Cable Network Private Limited (w.e.f. 1-Oct-11)
  84. Antique Communications Private Limited (w.e.f. 5-Dec-11)
  85. Sanmati Entertainment Private Limited (w.e.f. 26-Dec-11)
  86. Disk Cable Network Private Limited (w.e.f. 6-Jan-12)
  87. Shaakumbari DEN Media Private Limited (w.e.f. 1-Feb-12)
  88. Silverline Television Network Private Limited (w.e.f. 29-Mar-12)
  89. Ekta Entertainment Network Private Limited (w.e.f. 15-Jun-12)
  90. Libra Cable Network Private Limited (w.e.f. 1-Feb-13)
  91. DEN ADN Network Private Limited (w.e.f. 27-Jul-12)
  92. CCN DEN Network Private Limited (w.e.f. 27-Jul-12)
  93. Devine Cable Network Private Limited (w.e.f. 1-Sep-12)
  94. Nectar Entertainment Private Limited (w.e.f. 1-Sep-12)
  95. Pee Cee Cable Network Private Limited (w.e.f. 11-Feb-13)
  96. Multitrack Cable Network Private Limited (w.e.f. 1-Nov-12)
  97. Glimpse Communications Private Limited (w.e.f. 16-Nov-12)
  98. Indradhanush Cable Network Private Limited (w.e.f. 22-Dec-12)
  99. Adhunik Cable Network Private Limited (w.e.f. 16-Nov-12)
  100. Blossom Entertainment Private Limited (w.e.f. 31-Mar-12)
  101. Rose Entertainment Private Limited (w.e.f. 31-Mar-12)
  102. Trident Entertainment Private Limited (w.e.f. 31-Mar-12)
  103. Eminent Cable Network Private Limited (w.e.f. 31-Mar-12)
  104. Mansion Cable Network Private Limited (w.e.f. 8-Apr-13)
  105. DEN Discovery Digital Networks Private Limited (w.e.f. 29-Jun-13)
  106. Jhankaar Cable Network Private Limited (w.e.f. 17-Jul-13)
  107. DEN Premium Multilink Cable Network Private Limited (w.e.f. 1-Jul-13)
  108. Scorpio Cable Network Private Limited (w.e.f. 1-Nov-13)
  109. Desire Cable Network Private Limited (w.e.f. 1-Feb-14)
  110. Marble Cable Network Private Limited (w.e.f. 1-Feb-14)
  111. Augment Cable Network Private Limited (w.e.f. 1-Feb-14)
- ii. Subsidiaries held indirectly**
1. DEN Nanak Communication Private Limited (w.e.f. 1-Mar-08)
  2. DEN Saya Channel Network Private Limited (w.e.f. 30-Jun-08)
  3. DEN Ambey Citi Cable Network Private Limited (w.e.f. 1-Feb-08)
  4. DEN Enjoy Navaratan Network Private Limited (w.e.f. 2-Apr-08)
  5. DEN Ambey Jhansi Cable Network Private Limited (w.e.f. 1-Mar-09)
  6. DEN Deva Cable Network Private Limited (w.e.f. 1-Apr-08)

7. DEN Faction Communication System Private Limited (w.e.f. 1-Oct-08)
  8. DEN Ambey Farukabad Cable Network Private Limited (w.e.f. 1-Mar-09)
  9. Star Channel DEN Network Private Limited (w.e.f. 1-Aug-09)
  10. Kishna DEN Cable Networks Private Limited (w.e.f. 1-Nov-09)
  11. Divya Drishti DEN Cable Network Private Limited (w.e.f. 1-Apr-10)
  12. DEN New Broad Communication Private Limited (w.e.f. 1-Jul-10)
  13. Astron Media Networks Private Limited (w.e.f. 27-Sep-10)
  14. Fun Cable Network Private Limited (w.e.f. 15-Feb-11)
  15. Rajasthan Entertainment Private Limited (w.e.f. 23-Feb-11)
  16. Kerela Entertainment Private Limited (w.e.f. 9-Dec-10)
  17. Uttar Pradesh Digital Cable Network Private Limited (w.e.f. 4-Apr-11)
  18. Saturn Digital Cable Private Limited (w.e.f. 1-Jul-11)
  19. DEN Enjoy SBNM Cable Network Private Limited (w.e.f. 11-Apr-11)
  20. Capital Entertainment Private Limited (w.e.f. 30-Dec-11)
  21. Bhadohi DEN Entertainment Private Limited (w.e.f. 5-Dec-11)
  22. DEN STN Television Network Private Limited (w.e.f. 1-Aug-12)
  23. Platinum Cable TV Network Private Limited (w.e.f. 1-Jan-13)
  24. Maitri Cable Network Private Limited (w.e.f. 25-Mar-13)
  25. Melody Cable Network Private Limited (w.e.f. 25-Mar-13)
  26. Mountain Cable Network Private Limited (w.e.f. 25-Mar-13)
  27. Portrait Cable Network Private Limited (w.e.f. 25-Mar-13)
  28. DEN Prayag Cable Networks Private Limited (w.e.f. 1-Feb-08)
  29. Skynet Cable Network Private Limited (w.e.f. 25-Apr-13)
  30. DEN ABC Cable Network Ambarnath Private Limited (w.e.f. 1-Jul-13)
  31. Konark IP Dossiers Private Limited (w.e.f. 1-Jul-13)
  32. Angel Cable Network Private Limited (w.e.f. 1-Nov-13)
  33. ABC Cable Network Private Limited (w.e.f. 1-Jan-14)
  34. DEN MTN Star Vision Networks Private Limited (w.e.f. 1-Jan-14)
- b. Jointly controlled entities**
1. Star DEN Media Services Private Limited
  2. Media Pro Enterprise India Private Limited
- c. Entities under significant influence**
1. Setpro 18 Distribution Limited (till 9-Jan-14)
  2. Access Financial Services Limited
- d. Key managerial personnel**
1. Mr. Sameer Manchanda

## II. Transactions/ outstanding balances with related parties during the year

(₹ in million)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand total
<b>A. Transactions during the year</b>							
<b>i. Operating revenue</b>							
DEN Satellite Network Private Limited	107.74	-	-	-	-	-	107.74
	(320.74)	(-)	(-)	(-)	(-)	(-)	(320.74)
Others	771.01	118.23	-	-	-	-	889.24
	(527.91)	(55.47)	(5.38)	(60.88)	(-)	(-)	(649.64)
<b>Total</b>	<b>878.75</b>	<b>118.23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>996.98</b>
	<b>(848.65)</b>	<b>(55.47)</b>	<b>(5.38)</b>	<b>(60.88)</b>	<b>(-)</b>	<b>(-)</b>	<b>(970.38)</b>
<b>ii. Other operating revenue</b>							
<b>a. Sale of equipment</b>							
DEN Ambey Cable Networks Private Limited	183.90	-	-	-	-	-	183.90
	(214.43)	(-)	(-)	(-)	(-)	(-)	(214.43)
DEN Enjoy Cable Networks Private Limited	161.30	-	-	-	-	-	161.30
	(202.80)	(-)	(-)	(-)	(-)	(-)	(202.80)
DEN Satellite Network Private Limited	264.18	-	-	-	-	-	264.18
	(25.43)	(-)	(-)	(-)	(-)	(-)	(25.43)
Eminent Cable Network Private Limited	135.17	-	-	-	-	-	135.17
	(23.99)	(-)	(-)	(-)	(-)	(-)	(23.99)
Others	459.67	19.16	-	-	-	-	478.83
	(580.84)	(-)	(-)	(-)	(-)	(-)	(580.84)
<b>Total</b>	<b>1,204.22</b>	<b>19.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,223.38</b>
	<b>(1,047.49)</b>	<b>-</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(1,047.49)</b>
<b>b. Commission income</b>							
Media Pro Enterprise India Private Limited	-	-	-	-	-	-	-
	(-)	(-)	(0.18)	(-)	(-)	(-)	(0.18)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>(-)</b>	<b>(-)</b>	<b>(0.18)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(0.18)</b>
<b>iii. Other income</b>							
<b>a. Interest income on loans to subsidiaries</b>							
Shine Cable Network Private Limited	20.96	-	-	-	-	-	20.96
	(8.18)	(-)	(-)	(-)	(-)	(-)	(8.18)
DEN Futuristic Cable Networks Private Limited	11.51	-	-	-	-	-	11.51
	(0.47)	(-)	(-)	(-)	(-)	(-)	(0.47)
Others	26.52	2.16	-	-	-	-	28.68
	(57.44)	(1.96)	(-)	(-)	(-)	(-)	(59.40)
<b>Total</b>	<b>58.99</b>	<b>2.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61.15</b>
	<b>(66.09)</b>	<b>(1.96)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(68.05)</b>
<b>b. Interest income on sale of assets under finance lease</b>							
DEN Rajkot City Communication Private Limited	15.58	-	-	-	-	-	15.58
	(1.34)	(-)	(-)	(-)	(-)	(-)	(1.34)
Eminent Cable Network Private Limited	14.82	-	-	-	-	-	14.82
	(0.03)	(-)	(-)	(-)	(-)	(-)	(0.03)
DEN-Manoranjan Satellite Private Limited	13.65	-	-	-	-	-	13.65
	(0.98)	(-)	(-)	(-)	(-)	(-)	(0.98)

(₹ in million)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand total
DEN Ambey Cable Networks Private Limited	13.62	-	-	-	-	-	13.62
	(1.87)	(-)	(-)	(-)	(-)	(-)	(1.87)
DEN Discovery Digital Networks Private Limited	12.91	-	-	-	-	-	12.91
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
DEN Enjoy Cable Networks Private Limited	12.04	-	-	-	-	-	12.04
	(1.61)	(-)	(-)	(-)	(-)	(-)	(1.61)
Others	12.24	-	-	-	-	-	12.24
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>Total</b>	<b>94.86</b>	-	-	-	-	-	<b>94.86</b>
	<b>(5.83)</b>	-	(-)	(-)	(-)	(-)	<b>(5.83)</b>
<b>c. Dividend income</b>							
DEN Krishna Cable Tv Network Private Limited	1.95	-	-	-	-	-	1.95
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Others	0.11	-	-	-	-	-	0.11
	(-)	(-)	(25.00)	(-)	(-)	(-)	(25.00)
<b>Total</b>	<b>2.06</b>	-	-	-	-	-	<b>2.06</b>
	<b>(-)</b>	<b>(-)</b>	<b>(25.00)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(25.00)</b>
<b>d. Liabilities/ excess provisions written back</b>							
Aster Entertainment Private Limited	6.00	-	-	-	-	-	6.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Others	0.24	0.01	-	-	-	-	0.25
	(0.92)	(-)	(-)	(-)	(-)	(-)	(0.92)
<b>Total</b>	<b>6.24</b>	<b>0.01</b>	-	-	-	-	<b>6.25</b>
	<b>(0.92)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(0.92)</b>
<b>iv. Purchase of services</b>							
Media Pro Enterprise India Private Limited	-	-	745.63	-	-	-	745.63
	(-)	(-)	(269.35)	(-)	(-)	(-)	(269.35)
Others	2,002.57	269.01	-	10.80	-	24.93	2,307.31
	(1,614.72)	(123.75)	(-)	(-)	(-)	(20.32)	(1,758.79)
<b>Total</b>	<b>2,002.57</b>	<b>269.01</b>	<b>745.63</b>	<b>10.80</b>	-	<b>24.93</b>	<b>3,052.94</b>
	<b>(1,614.72)</b>	<b>(123.75)</b>	<b>(269.35)</b>	<b>(-)</b>	<b>(-)</b>	<b>(20.32)</b>	<b>(2,028.14)</b>
<b>v. Purchase of fixed assets</b>							
DEN Ambey Cable Networks Private Limited	67.02	-	-	-	-	-	67.02
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Crystal Vision Media Private Limited	-	-	-	-	-	-	-
	(0.81)	(-)	(-)	(-)	(-)	(-)	(0.81)
<b>Total</b>	<b>67.02</b>	-	-	-	-	-	<b>67.02</b>
	<b>(0.81)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(0.81)</b>
<b>vi. Sale of fixed assets</b>							
Mansion Cable Network Private Limited	251.12	-	-	-	-	-	251.12
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Eminent Cable Network Private Limited	122.03	-	-	-	-	-	122.03
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Others	221.99	59.07	-	-	-	-	281.06
	(179.05)	(-)	(-)	(-)	(-)	(-)	(179.05)
<b>Total</b>	<b>595.14</b>	<b>59.07</b>	-	-	-	-	<b>654.21</b>
	<b>(179.05)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(179.05)</b>

							(₹ in million)
Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand total
<b>vii. Reimbursement of expenses (received)</b>							
DEN Ambey Cable Networks Private Limited	2.69	-	-	-	-	-	2.69
	(5.05)	(-)	(-)	(-)	(-)	(-)	(5.05)
DEN Enjoy Cable Networks Private Limited	3.29	-	-	-	-	-	3.29
	(2.61)	(-)	(-)	(-)	(-)	(-)	(2.61)
Mansion Cable Network Private Limited	2.85	-	-	-	-	-	2.85
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Others	16.62	1.12	-	-	-	-	17.74
	(25.98)	(2.34)	(-)	(-)	(-)	(0.38)	(28.70)
<b>Total</b>	<b>25.45</b>	<b>1.12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26.57</b>
	<b>(33.64)</b>	<b>(2.34)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(0.38)</b>	<b>(36.36)</b>
<b>viii. Reimbursement of expenses (paid)</b>							
Matrix Cable Network Private Limited	9.82	-	-	-	-	-	9.82
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
DEN Supreme Satellite Vision Private Limited	5.47	-	-	-	-	-	5.47
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Others	2.53	0.31	-	-	-	-	2.84
	(1.18)	(-)	(-)	(-)	(-)	(-)	(1.18)
<b>Total</b>	<b>17.82</b>	<b>0.31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18.13</b>
	<b>(1.18)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(1.18)</b>
<b>ix. Investments made during the year</b>							
Amogh Broad Band Service Private Limited	176.00	-	-	-	-	-	176.00
	(109.00)	(-)	(-)	(-)	(-)	(-)	(109.00)
DEN Digital Entertainment Gujarat Private Limited	120.00	-	-	-	-	-	120.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Others	384.66	-	-	-	-	-	384.66
	(312.98)	(-)	(-)	(-)	(-)	(-)	(312.98)
<b>Total</b>	<b>680.66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>680.66</b>
	<b>(421.98)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(421.98)</b>
<b>x. Investments sold during the year</b>							
DEN Ambey Cable Networks Private Limited	2.04	-	-	-	-	-	2.04
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>Total</b>	<b>2.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.04</b>
	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>
<b>xi. Loans given during the year</b>							
Shine Cable Network Private Limited	82.20	-	-	-	-	-	82.20
	(105.00)	(-)	(-)	(-)	(-)	(-)	(105.00)
DEN Digital Entertainment Gujarat Private Limited	41.00	-	-	-	-	-	41.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Astron Media Networks Private Limited	-	61.01	-	-	-	-	61.01
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Others	57.14	-	-	-	-	-	57.14
	(371.51)	(3.40)	(-)	(-)	(-)	(-)	(374.91)
<b>Total</b>	<b>180.34</b>	<b>61.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>241.35</b>
	<b>(476.51)</b>	<b>(3.40)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(479.91)</b>

(₹ in million)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand total
<b>xii. Loans received back during the year</b>							
DEN Digital Entertainment Gujarat Private Limited	69.12	-	-	-	-	-	69.12
	(20.00)	(-)	(-)	(-)	(-)	(-)	(20.00)
DEN Entertainment Network Private Limited	57.10	-	-	-	-	-	57.10
	(14.00)	(-)	(-)	(-)	(-)	(-)	(14.00)
Others	130.05	-	-	-	-	-	130.05
	(422.46)	(-)	(-)	(-)	(-)	(-)	(422.46)
<b>Total</b>	<b>256.27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>256.27</b>
	<b>(456.46)</b>	<b>-</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(456.46)</b>
<b>B. Outstanding balances at year end</b>							
<b>i. Trade payables</b>							
Media Pro Enterprise India Private Limited	-	-	159.25	-	-	-	159.25
	(-)	(-)	(32.39)	(-)	(-)	(-)	(32.39)
DEN Ambey Cable Networks Private Limited	102.98	-	-	-	-	-	102.98
	(63.33)	(-)	(-)	(-)	(-)	(-)	(63.33)
Others	577.80	82.76	1.09	-	-	-	661.65
	(583.10)	(52.42)	(1.09)	(-)	(-)	(-)	(636.61)
<b>Total</b>	<b>680.78</b>	<b>82.76</b>	<b>160.34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>923.88</b>
	<b>(646.43)</b>	<b>(52.42)</b>	<b>(33.48)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(732.33)</b>
<b>ii. Advance billing</b>							
Mahavir DEN Entertainment Private Limited	5.33	-	-	-	-	-	5.33
	(5.33)	(-)	(-)	(-)	(-)	(-)	(5.33)
DEN Satellite Network Private Limited	2.85	-	-	-	-	-	2.85
	(4.81)	(-)	(-)	(-)	(-)	(-)	(4.81)
Cab-I-Net Communications Private Limited	1.66	-	-	-	-	-	1.66
	(1.14)	(-)	(-)	(-)	(-)	(-)	(1.14)
Others	4.42	1.03	-	-	-	-	5.45
	(16.23)	(1.83)	(-)	(-)	(-)	(-)	(18.06)
<b>Total</b>	<b>14.26</b>	<b>1.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.29</b>
	<b>(27.51)</b>	<b>(1.83)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(29.34)</b>
<b>iii. Security deposits received</b>							
DEN Mahendra Satellite Private Limited	0.12	-	-	-	-	-	0.12
	(0.12)	(-)	(-)	(-)	(-)	(-)	(0.12)
DEN Prayag Cable Networks Private Limited	0.02	-	-	-	-	-	0.02
	(0.02)	(-)	(-)	(-)	(-)	(-)	(0.02)
<b>Total</b>	<b>0.14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.14</b>
	<b>(0.14)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(0.14)</b>
<b>iv. Advance from customers</b>							
Gemini Cable Network Private Limited	4.10	-	-	-	-	-	4.10
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Mahadev DEN Network Private Limited	1.65	-	-	-	-	-	1.65
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Kerela Entertainment Private Limited	-	1.13	-	-	-	-	1.13
	(-)	(1.27)	(-)	(-)	(-)	(-)	(1.27)

(₹ in million)							
Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand total
DEN Digital Entertainment Gujarat Private Limited	1.11	-	-	-	-	-	1.11
Others	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	0.80	0.32	-	-	-	-	1.12
	(107.37)	(0.10)	(-)	(-)	(-)	(-)	(107.47)
<b>Total</b>	<b>7.66</b>	<b>1.45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.11</b>
	<b>(107.37)</b>	<b>(1.37)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(108.74)</b>
<b>v. Investments</b>							
Amogh Broad Band Services Private Limited	1,124.73	-	-	-	-	-	1,124.73
	(938.80)	(-)	(-)	(-)	(-)	(-)	(938.80)
Others	3,843.57	-	25.00	-	-	-	3,868.57
	(3,435.37)	(-)	(25.00)	(-)	(-)	(-)	(3,460.37)
<b>Total</b>	<b>4,968.30</b>	<b>-</b>	<b>25.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,993.30</b>
	<b>(4,374.17)</b>	<b>-</b>	<b>(25.00)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(4,399.17)</b>
<b>vi. Capital advances</b>							
Crystal Vision Media Private Limited	-	-	-	-	-	-	-
	(1.75)	(-)	(-)	(-)	(-)	(-)	(1.75)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>(1.75)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(1.75)</b>
<b>vii. Security deposits paid</b>							
Media Pro Enterprise India Private Limited	-	-	3.49	-	-	-	3.49
	(-)	(-)	(2.85)	(-)	(-)	(-)	(2.85)
Others	-	-	0.05	-	-	-	0.05
	(0.10)	(-)	(0.05)	(-)	(-)	(-)	(0.15)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3.54</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.54</b>
	<b>(0.10)</b>	<b>(-)</b>	<b>(2.90)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(3.00)</b>
<b>viii. Receivable on sale under finance lease</b>							
DEN Enjoy Cable Networks Private Limited	119.29	-	-	-	-	-	119.29
	(122.60)	(-)	(-)	(-)	(-)	(-)	(122.60)
DEN Ambey Cable Networks Private Limited	137.97	-	-	-	-	-	137.97
	(121.87)	(-)	(-)	(-)	(-)	(-)	(121.87)
DEN Rajkot City Communication Private Limited	118.61	-	-	-	-	-	118.61
	(102.57)	(-)	(-)	(-)	(-)	(-)	(102.57)
DEN-Manoranjan Satellite Private Limited	94.46	-	-	-	-	-	94.46
	(88.42)	(-)	(-)	(-)	(-)	(-)	(88.42)
Eminent Cable Network Private Limited	209.88	-	-	-	-	-	209.88
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
DEN Discovery Digital Networks Private Limited	121.97	-	-	-	-	-	121.97
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Others	133.23	-	-	-	-	-	133.23
	(27.30)	(-)	(-)	(-)	(-)	(-)	(27.30)
<b>Total</b>	<b>935.41</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>935.41</b>
	<b>(462.76)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(462.76)</b>
<b>ix. Trade Receivables</b>							
DEN Satellite Network Private Limited	127.80	-	-	-	-	-	127.80
	(126.66)	(-)	(-)	(-)	(-)	(-)	(126.66)

