The World of Digital Entertainment

Annual Report 2011

Corporate Information

Board of Directors

Mr. Sameer Manchanda
Chairman Managing Director

Mr. Shahzaad Siraj Dalal
Nominee Director

Mr. Krishna Kumar P.T. Gangadharan
Alternate Director to Mr. Shahzaad Siraj Dalal

Mr. Ajaya Chand
Non Executive, Independent Director

Mr. Robindra Sharma
Non Executive, Independent Director

Mr. Atul Sharma
Non Executive , Independent Director

Registrar & Share Transfer Agent

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

Registered Office

236, Okhla Industrial Estate, Phase-III,
New Delhi-110 020 INDIA
Phone: + 91 - 11 - 4052 2200
Fax: + 91 - 11 - 4052 2203
www.dennetworks.com

Chief Financial Officer

Mr. Rajesh Kaushall

Company Secretary

Mr. Jatin Mahajan

Auditors

Deloitte Haskins & Sells
Chartered Accountants

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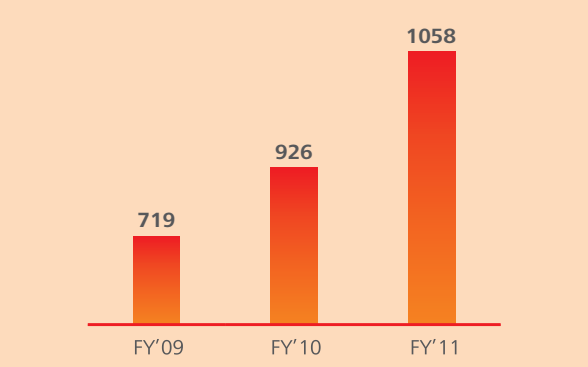
Company Performance

Company Performance

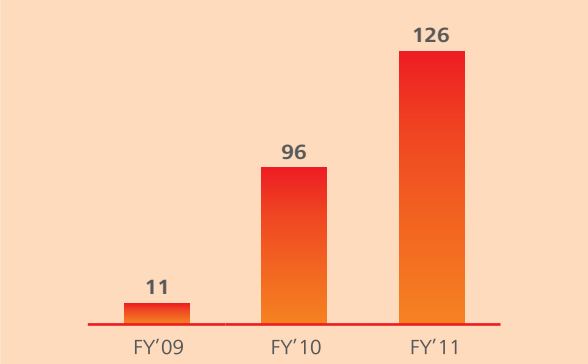
The Year at a Glance (Key Financials)

Particulars	Consolidated Business		
	FY 10 - 11	FY 09 - 10	FY 08 - 09
KEY P&L Items			
Revenue (Rs cr)	1,058	926	719
EBITDA (Rs cr)	126	96	11
EBITDA Margin (%)	12%	10%	2%
PAT (Rs cr)	38	30	(15)
PAT Margin (%)	4%	3%	-2%
EPS (Rs)	2.88	2.69	(1.67)
KEY BALANCE SHEET ITEMS			
Net Worth	775	737	220
Equity Share Capital	131	130	18
Preference Share Capital	-	-	4
Preference Share Capital issued by subsidiary company	3	3	3
Reserves & Surplus	641	611	232
Debit balance of Profit and Loss	-	(7)	(37)
Cash and Equivalents	293	335	51
Net Current Assets	383	341	49
RATIOS AND MARGINS			
Debt Equity Ratio (x)	0.20	0.24	0.54
ROE	4.8%	4.1%	-6.9%

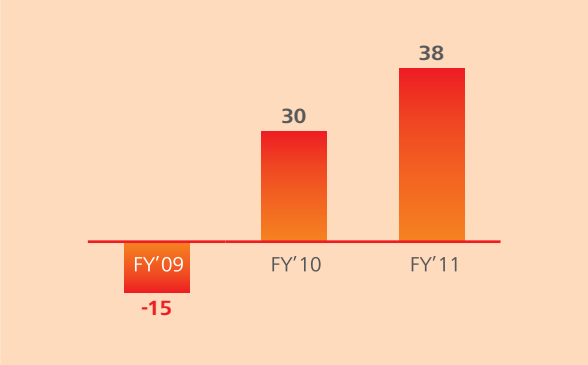
Highlights of the Year



REVENUE (Rs. Cr.)



EBITDA (Rs. Cr.)



PAT (Rs. Cr.)

Media Pro: A 50:50 J-V between STAR-DEN and Zee Turner

In May 2011, STAR DEN Media Services (STAR DEN), a 50:50 joint venture between Star India Private Ltd. and DEN, formed a 50:50 joint venture with Zee Turner Limited, a 74:26 joint venture between Zee Entertainment Enterprises Ltd and Turner International Private Limited for jointly distributing channels of the two entities across India. The joint venture company is called Media Pro Enterprise India Private Limited and commenced operations from July 2011. DEN is a participant in this J-V through its 50 per cent stake in STAR DEN.

The coming together of India's leading content aggregation and distribution companies brings 68 pay TV channels from the erstwhile Star DEN and Zee Turner bouquets under the same roof. Media Pro distributes leading channels including Star Plus, Star Movies, Star World, Zee TV, Zee Cinema and several others. The objective of the JV is to transform content distribution in India by creating efficiencies in the distribution arena, promoting transparency, and spurring digitalisation.

DEN and BFTV LLC form a 75:25 JV for launching Baby First TV in India

In October 2010, IME Networks Private Limited, a subsidiary of DEN, entered into a joint venture with BFTV LLC to distribute the 'BabyFirst TV' channel in India and select countries in South Asia. Baby First TV is a television channel for babies, toddlers and their parents aired in several countries across the world. The JV is in the process of securing the necessar licenses to broadcast the channel in India.

Director's Report

Dear Shareholders,

Your Directors are delighted to present the Fourth Annual Report on the business and operations of the Company together with the audited accounts for the financial year ended March 31, 2011.

Financial Performance

The key financial figures on standalone and consolidated basis of your Company for the year ended March 31, 2011 are as follows:

Rs. in (Lakhs)

Particulars	Consolidated		Standalone	
	Financial Year Ended March 31, 2011	Financial Year Ended March 31, 2010	Financial Year Ended March 31, 2011	Financial Year Ended March 31, 2010
Net Revenue	1,05,806.16	92,559.33	35,453.91	33,477.73
Operating Profit/(Loss) before interest and depreciation	12,648.73	9,615.77	5,074.68	6,125.18
Interest	1,918.61	1,944.25	1,863.03	1,930.39
Depreciation	4,558.25	3,288.34	2,611.99	2,186.30
Net Profit/(Loss) before Tax	6,171.87	4,383.18	599.66	2,008.49
Provision for taxes/deferred Tax	1,738.65	740.80	(96.30)	(71.68)
Profit/(Loss) after Tax	3,753.03	3,011.14	695.96	2,080.17

Result of Operations

During the financial year 2010–11 your Company, on a consolidated basis, has generated over Rs.1058.60 crores of revenues and post tax profit of Rs.37.53 crores. The corresponding figures for financial year 2009-10 were revenue of Rs 925.59 Crores and post tax profit of Rs. 30.11 crores.

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.

Review of Year Gone by

During the year, the Company consolidated its growth following the rapid scale up of the preceding years. Its core business continued to exhibit robust growth. It continued to invest in its digital cable operations. Along with revenue growth, the company maintained its profitability.

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The JV will distribute 68 pay TV channels from the erstwhile Star DEN and Zee Turner bouquets. The objective of the JV is to transform content distribution in India by creating efficiencies in the distribution arena, promoting transparency and curbing piracy.

DEN and BFTV LLC form a 75:25 JV for Launching Baby First TV in India

In October 2010, IME Networks Private Limited, a subsidiary of DEN, entered into a joint venture with BFTV LLC to distribute the 'BabyFirst TV' channel in India and select countries in South Asia. Baby First TV is a television channel for babies, toddlers and their parents and is aired in several countries across the world.

The JV is in the process of securing the necessary licenses to broadcast the channel in India.

Changes in Capital Structure

During the year ended March 31, 2011, the Authorized Share Capital of the Company increased from Rs. 1,65,00,00,000 (Rupees One Hundred Sixty Five Crores) to Rs.2,00,00,00,000(Rupees Two Hundred Crores) and paid up Equity Share Capital of the Company remains the same i.e., Rs. 1,30,48,99,750 (Rupees One Hundred Thirty Crores Forty Eight Lacs Ninety Nine Thousand and Seven Hundred Fifty).

Employee Stock Option Scheme (ESOS)

During the financial year 2010-11, the Company has granted 50,00,000 Equity shares of Rs.10/- each, under Employee Stock Option Scheme (ESOS) to the Employees of the Company and Subsidiary Companies. The details as required to be disclosed under Clause 12 & 19 of ESOP Guidelines of SEBI are detailed in the Annexure 'A' to this Report.

A Certificate from the Statutory Auditor of the Company for implementation of the 'DEN ESOS 2010' in accordance with the 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 of the Company.

Manpower

Company has been growing from strength to strength both in terms of the organization and the activity profile.

Dividend

Your Directors do not recommend any Dividend for the financial year ended March 31, 2011.

Transfer to Reserves

Your Company has not made any transfer to the Reserves during the financial year 2010-11.

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.

Management's Discussion and Analysis Report

In terms of requirement of Clause 49 of the Listing Agreement with the Stock Exchange(s) Management's Discussion and Analysis Report disclosing the operations of the Company in detail is provided separately as a part of Director's Report.

Directors

Mr. Robindra Sharma, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The relevant details of the directors proposed to be re-appointed are provided in the Corporate Governance Report forming part of this 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 financial year ended March 31, 2011, the applicable Accounting Standards have been followed.

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 at the end of the financial year and of profit or loss of the Company for the year under review.

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.

iv) that the Directors have prepared the accounts for the financial year ended March 31, 2011 on a 'going concern' basis.

Subsidiary Companies

The Ministry of Corporate Affairs vide its Circular No.02/2011 on 08th February, 2011 given a general exemption to the Companies to attach its subsidiaries Companies' financial statement in the directors' report(Section 212(8) of the Companies Act,1956) on Compliance of the conditions specified in the said circular. In terms of requirements, a statement pursuant to Section 212 of the Act relating to the subsidiaries of your Company and the details of the subsidiary companies have been annexed and forming part of this report. The annual accounts of the subsidiary Companies and related detailed information will be made available to the holding company and subsidiary companies investors for inspection at the registered office of the holding company and subsidiary companies. These documents will be made available to any investors of the Holding Company and Subsidiary Companies on the receipt of request in this regard.

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 appointment, if made, would be within the prescribed limit as mentioned under Section 224 (1B) of the Companies Act, 1956.

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, 2011. 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.

Corporate Governance & Corporate Social Responsibility

Corporate Governance philosophy of the Company lies in following strong Corporate Governance practices driven by its core values to enhance the interests of all its stakeholders. A report on Corporate Governance along with Certificate from Practicing Company Secretary confirming the compliance of conditions on Corporate Governance as stipulated in Clause 49 of the Listing Agreement forms a part of this Annual Report.

With a view to strengthen the Corporate Governance framework, the Ministry of Corporate Affairs has incorporated certain provisions in the Companies Bill 2009. The Ministry of Corporate Affairs has also issued a set of Voluntary Guidelines on Corporate Governance and Corporate Social Responsibility in December 2009 for adoption by Companies.

The Guidelines broadly outline conditions for appointment of director, guiding principles to remunerate directors, responsibilities of the Board, Risk Management, rotation of audit partners, audit firms and conduct of Secretarial audit and other Corporate Governance and Corporate Social Responsibility related disclosures. Your Company has by and large complied with various requirements and is in the process of initiating appropriate action for other applicable requirements.

Corporate Governance is also related to innovation and strategy as the organization's ideas of innovation and strategies are driven to enhance stakeholder satisfaction.

Postal Ballot

The details of Postal Ballot Process conducted by the company during the year under review are set out in the report on Corporate Governance, annexed to this report.

Particulars of Employees

The information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and Companies (Particulars of Employees) Amendment Rules, 2011 the names and other

Particulars of employees of the Company, is provided in the Annexure forming part of this Report. The annexure is available for inspection by members at the registered office of the company during business hours on working days upto the date of ensuing AGM. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

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 production & editing facilities, studios, workstations of the Company.

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, discussion sessions for optimum utilization of available resources and to 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 Schedule No. 16 "Notes on Accounts" forming part of the Audited Annual Accounts.

Foreign Exchange Earnings: NIL
Foreign Exchange Outgo: 4.74 crores

Acknowledgment

Your Directors take this opportunity to thank Customers, Shareholders, Joint Venture Partners, Suppliers, Bankers, other Business Partners/Associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company. I am sure you will join our Directors in conveying our sincere appreciation to all employees of the Company for their hard work and commitment. Their dedication and competence has ensured that the Company continues to be a significant and leading player in the cable TV distribution industry.