(₹ in million)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand total
Others	636.25	64.33	1.82	-	-	-	702.40
	(530.70)	(26.62)	(6.22)	(11.06)	(-)	(-)	(574.60)
<b>Total</b>	<b>764.05</b>	<b>64.33</b>	<b>1.82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>830.20</b>
	<b>(657.36)</b>	<b>(26.62)</b>	<b>(6.22)</b>	<b>(11.06)</b>	<b>(-)</b>	<b>(-)</b>	<b>(701.26)</b>
<b>x. Advance recoverable</b>							
DEN Infoking Channel Entertainers Private Limited	9.40	-	-	-	-	-	9.40
	(0.04)	(-)	(-)	(-)	(-)	(-)	(0.04)
Silverline Television Network Private Limited	4.91	-	-	-	-	-	4.91
	(2.65)	(-)	(-)	(-)	(-)	(-)	(2.65)
Others	25.48	3.26	0.01	-	-	-	28.75
	(24.24)	(2.21)	(0.01)	(-)	(-)	(-)	(26.46)
<b>Total</b>	<b>39.79</b>	<b>3.26</b>	<b>0.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43.06</b>
	<b>(26.93)</b>	<b>(2.21)</b>	<b>(0.01)</b>	<b>(-)</b>	<b>(-)</b>	<b>-</b>	<b>(29.15)</b>
<b>xi. Loans to subsidiaries</b>							
Shine Cable Network Private Limited	170.70	-	-	-	-	-	170.70
	(105.00)	(-)	(-)	(-)	(-)	(-)	(105.00)
DEN Futuristic Cable Networks Private Limited	76.71	-	-	-	-	-	76.71
	(76.71)	(-)	(-)	(-)	(-)	(-)	(76.71)
Astron Media Networks Private Limited	-	61.01	-	-	-	-	61.01
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Others	74.63	13.11	-	-	-	-	87.74
	(216.26)	(13.11)	(-)	(-)	(-)	(-)	(229.37)
<b>Total</b>	<b>322.04</b>	<b>74.12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>396.16</b>
	<b>(397.97)</b>	<b>(13.11)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(411.08)</b>
<b>xii. Share application money paid pending allotment</b>							
Gemini Cable Network Private Limited	35.00	-	-	-	-	-	35.00
	(10.00)	(-)	(-)	(-)	(-)	(-)	(10.00)
Crystal Vision Media Private Limited	8.54	-	-	-	-	-	8.54
	(8.54)	(-)	(-)	(-)	(-)	(-)	(8.54)
Skynet Cable Network Private Limited	-	8.05	-	-	-	-	8.05
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
DEN Mewar Rajdev Cable Network Private Limited	8.00	-	-	-	-	-	8.00
	(8.00)	(-)	(-)	(-)	(-)	(-)	(8.00)
Others	0.91	-	-	-	-	-	0.91
	(174.69)	(-)	(-)	(-)	(-)	(-)	(174.69)
<b>Total</b>	<b>52.45</b>	<b>8.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60.50</b>
	<b>(201.23)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(201.23)</b>
<b>xiii. Prepaid expenses</b>							
DEN Rajkot City Communication Private Limited	0.03	-	-	-	-	-	0.03
	(0.02)	(-)	(-)	(-)	(-)	(-)	(0.02)
DEN Satellite Network Private Limited	0.06	-	-	-	-	-	0.06
	(0.05)	(-)	(-)	(-)	(-)	(-)	(0.05)
DEN-Manoranjnan Satellite Private Limited	0.03	-	-	-	-	-	0.03
	(0.02)	(-)	(-)	(-)	(-)	(-)	(0.02)

(₹ in million)							
Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand total
DEN Discovery Digital Networks Private Limited	0.03	-	-	-	-	-	0.03
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Others	-	0.04	-	-	-	-	0.04
	(0.03)	(0.01)	(-)	(-)	(-)	(-)	(0.04)
<b>Total</b>	<b>0.15</b>	<b>0.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.19</b>
	<b>(0.12)</b>	<b>(0.01)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(0.13)</b>
<b>xiv. Advance to suppliers</b>							
DEN Kattakada Telecasting and Cable Services Private Limited	6.22	-	-	-	-	-	6.22
	(2.60)	(-)	(-)	(-)	(-)	(-)	(2.60)
DEN Faction Communication System Private Limited	-	2.63	-	-	-	-	2.63
	(-)	(2.70)	(-)	(-)	(-)	(-)	(2.70)
DEN Malabar Cable Vision Private Limited	3.88	-	-	-	-	-	3.88
	(0.54)	(-)	(-)	(-)	(-)	(-)	(0.54)
Gemini Cable Network Private Limited	2.57	-	-	-	-	-	2.57
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Others	6.08	-	-	-	-	-	6.08
	(6.46)	(0.18)	(-)	(-)	(-)	(-)	(6.64)
<b>Total</b>	<b>18.75</b>	<b>2.63</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21.38</b>
	<b>(9.60)</b>	<b>(2.88)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(12.48)</b>
<b>xv. Unbilled revenue</b>							
DEN Satellite Network Private Limited	7.15	-	-	-	-	-	7.15
	(1.02)	(-)	(-)	(-)	(-)	(-)	(1.02)
DEN Rajkot City Communication Private Limited	3.79	-	-	-	-	-	3.79
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
DEN Discovery Digital Networks Private Limited	3.34	-	-	-	-	-	3.34
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
DEN Premium Multilink Cable Network Private Limited	2.64	-	-	-	-	-	2.64
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
DEN-Manoranjana Satellite Private Limited	2.37	-	-	-	-	-	2.37
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Others	1.57	-	-	-	-	-	1.57
	(1.03)	(-)	(-)	(-)	(-)	(-)	(1.03)
<b>Total</b>	<b>20.86</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20.86</b>
	<b>(2.05)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(2.05)</b>
<b>xvi. Interest accrued on others</b>							
Meerut Cable Network Private Limited	23.66	-	-	-	-	-	23.66
	(23.66)	(-)	(-)	(-)	(-)	(-)	(23.66)
Aster Entertainment Private Limited	20.74	-	-	-	-	-	20.74
	(17.21)	(-)	(-)	(-)	(-)	(-)	(17.21)
Shine Cable Network Private Limited	29.11	-	-	-	-	-	29.11
	(10.10)	(-)	(-)	(-)	(-)	(-)	(10.10)

(₹ in million)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand total
Others	59.30	6.21	-	-	-	-	65.51
	(29.87)	(3.60)	(-)	(-)	(-)	(-)	(33.47)
<b>Total</b>	<b>132.81</b>	<b>6.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>139.02</b>
	<b>(80.84)</b>	<b>(3.60)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(84.44)</b>
<b>xvii. Receivable on sale of fixed assets</b>							
DEN Ambey Cable Networks Private Limited	89.72	-	-	-	-	-	89.72
	(131.03)	(-)	(-)	(-)	(-)	(-)	(131.03)
Mansion Cable Network Private Limited	197.35	-	-	-	-	-	197.35
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
DEN Satellite Network Private Limited	117.19	-	-	-	-	-	117.19
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Others	310.94	80.57	-	-	-	-	391.51
	(419.44)	(-)	(-)	(-)	(-)	(-)	(419.44)
<b>Total</b>	<b>715.20</b>	<b>80.57</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>795.77</b>
	<b>(550.47)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(550.47)</b>

### 30. DEFERRED TAX

- Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing tax laws.
- Break up of deferred tax assets/ liabilities and reconciliation of current year's deferred tax charge is as follows:

(₹ in million)

Particulars	Opening balance	Credited/ (charged) to P&L account	Charged to Reserves and Surplus	Closing balance
<b>Deferred tax liability</b>				
Depreciation	(69.34)	(20.40)	-	(89.74)
Others	(24.71)	24.71	-	-
<b>Total</b>	<b>(94.05)</b>	<b>4.30</b>	<b>-</b>	<b>(89.74)</b>
<b>Deferred tax assets</b>				
Employee benefits	16.42	5.06	-	21.48
Provision for doubtful debts/ advances/ impairment	63.34	50.88	-	114.22
Long-term capital loss	-	20.97	-	20.97
Disallowance u/s 40 (a) of the Income Tax Act, 1961		37.73		37.73
Share issue expenses			75.99	75.99
<b>Total</b>	<b>79.76</b>	<b>114.65</b>	<b>75.99</b>	<b>270.40</b>
<b>Deferred tax assets (Net)</b>	<b>(14.29)</b>	<b>118.95</b>	<b>75.99</b>	<b>180.65</b>

### 31. OPERATING LEASE

The Company has taken office premises and accommodation for its employee under cancellable operating lease agreements. The lease rental expenses recognised in the Statement of Profit and Loss for the year is ₹105.28 million [Previous year ₹99.04 million].

### 32. FINANCE LEASE AS LESSEE

The Company has entered into finance lease arrangements for certain equipment which provide the Company an option to purchase the assets at the end of the lease period.

Future minimum lease payments and reconciliation of gross investment in the lease and present value of minimum lease payments

(₹ in million)		
Particulars	Year ended 31.03.2014	Year ended 31.03.2013
<b>Future minimum lease payments:</b>		
• Not later than one year	1,055.55	507.79
• Later than one year and not later than five years	2,182.06	1,897.99
	<b>3,237.61</b>	<b>2,405.78</b>
Less : Unmatured finance charges	417.10	431.35
	<b>2,820.51</b>	<b>1,974.43</b>
<b>Present value of minimum lease payments payable:</b>		
• Not later than one year	847.06	352.30
• Later than one year and not later than five years	1,973.45	1,622.13
	<b>2,820.51</b>	<b>1,974.43</b>

### 33. FINANCE LEASE AS LESSOR

The Company has entered into finance lease arrangements for certain equipment which provide the Company an option to sell the assets at the end of the lease period.

Future minimum lease payments and reconciliation of gross investment in the lease and present value of minimum lease payments

(₹ in million)		
Particulars	Year ended 31.03.2014	Year ended 31.03.2013
<b>Future minimum lease payments:</b>		
• Not later than one year	267.64	285.79
• Later than one year and not later than five years	789.52	553.28
	<b>1,057.16</b>	<b>839.07</b>
Less : Unearned finance income	121.75	146.59
	<b>935.41</b>	<b>692.48</b>
<b>Present value of minimum lease payments receivable:</b>		
• Not later than one year	200.43	221.18
• Later than one year and not later than five years	734.98	471.30
	<b>935.41</b>	<b>692.48</b>

### 34. Disclosures as per the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

As per information available with the management, the balance due to enterprises covered under the MSMED Act, 2006 is ₹ Nil (Previous year ₹ Nil) and no interest has been paid or is payable under the terms of the MSMED Act, 2006. This has been relied upon by the auditors.

### 35. Disclosure pursuant to Accounting Standard 15 (Revised 2005) on 'Employee Benefits'

#### A. Defined contribution plans and state plans

The Company makes contribution toward the following defined contribution plans for qualifying employees:

- Employees' Provident Fund (EPF)
- Employees' State Insurance (ESI)

During the year the Company has recognised the following amounts in the Statement of Profit and Loss:

(₹ in million)		
Particulars	Year ended 31.03.2014	Year ended 31.03.2013
a. Employer's contribution to EPF	20.82	17.16
b. Employer's contribution to ESI	0.96	1.00

The contribution payable by the Company is at the rates specified in the rules to the plans.

## B. Defined benefit plan

### Gratuity plan

Gratuity liability arises on retirement, withdrawal, resignation, and death of an employee. The aforesaid liability is calculated on the basis of 15 days salary (i.e. last drawn salary plus dearness allowance) for each completed year of service or part thereof in excess of 6 months, subject to a maximum of ₹1,000,000. Vesting occurs upon completion of 5 years of service.

The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit method with actuarial valuations being carried out at each balance sheet date.

The following tables set out the status of the gratuity plan and amounts recognised in the Company's financial statements as at 31 March, 2013.

#### i. Change in benefit obligations:

(₹ in million)		
Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Present value of obligations* at the beginning of the year	27.39	20.38
Current service cost	6.98	6.08
Interest cost	2.44	1.88
Past Service Cost	-	-
Actuarial (gain)/loss on obligation	0.28	(0.74)
Benefits paid	(1.59)	(0.21)
Present value of obligations* at the year end	35.50	27.39

#### ii. Expenses recognised in the Statement of Profit and Loss:

(₹ in million)		
Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Current Service cost	6.98	6.08
Interest cost	2.44	1.88
Past Service Cost	-	-
Actuarial (gain)/loss recognised during the year	0.28	(0.74)
<b>Net cost</b>	<b>9.70</b>	<b>7.22</b>
<b>Experience adjustments on plan liabilities (gain)/ loss</b>	<b>(0.28)</b>	<b>0.74</b>

#### iii. Principal actuarial assumptions:

(₹ in million)			
Particulars	See note below	Year ended 31.03.2014	Year ended 31.03.2013
<b>(A) Economic assumptions</b>			
a. Discount rate (per annum)	1	8.00%	8.00%
b. Estimated salary escalation rate (per annum)	2	8.00%	8.00%
<b>(B) Demographic Assumptions</b>			
a. Retirement age (years)		58	58
b. Mortality Table		IALM (2006 08)	LIC 1994-96 (duly modified)
c. Withdrawal Rates			
<b>Ages</b>		<b>Withdrawal Rate (%)</b>	
Upto 30 years		3.00	
From 31 years to 44 years		2.00	
Above 44 years		1.00	

vi. **Experience adjustment:**

(₹ in million)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
On plan liabilities	(0.28)	0.74	1.57	1.41	0.50
On plan assets	-	-	-	-	-
Present value of benefit obligation	35.50	27.39	20.38	13.99	9.73

The expected contribution is based on the same assumptions used to measure the Company's gratuity obligations as of March 31, 2014. The Company is expected to contribute ₹11.22 million to gratuity funds for the year ended March 31, 2015.

**Notes:**

1. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.
2. The salary growth rate takes account of inflation, seniority, promotion and other relevant factors on a long term basis.

**36.** At the year end, unhedged foreign currency exposures are as follows:

(₹ in million)

Particulars	Year ended 31.03.2014		Year ended 31.03.2013	
	In INR	In USD	In INR	In USD
Payables on purchase of fixed assets	165.00	2.75	483.84	8.90
Buyer's credit on imports	2,942.90	48.97	1,579.71	29.04

**37. EMPLOYEE STOCK OPTION PLAN 2010 ("ESOP 2010")**

- a. The Company had established an Employee Stock Option Plan (ESOP 2010) in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 which have been approved by the Board of Directors and the shareholders. A remuneration/ compensation committee comprising majority of independent, non executive members of the Board of Directors administers the ESOPs. All option under the ESOPs are exercisable for equity shares. The Company has granted 5,000,000 equity options to eligible employees of the Company & directors of the subsidiary companies.
- b. There shall be a minimum period of one year between the grant of options and vesting of options. The vesting period may extend up to three years. The vesting shall happen in one or more tranches as may be decided by the Compensation/Remuneration Committee. The exercise period of the options is a period of one year after the vesting of the options. Each option is exercisable for one equity share of ₹10 each fully paid up on payment of exercise price (as determined by the remuneration/ compensation committee) of share determined with respect to the date of grant. All ESOP options have been vested upto 31st March 2014.
- c. The movement in the scheme is set out as under:

Particulars	ESOP 2010		ESOP 2010	
	Year ended 31.03.2014		Year ended 31.03.2013	
	Option (Numbers)	Weighted Average Price (₹)	Option (Numbers)	Weighted Average Price (₹)
a. Outstanding at the beginning of the year	1,252,776	30.00	3,534,126	30.00
b. Granted during the year	-	-	-	-
c. Exercised during the year	794,845	30.00	2,281,350	30.00
d. Vested during the year	-	-	1,300,313	30.00
e. Surrendered/ forfeited during the year	7,931	-	-	-
f. Expired during the year	-	-	-	-
g. Outstanding at the end of the year	450,000	30.00	1,252,776	30.00
h. Exercisable at the end of the year	450,000	30.00	1,252,776	30.00
i. Number of equity shares of ₹10 each fully paid up during the year to be issued on exercise of option	450,000	30.00	1,252,776	30.00
j. Weighted average share price at the date of exercise	179.16	NA	156.29	NA
k. Weighted average remaining contractual life (years)	-	NA	0.30	NA

d. Pro forma Accounting for Stock Option Grants

The Company applies the intrinsic value-based method of accounting for determining compensation cost for its stock-based compensation plan. Had the compensation cost been determined using the fair value approach the Company's net income and basic and diluted earning per share as reported would have reduced to the pro forma amounts as indicated:

(₹ in million)		
Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Net Profit/ (Loss) as reported (a)	51.65	449.62
Add: Stock based employee compensation expense debited to Profit and Loss account (i)	-	40.21
Less: Stock based employee compensation expense based on fair value (ii)	-	18.80
Difference between (i) and (ii)	-	21.41
Adjusted pro forma Profit/(Loss) (b)	51.65	471.03
Difference between (a) and (b)	-	21.41
Basic earnings per share as reported	0.32	3.38
Pro forma basic earnings per share	0.32	3.54
Diluted earnings per share as reported	0.32	3.38
Pro forma diluted earnings per share	0.32	3.54

e. The fair value of the options, calculated by an external valuer, was estimated on the date of grant using the Black-Scholes model with the following significant assumptions

Particulars	2,233,813 Options (Vesting Period -1 Year)	1,300,313 Options (Vesting Period -2 Year)
Risk free interest rates (in %)	7.67%	7.74%
Expected life (in years)	2.00	3.00
Volatility (in %)	42.51%	42.51%
Dividend yield (in %)	NIL	NIL

The volatility of the options is based on the historical volatility of the share price since the Company's equity shares are publicly traded, which may be shorter than the term of the options.

f. Details of weighted average exercise price and fair value of the stock options granted at price below market price

(₹ in million)		
Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Total options granted	3,534,126	3,534,126
Weighted average exercise price (in ₹)	30.00	30.00
Weighted average fair value (in ₹)	62.74	62.74

### 38. ADDITIONAL INFORMATION REQUIRED TO BE GIVEN PURSUANT TO PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956

a. Expenditure in foreign currency

(₹ in million)		
Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Repairs and maintenance (Others)	23.29	20.50
Travelling and conveyance	0.82	0.36
Consultancy, professional and legal charges	5.76	-
<b>Total</b>	<b>29.87</b>	<b>20.86</b>

b. Value of imports (calculated on a CIF basis)

(₹ in million)		
Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Capital goods	3,382.64	4,198.72

**c. Disclosure in respect of traded items consisting of capital goods**

(₹ in million)

Class of goods	Purchases		Sales	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
a. Cable/wire	0.06	0.26	0.06	0.26
b. Headend equipment	6.87	5.53	6.87	5.52
c. Distribution equipments	0.03	0.76	0.03	0.74
d. Set top boxes	1,237.08	1,180.80	1,216.62	1,197.14
<b>Total</b>	<b>1,244.04</b>	<b>1,187.35</b>	<b>1,223.58</b>	<b>1,203.66</b>

**39.** During the year, the Company has issued and allotted 44,175,705 equity shares aggregating to ₹9,608.22 million as follows:-

(₹ in million)

Particulars	Amount
a. 12,466,321 equity shares by way of Qualified Institutional Placement (QIP) under chapter VIII of SEBI (ICDR) Regulation, 2009	2,711.43
b. 31,709,384 equity shares by way of a Preferential Issue under Chapter VII of SEBI (ICDR) Regulation, 2009	6,896.79
<b>Total</b>	<b>9,608.22</b>

The utilization details of the above proceeds are as follows:-

(₹ in million)

Particulars	Amount
a. Amount used for issue expense	279.49
b. Invest in capex for digitisation, broadband and other infrastructure and services	278.11
c. Balance amount invested in fixed deposits and mutual funds	9,050.62
<b>Total</b>	<b>9,608.22</b>

**40. EARNINGS PER EQUITY SHARE (EPS)\***

(₹ in million)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Net Profit / (loss) attributable to equity shareholders	51.65	449.62
Weighted average number of equity shares outstanding used in computation of basic EPS	161,317,159	133,104,166
Basic Earnings/ (Loss) per equity share of ₹10 each (in ₹)	0.32	3.38
Weighted average number of equity shares and equity equivalent shares outstanding used in computing diluted EPS	161,317,159	133,104,166
Diluted Earnings/ (Loss) per equity share of ₹10 each (in ₹)	0.32	3.38

\* There are no potential equity shares as at 31 March, 2014.

**41. INTEREST IN JOINTLY CONTROLLED ENTITY:**

"The Company has 50% interest in the assets, liabilities, expense and income of Star DEN Media Services Private Limited (Star DEN), incorporated in India, which is involved in the business of distribution of television channels. The Company's share in assets, liabilities, income and expense of the jointly controlled entity, based on the audited financial statements for the year ended 31st March, 2014 is as follows:-"

(₹ in million)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
a. Current assets	236.60	185.66
b. Non-current assets*	176.83	318.95
c. Current liabilities	(38.59)	(126.11)
d. Non-current liabilities	-	(0.54)
e. Equity	(25.00)	(25.00)
f. Revenue	157.23	184.37
g. Cost of Distribution Rights	(2.97)	(7.41)
h. Employee benefits expense	(38.22)	(37.39)
i. Depreciation and amortization expense	(0.63)	(0.59)
j. Other expenses	(57.78)	(60.52)
k. Profit before tax	57.63	78.46
l. Tax expenses	(60.75)	(37.12)
m. Profit for the year after tax	(3.12)	41.34

There are no commitments and contingent liabilities of the jointly controlled entity

\* Includes ₹12.50 million on account of investment in a jointly controlled entity by Star DEN, namely Media Pro Enterprise India Private Limited (Media Pro). The interest of Star DEN in Media Pro is 50% and its share of the assets, liabilities, income and expense of the jointly controlled entity, based on the audited financial statements for year ended 31st March, 2014 is as follows:-

(₹ in million)		
Particulars	Year ended 31.03.2014	Year ended 31.03.2013
a. Current assets	2,558.34	3,022.49
b. Non-current assets	817.22	659.74
c. Current liabilities	(3,317.86)	(3,609.51)
d. Non-current liabilities	-	(1.30)
e. Equity	(25.00)	(25.00)
f. Revenue	876.13	626.78
g. Employee benefits expense	(273.08)	(245.84)
h. Depreciation and amortization expense	(7.69)	(8.31)
i. Other expenses	(515.44)	(319.58)
j. Profit before tax	79.92	53.05
k. Tax expenses	(93.63)	(14.44)
m. Profit for the year after tax	(13.71)	38.61

There are no commitments and contingent liabilities of the jointly controlled entities.