For and on behalf of the Board of Directors

Sd/-
Chairman

New Delhi
September 01, 2011

Annexure A

(Disclosures pursuant to SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999) (As on March 31, 2011)

	Particulars	Details
1	Options Granted during the year 2010 - 2011	50,00,000
2	Exercise Price	Rs. 30 per share
3	Options Vested	Nil
4	Options Exercised	Nil
5	Total No. of Shares arising as a result of exercise of options	Nil
6	Options Lapsed	Nil
7	Variation in terms of Options	There is no variation in the terms of options.
8	Money realized by exercise of Options	Nil
9	Total number of Options in force	50,00,000
10	Employee wise details of Options granted to i) Senior Management Personnel	Company has granted 18,90,306 Equity Shares to following Senior Management Personnel 1. Mr. S. N. Sharma 2. Mr. Rajesh Kaushall 3. Mr. Yogesh Sharma 4. Mr. Sunil Punj 5. Mr. Mohit Jain 6. Mr. Devendra Upendra Naik 7. Mr. Navroz Behramfram 8. Mr. M. G. Azhar 9. Mr. Susmit Basu
	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.	No Employee is in receipt of 5% or more of options
	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.	No Employee is in receipt of 1% or more of options
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'.	0.53

<table>
<tr><th></th><th>Particulars</th><th>Details</th></tr>
<tr><td>12</td><td>Computation of employee compensation cost and effect on profit and EPS
a) Method of calculation of employee compensation cost
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</td><td>Intrinsic value as per SEBI ESOP guidelines
Difference=(Rs in '000) 181</td></tr>
<tr><td>13</td><td>The impact of this difference on the profits and EPS of the Company:
Profit after tax
Less: Additional employees compensation cost based on the aforesaid difference
Adjusted PAT
Adjusted Basic EPS
Adjusted Diluted EPS</td><td><table><tr><th>Particulars</th><th>Year Ended 31.03.2011 Rs. in '(000)</th></tr><tr><td>Profit after tax</td><td>69,596</td></tr><tr><td>Less: Additional employees compensation cost based on the aforesaid difference</td><td>(181)</td></tr><tr><td>Adjusted PAT</td><td>69,415</td></tr><tr><td>Adjusted Basic EPS</td><td>0.53</td></tr><tr><td>Adjusted Diluted EPS</td><td>0.53</td></tr></table></td></tr>
<tr><td>14</td><td>Weighted average price and fair value of the stock options granted at price below the market price:
Total Options granted during the year
Weighted average exercise price (Rs.)
Weighted average fair value (Rs.)</td><td>50,00,000
Rs. 30.00 Per share
Rs. 62.74 Per share</td></tr>
<tr><td>15</td><td>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:
Risk free rate of interest (%)
Expected life of the option from the date of grant (in years)
Expected volatility (%)
Dividend yield (%)
The price of the underlying share in market at the time of option grant</td><td><table><tr><th>34,16,750 Options (Vesting Period-1 Year)</th><th>8,54,750 Options (Vesting Period-2 Year)</th><th>7,28,500 Options (Vesting Period-2.5 Year)</th></tr><tr><td>7.67%</td><td>7.74%</td><td>7.77%</td></tr><tr><td>2.00</td><td>3.00</td><td>3.50</td></tr><tr><td>42.51%</td><td>42.51%</td><td>42.51%</td></tr><tr><td>NIL</td><td>NIL</td><td>NIL</td></tr><tr><td>Rs. 87.40</td><td>Rs. 87.40</td><td>Rs 87.40</td></tr></table></td></tr>
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Management Discussion & Analysis

1. Economic Overview

i. Global Economy

In the year 2010-11, the global economy continued on its path of recovery. Economic activity in developed countries moderated less than expected, but growth remained subdued. On the other hand, economic activity in many emerging economies was buoyant. However, inflation pressures and signs of overheating emerged, driven in part by strong capital inflows. Expansionary monetary policies adopted by central banks across the world, higher commodity prices and supply constraints saw inflation emerge as a cause for worry, especially in the developing world.

The World Economic Outlook, released in April 2011, estimated global real GDP growth in 2010 at 5 per cent and projected the growth in 2011 to be around 4.5 per cent.

ii. Indian Economy

• Growth: The Indian economy, after witnessing a slowdown during 2008 & 2009 showed signs of a strong recovery. GDP growth rose to 8.5 per cent in 2010-11 from 8 per cent in 2009-10. Per capita income grew by 17.9 per cent from approximately Rs. 46,500 in 2009-10 to Rs 54,800 in 2010-11, according to the Central Statistical Organization. The manufacturing and services sectors witnessed strong growth at 8.8 per cent and 9.6 per cent in 2010-11.

• Inflation: India saw high and rising levels of inflation throughout the year. The average annual inflation during FY2010-11 was 9 per cent, which is more than double the figure of 3.8 per cent recorded a year ago. Inflation has been a major concern throughout the year, driven in part by rising prices of essential food items. This has led to several rounds of interest rate hikes by the Reserve Bank of India to curb inflation.

2. Indian Media and Entertainment Sector

• Overview: The Indian Media and Entertainment (M&E) industry witnessed growth of 11 per cent compared to 1.4 per cent in 2009. This was primarily driven by the increase in media expenditure by advertisers across all platforms. The Indian M&E industry grew from nearly Rs 585 billion in 2009 to about Rs 650 billion in 2010. The industry is expected to grow to around Rs 740 billion in 2011. TV and print remained the top grossing segments within the M&E sector.

• Advertising: The contribution of advertising revenue to the overall industry pie is expected to increase from 38 per cent in 2007 to more than 40 per cent in 2012. Advertising expenditure across all media accounted for nearly INR 265 billion in 2010, contributing to about 40 per cent of the overall M&E industry revenues.

• Consolidation and Digitalisation: Consolidation and digitalisation are the two themes playing out across the media spectrum and especially in the television distribution space.

i) Indian Television Industry

Overview: India is the world's second largest television market with around 140 million TV households, next only to China and larger than the US. Cable and satellite penetration of TV households is still at about 80 per cent, leaving room for further growth within existing TV homes.

Television forms the largest segment within the Indian M&E industry, both in revenues and reach. By 2015, television is expected to account for almost half of the Indian M&E industry revenues, and will be more than twice the size of print, the second largest segment.

Pay TV ARPUs in India, estimated by various sources to be around $4 per month, are still significantly lower than in developed markets like the US, UK and Australia where ARPUs are 10x-18x of Indian ARPUs.

Emerging Trends: The television industry saw strong growth return in 2010 after a weak performance during 2009. The year 2010-11 saw existing and new broadcasters entering new genres, the entry of high definition (HD) channels and the narrowing gap between the TV shows and theatrical releases of movies among other trends.

a) Television Distribution

Overview: The total number of TV households in India grew from about 133 million in 2009 to around 140 million in 2010. Penetration of TV in India's households grew from about 58 per cent in 2009 to 61 per cent in 2010. Currently, this penetration is much lower compared to developed countries like the US and UK. Rising household incomes are also seeing families adopt more than one TV set.

Move to Digital: Digitalisation is picking up in India in line with global trends. The entry of DTH and subsequent education of the Indian consumer through various marketing campaigns has established the benefits of digitalisation to the public,

namely better quality transmission, availability of higher number of channels, interactive and value added services, gaming, and pay per view among others.

Rise of HD Channels

The market for HD enabled flat panel LCD, LED and Plasma TV sets has been growing at a rising pace over the last few years. Premium TV sets priced above INR 25,000 have reported growth rate of about 60-70 percent in 2010. The Color TV market is 13.5 million units, of which premium sets are expected to have sold near about 3 million units in 2010 as compared to 1.5 million units sold in 2009 indicating increased demand for this category due to increasing disposable incomes of consumers.

2010 saw the launch of High Definition (HD) channels. 'Movies Now' was among the first channels to be launched in HD. India's oldest TV channel Doordarshan broadcasted the Commonwealth Games (CWG) in HD format. HD channels being broadcast in India include NatGeo HD, Discovery HD, Star Plus HD, Star Movies HD among others while more HD channels are expected to be launched in the near future. Sports, Movies and Events are expected to be the key demand drivers for HD content.

Need for Digitalisation: Digital transmission (Digital cable, DTH, IPTV) offers a number of advantages over analogue across the broadcasting value chain.

Consumers receive digital quality signals, a far greater number of channels than analog, and the ability to choose and pay for what they want to watch. In addition, consumers also receive services like HD channels, Video on Demand (VoD), Personal Video Recorders (PVR), interactive applications, etc.

Broadcasters, service providers (MSOs and LCOs) and the government benefit from full addressability in the system allowing each stakeholder in the value chain to earn their legitimate share of revenues.

TRAI's Recommendations on Full Digitalisation of Cable TV Systems

The TRAI submitted its recommendations for achieving full digitalisation with addressability of cable TV systems in its report titled 'Implementation of Digitally Addressable Cable TV Systems in India' dated 5th August 2010. It proposed a timeline for full digitalization of all cable television homes by 2014. It also proposed various incentives to the industry to enable it to carry this out.

Digitalisation Timeline

After consultations with the Ministry of Information and Broadcasting (MIB) and various stake holders, the following timeline was arrived at:

Phase	Area Suggested by TRAI	Ministy's Final Views on the Time Frame for Digitalisation
Phase-I	Four Metros of Delhi, Mumbai, Kolkata and Chennai	Mar 31, 2012
Phase-II	Cities with population more than one million	Mar 31, 2013
Phase-III	All urban areas (Municipal Corp./ Municipalities)	Sep 30, 2014
Phase-IV	Rest of India	Dec 31, 2014

Proposed Digitalisation Incentives

- Cable companies that invest in addressable digitisation should get an income tax holiday till 31.03.2019.
- Customs duty on digital head-end equipment and set-top-boxes recommended to be waived.
- MSO / LCOs to be eligible for seeking Right of Way on a non-exclusive basis for laying optical fiber / cable networks so that the process of laying intra-city cable infrastructure can become easier.
- An increase in foreign investment limit from 49 per cent to 74 per cent for MSOs going digital.

The proposal now awaits the approval of the Union Cabinet.

b) Broadcasting

Overview: The Indian television broadcasting industry is expected to witness strong growth, driven by growth in advertising and subscription. The broadcasting industry is

expected to be the key beneficiary of the projected 15 per cent CAGR in ad spends.

Subscription Revenues: The share for broadcasters in the total subscription pie is expected to go up from the current levels of about 20 percent of overall subscription revenues in 2010 to nearly 30 percent across platforms by 2015.

Industry Estimates point to pay-TV channel revenues in India growing from about US$3 billion in 2010 to nearly US$6 billion by 2015. Advertising will remain the primary source of income for channels, contributing about 75 per cent to revenues on average in the long term.

Niche Channels: With digitalisation throwing up more choice of channels to consumers, the foundations for channels in niche genres are being laid. Such channels can serve specialised content to interested audiences. Also, the trend of multiple TV households is likely to shift viewing patterns from family viewing on a single TV set to more individual viewing on separate TV sets expanding possibilities for more focused programming. Niche genres like action, lifestyle, food and others are already seeing a number of players entering the market. Niche channels are also developing loyal audiences because of their easy availability on digital cable and DTH platforms.

3. Company Overview

DEN Networks Ltd. (DEN) is one of the largest cable television distribution companies or MSOs (multi system operators) of India with a presence in more than 84 cities and serving as estimated 11 million homes.

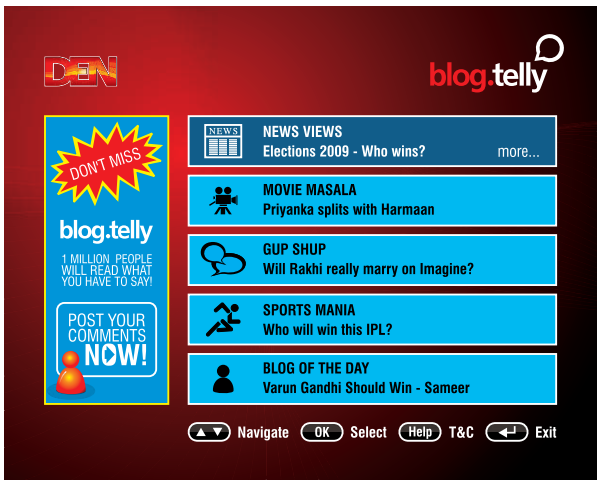
DEN was formed in 2007 and in a short time, established itself as one of the largest MSOs in India. It has a strong presence in important Indian states like Delhi, Uttar Pradesh and Karnataka and a significant presence in a number of other important markets such as Maharashtra (including Mumbai), Kerala, Gujarat, Rajasthan and Haryana.

i) DEN Digital: DEN's digital cable offering, available across its markets, offers up to 180 digital channels which are broadcasted in DVD quality picture and sound. Viewers can access and navigate the channels through an interactive EPG (electronic programming guide). DEN Digital also offers several cutting edge value-added services such as a 10 genre digital music offering, blog.telly (India's first micro-blogging application on TV) and games.

DEN Digital – Value Added Services (VAS)

• Music Audio Channels: Round the clock audio content in 10 different genres of music, including regional language music. DEN was the first digital cable or DTH platform to offer such a service in India.

• Blog.Telly: An application that enables subscribers to interact with one another on different discussion topics including their views on the content shown on television. Users can post comments on the DEN website or via mobile phone text messages (SMS).



• Interactive Games: DEN Digital users can access and play games on their TV sets through the set top boxes using the STB remote control. Subscribers can choose from a variety of games including card games, board games and puzzles.

•On-Screen Reminders: A feature that allows subscribers to set reminders for their favourite programs on their set top boxes. This feature can be accessed through the EPG.

ii) Star DEN & Media Pro: DEN has a 50-50 joint venture with News Corp's Star TV Group called Star DEN which was formed in 2008. Star DEN was the exclusive distribution house for all Star group channels and other leading channels from India. In May 2011, Star DEN formed a 50-50 J-V with Zee Turner combining the distribution assets of the Star, Zee and Turner groups in India and becoming the exclusive distribution house of 68 pay TV channels of the country. The joint venture company is called Media Pro Enterprise India Private Limited. DEN is a strategic shareholder in this JV through its 50% stake in Star DEN.

iii) DEN-BFTV Joint Venture: In October 2010, DEN entered into a 75-25 JV with BFTV LLC to launch 'Baby First', a television channel for babies, toddlers and their parents, in India and other territories. The JV, in which DEN holds a 75 per cent stake, will house the entire business of Baby First in India and will be distributing the Baby First channels in certain other countries. It is currently in the process of obtaining the necessary licenses to launch the channel in India.