42. The Company has total investments of ₹4,961.60 million in subsidiary companies and a joint venture company. Of these, the Company has investment of ₹531.19 million and has balances of loans/advances of ₹32.81 million in various subsidiary companies whose Net Worth as at March 31, 2014 has fully/substantially eroded. Of these, companies with investments aggregating to ₹131.58 million and with balances of loans/advances of ₹14.51 million, whose net worth is fully/substantially eroded have earned profits for the year ended March 31, 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.
43. 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 year.
44. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

In terms of our report attached  
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm registration no. 015125N)

**JITENDRA AGARWAL**  
Partner  
Membership No. 87104  
New Delhi  
30 May, 2014

**For and on behalf of the Board of Directors**

**SAMEER MANCHANDA**  
Chairman and Managing Director  
DIN: 00015459

**RAJESH KAUSHALL**  
Chief Financial Officer  
ACA-093668  
New Delhi  
30 May, 2014

**AJAYA CHAND**  
Director  
DIN: 02334456

**JATIN MAHAJAN**  
Company Secretary  
FCS-6887

## FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

S. No.	Name of Subsidiary company	Share Capital	Reserves	Total Assets	Total Liabilities	Detail of Inv. (except in case of Inv. in Subsidiaries)	Turnover	Profit Before Tax (PBT)	Provision for Taxation	Profit After Tax (PAT)	Proposed Dividend
1	Den Entertainment Network Private Limited	97	292	397	7	0	11	9	3	6	
2	Den Digital Entertainment Gujarat Private Limited	10	134	198	54	0	17	(0)	(0)	(0)	
3	Aster Entertainment Private Limited	6	135	179	38	0	13	(1)	0	(1)	
4	Shine Cable Network Private Limited	3	6	209	200	0	20	(1)	(0)	(1)	
5	DEN Krishna Cable TV Network Private Limited	1	61	92	30	0	72	12	4	8	
6	Den Mahendra Satellite Private Limited	1	(2)	3	4	0	4	1	0	0	
7	DEN Pawan Cable Network Private Limited	1	41	71	29	0	47	8	2	6	
8	DEN Harsh Mann Cable Network Private Limited	1	(1)	11	12	0	4	1	0	1	
9	Den Classic Cable TV Services Private Limited	1	1	4	2	0	6	0	0	0	
10	Den Montooshah Network Private Limited	1	5	6	1	0	4	(1)	0	(1)	
11	Den Bindra Network Private Limited	1	0	2	1	0	4	(0)	(0)	(0)	
12	Den Ashu Cable Private Limited	1	11	58	46	0	41	8	2	6	
13	Den Nanak Communication Private Limited	1	(6)	1	6	0	0	-	-	-	
14	Den Futuristic Cable Networks Private Limited	12	81	187	94	0	-	(17)	-	(17)	
15	Den Digital Cable Network Private Limited	1	16	61	45	0	105	(1)	(0)	(1)	
16	Den Saya Channel Network Private Limited	3	15	40	23	0	80	9	3	6	
17	Den Faction Communication System Private Limited	1	(23)	24	46	0	16	(6)	(3)	(3)	
18	Radiant Satellite (India) Private Limited	2	(7)	68	73	0	78	11	3	8	
19	Den Mewar Rajdev Cable Network Private Limited	4	(3)	59	59	0	41	(14)	(4)	(10)	
20	Den Radiant Satellite Cable Network Private Limited	1	4	8	3	0	5	1	0	1	
21	Den RIS Cable Network Private Limited	3	1	5	1	0	-	(0)	0	(0)	
22	Den Sky Media Network Private Limited	13	210	235	12	0	48	(6)	(17)	11	
23	Meerut Cable Network Private Limited	26	19	181	136	0	18	2	1	2	
24	DEN Crystal Vision Network Private Limited	1	1	6	5	0	2	(1)	(0)	(1)	
25	Den Mod Max Cable Network Private Limited	1	1	11	10	0	7	1	0	1	
26	DEN BCN Suncity Network Private Limited	1	3	12	8	0	8	3	1	2	
27	Den Pradeep Cable Network Private Limited	3	0	10	7	0	12	(1)	(0)	(1)	
28	Den Prince Network Private Limited	1	(2)	4	6	0	7	(2)	(1)	(2)	
29	Den Jai Ambey Vision Cable Private Limited	1	(1)	4	4	0	11	(0)	0	(0)	
30	DEN Varun Cable Network Private Limited	1	6	21	13	0	34	0	0	0	
31	DEN Aman Entertainment Private Limited	1	6	16	10	0	15	3	1	2	
32	Den Satellite Cable TV Network Private Limited	1	(3)	11	13	0	21	1	1	(0)	
33	Den F K Cable Tv Network Private Limited	1	56	107	50	0	52	24	8	16	
34	Den Budaun Cable Network Private Limited	1	1	5	3	0	10	(1)	(0)	(0)	
35	DEN Ambey Cable Networks Private Limited	1	307	814	508	2.05	546	204	66	139	
36	Den Ambey Citi Cable Network Private Limited	1	2	5	2	0	7	0	0	0	
37	Den Ambey Jhansi Cable Network Private Limited	1	3	9	5	0	32	(1)	(0)	(1)	

S. No.	Name of Subsidiary company	Share Capital	Reserves	Total Assets	Total Liabilities	Detail of Inv. (except in case of Inv. in Subsidiaries)	Turnover	Profit Before Tax (PBT)	Provision for Taxation	Profit After Tax (PAT)	Proposed Dividend
38	Den Ambey Farukabad Cable Network Private Limited	1	12	22	10	0	31	3	1	2	
39	Den Kashi Cable Network Private Limited	8	23	61	29	0	21	(10)	(2)	(8)	
40	Den Enjoy Cable Networks Private Limited	17	370	625	238	0	485	229	77	152	
41	DEN Prayag Cable Networks Private Limited	1	17	38	21	0	58	8	2	5	
42	Den Deva Cable Network Private Limited	1	(0)	2	1	0	4	1	0	0	
43	Den Maa Sharda Vision Cable Networks Private Limited	1	9	27	18	0	39	2	1	2	
44	Den Fateh Marekting Private Limited	1	8	28	20	0	89	(2)	(1)	(2)	
45	Den Enjoy Navaratan Network Private Limited	1	14	26	12	0	59	5	2	4	
46	Den Shiva Cable Network Private Limited	2	(4)	5	8	0	4	(1)	(0)	(1)	
47	Den Narmada Network Private Limited	15	8	34	11	0	6	1	0	1	
48	Dewshree Network Private Limited	-	-	0	-	0	-	-	-	-	
49	Shree Siddhivinayak Cable Network Private Limited	1	(7)	13	19	0	11	(7)	(2)	(5)	
50	Mahadev Den Network Private Limited	22	(13)	43	34	0	10	(0)	(0)	(0)	
51	Den Patel Entertainment Network Private Limited	1	-	16	15	0	12	(3)	(1)	(2)	
52	Mahadev Den Cable Network Private Limited	1	(20)	15	34	0	1	(0)	-	(0)	
53	Den MCN Cable Network Private Limited	1	11	76	64	0	2	(2)	(0)	(1)	
54	Drashti Cable Network Private Limited	1	1	28	26	0	2	(6)	(2)	(4)	
55	Den-Manoranjan Satellite Private Limited	1	88	304	215	0	253	53	17	36	
56	Den Nashik City Cable Network Private Limited	1	33	89	55	0	35	0	(0)	0	
57	Den Supreme Satellite Vision Private Limited	1	26	39	12	0	26	(4)	(4)	1	
58	Den Bellary City Cable Private Limited	1	6	36	29	0	46	(1)	(0)	(1)	
59	Den Malayalam Telenet Private Limited	12	5	24	7	0	33	1	0	0	
60	Den Malabar Cable Vision Private Limited	1	2	8	5	0	8	(5)	-	(5)	
61	Den Elgee Cable Vision Private Limited	1	5	11	5	0	16	1	0	0	
62	Den Rajkot City Communication Private Limited	0	38	272	235	0	152	33	9	24	
63	Den Infoking Channel Entertainers Private Limited	3	20	58	36	0	19	2	(0)	2	
64	Den Ucn Network India Private Limited	1	4	12	7	0	42	(1)	(1)	(0)	
65	Fortune (Baroda) Network Private Limited	1	(1)	17	17	0	24	(0)	0	(0)	
66	Galaxy Den Media & Entertainment Private Limited	1	5	25	20	0	22	(11)	(0)	(10)	
67	Bali Den Cable Network Private Limited	1	10	17	7	0	12	0	0	0	
68	Mahavir Den Entertainment Private Limited	5	57	163	101	0	112	21	7	14	
69	Den Citi Channel Private Limited	8	8	19	3	0	18	(0)	(1)	0	
70	Amogh Broad Band Services Private Limited	182	304	558	72	0	239	(22)	(4)	(18)	
71	Star Channel Den Network Private Limited	1	1	3	1	0	6	0	0	0	
72	Kishna DEN Cable Network Private Limited	1	(1)	2	3	0	6	(1)	-	(1)	
73	Fab Den Network Private Limited	1	7	47	39	0	38	(0)	(0)	(0)	
74	Den Satellite Network Private Limited	1	662	1374	712	0.05	865	210	67	144	
75	United Cable Network (Digital) Private Limited	1	(1)	2	2	0	2	(1)	(0)	(1)	

S. No.	Name of Subsidiary company	Share Capital	Reserves	Total Assets	Total Liabilities	Detail of Inv. (except in case of Inv. in Subsidiaries)	Turnover	Profit Before Tax (PBT)	Provision for Taxation	Profit After Tax (PAT)	Proposed Dividend
76	Shree Ram Den Network Private Limited	-	-	0	-	0	-	-	-	-	
77	Den Krishna Vision Private Limited	1	(2)	0	2	0	3	(0)	0	(0)	
78	Cab-i-Net Communications Private Limited	20	(5)	32	17	0	41	(1)	0	(2)	
79	Divya Drishti Den Network Private Limited	1	0	3	2	0	4	(0)	(0)	(0)	
80	Den Sahyog Cable Network Private Limited	1	1	8	7	0	14	0	(0)	0	
81	Den Sariga Communications Private Limited	1	2	5	2	0	4	(1)	-	(1)	
82	DEN New Broad Communication Private Limited	1	48	97	48	0	171	6	2	3	
83	IME Networks Private Limited	21	(1)	21	0	0	-	(0)	-	(0)	
84	Astron Media Networks Private Limited	16	1	78	61	0	1	(0)	0	(0)	
85	Den Kattakada Telecasting and Cable Services Private Limited	1	7	18	10	0	30	(3)	-	(3)	
86	Kerala Entertainment Private Limited	1	33	36	1	0	16	(1)	-	(1)	
87	Den A.F. Communication Private Limited	1	0	7	6	0	7	(0)	(0)	(0)	
88	Big Den Entertainment Private Limited	1	7	11	3	0	20	2	1	2	
89	Sree Gokulam Starnet Communication Private Limited	0	(8)	7	14	0	9	(3)	0	(3)	
90	Rajasthan Entertainment Private Limited	1	8	9	0	0	3	(0)	(0)	0	
91	Fun Cable Network Private Limited	1	(5)	5	10	0	12	(3)	-	(3)	
92	Uttar Pradesh Digital Cable Network Private Limited	3	11	14	0	0	1	(0)	(0)	(0)	
93	Den Steel City Cable Network Private Limited	1	1	19	17	0	15	(2)	(1)	(2)	
94	Sanmati DEN Cable TV Network Private Limited	1	2	9	6	0	12	(0)	(0)	(0)	
95	Crystal Vision Media Private Limited	1	53	121	68	0	79	9	9	0	
96	Multi Channel Cable Network Private Limited	1	(3)	11	13	0	16	(2)	(1)	(2)	
97	Victor Cable Tv Network Private Limited	6	(4)	14	12	0	19	0	0	0	
98	Gemini Cable Network Private Limited	20	(2)	100	82	0	59	(14)	(1)	(14)	
99	Matrix Cable Network Private Limited	12	0	22	9	0	29	6	1	5	
100	DEN Enjoy SBNM Cable Network Private Limited	1	2	7	4	0	9	1	0	1	
101	Ambika DEN Cable Network Private Limited	1	2	4	1	0	6	(0)	(0)	(0)	
102	Saturn Digital Cable Private Limited	1	2	5	3	0	7	1	0	0	
103	Multi Star Cable Network Private Limited	1	(0)	2	1	0	2	0	0	0	
104	VM Magic Entertainment Private Limited	1	7	11	4	0	0	(2)	-	(2)	
105	Antique Communications Private Limited	1	0	4	3	0	5	(0)	(0)	(0)	
106	DEN Badhoi Cable Network Private Limited	1	1	3	1	0	4	1	0	1	
107	Sanmati Entertainment Private Limited	1	1	5	3	0	7	1	0	1	
108	Capital Entertainment Private Limited	1	(0)	1	0	0	-	(0)	-	(0)	
109	Disk Cable Network Private Limited	2	7	8	0	0	-	(0)	-	(0)	
110	Shaakumbhari Den Media Private Limited	3	(2)	6	5	0	13	(0)	(0)	(0)	
111	Silverline Television Network Private Limited	1	(0)	36	36	0	28	15	5	10	

S. No.	Name of Subsidiary company	Share Capital	Reserves	Total Assets	Total Liabilities	Detail of Inv. (except in case of Inv. in Subsidiaries)	Turnover	Profit Before Tax (PBT)	Provision for Taxation	Profit After Tax (PAT)	Proposed Dividend
112	Eminent Cable Network Private Limited	1	48	363	314	0	243	68	20	48	
113	Trident Entertainment Private Limited	1	(3)	7	10	0	15	(4)	(1)	(3)	
114	Rose Entertainment Private Limited	3	2	21	15	0	12	4	1	3	
115	Blossom Entertainment Private Limited	1	(1)	3	3	0	4	(1)	(0)	(1)	
116	Ekta Entertainment Network Private Limited	1	6	67	60	0	58	7	2	5	
117	DEN ADN Network Private Limited	38	33	341	270	0	244	36	12	24	
118	CCN DEN Network Private Limited	40	36	576	499	0	272	34	11	23	
119	Devine Cable Network Private Limited	1	0	1	1	0	2	(0)	(0)	(0)	
120	Nectar Entertainment Private Limited	1	0	4	3	0	5	(1)	(0)	(0)	
121	DEN STN Television Network Private Limited	2	1	9	6	0	20	1	1	0	
122	Multitrack Cable Network Private Limited	3	1	8	5	0	13	1	0	1	
123	Glimpse Communications Private Limited	0	0	8	7	0	9	0	0	0	
124	Indradhanush Cable Network Private Limited	1	(0)	13	13	0	13	(1)	(0)	(1)	
125	Adhunik Cable Network Private Limited	1	(0)	2	1	0	4	(1)	(0)	(0)	
126	Pee Cee Cable Network Private Limited	2	(1)	5	3	0	5	(0)	0	(0)	
127	Libra Cable Network Private Limited	3	59	113	51	0	88	13	4	9	
128	Platinum Cable TV Network Private Limited	1	8	125	116	0	80	12	4	8	
129	Matri Cable Network Private Limited	1	(0)	1	0	0	-	(0)	-	(0)	
130	Melody Cable Network Private Limited	1	(0)	2	1	0	1	(1)	(0)	(0)	
131	Mountain Cable Network Private Limited	1	(1)	3	3	0	1	(1)	(0)	(1)	
132	Portrait Cable Network Private Limited	1	(1)	2	1	0	2	(1)	(0)	(1)	
133	Mansion Cable Network Private Limited	47	122	430	261	0	378	138	46	92	
134	Skynet Cable Network Private Limited	0	(0)	12	12	0	14	(0)	0	(0)	
135	DEN Discovery Digital Networks Private Limited	0	40	277	237	0	215	30	10	20	
136	Jhankaar Cable Network Private Limited	3	(2)	7	6	0	8	(2)	(0)	(2)	
137	Konark IP Dossiers Private Limited	30	(3)	65	38	0	75	(11)	(1)	(10)	
138	Den ABC Cable Networks Ambarnath Private Limited	0	(7)	14	21	0	37	4	-	4	
139	Den Premium Multilink Cable Network Private Limited	0	23	143	120	0	61	20	4	16	
140	Angel Cable Network Private Limited	1	1	8	6	0	5	1	0	1	
141	Scorio Cable Network Private Limited	2	(0)	5	3	0	2	(0)	(0)	(0)	
142	Desire Cable Network Private Limited	1	(0)	2	1	0	0	(0)	(0)	(0)	
143	Marble Cable Network Private Limited	2	(0)	3	1	0	1	(0)	(0)	(0)	
144	Augment Cable Network Private Limited	1	0	2	0	0	1	0	0	0	
145	ABC Cable Network Private Limited	1	(0)	3	2	0	2	(0)	(0)	(0)	
146	Den MTN Star Vision Cable Private Limited	1	2	2	(0)	0	1	(0)	-	(0)	
147	Star Den Media Services Private Limited	25	366	2089	1,698	0	595	98	108	(10)	

# INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF  
**DEN NETWORKS LIMITED**

## REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of **DEN NETWORKS LIMITED** (the "Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31 March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements

of the subsidiaries and jointly controlled entities referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

## EMPHASIS OF MATTER

- a) We draw attention to note 2.3 (ix) to the consolidated financial statements whereby it is stated that the financial statements of a subsidiary company have not been consolidated due to non-availability of the audited financial statements/management certified accounts of that subsidiary. We are unable to comment on the impact of adjustments if any, on the Consolidated Financial Statements had the financial statements of the subsidiary company been consolidated.
- b) We draw attention to note 2.3 (x) to the consolidated financial statements whereby it is stated that the financial statements of a subsidiary company have been consolidated based on unaudited financial statements as certified by the Company's management. These financial statements reflect total assets of ₹16.57 million as at 31 March, 2014, total revenues of ₹23.79 million and net cash outflows amounting to ₹0.08 million for the year ended on that date as considered in the consolidated financial statements.
- c) We draw attention to note 44 of the consolidated financial statements 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.

Our opinion is not qualified in respect of these matters.

## OTHER MATTER

We did not audit the financial statements of certain subsidiaries and jointly controlled entities, whose financial statements reflect total assets (net) of ₹10,794.34 million as at 31 March, 2014, total revenues of ₹3,381.00 million and net cash outflows amounting to ₹301.60 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

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

New Delhi  
30th May, 2014

**JITENDRA AGARWAL**  
Partner  
(Membership No. 87104)

# CONSOLIDATED BALANCE SHEET

As at 31 March, 2014

(₹ in million)

Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
<b>A. EQUITY AND LIABILITIES</b>			
1. Shareholders' Funds			
a. Share capital	3	1,775.67	1,327.71
b. Reserves and surplus	4	16,779.35	7,424.46
		18,555.02	8,752.17
2. Share Application Money Pending Allotment	26	4.50	57.28
3. Preference Shares Issued by Subsidiary Company Outside the Group	27	25.00	25.00
4. Minority Interest	39	1,335.22	910.11
5. Non-Current Liabilities			
a. Long-term borrowings	5	4,464.38	4,009.61
b. Deferred tax liabilities (net)	31 (b)	51.06	47.77
c. Other long-term liabilities	6	5.09	21.22
d. Long-term provisions	7	81.55	70.32
		4,602.08	4,148.92
6. Current Liabilities			
a. Short-term borrowings	8	708.72	2,273.69
b. Trade payables	9	3,114.74	3,492.50
c. Other current liabilities	10	7,259.73	3,138.69
d. Short-term provisions	11	12.19	11.92
		11,095.38	8,916.80
<b>TOTAL</b>		<b>35,617.20</b>	<b>22,810.28</b>
<b>B. ASSETS</b>			
1. Non-Current Assets			
a. Fixed assets			
i. Tangible assets	12	10,677.12	7,323.40
ii. Intangible assets	12	124.26	182.78
iii. Capital work in progress		939.65	662.45
		11,741.03	8,168.63
b. Goodwill on consolidation	35 (a)	2,750.63	2,953.44
c. Non-current investments	13	-	0.01
d. Deferred tax assets (net)	31 (c)	451.39	307.28
e. Long-term loans and advances	14	2,086.43	1,657.90
f. Other non-current assets	15	232.23	429.31
		17,261.71	13,516.57
2. Current Assets			
a. Current investments	16	3,794.69	1,314.31
b. Trade receivables	17	3,919.22	3,256.15
c. Cash and bank balances	18	8,629.75	3,363.81
d. Short-term loans and advances	19	1,034.73	892.38
e. Other current assets	20	977.10	467.06
		18,355.49	9,293.71
<b>TOTAL</b>		<b>35,617.20</b>	<b>22,810.28</b>

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached For <b>DELOITTE HASKINS &amp; SELLS</b> Chartered Accountants (Firm registration no. 015125N)			For and on behalf of the Board of Directors		
<b>JITENDRA AGARWAL</b> Partner Membership No. 87104 New Delhi 30 May, 2014			<b>SAMEER MANCHANDA</b> Chairman and Managing Director DIN: 00015459		
			<b>RAJESH KAUSHALL</b> Chief Financial Officer ACA-093668 New Delhi 30 May, 2014		
			<b>AJAYA CHAND</b> Director DIN: 02334456		
			<b>JATIN MAHAJAN</b> Company Secretary FCS-6887		

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2014

(₹ in million)

Particulars	Note No.	For the year ended 31.03.2014	For the year ended 31.03.2013
<b>1. REVENUE</b>			
a. Revenue from operations	21	10,980.21	8,965.17
b. Other income	22	768.98	381.27
<b>TOTAL REVENUE</b>		<b>11,749.19</b>	<b>9,346.44</b>
<b>2. EXPENSES</b>			
a. Employee benefits expense	23	1,060.12	988.26
b. Finance costs	24	889.71	470.88
c. Depreciation and amortisation expense	12	1,473.90	811.22
d. Other expenses	25	7,195.08	6,002.49
<b>TOTAL EXPENSES</b>		<b>10,618.81</b>	<b>8,272.85</b>
<b>3. PROFIT/(LOSS) BEFORE TAX</b>		<b>1,130.38</b>	<b>1,073.59</b>
<b>4. TAX EXPENSE</b>			
a. Current tax expense [includes ₹19.67 million (previous year ₹24.17 million) related to jointly controlled entities]		438.74	368.55
b. Less : MAT credit [includes ₹ Nil (previous year ₹19.89 million) related to jointly controlled entities]		(3.42)	(27.79)
c. Short provision for tax relating to prior years		(4.40)	3.59
d. Reversal of excess MAT credit taken in prior years [includes ₹12.87 million (previous year ₹ Nil) related to jointly controlled entities]		12.87	7.58
e. Net current tax expense		443.79	351.93
f. Deferred tax	31	(64.82)	(57.69)
<b>NET TAX EXPENSE</b>		<b>378.97</b>	<b>294.24</b>
<b>5. PROFIT AFTER TAX BEFORE MINORITY INTEREST</b>		<b>751.41</b>	<b>779.35</b>
<b>6. Minority Interest</b>	39	<b>367.42</b>	<b>156.34</b>
<b>7. PROFIT FOR THE YEAR</b>		<b>383.99</b>	<b>623.01</b>
Earnings per equity share (Face value of ₹10 per share)	43		
Basic (₹ per share)		2.38	4.68
Diluted (₹ per share)		2.38	4.68

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached  
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm registration no. 015125N)

**JITENDRA AGARWAL**  
Partner  
Membership No. 87104  
New Delhi  
30 May, 2014

For and on behalf of the Board of Directors

**SAMEER MANCHANDA**  
Chairman and Managing Director  
DIN: 00015459

**RAJESH KAUSHALL**  
Chief Financial Officer  
ACA-093668  
New Delhi  
30 May, 2014

**AJAYA CHAND**  
Director  
DIN: 02334456

**JATIN MAHAJAN**  
Company Secretary  
FCS-6887

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2014

(₹ in million)

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,130.38	1,073.59
<b>Adjustments for :</b>		
Depreciation and amortisation	1,473.90	811.22
(Profit)/Loss on sale of investment	110.07	-
Interest and other financial expenses	889.71	470.88
Employee stock compensation expenses	-	40.21
Provision for impairment	-	31.20
Net (gain)/ loss on foreign currency transactions and translation	10.62	(33.73)
Doubtful debts and advances written off/provided	568.48	353.18
Fixed assets/ capital work in progress written off	4.64	46.20
Interest income	(391.89)	(165.24)
Gain on sale of current investment	(168.48)	(35.87)
Profit from sale of fixed assets	(0.85)	(7.98)
Liabilities written back	(113.68)	(90.98)
Operating profit before working capital changes	3,512.90	2,492.68
<b>Adjustments for :</b>		
Decrease/(increase) in current assets	(1,644.03)	(1,195.86)
Decrease/(increase) in non current assets	104.60	(197.34)
Increase/(decrease) in current liabilities and provisions	167.71	170.18
Increase/(decrease) in non current liabilities and provisions	(326.52)	1,247.22
Cash generated from/ (used in) operations	1,814.66	2,516.88
Direct taxes paid (net of refunds)	(735.45)	(764.11)
Net cash from/ (used in) operating activities	<b>1,079.21</b>	<b>1,752.77</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Increase in goodwill on consolidation	(34.91)	(24.40)
Purchase of mutual fund investment	(23,572.92)	(5,307.77)
Sale of investment in subsidiary	10.00	-
Sale of mutual fund investment	21,261.03	4,252.66
Loan repaid by/(to) body corporate (net)	20.72	22.29
Advance recovered/ (given) for investment	17.02	167.05
Interest income received	131.26	176.24
Purchase of fixed assets (including capital advances)	(5,839.56)	(5,311.86)
Proceeds from sale of fixed assets	888.75	252.58
Bank balances not considered as Cash and cash equivalents	(5,362.67)	(904.04)
Net cash from/ (used in) investing activities	<b>(12,481.28)</b>	<b>(6,677.25)</b>

(₹ in million)		
Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity shares	9,622.35	68.44
Share issue expenses	(279.49)	-
Proceeds from short term borrowings	165.51	8,343.05
Repayment of short term borrowings	-	(6,237.56)
Proceeds from long term borrowings	4,174.68	2,795.59
Repayment of long term borrowings	(1,567.76)	16.46
Interest paid	(853.57)	(434.94)
Net cash from/ (used in) financing activities	<b>11,261.72</b>	<b>4,551.04</b>
Net increase/ (decrease) in cash and cash equivalents	(140.35)	(373.44)
Cash and cash equivalents as at the beginning of the year	2,602.67	2,976.11
<b>Cash and cash equivalents as at the end of the year (See note 18)*</b>	<b>2,462.32</b>	<b>2,602.67</b>
*Comprises:		
a. Cash on hand	110.08	167.25
b. Cheques on hand	559.75	472.39
c. Balance with scheduled banks		
i. in current accounts	1,666.12	1,810.03
ii. in deposit accounts		
-original maturity of 3 months or less	126.37	153.00
	<b>2,462.32</b>	<b>2,602.67</b>

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached  
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm registration no. 015125N)

**JITENDRA AGARWAL**  
Partner  
Membership No. 87104  
New Delhi  
30 May, 2014

**For and on behalf of the Board of Directors**

**SAMEER MANCHANDA**  
Chairman and Managing Director  
DIN: 00015459

**RAJESH KAUSHALL**  
Chief Financial Officer  
ACA-093668

New Delhi  
30 May, 2014

**AJAYA CHAND**  
Director  
DIN: 02334456

**JATIN MAHAJAN**  
Company Secretary  
FCS-6887

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. BACKGROUND

DEN Networks Limited (hereinafter referred to as 'the Company' or 'DEN') was incorporated on 10 July, 2007 and is engaged in distribution of television channels through analog and digital cable distribution network and provision of broadband services.

The Company changed its status from a Private Limited Company to a Public Limited Company on 15 April, 2008 thereby changing its name to DEN Digital Entertainment Networks Limited. Subsequently, the company changed its name to DEN Networks Limited on 27 June, 2008.

During the financial year 2009-10, the Company issued and allotted 18,567,240 Equity Shares of face value of ₹10/- each, pursuant to the Initial Public Offer (IPO), which were admitted for listing and trading on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) with effect from November 24, 2009.

These consolidated financial statements comprise the consolidation of DEN Networks Limited (the Parent), its wholly owned and other subsidiaries and joint ventures. These subsidiaries are mainly engaged in the business of distribution of cable television channels, internet and other related business. The joint ventures are engaged in the business of distribution of television channels on all modes of distribution, including digital or analog, terrestrial satellite or any other emerging mode.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The consolidated financial statements of the Company, its subsidiaries and jointly controlled entities (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act / 2013 Act, as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

### 2.2 Basis of accounting and preparation of consolidated financial statements

These consolidated financial statements are prepared in accordance with the principles and procedures prescribed by Accounting Standard (AS 21) Consolidated Financial Statements and Accounting Standard (AS 27) Financial Reporting of Interests in Joint Ventures prescribed by the Companies (Accounting Standards) Rules 2006 for the purpose of preparation and presentation of consolidated financial statements.

### 2.3 Principles of consolidation

The consolidated financial statements have been prepared on the following basis:

- i. The financial statements of the Group have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- ii. Interest in jointly controlled entities is reported using proportionate consolidation.
- iii. The excess of cost to the Group of its investments in the subsidiary companies / jointly controlled entities over its share of equity of the subsidiary companies / jointly controlled entities, at the dates on which the investments in the subsidiary companies / jointly controlled entities were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. Alternatively, where the share of equity in the subsidiary companies / jointly controlled entities as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements.
- iv. Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year

of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

- v. Goodwill arising on consolidation is not amortised but tested for impairment.
- vi. Subsidiary companies are those in which DEN, directly or indirectly, has an interest of more than one half of the voting power or otherwise has power to exercise control over the operations. Subsidiaries are consolidated as per Accounting Standard 21 prescribed by the Companies (Accounting Standards) Rules, 2006, from the date on which effective control is transferred to DEN until the date of cessation of the parent-subsidiary relationship.
- vii. Investment in business entities over which DEN exercises joint control has been accounted for using proportionate consolidation except where the control is considered to be temporary as per Accounting Standard 27 prescribed by the Companies (Accounting Standards) Rules, 2006.
- viii. These consolidated financial statements relate to DEN, its subsidiaries and joint venture referred to in these financial statements as “the Group”, which are as follows:

**i. Wholly owned subsidiaries**

S. No.	Name of the Company
1	Aster Entertainment Private Limited
2	DEN Digital Entertainment Gujarat Private Limited
3	DEN Entertainment Network Private Limited
4	DEN Futuristic Cable Networks Private Limited
5	DEN RIS Cable Network Private Limited
6	Shine Cable Network Private Limited
7	Matrix Cable Network Private Limited
8	DEN Montooshah Network Private Limited
9	Amogh Broad Band Services Private Limited
10	IME Networks Private Limited
11	Astron Media Networks Private Limited

**ii. Subsidiaries with 51% shareholding**

S. No.	Name of the Company
1	Bali DEN Cable Network Private Limited
2	Big DEN Entertainment Private Limited
3	Cab-i-Net Communications Private Limited
4	DEN A.F. Communication Private Limited
5	DEN Aman Entertainment Private Limited
6	DEN Ambey Cable Networks Private Limited
7	DEN Ashu Cable Private Limited
8	DEN BCN Suncity Network Private Limited
9	DEN Bellary City Cable Private Limited
10	DEN Bindra Network Private Limited
11	DEN Budaun Cable Network Private Limited
12	DEN Citi Channel Private Limited
13	DEN Classic Cable TV Services Private Limited
14	DEN Crystal Vision Network Private Limited
15	DEN Digital Cable Network Private Limited
16	DEN Elgee Cable Vision Private Limited
17	DEN Enjoy Cable Networks Private Limited
18	DEN F K Cable Tv Network Private Limited
19	DEN Fateh Mareketing Private Limited
20	DEN Harsh Mann Cable Network Private Limited
21	DEN Jai Ambey Vision Cable Private Limited
22	DEN Kashi Cable Network Private Limited
23	DEN Kattakada Telecasting and Cable Services Private Limited
24	DEN Krishna Vision Private Limited
25	DEN Maa Sharda Vision Cable Networks Private Limited
26	DEN Malabar Cable Vision Private Limited
27	DEN MCN Cable Network Private Limited
28	DEN Mod Max Cable Network Private Limited
29	DEN Nashik City Cable Network Private Limited
30	DEN Pradeep Cable Network Private Limited
31	DEN Prince Network Private Limited

S. No.	Name of the Company
32	DEN Sahyog Cable Network Private Limited
33	DEN Sariga Communications Private Limited
34	DEN Satellite Cable TV Network Private Limited
35	DEN Supreme Satellite Vision Private Limited
36	DEN Ucn Network India Private Limited
37	DEN Varun Cable Network Private Limited
38	DEN-Manoranjana Satellite Private Limited
39	Drashti Cable Network Private Limited
40	Fab DEN Network Private Limited
41	Fortune (Baroda) Network Private Limited
42	Galaxy DEN Media & Entertainment Private Limited
43	"DEN Patel Entertainment Network Private Limited (formerly known as Mahadev DEN Cable Net Private Limited)"
44	Mahadev DEN Cable Network Private Limited
45	DEN Malayalam Telenet Private Limited
46	Meerut Cable Network Private Limited
47	Radiant Satellite (India) Private Limited
48	"DEN Rajkot City Communication Private Limited (formerly known as Rajkot City Communication Private Limited)"
49	Shree Ram DEN Network Private Limited
50	Shree Siddhivinayak Cable Network Private Limited
51	Sree Gokulam Starnet Communication Private Limited
52	United Cable Network (Digital) Private Limited
53	Crystal Vision Media Private Limited
54	Ambika DEN Cable Network Private Limited
55	DEN Steel City Cable Network Private Limited
56	Sanmati DEN Cable TV Network Private Limited
57	Multi Channel Cable Network Private Limited
58	Victor Cable TV Network Private Limited
59	Gemini Cable Network Private Limited
60	Antique Communications Private Limited

S. No.	Name of the Company
61	Sanmati Entertainment Private Limited
62	VM Magic Entertainment Private Limited
63	Multi Star Cable Network Private Limited
64	Disk Cable Network Private Limited
65	Shaakumbhari DEN Media Private Limited
66	Silverline Television Network Private Limited
67	Eminent Cable Network Private Limited
68	Trident Entertainment Private Limited
69	Rose Entertainment Private Limited
70	Blossom Entertainment Private Limited
71	Ekta Entertainment Network Private Limited
72	Devine Cable Network Private Limited
73	Nectar Entertainment Private Limited
74	CCN DEN Network Private Limited
75	DEN ADN Network Private Limited
76	Indradhanush Cable Network Private Limited
77	Adhunik Cable Network Private Limited
78	Glimpse Communication Private Limited
79	Multitrack Cable Network Private Limited
80	Pee Cee Cable Network Private Limited
81	Libra Cable Network Private Limited
82	Mahavir DEN Entertainment Private Limited
83	Mansion Cable Network Private Limited
84	DEN Discovery Digital Networks Private Limited
85	Jhankaar Cable Network Private Limited
86	DEN Premium Multilink Cable Network Private Limited
87	Scorpio Cable Network Private Limited
88	Desire Cable Network Private Limited
89	Marble Cable Network Private Limited
90	Augment Cable Network Private Limited

### iii. Other subsidiaries

S. No.	Name of the Company	31.03. 2014	31.03. 2013
1	DEN Sky Media Network Private Limited	99%	99%
2	DEN Narmada Network Private Limited	97%	97%
3	DEN Infoking Channel Entertainers Private Limited	97%	51%
4	DEN Mewar Rajdev Cable Network Private Limited	95%	95%
5	Mahadev DEN Network Private Limited	95%	51%
6	DEN Shiva Cable Network Private Limited	87%	51%
7	DEN Krishna Cable TV Network Private Limited	74%	51%
8	DEN Radiant Satellite Cable Network Private Limited	65%	65%
9	DEN Pawan Cable Network Private Limited	63%	51%
10	DEN Mahendra Satellite Private Limited	60%	60%
11	DEN Satellite Network Private Limited	50%	50%

### iv. Step down subsidiaries

S. No.	Name of the Company	31.03. 2014	31.03. 2013
<b>DEN Futuristic Cable Networks Private Limited</b>			
1	DEN Faction Communication System Private Limited	51%	51%
2	DEN Nanak Communication Private Limited	51%	51%
3	DEN Saya Channel Network Private Limited	51%	51%
4	Fun Cable Network Private Limited	51%	51%
<b>DEN Ambey Cable Networks Private Limited</b>			
1	DEN Ambey Farukabad Cable Network Private Limited	100%	100%
2	DEN Ambey Jhansi Cable Network Private Limited	100%	100%

S. No.	Name of the Company	31.03. 2014	31.03. 2013
3	DEN Prayag Cable Networks Private Limited	75%	0%
4	Melody Cable Network Private Limited	60%	0%
5	DEN Ambey Citi Cable Network Private Limited	51%	51%
6	DEN Deva Cable Network Private Limited	51%	51%
7	Star Channel DEN Network Private Limited	51%	51%
8	Saturn Digital Cable Private Limited	51%	51%
9	Portrait Cable Network Private Limited	51%	0%
<b>DEN Enjoy Cable Networks Private Limited</b>			
1	DEN Enjoy Navaratan Network Private Limited	51%	51%
2	DEN Enjoy SBNM Cable Network Private Limited	51%	51%
<b>DEN Kashi Cable Network Private Limited</b>			
1	Divya Drishti DEN Network Private Limited	51%	51%
2	Kishna DEN Cable Networks Private Limited	51%	51%
3	Bhadohi DEN Entertainment Private Limited	51%	51%
<b>DEN Satellite Network Private Limited</b>			
1	DEN New Broad Communications Private Limited	51%	51%
2	DEN ABC Cable Networks Ambarnath Private Limited	51%	0%
3	Konark IP Dossiers Private Limited	50%	0%
<b>Amogh Broad Band Services Private Limited</b>			
1	Skynet Cable Network Private Limited	100%	0%
<b>DEN Entertainment Network Private Limited</b>			
1	Kerela Entertainment Private Limited	100%	100%
2	Rajasthan Entertainment Private Limited	100%	100%
3	Uttar Pradesh Digital Cable Network Private Limited	100%	100%

S. No.	Name of the Company	31.03. 2014	31.03. 2013
4	Capital Entertainment Private Limited	100%	100%
5	Platinum Cable Tv Network Private Limited	51%	100%
<b>Shine Cable Network Private Limited</b>			
1	Maitri Cable Network Private Limited	100%	100%
<b>DEN Aman Entertainment Private Limited</b>			
1	Mountain Cable Network Private Limited	51%	0%
<b>DEN Malayalam Telenet Private Limited</b>			
1	DEN MTN Star Vision Cable Private Limited	51%	0%
<b>Disk Cable Network Private Limited</b>			
1	DEN STN Television Network Private Limited	51%	51%
<b>Eminent Cable Network Private Limited</b>			
1	Angel Cable Network Private Limited	51%	0%
2	ABC Cable Network Private Limited	51%	0%

**v. Joint venture**

S. No.	Name of the Company	31.03. 2014	31.03. 2013
1	Star DEN Media Services Private Limited	50%	50%
2	Media Pro Enterprise India Private Limited	*	*

\*Joint Venture of Star DEN Media Services Private Limited who has 50% controlling interest in the Company.

All the entities are located in India.

- ix. The Company has not consolidated the financial statements of one subsidiary company due to non availability of the audited financial statements/ management certified accounts. In the opinion of the management, the financial statements are not significant to the Consolidated results.
- x. The Company has consolidated the financial statements of one of the subsidiary based on the financial statements as certified by the company's management and have not been audited by the statutory auditors of the subsidiary company. The subsidiary's share of total assets, total revenue and profit/ (loss) after tax in the subsidiary is ₹16.57 million

as at 31st March, 2014, ₹2.38 million and ₹(0.16) million for the year ended on that date respectively. The management is of the view that the adjustments if any arising out of the audit of the financial statements of the subsidiary company will not have a material impact on the Consolidated Financial Statements.

## 2.4 Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities (including contingent liabilities) at the date of the financial statements and reported amounts of income and expenses during the year. Such estimates includes provision for income tax, future obligations under employment retirement benefit plans, provision for doubtful debts and advances and estimated useful life of tangible and intangible assets. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

## 2.5 Cash and cash equivalents (for purpose of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition) and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## 2.6 Cash flow statement

Cash flows are reported using indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals and accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Group are segregated based on available information.

## 2.7 Depreciation and amortisation

Depreciation on fixed assets except leasehold improvements is provided on the straight-line method over their estimated useful lives, as determined by the management, at the rates which are equal to or higher than the rates prescribed under Schedule XIV of the Companies Act, 1956. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

Assets costing ₹5,000 or less are fully depreciated in the year of purchase.

The management's estimate of the useful life of the various fixed assets is as follows:

a.	Building	60 years
b.	Leasehold improvements	Lower of the useful life or the period of the lease.
c.	Headend & distribution equipment	6 -15 years
d.	Set top boxes (STBs)	8 years
e.	Computers	6 years
f.	Office & other equipment	3 to 10 years
g.	Furniture & fixtures	6 years
h.	Vehicles	6 years
i.	Goodwill	5 years
j.	Distribution network rights	5 years
k.	Software	5 years
l.	License fee for internet service	Over the period of license agreement
m.	Non compete fees	5 years
n.	Fixed assets acquired through business purchase	5 years as estimated by an approved valuer

## 2.8 Revenue recognition

### i. Income from operations

1. Service revenue comprises subscription income from digital and analog subscribers, placement of channels, advertisement revenue, fees for rendering management, technical and consultancy services and other related services. Income from services is recognised upon completion of services as per the terms of contracts with the customers. Period based services are accrued and recognised pro-rata over the contractual period.
2. Activation fees on STBs is recognized on activation of boxes once issued to customers.
3. Amounts billed for services in accordance with contractual terms but where revenue is not recognised, have been classified as advance billing and disclosed under current liabilities.

### ii. Sale of equipment

Revenue for sale of equipment is recognized on delivery to customers which coincides with transfer of significant risks and rewards of ownership of the equipment. The time of

transfer and the amount is determined based on the arrangement between the parties involved.

In case of VAT collected on sales, exclusive method is followed, where sales and expenditure will not include VAT. VAT collected is disclosed under current liabilities and not routed through Statement of Profit and Loss.

## 2.9 Other income

1. Profit on sale of investment in mutual funds is recorded on transfer of title from the Company and is determined as the difference between the sales price and the carrying value of the investment.
2. Interest on the deployment of surplus funds is recognised using the time-proportion method, based on interest rates implicit in the transaction.
3. Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

## 2.10 Tangible assets

1. Fixed assets are stated at the cost of acquisition less accumulated depreciation and impairment losses, if any. The actual cost capitalised includes purchase price, and all other attributable costs of bringing the assets to working condition for intended use.
2. Assets are capitalised on the date when they are ready for intended use.
3. Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

## 2.11 Intangible assets

1. Intangible assets acquired in business acquisitions are stated at fair value as determined by the management of the Company on the basis of valuation by expert valuers, less accumulated amortisation.
2. Other intangible assets are stated at cost of acquisition less accumulated amortisation. The actual cost capitalised includes purchase price, and all other attributable costs of bringing the assets to working condition for intended use.

## 2.12 Foreign currency transactions and translations

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the

transaction. Realised gains and losses on foreign exchange transactions settled during the year are recognised in the Consolidated Statement of Profit and Loss.

Long-term foreign currency monetary items outstanding at the balance sheet date are translated at the rates prevailing on that date and resultant gains/losses on foreign exchange translations are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets.

In case of forward contracts for foreign exchange, the difference between the forward rate and the exchange rate at the date of transaction are recognised over the life of the contract.