4. Strengths and Opportunities

i) Rapid Growth in Key Geographical Regions: Within a few years from its incorporation in 2007, DEN has become one of India's largest cable television distribution companies of the country. Its network of analogue and digital head-ends serves its pan-India household base. It has established a presence in 7 out of the 10 largest Indian cities by population and in 9 out of the 15 largest states in India by number of cable television households.

ii) Industry-Experienced Management Team: DEN's management team includes professionals with extensive experience in cable television distribution, entertainment and media operations, finance and engineering. In order to accomplish its vision of creating a truly world class enterprise, DEN has and will continue to recruit qualified and experienced professionals.

iii) Technological Expertise, Assets and Infrastructure: DEN partners with the cable industry's leading global technology companies for its digital headend infrastructure, set top boxes and EPG, encryption and value added services. DEN itself has an expertise in designing and constructing cable networks, which has further enabled it to rapidly develop and expand its cable television distribution network. This also allows DEN to efficiently integrate the networks and technology of various MSOs in which it has acquired controlling interests.

5. Risks and Concerns

The cable distribution industry in India is subjected to multiple governmental regulations. Any change or alteration in the current policy could affect the company's ability to function smoothly and capture newer opportunities.

The television distribution industry has multiple platforms (cable, DTH and IPTV) competing to serve consumers and there is a possibility of such platforms creating strong competitive pressures.

The cable business is a technology intensive one and requires the import of different types of equipments. This exposes the company to the risk of foreign currency fluctuations.

6.Future Outlook

DEN sees the future of Indian cable distribution space being defined by a wave of digitalisation and greater consolidation across the industry.

Digitalisation, whether with a government mandate or through market forces is expected to be the central theme in the industry. DEN sees more and more of its homes served subscribing to DEN Digital, DEN's digital cable offering with up to 180 channels, a highly interactive EPG and cutting edge

value added services. DEN also sees the market for HD growing considerably. The adoption of HD enabled TV sets and the availability of several HD channels will drive demand in this segment. DEN expects to rollout products and services to serve its subscribers with HD soon.

The Company believes the cable distribution value chain will continue to see more consolidation over the next few years, bringing about greater transparency and addressability across the TV distribution space and benefitting all stakeholders.

7.Broadband

• Uses and Applications: The rise of Internet usage across the world has revolutionized how people communicate and how information is disseminated and exchanged. It has unlocked various new businesses, products and services. Internet is constantly changing the way consumers shop and how businesses sell their products. Indians today are turning more and more to the internet to access content and applications like movies, music, social networking and video chatting among others. Broadband internet also enables country-wide facilities like health care, education, energy, job training, civic engagement, governance and public safety.

• Internet Consumption & Broadband in India: India has a population of over 1.2 billion, of which there were an estimated 20 million internet subscribers of whom only 12 million are broadband subscribers demonstrating the low penetration of broadband services in the country. At the same time, trends like social networking, online video consumption and e-commerce are fast catching on among nearly 100 million internet users in India. The success of online train and air ticket reservation proves that consumers are more comfortable with online shopping today. The travel industry is the largest vertical in the e-commerce space. Online shopping and group buying are also demonstrating fast growth in the e-commerce space.

• Broadband Provided by Addressable Cable Systems in India: TRAI has, in its 'Recommendations on National Broadband Plan' in December 2010, forecasted that even with the assumption of just 70 percent of cable with digital addressable systems reciving broadband, the number of broadband connections served by cable networks by the end of 2014 could be 72 million.

• Future Outlook: Globally, broadband is a key revenue and profitability driver for the cable industry. DEN intends to build a versatile internet protocol delivery platform that can deliver video and data to its subscribers. It is exploring multiple technologies like EOC and DOCSIS to cater to the requirements of different markets. The choice of technology for any specific market would be driven by consumer requirements, the state of cable infrastructure in that market and the ability to offer high bandwidth services as and when required.

8. Human Resources Management

DEN regards its employees as its most important and valuable assets. India is a land of diversity and as a national operator DEN's ability to understand, embrace & operate in a multicultural, multilingual society – both in the marketplace & in the workplace is critical to its continued success.

• Recruitment: DEN's large and talented team has been built through a committed effort to attract, transform and retain the finest professionals of the industry. DEN employs over 500 professionals from diverse fields of technology, operations, finance and administrative functions. Highly competent & professional teams have been put in place at its corporate offices, headends and for on-ground operations.
To build up this talent pool DEN recruits fresh graduates through campus selections and conducts need based hiring of middle & senior level management through lateral recruitments. DEN conducts rigorous and exhaustive selection processes involving various rounds of tests & interviews to identify the best applicants.

• Training & Development: One of the core differentiators for DEN has been its leadership talent. The company continues to invest in deepening the leadership pool through various initiatives including talent identification and development, providing its employees with challenging opportunities at an early stage of their careers and exposing such employees to best practices to grow and nurture their own leadership skills. DEN continues its endeavor to enhance its human resources capability and invest in skill development and training of its employees along with initiatives to enhance employee engagement. Developing appropriate skill sets for its customer facing employees has been a key focus area. Skill enhancement of its technical team has also been a prime area of focus. DEN also provides functional training to its employees through various simulations & game-based modules.

• Recognition & Rewards: DEN has a comprehensive Remuneration Policy that is competitive, in consonance with the industry's best practices and rewards performance by its

employees. The policy ensures equity, fairness and consistency in rewarding employees on the basis of achieved performance against set targets and objectives. The Company has in place a Performance Focused Management System which aims to focus and align the performance of its individual employees to the organization's objectives. DEN also has monthly R&R programs which applaud the achievements of employees and motivate them to continue with their performance.

• HR Mix: Though the Indian cable industry is skewed with a higher proportion of male employees, DEN has always attempted to be an equal opportunity employer with zero tolerance for gender or any other form of discrimination. DEN has taken initiatives to facilitate, enable & empower its female employees. DEN has a fairly young team of professionals with an average age of 33.

9. Internal Control System

DEN's internal control systems include facilitates 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 governance and periodic communication with investors through the release of quarterly investor updates and communication of important developments.

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.

Corporate Governance Report

In accordance with Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) on Corporate Governance, the report containing the details of Corporate Governance Systems and process at DEN Networks Limited.

Company's Philosophy on 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 precision, accountability in all its transactions and to meet its stakeholders expectation. Corporate Governance requires professionals to raise their competence and capability levels to meet the expectations of managing the enterprise and its resources effectively. The Board of Directors is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders.

DEN has made sincere and continuous efforts to institutionalize the best Corporate Governance practices and firmly believes that it will go beyond complying with the regulatory framework. As a listed company, it is in compliance with all applicable provisions of the Listing Agreements pertaining to corporate governance, including appointment of Independent Directors and constitution of Committees. The Board firmly believes in achieving the highest standards of transparency in all facets of its working, prompt and adequate disclosures of all the material information, fixing accountability, ensuring compliance of all applicable laws, rules and regulations, conducting the affairs of the Company in an ethical manner and thereby enable an increase in the value of all stakeholders.

During the year under review, your Company has complied with the standards of Corporate Governance envisaged as under:

Board of Directors

Composition

The size and composition of the Board of Directors conforms to the requirements of the Listing Agreement. Presently the Board comprises of five members, all of whom are Non-Executive Directors except Mr. Sameer Manchanda, the Chairman Managing Director of the Company. More then one-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 details of the Directors on the Board of the Company during the year ended March 31, 2011 are set out in the table below:-

Name of the Director	Category of Directorship	No. of Outside Directorships Held	No. of Chairmanships/ Memberships of other Board Committees	
			Chairmanship	Membership
Mr. Sameer Manchanda	Chairman Managing Director	01	Nil	Nil
Mr. Shahzaad Siraj Dalal	Nominee Director	12	01	08
Mr. Krishna Kumar P.T. Gangadharan	Alternate Director to Mr. Shahzaad Siraj Dalal	05	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

a) 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 they are subsidiaries of a Public Limited Company or not, Foreign Companies and Companies under section 25 of The Companies Act, 1956, have not been included.

b) For the purpose of considering the total number of Memberships/ Chairmanships of the Committee(s) only Audit Committees and Shareholders'/ Investors' Grievance Committees of all Public Limited Companies have been considered.

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

Board Meetings and Procedures

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

At least four meetings of the Board are held every year generally after the end of 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 arranges to provide detailed information to all Board members, on the matters to be considered at Board meetings along with the Agenda thereof, in advance before such Board Meetings. The members of the Board have complete freedom to express their views on the matters discussed and thereafter the decisions are taken on the basis of consensus arrived at after discussion on each agenda item. Minutes of the proceedings of every Board Meeting are recorded and are discussed before approval by the members of the Board at successive Board Meetings before entering the same into the Minute Book. Implementation status of various decisions taken at each Board Meeting is reviewed in successive meetings of the Board.

Attendance at Board Meetings and Annual General Meeting: A total of 06 (Six) meetings were held during the financial year 2010-11 on 28th May, 2010, 10th August, 2010, 10th September, 2010, 22nd October, 2010, 12th November, 2010, and 11th February, 2011. The maximum time gap between any two Board meetings was not more than four months. The Third Annual General Meeting of the Company was held on September 10, 2010.

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

Name of the Director	No. of Board Meetings Attended	Attended last Annual General Meeting
Mr. Sameer Manchanda	05	Yes
Mr. Shahzaad Siraj Dalal*	Nil	No
Mr. Krishna Kumar P.T. Gangadharan (Alternate Director for Mr. Shahzaad Siraj Dalal)	01	No
Mr. Ajaya Chand	06	Yes
Mr. Robindra Sharma	05	No
Mr. Raghav Bahl**	Nil	No
Mr. Atul Sharma	01	No

** The representatives of IL&FS Investment Managers Limited were present in the board meeting dated 28-05-2010, 10-08-2010 and 12-11-2010.*

*** Resigned from directorship w.e.f., 22.10.2010*

Director Profile

Brief description of the Director, whose candidature is proposed for re-appointment at the forthcoming Annual General Meeting, along with names of the Companies in which he holds Directorships, Memberships / Chairmanships of Committees of Board and their shareholding in the Company as required under Clause 49 of the Listing Agreement are provided as below:

Mr. Robindra Sharma - *Independent Director*

Mr. Robindra Sharma holds a Bachelor's degree in commerce from Bombay University. 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 17 years and is responsible for all accounting, financial and legal matters of that company.

Name of the Company	Position on the Board & Committee thereof
T. Group Solutions Private Limited	Director

Compensation to the Members of Board

During the financial year 2010-11, the Company has paid remuneration to Mr. Sameer Manchanda, Chairman Managing Director of the Company. The company has been paying remuneration (Gross) of Rs.15,00,000 per month to Mr. Sameer Manchanda w.e.f 12.11.2010 (detailed remuneration is mentioned below).

Salary	-	6,00,000/-
House Rent Allowance	-	3,00,000/-
Management Allowance	-	5,28,000/-
Provident Fund	-	72,000/-
Total	-	15,00,000/-

Non-Executive & Independent members of the Board are paid sitting fees for attending the Meetings of Board thereof, within the ceiling as provided under the Companies Act, 1956. Besides this, Non-Executive Directors do not have any other pecuniary relationship or transaction with the Company.

Shareholding of Directors

Shareholding of the Directors of the Company as on March 31, 2011 is as under:

Name of the Director	No. of Shares Held (Face value Rs. 10/- each)
Mr. Sameer Manchanda	4,54,54,550
Mr. Shahzaad Siraj Dalal	10,000
Mr. Krishna Kumar	2520
Mr. Ajaya Chand	NIL
Mr. Robindra Sharma	NIL
Mr. Atul Sharma	NIL

Committee(s) of the Board

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

1. Audit Committee

(a) Brief Description of Terms of Reference

The Committee deals with the various aspects of financial statements, adequacy of internal controls, various audit reports, compliance with accounting standards, Company's financial and risk management policies. It reports to the Board of Directors about its findings and recommendations pertaining to the above matters. The Committee also reviews the utilization of funds generated through the Issue Proceeds of the Company on a quarterly basis till they are fully utilized.

The Audit Committee reviews the reports of the Internal Auditors, meets Statutory and Internal Auditors as and when required and discusses their findings, observations, suggestions, internal control systems, scope of audits and other related matters.

(b) Composition

The Audit Committee of the Company is constituted in accordance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchange(s) and Section 292A of the Companies Act, 1956. The Audit Committee comprises of the following three Directors of whom two thirds 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 S Dalal	Non-Executive 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

(c) Number of Meetings & Attendance

During the year under review five meetings of the Audit Committee were convened on May 28, 2010, August 10, 2010, September 10, 2010, November 12, 2010 and February 11, 2011. The details of attendance of members at the Committee Meetings are as under:

Name	No. of Meetings Attended
Mr. Ajaya Chand	05
Mr. Shahzaad S Dalal	Nil
Mr. Krishna Kumar P.T. Ganagadharan (Alternate Director for Mr. Shahzaad Siraj Dalal)	01
Mr. Robindra Sharma	04

2. Shareholders Transfer/Investor's Grievance Committee

(a) Composition

The Committee comprises of the following three Directors:

Name	Category of Directorship	Position
Mr. Sameer Manchanda	Executive Director	Chairman
Mr. Ajaya Chand	Non Executive, Independent Director	Member
Mr. Atul Sharma	Non Executive, Independent Director	Member

(b) Terms of Reference, Powers & Role of the Committee

The Committee specifically looks into the redressal of shareholders' / investors' complaints.