## 2.13 Investments

Trade investments are investments made to enhance the Company's business interests. Investments are classified either as long term or current investments, based on management's intention at the time of purchase. Long-term investments are stated at cost less provision for other than temporary diminution in the carrying value, as determined separately for each investment. Current investments are stated at the lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

## 2.14 Employee benefits

### 1. Short term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange of services rendered by employees is recognised during the period when the employee renders the services. These benefits include salaries, bonus, leave travel allowance and performance incentives.

### 2. Long term employee benefits

#### a. Provident fund and other state plans

Contributions towards recognised Provident Fund, Employee State Insurance Fund and Employees Pension Scheme under defined contribution plans by the entities in the Group are recognised in the Consolidated Statement of Profit and Loss during the period when services are rendered by the employees.

#### b. Gratuity

For defined benefit plans in the form of gratuity fund, the cost of providing

benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

### c. Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of unutilised accrued compensated absence and utilize it in future periods or receive cash compensation for the unutilised accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the service that increase this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

Liability with regard to compensated absences and gratuity is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. Actuarial valuation is carried out using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation is based on the market yields on government securities as at the balance sheet date. Actuarial gains/ losses are recognised immediately in the Consolidated Statement of Profit and Loss as income or expense.

## 2.15 Employee Stock Option Scheme (ESOS)

Stock options granted to the employees under the stock options schemes are accounted at intrinsic value as per the accounting treatment prescribed by the guidance note on Employee share based payments issued by the Institute of Chartered Accountants of India. Accordingly, the excess of market price, determined as per the guidance note, of underlying equity shares (market value), over the exercise price of the options is recognised as deferred stock compensation expense and is charged to Consolidated Statement of Profit and Loss on a straight line basis over the period of the options. The amortised portion of the cost is shown under reserve and surplus.

## 2.16 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

## 2.17 Segment information

### 1. Business segments

Based on similarity of activities, risks and reward structure, organisation structure and internal reporting systems, the Group operates in the distribution & placement of television channels and related services.

### 2. Geographical segments

Secondary segmental reporting is performed on the basis of the geographical location of customers i.e. within India and overseas.

## 2.18 Leases

### 1. Finance leases

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets taken on finance lease are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

## 2. Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Lease payments under operating leases are recognised as expense in the Consolidated Statement of Profit and Loss on a straight line basis over the lease term.

## 2.19 Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

## 2.20 Taxation

Current tax is determined in accordance with the provisions of Income Tax Act, 1961 for each of the entities in the Group. Advance taxes and provisions for current taxes are presented in the balance sheet after off - setting advance taxes paid and income tax provisions.

Deferred tax charge or credit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal, subject to consideration of prudence, in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets on unabsorbed depreciation and carry forward of losses are not recognised unless there is a virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are reviewed for the appropriateness of their carrying values at each balance sheet date.

Minimum alternate tax (MAT) paid in accordance with Income Tax Act, 1961, which gives rise to future economic benefit in the form of adjustment from income tax liability, is recognised when it is certain that the company will be able to set off the same and adjusted from the current tax charge for that year.

Provision for wealth tax is made based on tax liability computed after considering tax allowances and exemptions available in accordance with the provisions of the Wealth tax Act, 1957.

## 2.21 Jointly controlled operations

The accounts of the Group reflect its share of the Assets, Liabilities, Income and Expenditure of the Jointly controlled operations which are accounted on the basis of the audited accounts of the Joint ventures on line-by-line basis with similar items in the Group's accounts to the extent of the participating interest of the Group as per the Joint Venture Agreements.

## 2.22 Impairment of assets

At each balance sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognised immediately as income in the Consolidated Statement of Profit and Loss.

## 2.23 Provisions and contingencies

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. A disclosure of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## 2.24 Share issue expenses

Share issue expenses are adjusted against the Securities premium account as permissible under Section 78(2) of the Companies Act, 1956, to the extent balance is available for utilisation in the Securities Premium Account.

## 2.25 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing/ utilizing the credits.

## 2.26 Operating Cycle

Based on the nature of activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Particulars	(₹ in million)	
	As at 31.03.2014	As at 31.03.2013
<b>3. SHARE CAPITAL</b>		
<b>A. Authorised</b>		
200,000,000 (Previous year 200,000,000) equity shares of ₹10 each with voting rights	2,000.00	2,000.00
<b>B. ISSUED, SUBSCRIBED AND PAID UP</b>		
178,199,806 (Previous year 134,024,101) equity shares of ₹10 each fully paid up with voting rights	1,782.00	1,340.24
Less : Amount recoverable from DNL Employee Welfare Trust [632,942 (Previous year 1,252,776) number of shares issued to trust @ ₹10 per share]	6.33	12.53
	<b>1,775.67</b>	<b>1,327.71</b>

### Of the above:

- 72,475,520 equity shares of ₹10 each were issued in 2009-10 as bonus shares in the ratio of 4:1 for every one equity share by utilisation of securities premium.
- In 2009-10, the Company issued bonus shares for 39,993,000 .001% cumulative convertible preference shares of ₹10 each in the ratio of one share for every ten .001% cumulative convertible preference shares held by its shareholders by utilisation from the securities premium account resulting into total of 43,992,300 .001%

cumulative convertible preference shares. These shares were subsequently converted into 13,361,361 fully paid up equity shares of ₹10 each in 2009-10.

- c. 4,019,606 fully paid up equity shares of ₹10 each at premium of ₹185 were issued in 2009-10 against consideration payable towards investments made in subsidiary companies.
- d. Reconciliation of the number and amount of equity shares outstanding at the beginning and at the end of the year:

(₹ in million)

Particulars	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	Amount	No. of Shares	Amount
Opening balance	134,024,101	1,340.24	130,489,975	1,304.90
Add : Allotment under Qualified Institutional Placement (QIP) as per chapter VIII of SEBI (ICDR) Regulations, 2009.	12,466,321	124.66	-	-
Add : Allotment under Preferential Issue as per Chapter VII of SEBI (ICDR) Regulations, 2009.	31,709,384	317.10	-	-
Add : Allotment under ESOP Scheme during the year	-	-	3,534,126	35.34
<b>Closing Balance</b>	<b>178,199,806</b>	<b>1,782.00</b>	<b>134,024,101</b>	<b>1,340.24</b>

- e. Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Equity shares with voting rights:</b>				
Sameer Manchanda	46,654,550	26.18%	46,654,550	34.81%
Broad Street Investment (Singapore) Pte. Ltd.	28,826,713	16.18%	-	-
Lucid Systems Private Limited	16,000,000	8.98%	16,000,000	11.94%

**f. Other disclosures**

The Company has one class of equity shares having a par value of ₹10 per share. Each equity shareholder is eligible for one vote per share held and dividend as and when declared by the Company. Interim Dividend is paid as and when declared by the Board. Final dividend is paid after obtaining shareholder's approval. Dividends are paid in Indian Rupees. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount in proportion to their shareholding.

(₹ in million)

Particulars		As at 31.03.2014	As at 31.03.2013
<b>4. RESERVES AND SURPLUS</b>			
<b>a. Securities premium account</b>			
i. Opening balance		6,176.00	6,105.32
ii. Add: Premium on shares issued during the year		9,166.46	70.68
iii. Less : Share issue expenses (Net of Deferred tax assets of ₹76.00 million)		203.49	-
iv. Closing balance		<b>15,138.97</b>	<b>6,176.00</b>
v. Less : Amount recoverable from DNL Employee Welfare Trust [632,942 (Previous year 1,252,776) number of shares issued to trust @ ₹20 per share]		12.66	25.05
	<b>(A)</b>	<b>15,126.31</b>	<b>6,150.95</b>
<b>b. Share options outstanding account</b>			
i. Employees stock option outstanding		-	202.86
ii. Less: Transferred to General reserve		-	202.86
	<b>(B)</b>	<b>-</b>	<b>-</b>
<b>c. General reserve</b>			
i. Opening balance		208.69	4.03
ii. Add: Transfer from share options outstanding account		-	202.86
iii. Add: Transfer from Surplus in Consolidated Statement of Profit and Loss		-	1.80
iv. Closing balance	<b>(C)</b>	208.69	208.69
<b>d. Surplus in Consolidated Statement of Profit and Loss</b>			
i. Opening balance		1,064.82	443.61
ii. Add: Profit for the year		383.99	623.01
		1,448.81	1,066.62
iii. Less: Appropriations			
a. Proposed equity dividend by a subsidiary (including dividend tax)		(4.46)	-
b. Transfer to General reserve		-	(1.80)
iv. Closing balance	<b>(D)</b>	1,444.35	1,064.82
	<b>(A+B+C+D)</b>	<b>16,779.35</b>	<b>7,424.46</b>
<b>Share of Jointly controlled entities</b>		<b>366.19</b>	<b>376.17</b>

(₹ in million)

Particulars		As at 31.03.2014	As at 31.03.2013
<b>5. LONG-TERM BORROWINGS</b>			
<b>a. Term loans (Secured)</b>			
i. from banks (See footnote i)		530.33	773.51
ii. from financial institution (See footnote ii)		1,200.00	1,600.00
iii. from other parties (See footnote iii)		750.53	-
<b>b. Long-term maturities of finance lease obligations</b> (Secured by hypothecation of assets purchase under finance lease agreement and payable in equal monthly installments. Applicable rate of interest is 8.55%)		1,973.45	1,622.13
<b>c. Loans from related parties</b>			
Unsecured		2.52	2.76
<b>d. Other loans</b>			
Vehicle Loans (Secured by hypothecation of vehicles and payable in equal monthly installments. The loan is repayable in 4 to 34 installments ending in Jan-2017. Applicable rate of interest is 10.31% to 11.23%)		2.47	3.54
Unsecured (See footnote iv)		5.08	7.67
<b>Total</b>		<b>4,464.38</b>	<b>4,009.61</b>
<b>Share of Jointly controlled entities</b>		<b>-</b>	<b>-</b>

Details of terms of repayment for the long-term borrowings and security provided in respect of the secured borrowings:

(₹ in million)

Particulars	As at 31.03.2014		As at 31.03.2013	
	Long-Term debts	Current Maturities of long-term debts	Long-Term debts	Current Maturities of long-term debts
<b>FOOTNOTES</b>				
<b>Secured</b>				
<b>i. Term loan from banks are secured as follows:</b>				
By first pari passu charge on fixed assets of the Company (existing and proposed) & second pari passu charge on all current assets of the Company. The loan is repayable in 6 quarterly installments commencing from June-2014 and ending in Sept-2015. Applicable rate of interest is 14.50%.	54.97	110.00	137.51	195.38
By first pari passu charge on fixed assets of the Company (existing and proposed) & second pari passu charge on all current assets of the Company. This loan is further guaranteed by Mr. Sameer Manchanda (Chairman and Managing Director of the Company). The loan is repayable in 8 quarterly installments commencing from Apr-2014 and ending in Jan-2016. Applicable rate of interest is 13.00%.	184.88	185.00	369.75	185.00
By first pari passu charge on fixed assets of the Company (existing and proposed) & second pari passu charge on all current assets of the Company. The loan is repayable in 13 quarterly installments commencing from Apr-2014 and ending in Apr-2017. Applicable rate of interest is 13.00%.	139.61	65.00	211.27	48.75
By first pari passu charge on fixed assets of the Company (existing and proposed) & second pari passu charge on all current assets of the Company. The loan is repayable in 12 installment commencing from Oct-2015 and ending in Jul-2018. Applicable rate of interest is 13.00%.	58.22	-	54.98	3.23
By first pari passu charge on entire fixed assets of the Company (existing and proposed) & second pari passu charge on entire current assets of the Company. The loan is repayable in 8 installment commencing from Apr-2016 and ending in Jan-2018. Applicable rate of interest is 12.30%.	92.65	-	-	-
	530.33	360.00	773.51	432.36
<b>ii. Term loan from financial institution is secured as follows:</b>				
By first pari passu charge on fixed assets of the Company (existing and proposed) & first pari passu charge on all current assets of the Company. Pledge of shares held by the Company in its Subsidiaries, both present and future. The loan is repayable in 16 quarterly installments commencing from June-2014 and ending in Mar-2018. Applicable rate of interest is 13.00% to 13.10%.	1,200.00	400.00	1,600.00	400.00

(₹ in million)

Particulars	As at 31.03.2014		As at 31.03.2013	
	Long-Term debts	Current Maturities of long-term debts	Long-Term debts	Current Maturities of long-term debts
<b>iii. Term loan from others</b>				
This term loan from Cisco Systems Capital India Private Limited is secured by first and exclusive charge in respect of the fixed assets acquired under the loan agreement. The loan is repayable in 46 equal monthly installments commencing from Apr-2014 and ending in Jan-2018. Applicable rate of interest is 8.55%.	750.53	235.83	-	-
	<b>2,480.86</b>	<b>995.83</b>	<b>2,373.51</b>	<b>832.36</b>
<b>Unsecured</b>				
<b>iv. Long-term maturities of other loans</b>				
This unsecured loan from Cisco Systems Capital India Private Limited is payable in 44 monthly installments commencing from Apr-2014 and ending in Nov-2017. Applicable rate of interest is 8.55%.	5.08	2.59	7.67	2.59
	<b>5.08</b>	<b>2.59</b>	<b>7.67</b>	<b>2.59</b>

For the current maturities of long term borrowings, see items (a) to (d) in Note 10 Other current liabilities

(₹ in million)

Particulars	As at 31.03.2014	As at 31.03.2013
<b>6. OTHER LONG TERM LIABILITIES</b>		
a. Security deposits received	3.47	8.06
b. Advances from customers	1.25	-
c. Others	0.37	13.16
	<b>5.09</b>	<b>21.22</b>
<b>Share of Jointly controlled entities</b>	<b>-</b>	<b>0.10</b>
<b>7. LONG-TERM PROVISIONS</b>		
<b>a. Provision for employee benefits</b>		
i. Gratuity [See note 36 (B) (i)]	54.65	50.15
ii. Leave Encashment	26.90	20.17
	<b>81.55</b>	<b>70.32</b>
<b>Share of Jointly controlled entities</b>	<b>-</b>	<b>1.09</b>
<b>8. SHORT-TERM BORROWINGS</b>		
a. Loans repayable on demand from banks Secured*	486.56	349.48
b. Buyers credit on imports (See footnote ii under Note 10) Secured	-	1,730.48
c. Loans from related parties Unsecured	148.20	172.39
d. Other Loans Unsecured	73.96	21.34
	<b>708.72</b>	<b>2,273.69</b>
<b>Share of Jointly controlled entities</b>	<b>-</b>	<b>-</b>
* secured by first pari passu charge on current assets of the Company both existing and future & second pari passu charge on all fixed assets of the Company both existing and future. Applicable rate of interest is 12.80% to 13.50%.		
<b>9. TRADE PAYABLES</b>	<b>3,114.74</b>	<b>3,492.50</b>
<b>Share of Jointly controlled entities</b>	<b>1,452.69</b>	<b>1,691.15</b>

(₹ in million)

Particulars	As at 31.03.2014	As at 31.03.2013
<b>10. OTHER CURRENT LIABILITIES</b>		
a. Current maturities of secured term loans (See footnote i below)	995.83	832.36
b. Buyers credit on imports (See footnote ii below)	3,225.17	-
c. Current maturities of finance lease obligations (See footnote i below)	847.06	352.30
d. Current maturities of other secured loans (See footnote i below)	3.38	4.17
e. Current maturities of other unsecured loans (See footnote i below)	2.59	2.59
f. Interest accrued but not due on borrowings	59.52	45.63
g. Balance consideration payable on investments	23.70	47.41
h. Interest accrued and due on borrowings	22.25	-
i. Advance billings	200.90	161.87
j. Application money received for allotment of securities in excess of authorised share capital	30.14	30.80
k. Other payables		
i. Statutory remittances	380.82	420.71
ii. Payables on purchase of fixed assets	871.62	571.70
iii. Security deposits received	19.84	19.59
iv. Book overdraft	498.99	381.76
v. Advances from customers	77.61	266.98
vi. Others	0.31	0.82
	<b>7,259.73</b>	<b>3,138.69</b>
<b>FOOTNOTES</b>		
i. See note 5 (Long-term borrowings) for details of security and guarantee		
ii. Secured by first pari passu charge on fixed assets of the Company (existing and proposed) & second pari passu charge on all current assets of the Company.	2,942.90	1,579.71
<b>Share of Jointly controlled entities</b>	<b>128.37</b>	<b>179.96</b>
<b>11. SHORT-TERM PROVISIONS</b>		
<b>a. Provision for employee benefits</b>		
i. Gratuity [See note 36 (B) (i)]	3.33	5.70
ii. Leave encashment	8.73	6.08
	<b>12.06</b>	<b>11.78</b>
<b>b. Provision - others</b>		
i. Wealth tax [net of advance tax of ₹0.43 million (Previous year ₹0.43 million)]	0.13	0.14
	<b>12.19</b>	<b>11.92</b>
<b>Share of Jointly controlled entities</b>	<b>8.82</b>	<b>7.50</b>

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## 12. FIXED ASSETS (AT COST)\*

(₹ in million)									
Particulars	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK		
	As at 1 April, 2013	Additions	Sales/ Adjustments	As at 31 March, 2014	As at 1 April, 2013	Additions	Sales/ Adjustments	As at 31 March, 2014	As at 31 March, 2013
<b>A. Tangible assets</b>									
a. Buildings	34.12 (30.83)	- (3.29)	4.90 (-)	29.22 (34.12)	0.72 (0.57)	0.12 (0.15)	0.26 (-)	28.64 (33.40)	33.40 (30.26)
b. Leasehold improvements	102.84 (104.91)	5.06 (3.20)	4.43 (5.27)	103.47 (102.84)	94.13 (93.45)	6.01 (5.27)	4.42 (4.59)	7.75 (8.71)	8.71 (11.46)
c. Plant and machinery									
i. Headend and distribution equipment - owned	2,558.27 (1,869.88)	363.07 (738.87)	80.20 (50.48)	2,841.14 (2,558.27)	834.28 (595.90)	293.72 (260.00)	26.91 (21.62)	1,740.05 (1,723.99)	1,723.99 (1,273.98)
- taken under finance lease (See note 33)	51.37 (-)	8.68 (51.37)	0.32 (-)	59.73 (51.37)	2.06 (-)	7.70 (2.06)	0.02 (-)	49.99 (49.31)	49.31 (-)
ii. Set top boxes - owned	4,272.12 (1,484.51)	4,346.42 (3,015.35)	695.98 (227.74)	7,922.56 (4,272.12)	627.15 (321.37)	697.40 (341.95)	106.02 (36.17)	6,704.03 (3,644.97)	3,644.97 (1,163.14)
- taken under finance lease (See note 33)	1,788.86 (-)	981.00 (1,858.96)	367.24 (70.10)	2,402.62 (1,788.86)	30.91 (-)	359.88 (32.53)	17.70 (1.62)	2,029.53 (1,757.95)	1,757.95 (-)
iii. Computers	69.75 (52.67)	19.78 (17.95)	2.92 (0.87)	86.61 (69.75)	36.99 (26.76)	12.83 (10.76)	2.28 (0.53)	39.07 (32.76)	32.76 (25.91)
iv. Office & other equipment	63.48 (52.84)	8.26 (11.31)	0.17 (0.67)	71.57 (63.48)	34.24 (27.22)	8.86 (7.20)	0.11 (0.18)	28.58 (29.24)	29.24 (25.62)
c. Furniture and fixtures	41.57 (32.68)	13.38 (9.31)	2.09 (0.42)	52.86 (41.57)	22.98 (15.72)	8.01 (7.50)	2.01 (0.24)	23.88 (18.59)	18.59 (16.96)
d. Vehicles	42.92 (31.83)	8.28 (12.70)	2.05 (1.61)	49.15 (42.92)	18.44 (13.18)	7.01 (6.67)	1.90 (1.41)	25.60 (24.48)	24.48 (18.65)
<b>Total (A)</b>	<b>9,025.30</b> <b>(3,660.15)</b>	<b>5,753.93</b> <b>(5,722.31)</b>	<b>1,160.30</b> <b>(357.16)</b>	<b>13,618.93</b> <b>(9,025.30)</b>	<b>1,701.90</b> <b>(1,094.17)</b>	<b>1,401.54</b> <b>(674.09)</b>	<b>161.63</b> <b>(66.36)</b>	<b>2,941.81</b> <b>(1,701.90)</b>	<b>10,677.12</b> <b>(7,323.40)</b>
<b>Previous year (C)</b>									-
<b>B. Intangible assets (Others)</b>									
a. Goodwill	56.16 (36.49)	0.68 (19.67)	1.22 (-)	49.37 (56.16)	24.32 (20.68)	3.65 (3.64)	1.09 (-)	26.88 (31.84)	31.84 (15.81)
b. Distribution network rights	596.69 (570.71)	11.31 (25.98)	0.98 (-)	613.40 (596.69)	458.89 (331.71)	63.28 (127.18)	0.25 (-)	521.92 (458.89)	137.80 (239.00)
c. Software	28.84 (21.97)	2.71 (6.87)	- (-)	31.55 (28.84)	16.91 (10.96)	5.17 (5.95)	- (-)	22.08 (11.93)	11.93 (11.01)
d. Licence fee for internet service	2.01 (2.01)	- (-)	- (-)	2.01 (2.01)	1.10 (1.01)	0.09 (0.09)	- (-)	0.82 (0.91)	0.91 (1.00)
e. Non Compete Fees	2.00 (2.00)	- (-)	- (-)	1.87 (2.00)	1.70 (1.43)	0.17 (0.27)	- (-)	1.87 (0.30)	0.30 (0.57)
<b>Total (C)</b>	<b>685.70</b> <b>(633.18)</b>	<b>14.70</b> <b>(52.52)</b>	<b>2.20</b> <b>-</b>	<b>698.20</b> <b>(685.70)</b>	<b>502.92</b> <b>(365.79)</b>	<b>72.36</b> <b>(137.13)</b>	<b>1.34</b> <b>(-)</b>	<b>573.94</b> <b>(502.92)</b>	<b>182.78</b> <b>(-)</b>
<b>Previous year (D)</b>									
<b>Grand Total (A+C)</b>	<b>9,711.00</b> <b>(4,293.33)</b>	<b>5,768.63</b> <b>(5,774.83)</b>	<b>1,162.50</b> <b>(357.16)</b>	<b>14,317.13</b> <b>(9,711.00)</b>	<b>2,204.82</b> <b>(1,459.96)</b>	<b>1,473.90</b> <b>(811.22)</b>	<b>162.97</b> <b>(66.36)</b>	<b>3,515.75</b> <b>(2,204.82)</b>	<b>7,506.18</b> <b>(-)</b>
<b>Previous year (B+D)</b>									
<b>Share of jointly controlled entities</b>	<b>13.15</b> <b>(11.40)</b>	<b>1.45</b> <b>(2.22)</b>	<b>0.78</b> <b>(0.47)</b>	<b>13.82</b> <b>(13.15)</b>	<b>6.50</b> <b>(2.01)</b>	<b>4.48</b> <b>(4.75)</b>	<b>0.71</b> <b>(0.26)</b>	<b>10.27</b> <b>(6.50)</b>	<b>6.65</b> <b>(9.39)</b>

\* Figures in bracket relates to previous year

(₹ in million)		
Particulars	As at 31.03.2014	As at 31.03.2013
<b>13. NON-CURRENT INVESTMENTS (at cost)</b>		
A. Trade and unquoted - long term in equity shares - at cost		
a. Investment in equity instruments:		
i. of subsidiary		
45,900 (Previous year 45,900) equity shares of ₹10 each, fully paid up in Shri Ram DEN Network Private Limited	31.20	31.20
Less: Provision for diminution in value of Shri Ram DEN Network Private Limited Less: Provision for impairment	(31.20)	(31.20)
(A)	-	-
B. Other non-current investments	-	0.01
(B)	-	0.01
(A+B)	-	0.01
<b>Share of Jointly controlled entities</b>	-	-

(₹ in million)		
Particulars	As at 31.03.2014	As at 31.03.2013
<b>14. LONG-TERM LOANS AND ADVANCES (Unsecured)</b>		
i. Considered good		
a. Capital advances	140.95	35.92
b. Advance for investments	424.10	440.73
c. Security deposits	87.37	86.85
d. Loans and advances to employees	0.01	1.27
e. Prepaid expenses	41.23	31.46
f. Advance tax [including tax deducted at source ₹1,183.20 million (Previous year ₹888.84 million) (net of provision ₹1,103.39 million (previous year ₹745.57 million)]	1,293.73	975.09
g. MAT credit entitlement	31.90	58.88
h. Other loans and advances	8.53	27.70
i. Deposits against cases with		
i. Sales tax authority	37.85	-
ii. Entertainment tax authorities	15.04	-
iii. Entry tax authority	5.72	-
ii. Considered doubtful		
a. Advance for investments	54.25	54.16
b. Other loans and advances	-	0.57
	2,140.68	1,712.63
Less: Provision for doubtful advances	54.25	54.73
	<b>2,086.43</b>	<b>1,657.90</b>
<b>Share of Jointly controlled entities</b>	<b>569.40</b>	<b>554.65</b>
<b>15. OTHER NON-CURRENT ASSETS</b>		
a. Deposits with banks with more than 12 months maturity*	232.23	275.85
b. Receivables on sale under finance lease (See note 34)	-	152.46
c. Others	-	1.00
	<b>232.23</b>	<b>429.31</b>
<b>Share of Jointly controlled entities</b>	-	-
* i. Under lien as margin money with bank for letters of credit ₹ Nil (Previous year ₹275.85 million)		
ii. Under lien as margin money with bank for term loans ₹119.95 million (Previous year Nil)		

(₹ in million)

Particulars	As at 31.03.2014	As at 31.03.2013
<b>16. CURRENT INVESTMENTS (at cost)</b>		
a. Unquoted - Current investments in units of mutual funds (at lower of cost or fair value)		
1. Nil (Previous year 2,163,179) units of ₹ Nil in Birla Sun Life Dynamic Bond Fund Retail Growth	-	41.89
2. Nil (Previous year 344,369) units of ₹ Nil in SBI Magnum Income Fund	-	10.00
3. 1,461,629 (Previous year 953,865) units of ₹53.96 in Birla Sun Life Income Plus Growth Regular Plan	78.87	50.00
4. Nil (Previous year 652,392) units of ₹ Nil in Birla Sunlife Cash Plus Growth Regular Plan	-	122.45
5. Nil (Previous year 720,538) units of ₹ Nil in Birla Sunlife Floating rate fund Long term Growth Regular Plan	-	100.26
6. Nil (Previous year 4,982,809) units of ₹ Nil in DWS Banking & PSU Debt Fund Growth	-	50.00
7. Nil (Previous year 17,963) units of ₹ Nil in Pramerica Dynamic Bond Fund Growth Option	-	20.00
8. 232,437 (Previous year 288,204) units of ₹1,540.19 in IDFC Cash Fund Growth*	358.00	406.20
9. Nil (Previous year 2,140,778) units of ₹ Nil in IDFC Dynamic Bond Fund Plan Growth	-	30.00
10. 1,727,920 (Previous year 1,059,722) units of ₹29.42 in IDFC Super Saver Income Fund Investement Plan Growth Regular Plan	50.84	30.00
11. Nil (Previous year 1,019,987) units of ₹ Nil in IDFC Super Saver Income Fund Medium Term Plan Growth Regular Plan	-	20.00
12. Nil (Previous year 6,163,563) units of ₹ Nil in IDFC Ultra Short term Growth Regular Plan	-	100.32
13. Nil (Previous year 12,620) units of ₹ Nil in DSP Black Rock liquidity Fund Institutional Plan Growth	-	21.16
14. Nil (Previous year 14,986) units of ₹ Nil in Kotak Floater Short term Growth	-	28.77
15. Nil (Previous year 1,991,133) units of ₹ Nil in Reliance Dynamic Bond Fund Growth Plan Growth Option	-	30.39
16. Nil (Previous year 776,591) units of ₹ Nil in Reliance Income Fund Growth Plan Growth Option	-	30.00
17. 160,956 (Previous year 89,161) units of ₹1,754.59 in Reliance Money Manager fund Growth Option	282.41	142.80
18. Nil (Previous year 2,542,351) units of ₹ Nil in ICICI Prudential Ultra Short Term Regular Plan Growth	-	30.00
19. Nil (Previous year 3,742,935) units of ₹ Nil in BNP Paribas Money Plus Fund Growth	-	50.00
20. 710,334 (Previous year Nil) units of ₹307.98 in Birla Sunlife Cash Manager-Growth-Regular plan	218.77	-
21. 5,000,000 (Previous year Nil) units of ₹10 in Birla Sun Life Fixed Term Plan Series HB Regular Growth***	50.00	-
22. 20,000,000 (Previous year Nil) units of ₹10 in Birla Sunlife Fixed Term Plan -Series IU (527 days)-Gr.Regular***	200.00	-
23. 7,000,000 (Previous year Nil) units of ₹10 in Birla Sunlife Interval Income Fund Annual Plan IX Gr Regular***	70.00	-
24. 10,469,794 (Previous year Nil) units of ₹10 in Birla Sunlife Fixed term Plan -Series KF(368 days) Gr Regular***	104.70	-
25. 10,642,488 (Previous year Nil) units of ₹10 in DWS FMP sr-49-Regular Plan -growth***	106.43	-

(₹ in million)

Particulars	As at 31.03.2014	As at 31.03.2013
26. 10,000,000 (Previous year Nil) units of ₹10 in DSP Black Rock FMP Series 126-12 M -Reg - Growth***	100.00	-
27. 30,674 (Previous year Nil) units of ₹1,735.91 in DSP Black Rock Money Manager Fund Regular Plan Growth	53.25	-
28. 10,000,000 (Previous year Nil) units of ₹10 in HDFC FMP 370D Feb 2014(1) sr-29 reg growth***	100.00	-
10,000,000 (Previous year Nil) units of ₹10 in DWS Fixed Maturity Plan Series -39 -Regular Plan -Growth***	100.00	-
29. 3,943,926 (Previous year Nil) units of ₹20.76 in L&T Ultra Short Term Growth	81.89	-
30. 5,000,000 (Previous year Nil) units of ₹10 in HDFC FMP 538D Nov 2013 (1) series 28-Regular -Growth***	50.00	-
31. 2,918,661 (Previous year Nil) units of ₹16.83 in ICICI Income Opportunities Fund Regular Plan Growth	49.13	-
32. 20,000,000 (Previous year Nil) units of ₹13.43 in L&T FMP Series 9-Plan E Growth***	200.00	-
33. 20,000,000 (Previous year Nil) units of ₹10 in ICICI Prudential FMP Series 70-367 days Plan N regular Plan Cumulative***	200.00	-
34. 10,089,487 (Previous year Nil) units of ₹10 in ICICI Prudential FMP Series 71 -366 D Plan C regular Plan Cumulative***	100.89	-
35. 5,000,000 (Previous year Nil) units of ₹10 in ICICI Prudential FMP Series 71 -525 days Plan D regular Plan Cumulative***	50.00	-
36. 8,121,351 (Previous year Nil) units of ₹10 in IDFC Fixed Term Plan Series 24 regular Plan***	81.21	-
37. 10,000,000 (Previous year Nil) units of ₹10 in Relaince Fixed Horizon Fund XXV- sr 24 Growth Plan***	100.00	-
38. 20,065,603 (Previous year Nil) units of ₹10 in L&T FMP Series 9-Plan-G Growth***	200.66	-
39. 5,000,000 (Previous year Nil) units of ₹10 in L&T FMP Series 10 Plan H***	50.00	-
40. 5,385,846 (Previous year Nil) units of ₹12.28 in L&T Triple Ace Bond Fund Bonus Original	66.11	-
41. 5,000,000 (Previous year Nil) units of ₹10 in Reliance Fixed Horizan Fund XXIV Sr 4 Growth Plan***	50.00	-
42. 6,674,152 (Previous year Nil) units of ₹23.55 in Reliance Short Term Fund- Growth Plan- Growth Option	157.17	-
43. 20,000,000 (Previous year Nil) units of ₹10 in SBI Debt Fund Series -18 Month 13 -Regular -Growth***	200.00	-
44. 10,435,651 (Previous year Nil) units of ₹10 in SBI Debt Fund Series -366 days 47 Regular Plan -Growth***	104.36	-
45. ICICI Prudential Liquid - Growth	90.00	-
46. Birla Sun Life Cash Plus - Growth	90.00	-
Aggregate of unquoted - current investment in units of mutual funds (A)	<b>3,794.69</b>	<b>1,314.24</b>
b. Other investments		
1. Nil (Previous year 2,163,179) units of ₹ Nil in Birla Sun Life Dynamic Bond Fund Retail Growth (B)	-	0.07
<b>(A+B)</b>	<b>3,794.69</b>	<b>1,314.31</b>
<b>Share of Jointly controlled entities</b>	<b>180.00</b>	<b>-</b>
* 232,437 units (Previous year 232,437 units) are under lien with IDFC for term loan taken		
** Having total NAV of ₹3,876.86 million (Previous year ₹1,323.31 million)		
*** 221,824,372 units are under lock in period having total value of ₹2,218.25 million		

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(₹ in million)

Particulars	As at 31.03.2014	As at 31.03.2013
<b>17. TRADE RECEIVABLES (Unsecured)</b>		
a. Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
i. Considered good	1,273.33	868.60
ii. Considered doubtful	490.75	327.70
	1,764.08	1,196.30
Less: Provision for doubtful debts	490.75	327.70
	1,273.33	868.60
b. Others		
i. Considered good	2,645.89	2,387.55
ii. Considered doubtful	49.49	26.80
	2,695.38	2,414.35
Less: Provision for doubtful debts	49.49	26.80
	2,645.89	2,387.55
	<b>3,919.22</b>	<b>3,256.15</b>
<b>Share of Jointly controlled entities</b>	<b>352.60</b>	<b>704.63</b>
<b>18. CASH AND BANK BALANCES</b>		
<b>A. Cash and cash equivalents</b>		
a. Cash on hand	110.08	167.25
b. Cheques on hand	559.75	472.39
c. Balance with scheduled banks		
i. in current accounts	1,666.12	1,810.03
ii. in deposit accounts		
- original maturity of 3 months or less	126.37	153.00
	<b>2,462.32</b>	<b>2,602.67</b>
<b>B. Other bank balances</b>		
i. in deposit accounts		
- original maturity more than 3 months*	6,159.93	530.29
- original maturity of 3 months or less**	7.50	230.85
	<b>6,167.43</b>	<b>761.14</b>
	<b>8,629.75</b>	<b>3,363.81</b>
<b>Share of Jointly controlled entities</b>	<b>620.59</b>	<b>756.34</b>

- \* a. Pledged as securities with:
- Tax authorities for statutory registrations - ₹0.27 million (Previous year ₹0.15 million)
  - Financial Institutions as Debt Service Reserve Account ₹30.96 million (Previous year Nil)
  - Financial Institution to secure term loan to a subsidiary ₹50.00 million (Previous year ₹50.00 million)
- b. Balances with banks include deposit with remaining maturity of more than 12 months from the balance sheet date ₹177.00 million (Previous year ₹129.29 million)
- c. ₹1,007.73 million (Previous year ₹290.55 million) under lien as margin money with bank for letters of credit/ bank guarantees/ term loans.
- \*\* a. Under lien as securities with:
- Tax authorities for statutory registrations - Nil (Previous year ₹0.08 million)
  - Financial Institutions as Debt Service Reserve Account Nil (Previous year ₹30.96 million)
- b. ₹7.50 million (Previous year ₹199.81 million) under lien as margin money with bank for letters of credit/ bank guarantees/ term loans.

(₹ in million)		
Particulars	As at 31.03.2014	As at 31.03.2013
<b>19. SHORT-TERM LOANS AND ADVANCES (Unsecured)</b>		
<b>i. Considered good</b>		
a. Loans and advances to related parties	4.08	24.80
b. Security deposits	21.78	12.45
c. Loans to employees	7.21	6.47
d. Prepaid expenses	72.26	63.46
e. Balances with government authorities		
i. CENVAT credit receivable	346.07	365.19
ii. VAT credit receivable	40.82	54.51
iii. Service Tax credit receivable	310.33	238.89
iv. Others	13.48	1.86
	710.70	660.45
f. Other loans and advances	218.70	124.75
<b>ii. Considered doubtful</b>		
a. Loans and advances to related parties	2.50	2.50
b. Balances with government authorities		
i. Service Tax credit receivable	35.67	19.66
Less: Provision for doubtful loans and advances	38.17	22.16
	38.17	22.16
	<b>1,034.73</b>	<b>892.38</b>
<b>Share of jointly controlled entities</b>	<b>44.50</b>	<b>62.46</b>
<b>20. OTHER CURRENT ASSETS (Unsecured, Considered good)</b>		
a. Unbilled Revenue	630.15	325.37
b. Interest accrued but not due on fixed deposits	286.84	26.21
c. Interest accrued and due on others	12.01	12.01
d. Others		
i. Receivable on sale of fixed assets	0.77	1.95
ii. Receivable on sale under finance lease (See note 34)	-	77.27
iii. Others	47.33	24.25
	<b>977.10</b>	<b>467.06</b>
<b>Share of jointly controlled entities</b>	<b>210.43</b>	<b>121.22</b>

(₹ in million)		
Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
<b>21. REVENUE FROM OPERATIONS</b>		
a. Operating revenue	10,978.03	8,793.18
b. Other operating revenue		
i. Sale of equipment	2.18	171.38
ii. Commission income	-	0.61
	2.18	171.99
	<b>10,980.21</b>	<b>8,965.17</b>
<b>Share of jointly controlled entities</b>	<b>525.91</b>	<b>406.33</b>
<b>22. OTHER INCOME</b>		
a. Interest income		
i. on fixed deposits [including tax deducted at source ₹15.69 million (Previous year ₹9.19 million)]	374.88	130.72
ii. on loans to others [including tax deducted at source ₹0.05 million (Previous year ₹0.24 million)]	0.83	10.35
iii. On sale of assets under finance lease [including tax deducted at source ₹ Nil (Previous year ₹0.15)]	-	2.99
vi. on income tax refund	16.18	21.18
b. Gain on sale of current investments (other than trade and unquoted)	168.48	35.87
c. Dividend income from current investments	22.02	4.89
d. Net Gain on foreign currency transactions & translation	-	29.72

(₹ in million)

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
e. Other non-operating income		
i. Profit on sale of fixed assets	0.85	7.98
ii. Liabilities/ excess provisions written back	113.68	90.98
iii. Miscellaneous income	72.06	46.59
	<b>768.98</b>	<b>381.27</b>
<b>Share of Jointly controlled entities</b>	<b>69.39</b>	<b>91.44</b>
<b>23. EMPLOYEE BENEFIT EXPENSE</b>		
a. Salaries and allowances	966.68	859.98
b. Contribution to provident and other funds	37.81	32.19
c. Gratuity expense [See note 36 (B) (ii)]	15.54	21.18
d. Expense on employee stock option (ESOP) scheme [See note 38]	-	40.21
e. Staff welfare expenses	40.09	34.70
	<b>1,060.12</b>	<b>988.26</b>
<b>Share of Jointly controlled entities</b>	<b>174.77</b>	<b>160.31</b>
<b>24. FINANCE COSTS</b>		
a. Interest on loans from banks	827.95	426.63
b. Bank charges and other borrowing costs	61.76	44.25
	<b>889.71</b>	<b>470.88</b>
<b>Share of Jointly controlled entities</b>	<b>-</b>	<b>0.05</b>
<b>25. OTHER EXPENSES</b>		
a. Content cost	3,717.31	2,987.96
b. Placement fees	179.05	425.88
c. Cost of traded items	20.75	157.71
d. Distributor commission/ incentive	41.48	127.17
e. Rent and hire charges (See note 32)	195.61	184.30
f. Repairs and maintenance		
i. Plant and machinery	333.28	251.59
ii. Others	125.21	201.32
g. Power and fuel	139.35	117.42
h. Director's sitting fees	0.44	0.36
i. Consultancy, professional and legal charges*	400.60	260.84
j. Brokerage/ commission	53.53	91.62
k. Subscription share/ charges	348.81	-
l. Contract service charges	26.95	56.65
m. Printing and stationery	26.11	16.97
n. Travelling and conveyance	162.14	158.57
o. Advertisement, publicity and business promotion	119.08	124.44
p. Communication expenses	83.85	63.89
q. Leaseline expenses	271.61	185.09
r. Security charges	21.35	19.04
s. Freight and labour charges	11.70	15.19
t. Insurance	11.27	8.78
u. Rates and taxes	103.14	66.44
v. Provision for doubtful debts/ advances	314.34	193.52
w. Bad debts/ advances written off	254.14	159.66
x. Provision for impairment of investment	-	31.20
y. Fixed assets/ capital work in progress written off	0.09	46.20
z. Loss on sale/ disposal of fixed assets	4.55	-
z. Loss on sale of investment	110.07	-
aa. Miscellaneous expenses	102.69	50.68
ab. Net loss on foreign currency transactions and translation	16.58	-
	<b>7,195.08</b>	<b>6,002.49</b>
<b>Share of Jointly controlled entities</b>	<b>318.46</b>	<b>227.67</b>
* Consultancy, professional and legal charges includes Auditor's remuneration as under :		
Statutory audit fees	9.00	8.05
Others	1.26	0.08
	<b>10.26</b>	<b>8.13</b>

## 26. SHARE APPLICATION MONEY PENDING ALLOTMENT

As at 31 March 2014, some subsidiary companies have received an amount of ₹4.50 million (Previous year ₹57.28 million) towards share application money towards issue of 196,709 equity shares at a premium of ₹2.53 million. The share application money was received pursuant to an invitation to offer shares and in terms of such invitation, these companies have to complete the allotment formalities by 30 September, 2014. These companies have sufficient authorised capital to cover the allotment of these shares. Estimated amount of unexecuted capital contracts not provided for (net of advances) ₹278.21 million [Previous year ₹541.79 million].

## 27. PREFERENCE SHARES ISSUED BY A SUBSIDIARY OUTSIDE THE GROUP

Particulars	(₹ in million)	
	As at 31.03.2014	As at 31.03.2013
2,500,000 .001% non cumulative 12 years redeemable preference shares (issued on March 30, 2008) of ₹10 each fully paid up issued by DEN Entertainment Network Private Limited	25.00	25.00

## 28. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

### a. Capital commitments

Estimated amount of unexecuted capital contracts not provided for (net of advances) ₹1,907.19 million [Previous year ₹3,116.61 million].

### b. Other commitments

The Group has also given advances of ₹478.35 million [Previous year ₹494.89 million] to acquire majority control in companies, the agreements for which have not been concluded prior to the year-end. These have been disclosed under long-term loans and advances. Balance commitments on account of such agreements concluded/to be concluded after the year-end amount to ₹59.57 million [Previous year ₹74.96 million].

### c. Contingent liabilities

Particulars	(₹ in million)	
	As at 31.03.2014	As at 31.03.2013
1) Claims against the Group not acknowledged as debts		
a. Income Tax disputes where the Group is in appeal	3.48	16.12
b. Service Tax disputes	91.67	106.63
c. Entertainment Tax disputes	227.24	54.93
d. VAT disputes	76.05	51.03
e. Entry tax disputes	25.30	-
	423.74	228.71
2) Bank Guarantee issued by the Group	22.50	22.10
3) Corporate guarantee issued by the Group	250.00	250.00
4) Outstanding letter of credits	49.30	401.88
<b>Total</b>	<b>745.54</b>	<b>902.69</b>

## 29. SEGMENT REPORTING

All companies in the group are engaged in the distribution & promotion of television channels and related services which is considered as the only reportable business segment. All group companies have operations based in India. As all the companies in the group operate in a single business and geographical segment, the reporting requirements for primary and secondary segment disclosures prescribed by paragraphs 39 to 51 of Accounting Standard 17 - Segment Reporting, are not required to be disclosed in these financial statements.