(c) Number of Committee meetings & attendance

The Committee met four times during the year viz. on April 21, 2010, June 10, 2010, November 15, 2010 and February 11, 2011. The Committee discussed about 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	04
Mr. Ajaya Chand	04
Mr. Atul Sharma	-

(d) Investors' Correspondence / Complaints & their Redressal

The Company received 6 (six) correspondence(s) / complaints from Shareholders during the period from April 1, 2010 to March 31, 2011 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 March 31, 2011.

3. Remuneration/Compensation Committee

(a) Composition

The Compensation Committee of the Board comprises of following four Directors:

Name	Category of Directorship	Position
Mr. Ajaya Chand	Non-Executive, Independent Director	Chairman
Mr. Robindra Sharma	Non Executive, Independent Director	Member
Mr. Atul Sharma	Non Executive, Independent Director	Member
Mr. Sameer Manchanda	Executive Director	Member

(b) Terms of Reference, Powers & Role of the Committee

The committee deliberates on the remuneration policy of the Directors including granting options/ equity shares under the Employees Stock Option / Purchase Plans of the Company to the Directors as well as the employees of the Company and/or its holding and subsidiaries Companies, if any.

(c) Number of Committee Meetings & Attendance

The committee met three times during the period under review on 10-09-2010, 12-11-2010 and 29-03-2011. The detail of attendance of members at the Committee Meeting is as under

Name of the Member	No. of Meetings Attended
Mr. Ajaya Chand	3
Mr. Sameer Manchanda	3
Mr. Robindra Sharma	Nil
Mr. Atul Sharma	Nil

Besides the above-mentioned Committees, the Company has the following other working Committees of the Board:

1. Finance Committee
2. Securities Issue Committee

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 (ID) of the Listing Agreement. This code is also posted on the website of the Company www.dennetworks.com. All the Board Members and Senior Management Personnel(s) to whom this Code of Conduct is applicable have affirmed compliance with the Code and a declaration of this affirmation from Chairman 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 also adopted the Code of Conduct for Prohibition of Insider Trading of shares of the Company as provided under 'The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time. This Code has also been posted on the website of the Company www.dennetworks.com.

Disclosures

• None of the transactions with any of the related parties were in conflict with the interests 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 else where 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 is to identify the potential areas that may affect the affairs of the Company and then ensuring the reasonable assurances to avoid any possible damage to the assets and properties of the Company.

• Chairman Managing Director and Chief Financial Officer 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, 2011, which forms part of this report as Annexure – 'C'.

General Body Meetings

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

Year	Location	Date	Day	Time
2007-08	At the registered office of the Company at 236, Okhla Industrial Estate, Phase-III, New Delhi-110020	September 19, 2008	Friday	1.30 P.M
2008-09	At the registered office of the Company at 236, Okhla Industrial Estate, Phase-III, New Delhi-110020	August 03, 2009	Monday	10.00 A.M
2009-10	At Kamani Auditorium, 1 Copernicus Marg, Near Mandi House New Delhi – 110001	September 10, 2010	Friday	11.30 A.M

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

1. At the AGM held on September 19, 2008 : There was no matter that required the passing of a special resolution.

2. At the AGM held on August 03, 2009:- There was no matter that required the passing of a special resolution.

3. At the AGM held on September 10, 2010:– Under mention three resolutions were passed.

- Issue of Securities under Employee Stock Option Scheme (ESOS)
- Issue of Securities under Employee Stock Option Scheme (ESOS) to the Employees and Directors of Subsidiary Company(ies)
- Further issue of Capital.

Company was incorporated on 10-07-2007 and in compliance with applicable laws only three Annual General Meetings have been held.

No Extraordinary General Meeting of the members of the Company were convened and held during the year under review.

Means of Communication

- Financial results at the end of every quarter and audited Annual Financial Results are published regularly within the prescribed time limit in 'Business Standard' (English Newspaper) and 'Business Standard' (Hindi News paper).
- 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) are also displayed on the website of the Company - www.dennetworks.com

Postal Ballot

There were three resolutions passed through postal ballots during the year as under:

1. Increase in the Authorised Share Capital from Rs. 165.00 Cr to Rs. 200.00 Cr, dated 21st day of October 2010.

2. Appointment of Mr. Sameer Manchanda as Managing Director, dated 21st day of October 2010.

3. Inter Corporate Loans & Investments, dated 28th day of December 2010.

4. Managerial Remuneration to Mr. Sameer Manchanda, Chairman Managing Director, dated 28th day of December 2010.

General Shareholders Information

Annual General Meeting

Day & Date Time Venue	Tuesday, September 27, 2011 03:00 P.M. Sri Sathya Sai International Center, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110003

Financial Calendar: [Tentative and subject to change]

Financial Reporting for the 1st Quarter ending June 30th, 2011.	Within first 15 days of August, 2011.
Financial Reporting for the 2nd Quarter ending September 30th, 2011.	Within first 15 days of November, 2011.
Financial Reporting for the 3rd Quarter ending December 31st, 2011.	Within first 15 days of February, 2012.
Financial Reporting for the last Quarter ending March 31st, 2012.	Within first 15 days of May, 2012, in case of Unaudited Financial Results or within 60 from the end of March 31, 2012, in case of Audited Financial Results.

Date of Book Closure

Tuesday, the 20th September, 2011 to Tuesday 27th September, 2011 (both days inclusive)

Listing on Stock Exchange(s) and Stock Code(s)

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

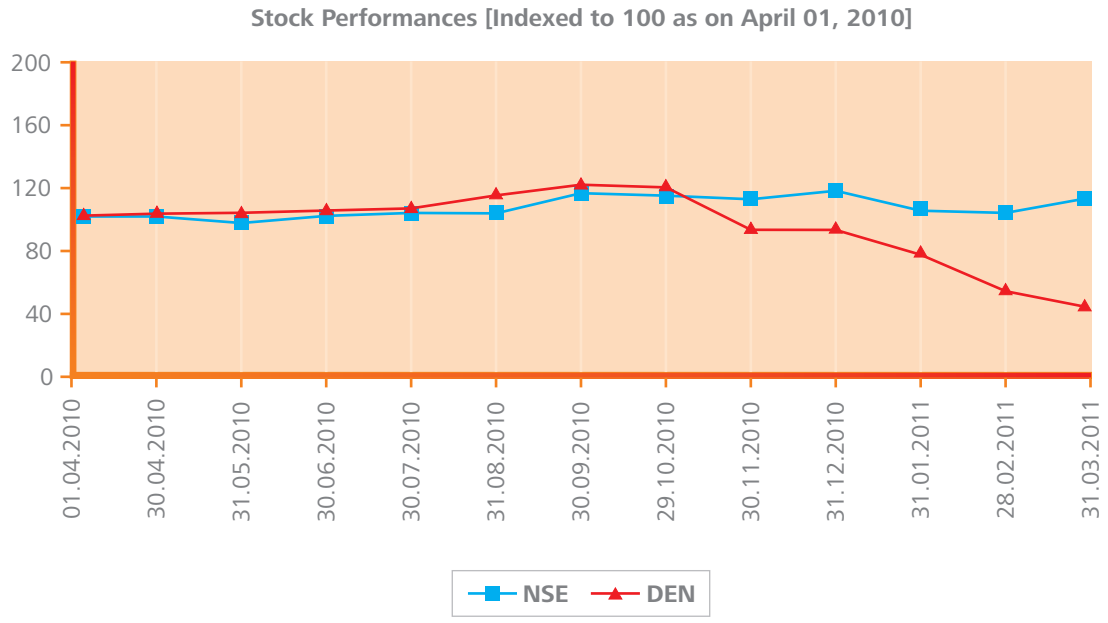
The Annual Listing fee for 2011-12 has been paid to the aforesaid Stock Exchange(s) within the stipulated time period.The International Securities Identification Number (ISIN) allotted to the Company's share under the Depository System is INE947J01015.

Market Price Data

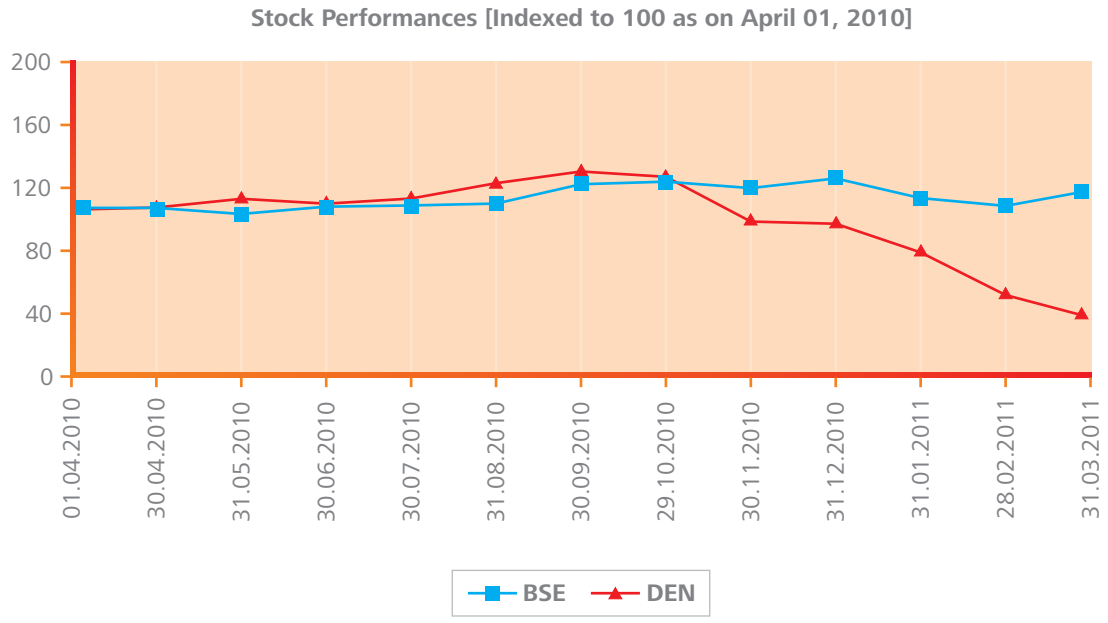
Equity Shares of the Company are listed and traded on BSE and NSE and the High Low rates of the shares of the Company during the year ended March 31, 2011 are as follows:

Month	National Stock Exchange (NSE) (In Rs. per share)		Bombay Stock Exchange (BSE) (In Rs. per share)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April, 2010	214.00	189.00	214.90	190.10
May, 2010	218.50	191.00	219.90	190.00
June, 2010	214.50	181.00	214.00	192.15
July, 2010	224.90	191.00	224.55	190.20
August, 2010	254.40	203.05	256.00	204.35
September, 2010	248.00	221.05	245.00	224.00
October, 2010	250.00	223.15	246.00	221.00
November, 2010	253.00	167.05	250.20	167.25
December, 2010	196.95	168.10	199.25	169.30
January, 2011	192.00	146.20	186.95	146.25
February, 2011	157.75	85.70	160.00	88.00
March, 2011	109.60	77.50	109.70	78.15

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 11 40522242
Fax: +91 11 40522204
Email: jatin.mahajan@denonline.in

Share Transfer System

M/s Karvy Computershare 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 4 times during the year 2010 – 11.

Approximate time taken for share transfer, if documents are in order in all respects: 15 days
Total No. of shares transferred during 2010 – 2011:552509
Number of Shares pending for Transfer as on 31.03.2011:Nil

Redressal of Investors Complaints

The philosophy of the Company is to give utmost importance to the redressal of investors' 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: investorgrievance@denonline.in

Dematerialization of Shares and Liquidity

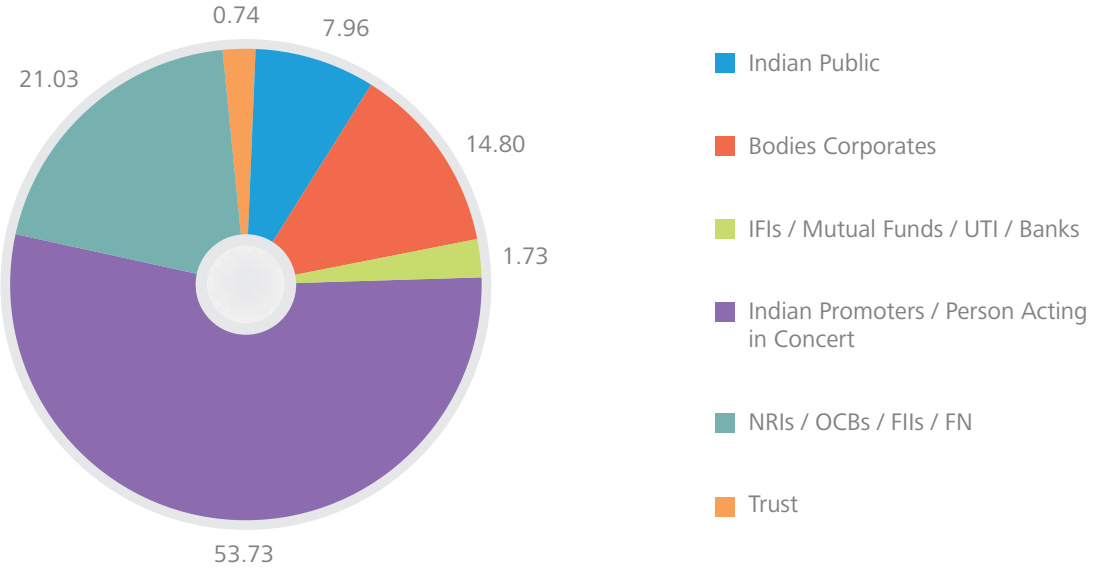
The shares of the Company are compulsorily traded in dematerialized mode and are registered for trading with both the depository participants i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The status of holding in dematerialized and physical mode, as on March 31, 2011 is as under:

Mode of Holding	No. of Shares	% of Total Share Capital
Demat	12,98,80,994	99.53
Physical	6,08,981	0.47
Total	**13,04,89,975**	**100**

Distribution of Shareholding as on 31.03.2011

Category	No. of Shareholders	No. of Shares	%
Indian Public	2767	10,385,016	7.96
Bodies Corporates	232	19,316,278	14.80
IFIs / Mutual Funds / UTI / Banks	3	2,263,567	1.73
Indian Promoters / Person Acting in Concert	5	70,116,720	53.73
NRIs / OCBs / FIIs / FN	70	27,438,687	21.03
Trust	1	969,707	0.74
Total	**3078**	**130,489,975**	**100**

Graphic presentation of the Shareholding Pattern as on 31.03.2011



Distribution Schedule as on 31.03.2011

Amount (Rs.)	No. of Shareholders	% of Shareholders	Amount of Share (RS.)	% of Shareholding
1 - 5000	2605	84.63	21,97,050	0.17
5001 - 10000	117	3.80	9,34,620	0.07
10001 - 20000	87	2.83	12,77,630	0.10
20001 - 30000	60	1.95	14,87,250	0.11
30001 - 40000	27	0.88	9,64,700	0.07
40001 - 50000	20	0.65	9,39,650	0.07
50001 - 100000	36	1.17	28,01,750	0.21
100001 & Above	126	4.09	1,29,42,97,100	99.19
Total	**3078**	**100**	**1,30,48,99,750**	**100**

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 31st, 2011, 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 according to the explanations given to us, the Company has been complying with the conditions of Corporate Governance, as stipulated in the Clause 49 of the Listing Agreement with the Stock Exchange(s), as in force.

For **RMG & ASSOCIATE,**
Company Secretaries

Sd/-
MANISH GUPTA
Proprietor

New Delhi
September 01, 2011

Membership No. FCS 5123
Certificate of Practice No. 4095

Annexure 'B'

DECLERATION UNDER CLAUSE 49-(ID) OF THE LISTING AGREEEMENT

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 2010-11 and there has been no instances of violation of the Code.

For **DEN NETWORKS LIMITED**

Sd/
SAMEER MANCHANDA
Chairman Managing Director

Annexure 'C'

CMD AND CFO CERTIFICATION

Dear Members,
DEN Networks Limited,

We, Sameer Manchanda, Chairman Managing Director and Rajesh Kaushall, Chief Financial Officer, responsible for the finance function and the compliance of the Code of Conduct of the Company hereby certify that:

1. We have reviewed financial statements and the 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. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's Code of Conduct.

3.We accept the responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and 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 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** For **DEN NETWORKS LIMITED**

Sd/ Sd/
RAJESH KAUSHALL **SAMEER MANCHANDA**
CFO Chairman Managing Director

New Delhi
September 01, 2011

Auditors' Report

TO

THE MEMBERS OF
DEN NETWORKS LIMITED

1. We have audited the attached Balance Sheet of DEN Networks Limited, ('the Company') as at 31 March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. Without qualifying our opinion, attention is invited to Note 17 (a) of Schedule 16, wherein the managerial remuneration paid/payable for the year is in excess of the limits set out in the Companies Act, 1956 and is subject to the approval of the shareholders /Central Government.

4. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

5. Further to our comments in the Annexure referred to in paragraph 3 above, 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 appears from our examination of those books;

c. the Balance Sheet, the Profit and Loss Account 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 Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section 3C of Section 211 of the Companies Act, 1956;

e. in our opinion and to the best of our information and according to the explanations given to us, the said accounts, together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2011;

ii. in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and

iii. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

6. On the basis of written representations received from the Directors as on 31 March, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

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

Sd/-
JITENDRA AGARWAL
Partner
(Membership No. 87104)

New Delhi
May 28, 2011

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

i.Having regard to the nature of the Company's business/activities/result, clauses ii, 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. According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified by the management in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification 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. The Company has neither granted nor taken any loans, secured or unsecured, from/to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us and having regard to the explanation that some capital items for which the procurement decision was taken based on operational requirements and some the fixed assets purchased are of specialised nature and, therefore, suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and sale of goods and services. The operations of the Company do not give rise to purchase of inventory.

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 of the Companies Act, 1956 have been entered in the register required to be maintained under that section; and

b. According to information and explanations given to us, having regard to the explanation that some of the services purchased and sold are of a specialised nature for which there are no alternate sources of supply to enable comparison of prices, transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5 lakhs in respect of any party during the year have been made at prices which are reasonable to prevailing market prices at the relevant time.

vi. According to the information and explanations given to us, 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 Company has an adequate internal audit system commensurate with the size of the Company and nature of its business.

viii. To the best of our knowledge and according to the information and explanations given to us the Central Government has not prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of any of the products of the Company.

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

a. The Company has been generally regular in depositing its undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Value added Tax, Wealth Tax, Service tax, Customs Duty, Work Contract Tax, Cess and other material statutory dues within the prescribed time with the appropriate authorities during the year. There are no undisputed amounts payable in respect of these dues which have remained outstanding as at 31 March, 2011 for a period of more than six months from the date they became payable.

We are informed that the Company's operations did not give rise to any Excise Duty and Investor Education and Protection Fund.

b. According to the information and explanations given to us, there are no amount of Income Tax, Sales Tax, Value added Tax, Wealth Tax, Service tax, Customs Duty, Work Contract Tax and Cess which have not been deposited on account of any disputes.

x. Clause 4(x) of the Companies (Auditor's Report) Order, 2003 regarding accumulated losses of the Company at the end of the financial year exceeding fifty percent of its net worth is not applicable to the Company since the Company has been registered for a period of less than five years.

xi.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. The Company has not taken loans from financial institutions or issued any debentures.

xii. 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.

xiii. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

xiv. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.

xv. 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, have not been used during the year for long term investment.

xvi. 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.

xvii. The Company has not raised any money by way of public issues during the year.

xviii. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and fraud on the Company has been noticed or reported during the year.

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

Sd/-
JITENDRA AGARWAL
Partner
(Membership No. 87104)

New Delhi
May 28, 2011

Balance Sheet as at March 31, 2011

Rs. in '(000)

	Schedule Reference	As at 31-03-2011	As at 31-03-2010
SOURCES OF FUNDS			
1 **SHAREHOLDERS' FUNDS**			
a. Share capital	1	1,304,900	1,304,900
b. Employee stock options outstanding	2	1,946	-
c. Reserves and Surplus	3	6,105,323	6,105,323
2 **LOAN FUNDS**			
a. Secured Loans	4	1,547,030	1,607,748
b. Unsecured Loans	5	14,100	21,952
3 **DEFERRED TAX LIABILITY (NET)**		-	9,722
		8,973,299	**9,049,645**
APPLICATION OF FUNDS			
4 **FIXED ASSETS**	6		
a. Gross Block		2,242,480	1,839,929
b. Less: Depreciation		586,971	330,584
c. Net Block		1,655,509	1,509,345
d. Capital work in progress		409,917	194,318
		2,065,426	1,703,663
5 **INVESTMENTS**	7	3,658,686	3,185,578
6 **CURRENT ASSETS, LOANS AND ADVANCES**			
a. Sundry debtors	8	1,007,708	1,010,144
b. Unbilled revenues		14,553	133,725
c. Cash and bank balances	9	2,216,532	2,053,281
d. Loans and advances	10	1,147,956	2,008,926
		4,386,749	5,206,076
7 **LESS: CURRENT LIABILITIES AND PROVISIONS**	11		
a. Current Liabilities		1,189,817	1,174,278
b. Provisions		28,141	21,386
		1,217,958	1,195,664
8 **NET CURRENT ASSETS (6-7)**		3,168,791	4,010,412
9 **PROFIT AND LOSS ACCOUNT (DEBIT BALANCE)**		80,396	149,992
		8,973,299	**9,049,645**
Notes forming part of the accounts The above schedules form an integral part of the balance sheet	16		

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

Sd/-
JITENDRA AGARWAL
Partner
Membership No. 87104

New Delhi
28 May, 2011

For and on behalf of the Board
DEN NETWORKS LIMITED

Sd/-
SAMEER MANCHANDA
Chairman & Managing Director

Sd/-
AJAYA CHAND
Director

Sd/-
RAJESH KAUSHALL
Chief Financial Officer

Sd/-
JATIN MAHAJAN
Company Secretary

New Delhi
28 May, 2011

Profit & Loss Account for the Year Ended March 31, 2011

Rs. in '(000)

	Schedule Reference	As at 31-03-2011	As at 31-03-2010
1 **INCOME**			
a. Income from operations		3,256,431	3,214,834
b. Sale of equipment		25,527	4,773
c. Other income	12	254,572	109,235
d. Gain on foreign exchange fluctuation		8,861	18,931
		3,545,391	3,347,773
2 **EXPENDITURE**			
a. Operational, administrative and other costs	13	2,688,536	2,402,932
b. Personnel expenses	14	324,001	327,430
c. Cost of traded items		25,386	4,893
d. Interest and financial charges	15	186,303	193,039
e. Depreciation and amortisation	6	261,199	218,630
		3,485,425	3,146,924
3 **PROFIT/(LOSS) BEFORE TAX**		59,966	200,849
4 **PROVISION FOR TAXES**			
a. Income Tax		14,089	15,080
b. Wealth Tax		92	103
c. Deferred Tax		(9,722)	(7,271)
d. Minimum alternate Tax (MAT)		(14,089)	(15,080)
		(9,630)	(7,168)
5 **PROFIT/(LOSS) AFTER TAX**		**69,596**	**208,017**
6 **PROFIT/(LOSS) BROUGHT FORWARD**		**(149,992)**	**(358,008)**
7 **APPROPRIATION**			
Dividend on cumulative convertible preference shares		-	1
8 **PROFIT/(LOSS) AFTER TAX CARRIED TO BALANCE SHEET**		**(80,396)**	**(149,992)**
EARNINGS PER EQUITY SHARE (See note 19) (Face value of Rs. 10 per share)			
Basic		0.53	1.86
Diluted		0.53	1.79
Notes forming part of the accounts The above schedule form an integral part of the profit and loss account	16		

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

Sd/-
JITENDRA AGARWAL
Partner
Membership No. 87104

New Delhi
28 May, 2011

For and on behalf of the Board
DEN NETWORKS LIMITED

Sd/-
SAMEER MANCHANDA
Chairman & Managing Director

Sd/-
AJAYA CHAND
Director

Sd/-
RAJESH KAUSHALL
Chief Financial Officer

Sd/-
JATIN MAHAJAN
Company Secretary

New Delhi
28 May, 2011

Cash Flow Statement for the Year Ended March 31, 2011

Rs. in '(000)

	Year Ended 31-03-2011	Year Ended 31-03-2010
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax	59,966	200,849
Adjustments for:		
Depreciation and Amortisation	261,199	218,630
Non Cash Acquisition Consultancy Cost	-	17,617
Loss on Sale of Investment	97	-
Interest and other Financial Expenses	186,303	193,039
Employee Stock compensation expenses	1,946	-
Provision for impairment	5,000	-
Provision for Employee benefits	10,017	10,053
Loss/(Gain) on exchange rate fluctuation - Unrealized	(302)	(3,636)
Doubtful debts and advances written off/provided	24,899	3,200
Fixed assets/ capital work in progress written off	2,284	991
Interest income	(144,669)	(17,247)
Dividend received on current investment	-	(135)
Profit from sale of current investment	(31,218)	(47,774)
Profit from sale of fixed assets	(144)	-
Liabilities written back	(73,730)	(42,980)
Operating profit before working capital changes	301,678	532,607
Adjustments for:		
Decrease/(increase) in current assets	138,018	(507,397)
Increase/(decrease) in current liabilities and provisions	109,747	125,834
Cash generated from/ (used in) operations	549,443	151,044
Direct taxes paid (net of refunds)	28,027	(59,938)
Net cash from/ (used in) operating activities	**577,470**	**91,106**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investments purchased:		
- in subsidiaries (including share application money)	(408,476)	(1,153,955)
- in mutual funds	(3,802,933)	(15,525,969)
Sale of investments:		
- in subsidiaries	9,120	-
- in mutual funds	4,670,259	14,656,665
Loan repaid by/(to) subsidiaries (net)	(69,368)	(52,544)
Advance given for investment	(48,555)	(135,883)
Interest income received	81,674	18,051
Dividend received on current investment	-	135
Purchase of fixed assets (including capital advances)	(596,770)	(494,904)
Proceeds from sale of fixed assets	5,703	-
Net cash from/ (used in) investing activities	**(159,346)**	**(2,688,404)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	-	4,394,562
Share issue expenses	-	(291,264)
Proceeds/(repayment) from short term borrowings from a subsidiary company	(21,952)	(33,050)
Proceeds/(repayment) of short term borrowings from others	14,100	-
Proceeds/(repayment) from working capital loan from bank	55,621	(122,808)

Cash Flow Statement for the Year Ended March 31, 2011

Rs. in '(000)