### 30. RELATED PARTY DISCLOSURES

#### I. List of related parties

##### a. Jointly controlled entities

- Star DEN Media Services Private Limited
- Media Pro Enterprise India Private Limited

##### b. Entities under significant influence

- Setpro 18 Distribution Limited (Upto 9-Jan-14)
- Access Financial Services Limited

##### c. Key managerial personnel

- Mr. Sameer Manchanda

#### II. Transactions/ outstanding balances with related parties during the year

(₹ in million)				
Particulars	Key management personnel	Entities under significant influence	Jointly controlled entity	Grand total
<b>a. Transactions during the year</b>				
<b>i. Operating revenue</b>				
Star DEN Media Services Private Limited	-	-	1.27	1.27
	(-)	(-)	(4.77)	(4.77)
Others	-	-	-	(-)
	(-)	(92.20)	(-)	(92.20)
<b>Total</b>	-	-	<b>1.27</b>	<b>1.27</b>
	(-)	(92.20)	(4.77)	(96.97)
<b>ii. Other income</b>				
<b>a. Dividend income</b>				
Star DEN Media Services Private Limited	-	-	-	-
	(-)	(-)	(12.50)	(12.50)
	-	-	-	-
	(-)	(-)	(12.50)	(12.50)
<b>b. Liabilities/ excess provisions written back</b>				
Star DEN Media Services Private Limited	-	-	0.30	0.30
	(-)	(-)	(-)	(-)
	-	-	<b>0.30</b>	<b>0.30</b>
	(-)	(-)	(-)	(-)
<b>iii. Purchase of services</b>				
Media Pro Enterprise India Private Limited	-	-	1,107.67	1,107.67
	(-)	(-)	(67.34)	(67.34)
Others	24.93	10.80	-	35.73
	(20.32)	(-)	(0.08)	(20.40)
<b>Total</b>	<b>24.93</b>	<b>10.80</b>	<b>1,107.67</b>	<b>1,143.40</b>
	(20.32)	(-)	(67.42)	(87.74)
<b>iv. Reimbursement of expenses (received)</b>				
Sameer Manchanda	-	-	-	-
	(0.38)	(-)	(-)	(0.38)
	-	-	-	-
	(0.38)	(-)	(-)	(0.38)

				(₹ in million)
Particulars	Key management personnel	Entities under significant influence	Jointly controlled entity	Grand total
<b>b. Outstanding balances at year end</b>				
<b>i. Trade payables</b>				
Media Pro Enterprise India Private Limited	-	-	299.33	299.33
	(-)	(-)	(55.19)	(55.19)
Others	-	-	2.69	2.69
	(-)	(-)	(2.83)	(2.83)
<b>Total</b>	-	-	<b>302.02</b>	<b>302.02</b>
	(-)	(-)	<b>(58.02)</b>	<b>(58.02)</b>
<b>ii. Security deposits paid</b>				
Media Pro Enterprise India Private Limited	-	-	2.63	2.63
	(-)	(-)	(0.72)	(0.72)
Others	-	-	0.03	0.03
	(-)	(-)	(0.03)	(0.03)
<b>Total</b>	-	-	<b>2.66</b>	<b>2.66</b>
	(-)	(-)	<b>(0.75)</b>	<b>(0.75)</b>
<b>iii. Trade Receivables</b>				
Star DEN Media Services Private Limited	-	-	2.88	2.88
	(-)	(-)	(4.62)	(4.62)
Others	-	-	0.47	0.47
	(-)	(30.43)	(0.16)	(30.59)
<b>Total</b>	-	-	<b>3.35</b>	<b>3.35</b>
	(-)	<b>(30.43)</b>	<b>(4.78)</b>	<b>(35.21)</b>
<b>iv. Advance recoverable</b>				
Media Pro Enterprise India Private Limited	-	-	2.54	2.54
	(-)	(-)	(0.57)	(0.57)
Star DEN Media Services Private Limited	-	-	0.42	0.42
	(-)	(-)	(0.50)	(0.50)
<b>Total</b>	-	-	<b>2.96</b>	<b>2.96</b>
	(-)	(-)	<b>(1.07)</b>	<b>(1.07)</b>

### 31. DEFERRED TAX

- Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing tax laws.
- Break up of deferred tax liability and reconciliation of current year's deferred tax charge is as follows:

				(₹ in million)
Particulars	Opening balance 01.04.2013	Credited/ (charged) to P&L account	Acquired on Acquisitions	Closing balance 31.03.2014
<b>Deferred tax liability</b>				
Depreciation	(104.50)	55.44	(6.22)	(55.28)
Others	(25.42)	24.66	-	(0.76)
<b>Total</b>	<b>(129.92)</b>	<b>80.10</b>	<b>(6.22)</b>	<b>(56.04)</b>
<b>Deferred tax assets</b>				
Employee benefits	18.02	(17.54)	-	0.48
Provision for doubtful debts	64.10	(59.64)	-	4.46
Others	0.03	0.01	-	0.04
<b>Total</b>	<b>82.15</b>	<b>(77.17)</b>	<b>-</b>	<b>4.98</b>
<b>Deferred tax assets (Net)</b>	<b>(47.77)</b>	<b>2.93</b>	<b>(6.22)</b>	<b>(51.06)</b>
<b>Share of Jointly controlled entities</b>	-	-	-	-

- c. Break up of deferred tax assets and reconciliation of current year's deferred tax charge is as follows:

(₹ in million)

Particulars	Opening balance 01.04.2013	Credited to securities premium account	Credited/ (charged) to P&L account	Closing balance 31.03.2014
<b>Deferred tax liability</b>				
Others	(0.78)		(4.80)	(5.58)
<b>Total</b>	<b>(0.78)</b>	-	<b>(4.80)</b>	<b>(5.58)</b>
<b>Deferred tax assets</b>				
Depreciation	40.68	-	(99.69)	(59.01)
Employee benefits	6.39	-	20.41	26.80
Provision for doubtful debts	62.01	-	103.53	165.54
Business losses	171.36	-	36.03	207.39
Others	27.62	76.00	12.63	116.25
<b>Total</b>	<b>308.06</b>	<b>76.00</b>	<b>72.91</b>	<b>456.97</b>
<b>Deferred tax assets (Net)</b>	<b>307.28</b>	<b>76.00</b>	<b>68.11</b>	<b>451.39</b>
<b>Share of Jointly controlled entities</b>	-	-	-	-

## 32. OPERATING LEASE

The Company has taken office premises and accommodation for its employee under cancellable operating lease agreements. The lease rental expense recognised in the profit and loss account for the year is ₹195.61 million [Previous year ₹184.30 million].

## 33. FINANCE LEASE AS LESSEE

The Company has entered into finance lease arrangements for certain equipment which provide the Company an option to purchase the assets at the end of the lease period.

Future minimum lease payments and reconciliation of gross investment in the lease and present value of minimum lease payments.

(₹ in million)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
<b>Future minimum lease payments</b>		
• Not later than one year	1,055.55	507.79
• Later than one year and not later than five years	2,182.06	1,897.99
	<b>3,237.61</b>	<b>2,405.78</b>
Less : Unmatured finance charges	417.10	431.35
	<b>2,820.51</b>	<b>1,974.43</b>
<b>Present value of minimum lease payments payable :</b>		
• Not later than one year	847.06	352.30
• Later than one year and not later than five years	1,973.45	1,622.13
	<b>2,820.51</b>	<b>1,974.43</b>

## 34. FINANCE LEASE AS LESSOR

The Company has entered into finance lease arrangements for certain equipment which provide the Company an option to sell the assets at the end of the lease period.

Future minimum lease payments and reconciliation of gross investment in the lease and present value of minimum lease payments.

(₹ in million)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
<b>Future minimum lease payments:</b>		
• Not later than one year	-	102.37
• Later than one year and not later than five years	-	182.32
	-	<b>284.69</b>
Less : Unearned finance income	-	54.96
	-	<b>229.73</b>
<b>Present value of minimum lease payments receivable:</b>		
• Not later than one year	-	77.27
• Later than one year and not later than five years	-	152.46
	-	<b>229.73</b>

## 35. ACQUISITIONS/INVESTMENTS

### a. Acquisition of companies

During the year, the Group has acquired majority control in certain companies through share subscription and share purchase agreements for a total consideration of ₹626.43 million [Previous year ₹443.57 million]. The acquisition has resulted in reduction in goodwill on consolidation amounting to ₹202.81 million as compared to increase of ₹17.36 million in previous year. The details are as follows:

(₹ in million)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
<b>Opening Balance of Goodwill</b>	<b>2,953.44</b>	<b>2,931.58</b>
Amounts paid	626.43	443.57
Direct cost relating to acquisition	0.09	0.10
Total purchase consideration paid	<b>626.52</b>	<b>443.67</b>
Value of net asset acquired	(829.33)	(426.31)
<b>Goodwill generated</b>	<b>(202.81)</b>	<b>17.36</b>
<b>Adjustment for a subsidiary not consolidated</b>	-	31.20
<b>Provision for impairment on goodwill</b>	-	26.70
<b>Closing Balance of Goodwill</b>	<b>2,750.63</b>	<b>2,953.44</b>

Balance consideration payable on account of investments at the year-end amounting to ₹23.70 million [Previous year ₹47.41 million] has been disclosed under Other current liabilities.

### b. Business purchase acquisition

The effect of subsidiaries (acquired during the year) on the financial position and results as included in the consolidated financial statements is given below:

(₹ in million)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
<b>Assets as at the date of acquisition</b>		
Non-current assets	14.01	45.14
Revenue for the period	23.06	62.86
Expenses for the period	27.14	57.27
Profit/ (Loss) before tax for the period	(4.08)	5.59
Profit/ (Loss) after tax for the period	(3.38)	3.98

## 36. Disclosure pursuant to Accounting Standard 15 (Revised 2005) on 'Employee Benefits'

### A. Defined contribution plans and state plans

The Group makes contribution toward the following defined contribution for qualifying employees:

- Employees' Provident Fund (EPF)
- Employees' State Insurance (ESI)

During the year the group has recognised the following amounts in the Profit and Loss account:

(₹ in million)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
a. Employer's contribution to EPF	29.15	26.73
b. Employer's contribution to ESI	5.69	3.05

The contribution payable by the Company is at the rates specified in the rules to the plans.

### B. Defined benefit plan

#### Gratuity plan

The gratuity liability arises on retirement, withdrawal, resignation, and death of an employee. The aforesaid liability is calculated on the basis of 15 days salary (i.e. last drawn salary plus dearness allowance) for each completed year of service or part thereof in excess of 6 months, subject to a maximum of ₹1,000,000. Vesting occurs upon completion of 5 years of service.

The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit method with actuarial valuations being carried out at each balance sheet date.

The following tables set out the status of the gratuity plan and amounts recognised in the Company's financial statements as at 31 March, 2014.

**i. Change in benefit obligations:**

(₹ in million)		
Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Present value of obligations* at the beginning of the year	53.87	35.35
Current service cost	13.97	15.20
Interest cost	5.15	3.08
Past Service Cost		-
Actuarial (gain)/loss on obligation	(3.58)	2.15
Benefits paid	(2.85)	0.07
Other Adjustments	(8.58)	-
Present value of obligations* at the year end	57.98	55.85

*\*Defined benefit obligations liability as at the balance sheet date is unfunded.*

**ii. Expenses recognised in the profit and loss account:**

(₹ in million)		
Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Current Service cost	13.97	15.20
Interest cost	5.15	3.08
Past Service Cost	-	-
Actuarial (gain)/loss recognised during the year	(3.58)	2.15
Other adjustments	-	0.75
<b>Net cost</b>	<b>15.54</b>	<b>21.18</b>

**iii. Principal actuarial assumptions:**

(₹ in million)			
Particulars	See note below	Year ended 31.03.2014	Year ended 31.03.2013
<b>(A) Economic assumptions</b>			
a. Discount rate (per annum)	1	8.00 - 8.75%	8.00 - 8.75%
b. Estimated salary escalation rate (per annum)	2	5.00 - 10.00%	5.00 - 10.00%
<b>(B) Demographic Assumptions</b>			
a. Retirement age (years)		58	58
b. Mortality Table		IALM (2006 08)	LIC 1994-96 (duly modified)
c. Withdrawal Rates			
<b>Ages</b>		<b>Withdrawal Rate (%)</b>	<b>Withdrawal Rate (%)</b>
Upto 30 years		3.00	3.00
From 31 years to 44 years		2.00	2.00
Above 44 years		1.00	1.00

vi. **Experience adjustment:**

(₹ in million)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010
On plan liabilities	(0.28)	0.74	1.57	1.26	0.54
On plan assets	4.03	(0.01)	0.01	0.06	0.07
Present value of benefit obligation	35.50	30.95	20.07	18.28	11.84

**Notes:**

1. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.
2. The salary growth rate takes account of inflation, seniority, promotion and other relevant factors on a long term basis.

**37.** At the year end, unhedged foreign currency exposures are as follows:

(₹ in million)

Particulars	Year ended 31.03.2014		Year ended 31.03.2013	
	In INR	In USD	In INR	In USD
Payables on purchase of fixed assets	309.32	5.16	545.56	10.03
Buyer's credit on imports	3,225.17	53.67	1,730.48	31.82

**38. EMPLOYEE STOCK OPTION PLAN 2010 ("ESOP 2010")**

- a. The Company had established an Employee Stock Option Plan (ESOP 2010) in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 which have been approved by the Board of Directors and the shareholders. A remuneration/ compensation committee comprising majority of independent, non executive members of the Board of Directors administers the ESOPs. All option under the ESOPs are exercisable for equity shares. The Company has granted 5,000,000 equity options to eligible employees of the Company & directors of the subsidiary companies.
- b. There shall be a minimum period of one year between the grant of options and vesting of options. The vesting period may extend up to three years. The vesting shall happen in one or more tranches as may be decided by the Compensation/Remuneration Committee. The exercise period of the options is a period of one year after the vesting of the options. Each option is exercisable for one equity share of ₹10 each fully paid up on payment of exercise price (as determined by the remuneration/ compensation committee) of share determined with respect to the date of grant. All ESOP options have been vested upto 31st March 2014.
- c. The movement in the scheme is set out as under:

Particulars	ESOP 2010		ESOP 2010	
	Year ended 31.03.2014		Year ended 31.03.2013	
	Option (Numbers)	Weighted Average Price (₹)	Option (Numbers)	Weighted Average Price (₹)
a. Outstanding at the beginning of the year	1,252,776	30.00	3,534,126	30.00
b. Granted during the year	-	-	-	-
c. Exercised during the year	794,845	30.00	2,281,350	30.00
d. Vested during the year	-	-	1,300,313	30.00
e. Surrendered/ forfeited during the year	7,931	-	-	-
f. Expired during the year	-	-	-	-
g. Outstanding at the end of the year	450,000	30.00	1,252,776	30.00
h. Exercisable at the end of the year	450,000	30.00	1,252,776	30.00
i. Number of equity shares of ₹10 each fully paid up during the year to be issued on exercise of option	450,000	30.00	1,252,776	30.00
j. Weighted average share price at the date of exercise	179.16	NA	156.29	NA
k. Weighted average remaining contractual life (years)	-	NA	0.30	NA

d. Pro forma Accounting for Stock Option Grants

The Company applies the intrinsic value-based method of accounting for determining compensation cost for its stock-based compensation plan. Had the compensation cost been determined using the fair value approach the Company's net income and basic and diluted earning per share as reported would have reduced to the pro forma amounts as indicated:

(₹ in million)		
Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Net Profit/ (Loss) as reported (a)	51.65	449.62
Add: Stock based employee compensation expense debited to Profit and Loss account (i)	-	40.21
Less: Stock based employee compensation expense based on fair value (ii)	-	18.80
Difference between (i) and (ii)	-	21.41
Adjusted pro forma Profit/(Loss) (b)	51.65	471.03
Difference between (a) and (b)	-	21.41
Basic earnings per share as reported	0.32	3.38
Pro forma basic earnings per share	0.32	3.54
Diluted earnings per share as reported	0.32	3.38
Pro forma diluted earnings per share	0.32	3.54

e. The fair value of the options, calculated by an external valuer, was estimated on the date of grant using the Black-Scholes model with the following significant assumptions

Particulars	2,233,813 Options (Vesting Period - 1 Year)	1,300,313 Options (Vesting Period - 2 Year)
Risk free interest rates (in %)	7.67%	7.74%
Expected life (in years)	2.00	3.00
Volatility (in %)	42.51%	42.51%
Dividend yield (in %)	NIL	NIL

The volatility of the options is based on the historical volatility of the share price since the Company's equity shares are publicly traded, which may be shorter than the term of the options.

f. Details of weighted average exercise price and fair value of the stock options granted at price below market price

(₹ in million)		
Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Total options granted	3,534,126	3,534,126
Weighted average exercise price (in ₹)	30.00	30.00
Weighted average fair value (in ₹)	62.74	62.74

### 39. MINORITY INTEREST

The break-up of the minority interest balance of ₹1,335.22 million (Previous Year ₹910.11 million) as at 31 March, 2014 is as follows:

(₹ in million)		
Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Opening balance	910.11	616.00
Add/(less): Minority's share of accumulated profit/(loss)	75.87	139.69
Add/(less): Share in profit/loss	367.42	156.34
Add/(less): Decrease in Minority's share due to sale of shares	(18.18)	-
Add/(less): Adjustment for Shri Ram DEN Network Private Limited	-	(1.92)
<b>Closing balance</b>	<b>1,335.22</b>	<b>910.11</b>

40. During the year, the Company has issued and allotted 44,175,705 equity shares aggregating to ₹9,608.22 million as follows:-

(₹ in million)	
Particulars	Amount
a. 12,466,321 equity shares by way of Qualified Institutional Placement (QIP) under chapter VIII of SEBI (ICDR) Regulation, 2009	2,711.43
b. 31,709,384 equity shares by way of a Preferential Issue under Chapter VII of SEBI (ICDR) Regulation, 2009	6,896.79
<b>Total</b>	<b>9,608.22</b>

The utilization details of the above proceeds are as follows:-

(₹ in million)	
Particulars	Amount
a. Amount used for issue expense	279.49
b. Invest in capex for digitisation, broadband and other infrastructure and services	278.11
c. Balance amount invested in fixed deposits and mutual funds	9,050.62
<b>Total</b>	<b>9,608.22</b>

#### 41. INTEREST IN JOINTLY CONTROLLED ENTITY:

The Company has 50% interest in the assets, liabilities, expense and income of Star DEN Media Services Private Limited (Star DEN). Further, interest of Star DEN in Media Pro is 50% resulting in 25% interest of the Company in Media Pro. The Company's share in assets, liabilities, income and expense of the jointly controlled entities, based on the audited financial statements for the year ended 31st March, 2014 is as follows:-

(₹ in million)						
Particulars	As at 31.03.2014			As at 31.03.2013		
	Star DEN	Media Pro	Total	Star DEN	Media Pro	Total
<b>ASSETS</b>						
<b>1. NON-CURRENT ASSETS</b>						
- Fixed assets	0.89	2.66	3.55	0.90	5.75	6.65
- Deferred tax assets (net)	-	-	-	45.90	29.12	75.02
- Long-term loans and advances	163.45	405.95	569.40	259.67	294.98	554.65
<b>2. CURRENT ASSETS</b>						
- Current investments	180.00	341.91	521.91	-	-	-
- Trade receivables	10.69	589.91	600.60	16.00	688.63	704.63
- Cash and bank balances	30.68	39.15	69.83	127.12	629.22	756.34
- Short-term loans and advances	5.35	206.56	211.91	34.92	27.54	62.46
- Other current assets	3.87	-	3.87	3.03	118.19	121.22
<b>LIABILITIES</b>						
<b>3. NON-CURRENT LIABILITIES</b>						
- Other long-term liabilities	-	-	-	-	0.10	0.10
- Long-term provisions	-	-	-	0.54	0.55	1.09
<b>4. CURRENT LIABILITIES</b>						
- Trade payables	4.81	1,447.88	1,452.69	68.06	1,623.09	1,691.15
- Other current liabilities	24.57	103.80	128.37	51.94	128.02	179.96
- Short-term provisions	3.20	5.62	8.82	1.53	5.97	7.50
<b>5. SHAREHOLDERS' FUNDS</b>						
- Post-acquisition reserves	349.85	16.34	366.19	352.97	23.20	376.17
<b>6. REVENUE</b>						
- Revenue from operations	92.44	433.47	525.91	113.80	292.53	406.33
- Other income	64.80	4.59	69.39	70.58	20.86	91.44
<b>7. EXPENSES</b>						
- Employee benefit expense	38.22	136.55	174.77	37.39	122.92	160.31
- Finance costs	-	-	-	-	0.05	0.05
- Depreciation and amortisation expense	0.63	3.85	4.48	0.59	4.16	4.75
- Other expenses	60.75	257.71	318.46	67.93	159.74	227.67
Profit before tax	57.64	39.95	97.59	78.47	26.52	104.99
Less : Tax expenses	60.76	46.81	107.57	37.12	7.22	44.34
Profit for the year after tax	(3.12)	(6.86)	(9.98)	41.35	19.30	60.65

There are no commitments and contingent liabilities of the jointly controlled entities.

42. Figures pertaining to the subsidiaries and jointly controlled entities have been regrouped / reclassified wherever necessary to bring them in line with the Group's financial statements.

#### 43. EARNINGS PER EQUITY SHARE (EPS)\*

(₹ in million)		
Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Net Profit / (loss) attributable to equity shareholders	383.99	623.01
Weighted average number of equity shares outstanding used in computation of basic EPS	161,317,159	133,104,166
Basic Earnings/ (Loss) per equity share of ₹10 each (in ₹)	2.38	4.68
Weighted average number of equity shares and equity equivalent shares outstanding used in computing diluted EPS	161,317,159	133,104,166
Diluted Earnings/ (Loss) per equity share of ₹10 each (in ₹)	2.38	4.68

\* There are no potential equity shares as at 31 March, 2014

44. 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 year.

45. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

In terms of our report attached For <b>DELOITTE HASKINS &amp; SELLS</b> Chartered Accountants (Firm registration no. 015125N)	<b>For and on behalf of the Board of Directors</b>	
	<b>SAMEER MANCHANDA</b> Chairman and Managing Director DIN: 00015459	<b>AJAYA CHAND</b> Director DIN: 02334456
<b>JITENDRA AGARWAL</b> Partner Membership No. 87104 New Delhi 30 May, 2014	<b>RAJESH KAUSHALL</b> Chief Financial Officer ACA-093668 New Delhi 30 May, 2014	<b>JATIN MAHAJAN</b> Company Secretary FCS-6887

# NOTICE

Notice is hereby given that the Seventh Annual General Meeting of the Members of DEN Networks Limited will be held on Thursday, 25th Day of September 2014 at 11.30 A.M at PHD Chamber of Commerce & Industry, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016 to transact the following businesses: -

## ORDINARY BUSINESS

1. To consider and adopt the financial statements of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolutions as an Ordinary Resolution:

- a) Audited Standalone financial statements of the Company for the financial year ended 31st March, 2014

**"RESOLVED THAT** the audited Standalone financial statements of the Company including the balance sheet as at 31st March, 2014, the statement of profit and loss, the cash flow statement for the year ended on that date and the reports of the Board of Directors and Auditors thereon be and are hereby received, considered and adopted"

- b) Audited Consolidated financial statements of the Company for the financial year ended 31st March, 2014

**"RESOLVED THAT** the audited Consolidated financial statements of the Company including the balance sheet as at 31st March, 2014, the statement of profit and loss, the cash flow statement for the year ended on that date and Auditors Reports thereon be and are hereby received, considered and adopted"

2. Re-appointment of Mr. Shahzaad Siraj Dalal (DIN: 00011375) as a Director liable to retire by rotation and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof), Mr. Shahzaad Siraj Dalal (DIN 00011375), who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Non Executive Nominee Director of the Company liable to retire by rotation."

3. Appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants as the Statutory Auditors of the Company and in this regard to consider and if

thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof), M/s. Deloitte Haskins & Sells, Chartered Accountants, (Registration No. 015125N), be and is hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company and at such remuneration as shall be fixed by the Board of Directors on recommendation of the Audit Committee."

## SPECIAL BUSINESS

4. Adoption of new set of Articles Of Association and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, a new set of Articles of Association be and is hereby approved and adopted as the Articles of Association of the Company in total exclusion, substitution and superseding of the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** any one of the Directors of the Company or the Company Secretary be and are hereby authorized to sign, verify, execute and file all necessary forms and documents with any Governmental Authority including but not limited to, the Registrar of Companies, NCT of Delhi & Haryana and such other authorities as may be required from time to time and to do all such acts, deeds, matters and things necessary or expedient to give effect to resolution."

5. Appointment of Mr. Ajaya Chand (DIN: 02334456) as Non-Executive Independent director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 149, Section 150 and Section 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, relevant provisions of the Listing Agreement, and as per notice received under Section 160 of the Companies Act, 2013 from a shareholder along with the requisite deposit proposing candidature of Mr. Ajaya Chand (DIN:02334456), be and is hereby appointed as an Independent Director of the Company to hold office up-to the conclusion of 12th Annual General Meeting of the Company and that he shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** any one of the Directors of the Company or the Company Secretary be and are hereby authorised to file appropriate E-Form with the Registrar of Companies, NCT of Delhi & Haryana, as also for intimating the same to any other authority as may be required."

6. **Appointment of Mr. Robindra Sharma (DIN:00375141), as Non-Executive Independent director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 149, Section 150 and Section 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, relevant provisions of the Listing Agreement, and as per notice received under Section 160 of the Companies Act, 2013 from a shareholder along with the requisite deposit proposing candidature of Mr. Robindra Sharma (DIN:00375141), be and is hereby appointed as an Independent Director of the Company to hold office up-to the conclusion of 12th Annual General Meeting of the Company and that he shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** any one of the Directors of the Company or the Company Secretary, be and are hereby authorised to file appropriate E-Form with the Registrar of Companies, NCT of Delhi & Haryana, as also for intimating the same to any other authority as may be required."

7. **Appointment of Mr. Atul Sharma (DIN:00308698) as Non-Executive Independent director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** subject to approval of shareholders for re-appointment and pursuant to the provisions of Section 149, Section 150 and Section 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, relevant provisions of the Listing Agreement, and as per notice received under Section 160 of the Companies Act, 2013 from a shareholder along with the requisite deposit proposing candidature of Mr. Atul Sharma (DIN:00308698), be and is hereby appointed as an Independent Director of the Company to hold office up-to the conclusion of 12th Annual General Meeting of the Company and that he shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** any one of the Directors of the Company or the Company Secretary, be and are hereby authorised to file appropriate E-Form with the Registrar of Companies, NCT of Delhi & Haryana, as also for intimating the same to any other authority as may be required."

8. **To appoint Mr. Ankur Ambika Sahu (DIN: 03623120), as a Non Executive Nominee Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ankur Ambika Sahu (DIN: 03623120), who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non Executive Nominee Director of the Company and he is liable to be retire by rotation."

**RESOLVED FURTHER THAT** any one of the Directors of the Company or the Company Secretary, be and are hereby authorised to file appropriate E-Form with the Registrar of Companies, NCT of Delhi & Haryana, as also for intimating the same to any other authority as may be required."

9. **Appointment of M/s. Ajay Kumar Singh & Co, Cost Accountants to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof, for the time being in force and as per the recommendation of the Audit Committee, the Cost Auditor, Ajay Kumar Singh & Co., member of the Institute of Cost Accountants of India having Membership No. M-30778 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, on such remuneration as may be decided by the Board of Directors of the Company.

**RESOLVED FURTHER THAT** any one of the Directors of the Company or the Company Secretary, be and are hereby authorised to file appropriate E-Form with the Registrar of Companies, NCT of Delhi & Haryana, as also for intimating the same to any other authority as may be required."

**By order of the Board  
For DEN Networks Limited**

Sd/

**Jatin Mahajan**

Company Secretary

Membership No. FCS-6887

Place : New Delhi

Dated : August 13, 2014

**NOTES:-**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. A blank Proxy Form is enclosed with this notice and if intended to be used, the form duly completed should be deposited at the Registered Office of the Company not less than forty-eight hours before commencement of Annual General Meeting.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Members/ Proxies are requested to bring a copy of this notice as no copies will be made available at the meeting. Under no circumstances, photocopies of the admission slip will be allowed for admission to the meeting place. Those members who do not receive copies of annual report can collect their copies from the Registered Office of the Company.
5. Members/Proxies should bring the attendance slips duly filled in for attending the meeting.
6. Corporate Members are requested to send a duly certified copy of the Board resolution/ Power of attorney authorizing their representative to attend and vote thereat.
7. The Register of Directors' and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
8. Members can avail the nomination facility with respect to shares held, by submitting a request in writing to the company or to M/s Karvy Computershare Private Limited, the Registrar and Share transfer Agent of the company.
9. Mr. Shahzaad Siraj Dalal (DIN: 00011375), Director, retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. Brief resume of the director; nature of his expertise and name of other Public Limited companies in which he hold directorship and chairmanship/ membership of committees of Board as required under clause 49 of the Listing agreement are provided in the Corporate Governance Report annexed with an annual report. On re-appointment, Mr. Shahzaad Siraj Dalal (DIN: 00011375) will continue to act as Non Executive Nominee Director. The Board of directors recommends his re-appointment.
10. The registers of members will be closed from Friday, the 19th day of September to Thursday, the 25th day of September, 2014, both days inclusive. The transfer Books of the company will also remain closed for the aforesaid period.
11. All documents referred to in the accompanying notice are available for inspection at the Registered Office of the Company during working hours between 10.00 A.M to 1.00 P.M. except holidays upto the date of Annual General Meeting.
12. Members are requested to send all the correspondence concerning registration of transfer, transmission, subdivision, consolidation of shares or any other share related matters and/or change in address to the Company's Registrar & Share Transfer agent, M/s Karvy Computershare Private Limited, at Karvy House, 46 Avenue 4, Street No. 1, Banjara Hills, Hyderabad-500 034.
13. The details of the stock exchanges, on which the securities of the Company are listed, are given separately in this Annual Report.
14. Any query related to the accounts may be sent at the Registered Office of the Company at least 10 days before the date of the Annual General Meeting.
15. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrar and Share Transfer agent, Karvy Computershare Private Limited, for consolidation into a single folio.
16. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, for Special Business, setting out all material facts and the statement of particulars of Directors seeking appointment/re-appointment, as required under Clause 49 of the Listing Agreement are annexed hereto. The Directors have furnished the requisite consents / declarations for their appointment /reappointment.
17. The Annual Accounts of the Subsidiary Companies shall be available at the Registered Office of the Company for inspection by any shareholder.
18. Members who would like to receive notices, letters, annual reports, documents and any other correspondence by electronic mode are requested to register their email addresses and changes therein, from time to time, with Company's Registrar and Transfer Agent in respect of shares held in physical form and with respective Depository Participants (DP) where the shares are held in dematerialised form.

**INSTRUCTIONS FOR E-VOTING****1. Voting through electronic means:**

- a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies

(Management and Administration) Rules, 2014, a member may exercise his right to vote by electronic means (e-voting) in respect of the resolutions contained in this notice.

- b) The Company is providing e-voting facility to its members to enable them to cast their votes electronically. The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") as the Authorised Agency to provide e-voting facilities.
- c) The Board of Directors have appointed Mr. Neelesh Kumar Jain, Company Secretary in practice as the Scrutinizer, for conducting the e-voting process in a fair and transparent manner.
- d) Members are requested to carefully read the instructions for e-voting before casting their vote.
- e) The e-voting period will commence from 20th September, 2014 at 9.00 A.M and will be ended on 21st September, 2014 at 6.00 P.M.
- f) The cut-off date (i.e. the record date) for the purpose of e-voting is 22nd August, 2014.
- g) The procedure and instructions for e-voting are as under:
  - i) Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'
  - ii) Enter the login credentials (i.e., user-id & password) mentioned on the e-voting form. Your folio/DP Client ID will be your User-ID.

User – ID	For Members holding shares in Demat Form:-
	a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- <ul style="list-style-type: none"> <li>• Event no. followed by Folio Number registered with the company</li> </ul>
Password	Your Unique password is printed on the e-voting Form / via email forwarded through the electronic notice
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- iii) Please contact at toll free No. 1800-3454-001 for any further clarifications.
- iv) Members can cast their vote online from 20th September, 2014 at 9.00 A.M. and will be ended on 21st September, 2014 at 6.00 P.M.
- v) After entering these details appropriately, click on "LOGIN".
- vi) Members holding shares in Demat/Physical form will now reach Password Change menu

wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Computershare Private Limited e-Voting platform. System will prompt you to change your password and update any contact details like mobile no., email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- vii) You need to login again with the new credentials.
- viii) On successful login, system will prompt to select the 'Event' i.e., 'DEN NETWORKS LIMITED'.
- ix) If you are holding shares in Demat form and had logged on to https://evoting.karvy.com and casted your vote earlier for any company, then your exiting login id and password are to be used.
- x) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder do not wants to cast, select 'ABSTAIN'
- xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xii) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xiii) Corporate/Institutional Members (Corporate/Fls/Flls/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to

nkj@nkj.co.in with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name\_ Event no."

- h) Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have casted their vote electronically shall not be allowed to vote again at the Meeting.
- i) The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date (i.e. the record date), being 22nd August 2014.
- j) The results shall be declared on or after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company ([www.dennetworks.com](http://www.dennetworks.com)) and on Karvy's website (<https://evoting.karvy.com>).

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

### ITEM NO. 4

In view of the recent notification of the Companies Act, 2013 and rules made there under of the Companies Act, 2013, it is consider expedient to adopt new set of Articles of Association giving effect to the provisions and rules framed therein.

Various clauses in the existing Articles of Association necessitate amendment and/or alteration in order to reflect inter-se, various provisions and rules framed therein. As per the provisions of Section 14 of the Companies Act, 2013, alteration in Articles of Association of the Company will required to be approved by the shareholders of the Company by way of Special Resolution and hence placed for seeking approval of shareholders.

Copy of existing and amended Articles of Association of the Company will be available for inspection by members during 11.00 A.M to 2.00 P.M. at the Registered Office of the Company during Monday to Friday till the date of Annual General Meeting.

Your Board recommends this resolution as set out in Item No. 4 to seek your approval for amendment for adoption of new set of Articles of Association.

None of the persons specified in Section 102 of the Companies Act, 2013, namely the Promoters, Directors, Key Managerial Personnel, Relatives of Promoters, Directors and Key Managerial Personnel or the entities comprising the interest of Promoters, Directors or Key Managerial Personnel, are concerned or interested in the above resolutions financially or otherwise.

### ITEM NO. 5, 6 & 7

Pursuant to Clause 49 of the Listing Agreement, Mr. Ajaya Chand, Mr. Robindra Sharma and Mr. Atul Sharma are holding the office of Directors categorized as Independent

Directors of the Company. As per the provisions of Section 149(4) of the Companies Act, 2013, it would be necessary to have at-least one third of the total number of directors as independent directors. The provisions of sub Section 10 of Section 149 further stipulates that an independent director shall hold office for a term up to five consecutive years on the Board of the Company and shall not be liable to retire by rotation.

It is proposed to appoint all the present Independent Directors viz. Mr. Ajaya Chand, Mr. Robindra Sharma and Mr. Atul Sharma as Independent Directors for a period of five years from the date of Annual General Meeting.

The Nomination and Remuneration Committee has recommended and the Board of Directors of the Company has formed an opinion that all the Independent Directors fulfils the conditions specified in the Companies Act, 2013 for such an appointment.

Justification under Section 150(2) of the Companies Act, 2013 for considering the appointment of each of the independent directors is as under:

Mr. Ajaya Chand holds a bachelor's degree in commerce from Hansraj College from University of Delhi and is also a qualified chartered accountant. He is currently an independent financial and management consultant. He has over 25 years of experience in accounting, financial and corporate legal matters. Prior to that, he was associated with ibn18 Broadcast Limited and New Delhi Television Limited.

Mr. Robindra Sharma holds a bachelor's degree in commerce from University of Bombay. He is also a qualified chartered accountant. He is currently the chief financial officer of Triburg Sportswear, an apparel sourcing company in India. He has been associated with Triburg Sportswear for the last 16 years and is responsible for all the accounting, financial and legal matters of the Company.

Mr. Atul Sharma holds a Bachelor Degree in (Economics) and LL.B. from University of Delhi. He is a Member of Supreme Court Bar Association, Member of Delhi High Court Bar Association and a Member of Bar Council of India. He is currently a managing partner of Link Legal a firm of legal consultancy. Before setting up the firm in 1999, Mr. Atul was an independent counsel from 1986 to 1993, he was associated with Bhasin & Co. where he led the litigation practice and represented and advised banks and public companies on corporate and commercial matters.

Mr. Ajaya Chand Independent Director hold 64,420 Equity Shares of the Company except and otherwise no Independent Directors hold any shares in the Company. As per the provisions of sub Section (7) of Section 149 of the Companies Act, 2013, the Board of Directors of the Company has received declaration from all the Independent Directors that they meet with the criteria of independence as provided in sub Section (6) of Section 149 of the Companies Act, 2013. The Company has also received from all the proposed appointees (i) consent in writing to act as a director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 (ii) intimation in Form DIR 8 in terms of Rule 8 of the Companies (Appointment &

Qualification of Directors) Rules, 2014 to the effect that they have not been disqualified under sub Section (2) of Section 164 of the Companies Act, 2013.

A copy of the draft letters for the appointment of all the proposed appointees as Independent Director setting out the terms and conditions is available for inspection by the members at the Company's Registered Office during the working hours on all working days upto the date of AGM. Independent Director shall not be entitled to any stock option and may receive remuneration by way of fees provided under sub-section (5) of Section 197 of the Companies Act, 2013, reimbursement of expenses for participation in the Board and other meetings and profit related commission, if any, as may be approved by the members.

As per the provisions Section 160 of the Companies Act, 2013, the Company has received notice under Section 160 of the said Act from shareholders proposing the candidature, for the office of a Director of the Company along with the deposit of ₹1,00,000/- for each of the Directors.

Mr. Ajaya Chand, Mr. Robindra Sharma and Mr. Atul Sharma are deemed to be interested or concerned in their respective resolution for appointment. Apart from the said directors, none of the persons specified in Section 102 of the Companies Act, 2013 namely the Promoters, Directors, Key Managerial Personnel, Relatives of Promoters, Directors and Key Managerial Personnel or the entities comprising the interest of Promoters, Directors or Key Managerial Personnel, are concerned or interested in the above resolutions financially or otherwise.

Your Directors recommend the resolutions as mentioned in Item Nos. 5 to 7 of the Notice for your approval.

#### **ITEM NO. 8**

The Board of Directors of the Company had appointed Mr. Ankur Ambika Sahu as an Additional Director (with effect from September 27, 2013), pursuant to the provisions of Section 260 of the Companies Act 1956 and the Articles of Association of the Company.

In terms of the provisions of Section 260 of the Companies Act, 1956, Mr. Ankur Ambika Sahu would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Ankur Ambika Sahu for the office of Director of the Company.

Mr. Ankur Ambika Sahu is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Mr. Ankur Ambika Sahu possesses appropriate skills, experience and knowledge, inter alia, in the field of finance.

Brief resume of Mr. Ankur Ambika Sahu, nature of his expertise in specific functional areas and names of Companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Ankur Ambika Sahu is appointed as a Non Executive Nominee Director.

Copy of the draft letter for appointment of Mr. Ankur Ambika Sahu as a Non Executive Nominee Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Accordingly, it is proposed to sought consent of the members by passing an Ordinary Resolution as set out at Item No. 8.

The proposal as mentioned in Item No. 8 is in the interest of the Company and the Board recommends the resolution for approval by members.

None of the persons specified in Section 102 of the Companies Act, 2013 namely the Promoters, Directors, Key Managerial Personnel, Relatives of Promoters, Directors and Key Managerial Personnel or the entities comprising the interest of Promoters, Directors or Key Managerial Personnel, are concerned or interested in the above resolution financially or otherwise.

#### **ITEM NO. 9**

The Board of the Directors of the Company as per the recommendation of the Audit Committee, has approved the appointment of M/s. Ajay Kumar Singh & Co., Cost Accountant, as Cost Auditor, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 on such remuneration as may be decided by the Board of Directors of the Company.

Accordingly, it is proposed to sought consent of the members by passing an Ordinary Resolution as set out at Item No. 9 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2015.

The proposal as mentioned in Item No. 9 is in the interest of the Company and the Board recommends the resolution for approval by members.

None of the persons specified in Section 102 of the Companies Act, 2013 namely the Promoters, Directors, Key Managerial Personnel, Relatives of Promoters, Directors and Key Managerial Personnel or the entities comprising the interest of Promoters, Directors or Key Managerial Personnel, are concerned or interested in the above resolution financially or otherwise.

## ATTENDANCE SLIP

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]



### DEN NETWORKS Limited

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

den@denonline.in | www.dennetworks.com

Tel : + 91 11 40522200, Fax: + 91 11 40522203

07th Annual General Meeting – September 25, 2014

Registered Folio no. / Client ID no. :

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DP ID no:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Number of shares held

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 07th Annual General Meeting of the Company at PHD Chamber of Commerce & Industry, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi – 110016 on Thursday, September 25, 2014, at 11:30 a.m. IST

.....  
Name of the member / proxy

(in BLOCK letters)

.....  
Signature of the member / proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.

## PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]



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07th Annual General Meeting – September 25, 2014

Name of the member(s)

--

Registered address

--

Email

--

Folio no. / Client ID

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

DP ID

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

I / We, being the member(s) of ..... shares of the above named company, hereby appoint

Name : .....

Email : .....

Address : .....

Signature :

or failing him / her

Name : .....

Email : .....

Address : .....

Signature :

or failing him / her

Name : .....

Email : .....

Address : .....

Signature :

P.T.O.

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 07th Annual General Meeting of the Company, to be held on Thursday, September 25, 2014, at 11:30 A.M., at PHD Chamber of Commerce & Industry, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016 and at any adjournment thereof in respect of such resolutions are indicated below:

Resolution number	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary business				
1	(a)Adoption of Standalone Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the financial year ended March 31, 2014			
	(b) Adoption of Consolidated Balance Sheet, Statement of Profit and Loss and Auditors Reports for the financial year ended March 31, 2014			
2	Appoint a director in place of Sh. Shahzaad Siraj Dalal, who retires by rotation and being eligible, seeks re-appointment			
3	Re-appoint M/s Deloitte Haskins Sells, Chartered Accountants as Statutory Auditors of the Company			
Special business				
4	Adoption of new set of Articles of Association of the Company			
5	Appoint Mr. Ajaya Chand (DIN: 02334456) as an Independent Director			
6	Appoint Mr. Robindra Sharma (DIN: 0035141) as an Independent Director			
7	Appoint Mr. Atul Sharma (DIN: 00308698) as an Independent Director			
8	Appoint Mr. Ankur Ambika Sahu (DIN: 03623120) as Non Executive Nominee Director			
9	Appointment of M/s Ajay Kumar Singh & Co, Cost Accountant to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting			

Signed this ..... day of ..... 2014.

.....  
Signature of the member(s)

.....  
Signature of the proxy holder(s)

Affix revenue  
stamp of not  
less than  
₹ 0.15

Notes :

1. This form of proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.





**DEN Networks Limited**

CIN No.: L92490DL2007PLC165673

236, Okhla Industrial Estate, Phase-III,  
New Delhi - 110020

Tel No.: +91 11 4052 2200

Website: [www.dennetworks.com](http://www.dennetworks.com)