	Year Ended 31-03-2011	Year Ended 31-03-2010
Proceeds/(repayment) from term loan from bank	(122,834)	578,669
Proceeds/(repayment) of vehicle loan from banks	6,495	(2,110)
Dividend paid on preference shares	-	(2)
Interest paid	(186,303)	(193,039)
Net cash from/ (used in) financing activities	**(254,873)**	**4,330,958**
Net increase/ (decrease) in cash and cash equivalents	163,251	1,733,660
Cash and cash equivalents as at the beginning of the year	2,053,281	319,621
Cash and cash equivalents as at the end of the year	**2,216,532**	**2,053,281**

Notes :

1. The above Cash Flow Statement has been prepared under the indirect method set out in AS-3 prescribed in Companies (Accounting Standards) Rules, 2006.
2. Figures in brackets indicate cash outflow.
3. Cash and cash equivalents include Rs. '(000) 85,865 (Previous year Rs. '(000) 83,450) under lien with banks
4. Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Sd/-
JITENDRA AGARWAL
Partner
Membership No. 87104

New Delhi
28 May, 2011

For and on behalf of the Board
DEN NETWORKS LIMITED

Sd/-
SAMEER MANCHANDA
Chairman & Managing Director

Sd/-
AJAYA CHAND
Director

Sd/-
RAJESH KAUSHALL
Chief Financial Officer

Sd/-
JATIN MAHAJAN
Company Secretary

New Delhi
28 May, 2011

Schedules Forming Part of the Balance Sheet

Rs. in '(000)

	As at 31-03-2011	As at 31-03-2010
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED		
200,000,000 (Previous year 165,000,000) equity shares of Rs. 10 each	2,000,000	1,650,000
ISSUED, SUBSCRIBED AND PAID UP		
130,489,975 (Previous year 130,489,975) equity shares of Rs. 10 each fully paid up (for stock options outstanding details see note 16)	1,304,900	1,304,900
SCHEDULE 2		
EMPLOYEE STOCK OPTIONS OUTSTANDING		
a. Employees stock options outstanding	287,000	-
b. Less : Deferred employee compensation	285,054	-
c. Net Balance	**1,946**	-
SCHEDULE 3		
RESERVE AND SURPLUS		
SECURITIES PREMIUM		
a. Opening Balance	6,105,323	2,322,018
b. Amount received pursuant to issue of equity and preference shares	-	5,199,254
c. Less:		
1. Utilisation for issue of bonus shares	-	1,124,685
2. Share issue expenses	-	291,264
	6,105,323	**6,105,323**
SCHEDULE 4		
SECURED LOADS (FROM BANKS)		
(See note 3)		
a. Term Loans*	1,253,785	1,376,619
b. Cash Credit	285,966	230,345
c. Other Loans	7,279	784
	1,547,030	**1,607,748**
** Term loans repayable within one year*	488,386	443,784
SCHEDULE 5		
UNSECURED LOAN		
Short term loans		
1. from subsidiary [see note (a) below]	-	21,952
2. from others [see note (b) below]	14,100	-
	14,100	**21,952**
Repayable within one year		
a. from subsidiary	-	21,952
b. from others	7,050	-

Schedules Forming Part of the Balance Sheet

SCHEDULE 6
FIXED ASSETS (at cost)

Rs. in '(000)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01-04-2010	Additions	Sales/ Adjustments	As at 31-03-2011	As at 01-04-2010	Additions	Sales/ Adjustments	As at 31-03-2011	As at 31-03-2011	As at 01-04-2010
A. Tangible Assets										
Leasehold improvements	96,855	235	1,758	95,332	60,567	31,461	1,109	90,919	4,413	36,288
Plant and machinery										
- Headend and distribution equipment	801,175	100,553	2,775	898,953	121,506	90,346	473	211,379	687,574	679,669
- Set top boxes	655,845	246,279	-	902,124	86,117	92,180	-	178,297	723,827	569,728
- Computers	30,023	2,080	113	31,990	8,621	5,129	51	13,699	18,291	21,402
- Office and other equipment	93,857	5,619	1,367	98,109	17,112	9,840	37	26,915	71,194	76,745
Furniture and fixtures	7,741	508	-	8,249	3,622	1,228	-	4,850	3,399	4,119
Vehicles	17,245	11,122	6,672	21,695	5,613	3,156	3,142	5,627	16,068	11,632
B. Intangible Assets										
Goodwill	4,128	-	-	4,128	2,393	667	-	3,060	1,068	1,735
Distribution network rights	115,263	48,000	-	163,263	20,683	23,868	-	44,551	118,712	94,580
Software	15,797	840	-	16,637	3,530	3,232	-	6,762	9,875	12,267
Licence fee for internet service	2,000	-	-	2,000	820	92	-	912	1,088	1,180
Total	**1,839,929**	**415,236**	**12,685**	**2,242,480**	**330,584**	**261,199**	**4,812**	**586,971**	**1,655,509**	**1,509,345**
Previous Year	**1,317,878**	**531,667**	**9,616**	**1,839,929**	**114,979**	**218,630**	**3,025**	**330,584**	**1,509,345**	**1,202,899**
Capital work-in-progress [including capital advance Rs. '(000) 23,037 (Previous year Rs. '(000) 25,347)]									**409,917**	**194,318**
Grand Total									**2,065,426**	**1,703,663**

Schedules Forming Part of the Balance Sheet

Rs. in '(000)

		As at 31-03-2011	As at 31-03-2010
SCHEDULE 7			
INVESTMENTS			
(See note 11)			
a.	Trade and unquoted - long term in equity shares - at cost		
i	**of wholly owned subsidiary companies**		
1	860,028 (Previous year 714,950) equity shares of Rs.10 each, fully paid up in Den Futuristic Cable Networks Private Limited	85,103	70,595
2	72,37,200 (Previous year 87,200) equity shares of Rs.10 each, fully paid up in Den Entertainment Network Private Limited	357,936	436
3	590,000 (Previous year 50,000) equity shares of Rs.10 each, fully paid up in Aster Entertainment Private Limited	54,500	500
4	200,000 (Previous year 50,000) equity shares of Rs.10 each, fully paid up in Den Digital Entertainment Gujarat Private Limited	8,000	500
5	50,000 (Previous year 50,000) equity shares of Rs.10 each, fully paid up in Shine Cable Network Private Limited	500	500
6	50,000 (Previous year Nil) equity shares of Rs.10 each, fully paid up in Mahavir Den Entertainment Pvt. Ltd.	500	-
		506,539	72,531
ii	**of partly owned subsidiary companies**		
1	31,224 (Previous year 31,224) equity shares of Rs.10 each, fully paid up in Den Ambey Cable Networks Private Limited	13,167	13,167
2	2,550 (Previous year 2,550) equity shares of Rs.100 each, fully paid up in DEN Manoranjan Satellite Private Limited	127,813	127,813
3	40,500 (Previous year 40,500) equity shares of Rs. 10 each, fully paid up in Dew Shree Network Private Limited	121,748	121,748
4	51,000 (Previous year 51,000) equity shares of Rs. 10 each, fully paid up in Meerut Cable Network Private Limited	83,408	83,408
5	25,935 (Previous year 25,935) equity shares of Rs. 10 each, fully paid up in Den Krishna Cable TV Network Private Limited	28,068	28,068
6	25,500 (Previous year 25,500) equity shares of Rs. 10 each, fully paid up in Shree Siddhivinayak Cable Network Private Limited	25,768	25,768
7	26,315 (Previous year 26,315) equity shares of Rs. 10 each, fully paid up in Den Pawan Cable Network Private Limited	28,054	28,054

Schedules Forming Part of the Balance Sheet

Rs. in '(000)

		As at 31-03-2011	As at 31-03-2010
8	122,400 (Previous year 122,400) equity shares of Rs. 10 each, fully paid up in Mahadev Den Network Private Limited	28,893	28,893
9	45,863 (Previous year 45,863) equity shares of Rs. 10 each, fully paid up in Mahadev Den Cable Network Private Limited	28,031	28,031
10	26,300 (Previous year 26,300) equity shares of Rs. 10 each, fully paid up in Den Mod Max Cable Network Private Limited	12,269	12,269
11	27,380 (Previous year 27,380) equity shares of Rs. 10 each, fully paid up in DEN BCN Suncity Network Private Limited	10,024	10,024
12	29,150 (Previous year 29,150) equity shares of Rs. 10 each, fully paid up in Den Crystal Vision Network Private Limited	8,175	8,175
13	45,900 (Previous year 45,900) equity shares of Rs. 10 each, fully paid up in Mahadev Den Cable Net Private Limited	14,555	14,555
14	25,501 (Previous year 25,501) equity shares of Rs. 10 each, fully paid up in Den Kashi Cable Network Private Limited	5,008	5,008
15	27,565 (Previous year 27,565) equity shares of Rs. 10 each, fully paid up in Den Harsh Mann Cable Network Private Limited	3,322	3,322
16	33,300 (Previous year 33,300) equity shares of Rs. 10 each, fully paid up in Den Mahendra Satellite Private Limited	3,006	3,006
	Less : Provision for diminution in value of DEN Mahendra Satellite Private Limited	(500)	-
17	27,384 (Previous year 27,384) equity shares of Rs. 10 each, fully paid up in Den Prince Network Private Limited	3,004	3,004
18	30,416 (Previous year 30,416) equity shares of Rs. 10 each, fully paid up in Den Varun Cable Network Private Limited	2,216	2,216
19	25,501 (Previous year 25,501) equity shares of Rs. 10 each, fully paid up in Den Prayag Cable Networks Private Limited	2,043	2,043
20	27,160 (Previous year 25,628) equity shares of Rs. 10 each, fully paid up in Den Pradeep Cable Network Private Limited	1,856	1,502
21	29,223 (Previous year 29,223) equity shares of Rs. 10 each, fully paid up in DEN Ashu Cable Private Limited	12,314	12,314
22	26,841 (Previous year 26,841) equity shares of Rs. 10 each, fully paid up in DEN Bindra Network Private Limited	5,112	5,112
23	29,685 (Previous year 29,685) equity shares of Rs. 10 each, fully paid up in Den Classic Cable TV Services Private Limited	2,649	2,649
24	30,140 (Previous year 30,140) equity shares of Rs. 10 each, fully paid up in DEN Digital Cable Network Private Limited	132,832	132,832

Schedules Forming Part of the Balance Sheet

Rs. in '(000)

	As at 31-03-2011	As at 31-03-2010
25 355,980 (Previous year 355,980) equity shares of Rs. 10 each, fully paid up in Den Enjoy Cable Networks Private Limited	36,588	36,588
26 27,675 (Previous year 27,675) equity shares of Rs. 10 each, fully paid up in Den F K Cable TV Network Private Limited	25,554	25,554
27 25,624 (Previous year 25,624) equity shares of Rs. 10 each, fully paid up in DEN Jai Ambey Vision Cable Private Limited	2,103	2,103
28 31,230 (Previous year 31,230) equity shares of Rs. 10 each, fully paid up in Den Maa Sharda Vision Cable Networks Private Limited	6,000	6,000
29 56,059 (Previous year 56,059) equity shares of Rs. 10 each, fully paid up in DEN MCN Cable Network Private Limited	33,970	33,970
30 33,950 (Previous year 33,950) equity shares of Rs. 10 each, fully paid up in Den Mewar Rajdev Cable Network Private Limited	19,546	19,546
31 26,117 (Previous year 26,117) equity shares of Rs. 10 each, fully paid up in DEN Montooshah Network Private Limited	20,449	20,449
32 Nil (Previous year 38,914) equity shares of Rs. 10 each, fully paid up in DEN P.S.C. Network Private Limited	-	9,142
33 35,140 (Previous year 35,140) equity shares of Rs. 10 each, fully paid up in Den Radiant Satelite Cable Network Private Limited	1,953	1,953
34 48,256 (Previous year 48,256) equity shares of Rs. 10 each, fully paid up in DEN RIS Cable Network Private Limited	5,408	5,408
Less : Provision for diminution in value of DEN RIS Cable Network Private Limited	(4,500)	-
35 31,265 (Previous year 31,265) equity shares of Rs. 10 each, fully paid up in Den Satellite Cable TV Network Private Limited	5,335	5,335
36 25,500 (Previous year 25,500) equity shares of Rs. 10 each, fully paid up in Den Shiva Cable Network Private Limited	817	817
37 91,000 (Previous year 91,000) equity shares of Rs. 10 each, fully paid up in DEN Sky Media Network Private Limited	123,832	123,832
38 30,452 (Previous year 30,452) equity shares of Rs. 10 each, fully paid up in DEN Supreme Satellite Vision Private Limited	25,555	25,555
39 27,325 (Previous year 27,325) equity shares of Rs. 10 each, fully paid up in Drashti Cable Network Private Limited	23,000	23,000
40 25,500 (Previous year 25,500) equity shares of Rs. 10 each, fully paid up in DEN Fateh Marketing Private Limited	10,229	10,229

Schedules Forming Part of the Balance Sheet

Rs. in '(000)

		As at 31-03-2011	As at 31-03-2010
41	25,500 (Previous year 25,500) equity shares of Rs. 10 each, fully paid up in DEN Nashik City Cable Network Private Limited	73,595	73,595
42	76,500 (Previous year 76,500) equity shares of Rs. 10 each, fully paid up in Radiant Satellite (India) Private Limited	46,015	46,015
43	30,529 (Previous year 30,529) equity shares of Rs. 10 each, fully paid up in DEN Aman Entertainment Private Limited	4,122	4,122
44	37,113 (Previous year 37,113) equity shares of Rs. 10 each, fully paid up in Den Budaun Cable Network Private Limited	2,002	2,002
45	44,814 (Previous year 44,814) equity shares of Rs. 10 each, fully paid up in Den Narmada Network Private Limited	2,001	2,001
46	28,928 (Previous year 28,928) equity shares of Rs. 10 each, fully paid up in DEN Bellary City Cable Private Limited	36,841	36,841
47	560,762 (Previous year 550,800) equity shares of Rs. 10 each, fully paid up in Malayalam Telenet Private Limited	51,029	50,125
48	57,252 (Previous year 47,052) equity shares of Rs. 10 each, fully paid up in DEN ELGEE CABLE VISION PRIVATE LIMITED	6,381	4,376
49	5,100 (Previous year 5,100) equity shares of Rs. 10 each, fully paid up in RAJKOT CITY COMMUNICATION PRIVATE LIMITED	98,430	98,430
50	30,633 (Previous year 30,633) equity shares of Rs. 10 each, fully paid up in DEN MALABAR CABLE VISION PRIVATE LIMITED	26,894	26,894
51	27,882 (Previous year 27,882) equity shares of Rs. 10 each, fully paid up in DEN Infoking Channel Entertainers Private Limited	60,125	60,125
52	3,167 (Previous year 2,998) equity shares of Rs. 10 each, fully paid up in Den UCN Network India Private Limited	23,086	21,936
53	51,000 (Previous year 51,000) equity shares of Rs. 10 each, fully paid up in Fortune (Baroda) Network Private Limited	36,456	36,456
54	25,500 (Previous year 25,500) equity shares of Rs. 10 each, fully paid up in Galaxy Den Media & Entertainment Private Limited	43,353	43,353
55	27,300 (Previous year 27,300) equity shares of Rs. 10 each, fully paid up in Bali Den Cable Network Private Limited	50,651	50,651
56	Nil (Previous year 25,502) equity shares of Rs. 10 each, fully paid up in Mahavir Den Entertainment Private Limited	-	30,075
57	32,941 (Previous year 32,941) equity shares of Rs. 10 each, fully paid up in Den Citi Channel Private Limited	17,130	24,205

Schedules Forming Part of the Balance Sheet

Rs. in '(000)

		As at 31-03-2011	As at 31-03-2010
58	29,227 (Previous year 29,227) equity shares of Rs. 10 each, fully paid up in Fab Den Network Private Limited	41,472	41,472
59	50,295 (Previous year 46,233) equity shares of Rs. 10 each, fully paid up in Den Satellite Network Private Limited	461,582	424,332
60	102,039 (Previous year Nil) equity shares of Rs. 10 each, fully paid up in Cab-i-Net Communications Private Limited	30,037	-
61	25,500 (Previous year Nil) equity shares of Rs. 10 each, fully paid up in Den Krishna Vision Private Limited	3,681	-
62	45,900 (Previous year Nil) equity shares of Rs. 10 each, fully paid up in Shri Ram DEN Network Private Limited	31,198	-
63	25,500 (Previous year Nil) equity shares of Rs. 10 each, fully paid up in United Cable Network (Digital) Private Limited	4,602	-
64	10,200 (Previous year Nil) equity shares of Rs. 10 each, fully paid up in Amogh Broad Band Services Private Limited	628,079	-
65	34,285 (Previous year Nil) equity shares of Rs. 10 each, fully paid up in Den Sariga Communication Private Limited	9,060	-
66	25,500 (Previous year Nil) equity shares of Rs. 10 each, fully paid up in Den Sahyog Cable Network Private Limited	1,581	-
67	1,980,000 (Previous year Nil) equity shares of Rs. 10 each, fully paid up in IME Networks Private Limited	19,800	-
68	48,931 (Previous year Nil) equity shares of Rs. 10 each, fully paid up in Den A.F. Communication Private Limited	489	-
69	50,775 (Previous year Nil) equity shares of Rs. 10 each, fully paid up in Den Kattakada Telecasting and Cable Services Private Limited	16,406	-
70	30,620 (Previous year Nil) equity shares of Rs. 10 each, fully paid up in Big Den Entertainment Private Limited	12,221	-
71	5,100 (Previous year Nil) equity shares of Rs. 10 each, fully paid up in Sree Gokulam Starnet Communication Private Limited	11,526	-
		2,888,519	**2,129,468**
iii	**in joint venture**		
1	2,500,000 (Previous year 2,500,000) equity shares of Rs. 10 each, fully paid up in Star Den Media Services Private Limited	25,000	25,000
		25,000	**25,000**

Schedules Forming Part of the Balance Sheet

Rs. in '(000)

		As at 31-03-2011	As at 31-03-2010
iv	**in other companies**		
1	4,504 (Previous year Nil) equity shares of Rs. 10 each, fully paid up in Crystal Vision Media Private Limited	109,082	-
	Aggregate of unquoted - long term trade investments in equity shares (i+ii+iii+iv)	3,529,140	2,226,999
b.	Trade and unquoted - long term in preference shares - at cost		
1	3% 5 years 750,000 (Previous year 750,000) non cumulative preference shares of Rs. 10 each in Den Kashi Cable Network Private Limited	37,500	37,500
2	13.5% 7 years 707,500 (Previous year Nil) non cumulative preference shares of Rs. 10 each in Den Citi Channel Private Limited	7,075	-
		44,575	37,500
c.	Trade and unquoted - long term in capital of partnership firm - at cost		
1	99% (Previous year 99%) interest in the capital of Creative Cable Network	4,000	4,000
		4,000	4,000
d.	Unquoted - Current investments in units of mutual funds (at lower of cost or fair value) (other than trade)		
1	Nil (Previous year 28,789,123) units of Rs. 13.90 each in NLFSG Canara Robeco Treasury Advantage Super Instt Growth Fund	-	400,055
2	Nil (Previous year 9,509,161) units of Rs. 10.54 each in Baroda Pioneer Liquid Fund-Institutional Growth Plan's	-	100,208
3	Nil (Previous year 12,668,250) units of Rs. 15.79 each in B332G Birla Sun Life Floating Rate Fund Retail Long Term Growth	-	200,000
4	Nil (Previous year 6,074,841) units of Rs. 17.48 each in B332G Birla Sun Life Saving Fund Instl. Growth	-	106,192
5	Nil (Previous year 89,437) units of Rs. 1,237 each in UTI Treasury Advantage Fund Institutional Plan	-	110,624
6	2,338,361 (Previous year Nil) units of Rs. 12.83 each in Reliance Regular Saving Fund Debt Plan Institutional Growth Plan	30,000	-
7	5,097,050 (Previous year Nil) FMP 3M Series 18 Growth	50,971	-
	Aggregate of unquoted - current investment in units of mutual funds	80,971	917,079
	Total (a+b+c+d)	**3,658,686**	**3,185,578**

Schedules Forming Part of the Balance Sheet

Rs. in '(000)

	Year Ended 31-03-2011	Year Ended 31-03-2010
SCHEDULE 8		
SUNDRY DEBTORS (Unsecured)*		
(See note 8)		
a. Debts outstanding for more than 6 months		
i. Considered good	337,286	192,890
ii. Considered doubtful	9,311	9,905
b.Others		
i.Considered good	670,422	817,254
ii.Considered doubtful	-	-
	1,017,019	1,020,049
c. Less: Provision for doubtful debts	9,311	9,905
	1,007,708	**1,010,144**
*Sundry debtors include Rs. '(000) 355,090 (Previous year Rs.'(000) 387,939) and Rs. (000) 112,665 (Previous year Rs.'(000) 148,656) recoverable from subsidiaries and jointly controlled entity of the company, respectively.		
SCHEDULE 9		
CASH AND BANK BALANCES		
a. Cash on hand	214	299
b. Cheques in hand	568,993	266,850
c. Balances with scheduled banks:		
i. in current accounts	351,223	648,487
ii. in deposit accounts*	1,265,922	1,107,465
iii. as margin money**	30,180	30,180
	2,216,532	**2,053,281**
*Pledged as securities with: - Government authorities for internet service license - Rs. '(000) 2,817 (Previous year Rs. '(000) 2,670) - Tax authorities for statutory registrations - Rs. '(000) 100 (Previous year Rs. (000) 100) - Banks as DSRA Rs. '(000) 30,962 (Previous year Rs. '(000) 30,000) - Banks to issue performance gurantee to BSE Rs. '(000) 21,806 (Previous year Rs.(000) 20,500)		
**Pledged as security with bank for letters of credit		

Schedules Forming Part of the Balance Sheet

Rs. in '(000)

	Year Ended 31-03-2011		Year Ended 31-03-2010	
SCHEDULE 10				
LOANS AND ADVANCES (Unsecured)				
a. Advances recoverable in cash or in kind or for value to be received				
i. Considered good *	361,502		364,305	
ii. Considered doubtful	26,786		13,786	
	388,288		378,091	
b. Less: Provision for doubtful advances	26,786	361,502	13,786	364,305
c. Loans to Subsidiaries [See note 7 (a)]		162,414		93,046
d. Advance for investments (See note 11)		193,570		978,548
e. Balance with government authorities		61,886		36,936
f. Share application money paid pending allotment		203,965		342,876
g. Advance tax [including tax deducted at source Rs. '(000) 163,724 Previous year Rs. '(000) 191,859 (Net of Provision Rs. '(000) 25,709 Previous year Rs. 15,080)]		138,910		177,674
h. Fringe benefit tax [net of provision of Rs.'(000) 1,331 (Previous year 6,707)]		-		461
i. MAT credit entitlement		25,709		15,080
		1,147,956		**2,008,926**
*Includes Rs. '(000) 65,886 (Previous year Rs. '(000) 42,522) and Rs. '(000) 5 (Previous year Rs. '(000) 5) recoverable from the subsidiaries and jointly controlled entity of the company, respectively. [See note 7(b)]				
SCHEDULE 11				
CURRENT LIABILITIES AND PROVISIONS				
a. Current liabilities				
i. Sundry Creditors				
- Micro and small enterprises (See note 13)		-		-
- Balance consideration payable on investments (See note 11)		27,491		84,978
- Others		590,874		722,241
ii. Due to subsidiary companies		281,687		159,347
iii. Security deposits received		14,214		3,399
iv. Advances from customers*		6,628		3,506
v. Advance billings**		187,214		121,517
vi. Other liabilities		81,709		79,290
		1,189,817		**1,174,278**
*Includes Rs. '(000) 2,081 (Previous year Rs. '(000) Nil) from the subsidiaries of the company				
**Includes Rs. '(000) 15,539 (Previous year Rs. '(000) 8,198) & Rs. '(000) 188 (Previous year Rs. '(000) Nil) from the subsidiaries and jointly controlled entity of the company respectively				
b. Provisions				
i. Wealth tax [net of advance tax of Rs.'(000)24 (Previous year133)]		83		99
ii. Employee benefits (See note 14)				
- Gratuity		13,986		9,725
- Compensated absences/ leave encashment		14,072		11,562
		28,141		**21,386**
		1,217,958		**1,195,664**

Schedules Forming Part of Profit and Loss Account

Rs. in '(000)

	Year Ended 31-03-2011	Year Ended 31-03-2010
SCHEDULE 12		
OTHER INCOME		
a. Profit on sale of current investments (other than trade and unquoted)	31,218	47,774
b. Dividend on current investments (other than trade and unquoted)	-	135
c. Interest income		
i. on fixed deposits [including tax deducted at source Rs. '(000) 3,370 (Previous year Rs. '(000) 696)]	79,227	6,208
ii. on loans to subsidiaries [including tax deducted at source Rs.'(000) 3,271 (Previous year Rs. '(000) 908)]	43,496	10,869
iii. on loans to others [including tax deducted at source Rs. '(000) Nil (Previous year Rs. Nil)]	7,613	170
iv. on income tax refund	14,333	-
d. Excess provisions written back	59,282	38,940
e. Miscellaneous income	19,403	5,139
	254,572	**109,235**
SCHEDULE 13		
OPERATIONAL, ADMINISTRATIVE AND OTHER COSTS		
a. Content cost	601,292	503,232
b. Placement fees	1,210,975	1,100,267
c. Distributor commission/ incentive	49,484	33,208
d. Cable Laying Expenses - UG	-	19,650
e. Rent and hire charges (See note 10)	87,449	90,895
f. Repairs and maintenance		
i. Plant and machinery	50,870	51,826
ii.Others	34,979	25,931
g. Power and fuel	31,925	29,867
h. Director's sitting fees	320	80
i. Consultancy, professional and legal charges [See note 17 (e)]	291,772	285,141
j. Brokerage/ commission	5,828	5,072
k. Travelling and conveyance	78,012	70,979
l. Advertisement, publicity and business promotion	53,003	28,050
m. Communication expenses	93,568	86,899
n. Security charges	10,560	9,499
o. Insurance	10,812	9,656
p. Rates and taxes	21,943	21,586
q. Provision for doubtful debts/ advances	12,406	3,200
r. Bad debts/ advances written off	12,493	6,011
s. Provision for Impairment	5,000	-
t. Fixed assets/ capital work in progress written off	21	991
u. Loss on sale/ disposal of fixed assets	2,195	571
v. Loss on sale of investments	97	32
w. Miscellaneous expenses	23,532	20,289
	2,688,536	**2,402,932**

Schedules Forming Part of Profit and Loss Account

Rs. in '(000)

	Year Ended 31-03-2011	Year Ended 31-03-2010
SCHEDULE 14 **PERSONNEL EXPENSES**		
a. Salaries, allowances and bonus	283,685	290,297
b. Contribution to provident fund and other funds	16,052	14,663
c. Employee benefits (See note 14)	10,017	10,053
d. Staff welfare expenses	12,301	12,417
e. Employee stock compensation expenses	1,946	-
	324,001	**327,430**
SCHEDULE 15 **INTEREST AND FINANCIAL CHARGES**		
a. Interest on loans from banks	174,934	180,129
b. Interest on finance lease obligations (vehicles)	-	233
c. Bank charges and other costs	11,369	12,677
	186,303	**193,039**

Schedules Forming Part of the Balance Sheet

SCHEDULE 16
NOTES FORMING PART OF THE ACCOUNTS

1. Background

DEN Networks Limited (hereinafter referred to as 'the Company' or 'DEN') was incorporated on 10 July, 2007 to engage in cable television distribution, broadband internet and other related business.

DEN is engaged in distribution of television channels through analog and digital cable distribution network and provision of internet 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 1,85,67,240 Equity Shares of face value of Rs. 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

a. Basis of preparation

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles ("GAAP") in India, and comply with the Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006, to the extent applicable and in accordance with the relevant provisions of the Companies Act, 1956, as adopted consistently by the Company. These financial statements have been prepared for the year ended 31 March, 2011.

b. Use of estimates

The preparation of financial statements requires the management of the company to make estimates and assumptions that affect the reported balances of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates includes provisions for income taxes, 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.

c. Revenue recognition

i. Income from operations

1. Service revenue comprises income from subscription, 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 Set Top Boxes (STB) is recognized as revenue at the end of the month of activation of boxes, on issue of STBs to the customers.

3. Revenue billed but not recognised at the end of the year has been disclosed as deferred revenue under current liabilities.

ii. Sale of equipment

Revenue is recognized when the significant risks and rewards of ownership of the equipment have been passed to the buyer. 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 profit and loss account as mentioned in Guidance Note of State Value Added Tax by ICAI.

iii. Others

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. Dividend and interest income are recognised when the right to receive the same is established.

d. Barter Transactions

Barter transactions are recognised at the fair value of consideration received or paid. When the fair value of the transactions cannot be measured reliably, the revenue/expense is measured at the fair value of the goods/services provided/received adjusted by the amount of cash or cash equivalent transferred.

e. Fixed Assets

i. Tangible Assets

1. Fixed assets are stated at the cost of acquisition less accumulated depreciation. 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. Set top boxes are capitalised at the end of the month of activation.

3. Fixed assets under construction, advances paid towards acquisition of fixed assets and cost of assets not ready for intended use at the balance sheet date, are disclosed as capital work in progress.

ii. Intangible Assets

a. 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.

b. 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.

f. 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 Rs. 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:

Headend and distribution equipment	6 to 15 years
Set top boxes	8 years
Computers	6 years
Office & other equipment	3 to 10 years
Furniture & fixtures	6 years
Vehicles	6 years
Software	5 years

Leasehold improvements are amortised over the lower of the useful life or the period of the lease.

License fee for internet service is amortised over the period of license agreement.

Fixed assets acquired through business purchase are depreciated over the useful life of 5 years as estimated by an approved valuer.

Intangible assets comprising distribution network rights and goodwill are amortized on a straight line method over their estimated useful lives, determined by management to be 5 years.

g. Impairment of Assets

At each balance sheet date, the Company reviews the carrying amounts 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 profit and loss account.

h. Leases

i. 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.

ii. 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 profit and loss account on a straight line basis over the lease term.

i. 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.

j. 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.

k. Foreign Exchange Transactions

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 profit and loss account.

Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the rates prevailing on that date and resultant gains/losses on foreign exchange translations are recognised in the profit and loss account.

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.

l. Taxation

Income tax comprises current tax and deferred tax. 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, 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.

m. Employee Benefits

i. 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.

ii. Long Term Employee Benefits

• 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 profit and loss account during the period in which the employee renders the related service.

• Gratuity

The Company's gratuity is, a defined benefit plan. In accordance with 'The Payment of Gratuity Act, 1972', the plan provides for a lump sum payment to vested employees, at retirement, death, incapacitation, or termination of employment, of an amount based on the respective employee's last drawn salary and tenure of employment with the Company.

• 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 profit and loss account as income or expense.

n. Earnings Per Share

In determining earnings per share, the company considers the net profit after tax and includes the post tax effect of any extraordinary/ exceptional item. Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity shares outstanding during the year and dilutive equity equivalent shares outstanding at the year end, except where the results would be anti dilutive.

o. Segment Information

i. 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.

ii. Geographical Segments

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

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

q. 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.

r. 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 Company are segregated.

3. Secured Loans

a. Cash credit facilities of Rs. '(000) 285,966 [Previous year figures Rs. '(000) 230,345] are secured by:

i. First pari passu charge on current and future book debts of the Company.

ii. Second pari passu charge on all movable and immovable fixed assets of the Company.

b. Out of total term loan of Rs. '(000) 1,253,785 [Previous year figures Rs. '(000) 1,376,619] Rs. '(000) 1,123,742 [Previous year figure Rs. '(000) 1,376,619] from bank is secured by:

i. First pari passu charge on all movable and immovable properties of the Company both present and future;

c. Out of total term loan of Rs. '(000) 1,253,785 [Previous year figures Rs. '(000) 1,376,619] Rs. '(000) 130,044 [Previous year figure Rs. '(000) Nil] from bank is secured by:

i. First pari passu charge on all movable and immovable properties of the Company both present and future;

ii. Second pari passu charge on all current assets of the Company;

d. Other loans from banks amounting to Rs. '(000) 7,279 [Previous year figures Rs. '(000) 784] are secured by hypothecation of vehicles financed by them.

e. The entire amount under cash credit and term loan facilities of Rs. '(000) 527,400 [Previous year figure Rs. '(000) 1,606,964] is secured by personal guarantee of Mr. Sameer Manchanda.

4. Capital Commitments and Contingent Liabilities

a. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) Rs. '(000) 541,794 [Previous year Rs. '(000) 71,503].

b. Contingent Liabilities

I. Guarantees issued by bankers outstanding as at the end of the year end amounting to Rs. '(000) 41,775 [Previous year Rs. '(000) 41,725] on account of license for internet use issued by the Department of Telecommunications.

ii. Outstanding letters of credit as at the end of the year Rs. '(000) 294,510 [Previous year Rs. '(000) 140,887].

5. Segment Reporting

The company is engaged in the distribution & 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.

6. Related Party Disclosures

i. List of related parties

a. Related parties where control exists

1 DEN Mahendra Satellite Private Limited (w.e.f. 27-Dec-07)

2 DEN Mod Max Cable Network Private Limited (w.e.f. 27-Dec-07)

3 DEN Krishna Cable TV Network Private Limited (w.e.f. 27-Dec-07)

4 DEN Pawan Cable Network Private Limited (w.e.f. 27-Dec-07)

5 DEN BCN Suncity Network Private Limited (w.e.f. 27-Dec-07)

6 DEN Harsh Mann Cable Network Private Limited (w.e.f. 1-Mar-08)

7 DEN Classic Cable TV Services Private Limited (w.e.f. 1-May-08)

Schedules Forming Part of the Balance Sheet

8 DEN Bindra Network Private Limited (w.e.f. 1-Jul-08)

9 DEN Montooshah Network Private Limited (w.e.f. 16-Jul-08)

10 DEN Ashu Cable Private Limited (w.e.f. 22-Aug-08)

11 DEN Shree Network Private Limited (w.e.f. 26-Sep-07)

12 Shree Siddhivinayak Cable Network Private Limited (w.e.f. 1-Dec-07)

13 Drashti Cable Network Private Limited (w.e.f. 1-Apr-08)

14 DEN MCN Cable Network Private Limited (w.e.f. 8-Apr-08)

15 Mahadev DEN Network Private Limited (w.e.f. 1-Feb-08)

16 Mahadev DEN Cable Network Private Limited (w.e.f. 1-Feb-08)

17 Mahadev DEN Cable Net Private Limited (w.e.f. 1-Feb-08)

18 DEN Digital Cable Network Private Limited (w.e.f. 1-May-08)

19 Malayalam Telenet Private Limited (w.e.f. 22-Aug-08)

20 DEN Bellary City Cable Private Limited (w.e.f. 1-Jan-09)

21 DEN-Manoranjan Satellite Private Limited (w.e.f. 1-Mar-08)

22 DEN Supreme Satellite Vision Private Limited (w.e.f. 30-May-08)

23 DEN Nashik City Cable Network Private Limited (w.e.f. 26-Jun-08)

24 Radiant Satellite (India) Private Limited (w.e.f. 2-Apr-08)

25 DEN Radiant Satelite Cable Network Private Limited (w.e.f. 2-Apr-08)

26 DEN Mewar Rajdev Cable Network Private Limited (w.e.f. 2-Apr-08)

27 DEN RIS Cable Network Private Limited (w.e.f. 1-Jun-08)

28 DEN Sky Media Network Private Limited (w.e.f. 31-May-08)

29 DEN Prince Network Private Limited (w.e.f. 1-Feb-08)

30 DEN Varun Cable Network Private Limited (w.e.f. 7-Jan-08)

31 DEN Crystal Vision Network Private Limited (w.e.f. 27-Dec-07)

32 Meerut Cable Network Private Limited (w.e.f. 1-Dec-07)

33 DEN Jai Ambey Vision Cable Private Limited (w.e.f. 5-Apr-08)

34 DEN Fateh Marketing Private Limited (w.e.f. 9-Apr-08)

35 DEN Prayag Cable Networks Private Limited (w.e.f. 1-Feb-08)

36 DEN Enjoy Cable Networks Private Limited (w.e.f. 2-Apr-08)

37 DEN Maa Sharda Vision Cable Networks Private Limited (w.e.f. 1-Apr-08)

38 DEN F K Cable TV Network Private Limited (w.e.f. 1-May-08)

39 DEN Shiva Cable Network Private Limited (w.e.f. 1-May-08)

40 DEN Pradeep Cable Network Private Limited (w.e.f. 1-Feb-08)

41 DEN Satellite Cable TV Network Private Limited (w.e.f. 1-Apr-08)

42 DEN Narmada Network Private Limited (w.e.f. 1-Sep-08)

43 DEN Ambey Cable Networks Private Limited (w.e.f. 11-Sep-07)

44 DEN Budaun Cable Network Private Limited (w.e.f. 1-Oct-08)

45 DEN Aman Entertainment Private Limited (w.e.f. 1-Oct-08)

46 DEN Kashi Cable Network Private Limited (w.e.f. 1-Mar-08)

47 DEN Futuristic Cable Networks Private Limited (w.e.f. 9-Oct-07)

Schedules Forming Part of the Balance Sheet

48 DEN Digital Entertainment Gujarat Private Limited (w.e.f. 31-May-08)

49 Aster Entertainment Private Limited (w.e.f. 31-May-08)

50 DEN Entertainment Network Private Limited (w.e.f. 1-Sep-07)

51 Shine Cable Network Private Limited (w.e.f. 1-Dec-08)

52 Creative Cable Network (partnership firm) (w.e.f. 12-Oct-07)

53 Rajkot City Communication Private Limited (w.e.f. 10-Apr-09)

54 DEN Elgee Cable Vision Private Limited (w.e.f. 3-Jun-09)

55 DEN Malabar Cable Vision Private Limited (w.e.f. 30-Apr-09)

56 Amogh Broad Band Services Private Limited (w.e.f. 29-Jul-09)

57 Galaxy DEN Media & Entertainment Private Limited (w.e.f. 15-Jul-09)

58 DEN UCN Network India Private Limited (w.e.f. 25-Jul-09)

59 Bali DEN Cable Network Private Limited (w.e.f. 1-Sep-09)

60 Mahavir DEN Entertainment Private Limited (w.e.f. 1-Sep-09)

61 DEN Citi Channel Private Limited (w.e.f. 16-Nov-09)

62 DEN Satellite Network Private Limited (w.e.f. 15-Jan-10)

63 Fab DEN Network Private Limited (w.e.f. 1-Jan-10)

64 Fortune (Baroda) Network Private Limited (w.e.f. 31-Jul-09)

65 DEN Infoking Channel Entertainers Private Limited (w.e.f. 1-Aug-09)

66 United Cable Network (Digital) Private Limited (w.e.f. 1-Apr-10)

67 Shri Ram DEN Network Private Limited (w.e.f. 1-Apr-10)

68 DEN Krishna Vision Private Limited (w.e.f. 1-Apr-10)

69 CAB-I-NET Communications Private Limited (w.e.f. 1-May-10)

70 DEN Sahyog Cable Network Private Limited (w.e.f. 1-Jul-10)

71 DEN Sariga Communications Private Limited (w.e.f. 1-Aug-10)

72 IME Networks Private Limited (w.e.f. 27-Sep-10)

73 DEN Kattakada Telecasting and Cable Services Private Limited (w.e.f. 1-Oct-10)

74 DEN A.F. Communication Private Limited (w.e.f. 1-Dec-10)

75 Sree Gokulam Starnet Communication Private Limited (w.e.f. 24-Jan-11)

76 Big DEN Entertainment Private Limited (w.e.f. 1-Feb-11)

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 DEN BMC Cable Network Private Limited (w.e.f. 9-Dec-10)

b. Jointly Controlled Entity

1. Star Den Media Services Private Limited

c. Associates

1. Crystal Vision Media Private Limited

d. Entities under Significant Influence

1. Lucid Systems Private Limited
2. Setpro 18 Distribution Limited
3. Verve Engineering Private Limited

e. Key Managerial Personnel

1. Mr. Sameer Manchanda

ii. Transactions/outstanding balances with related parties during the year

Rs. in '(000)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand Total
a. Transactions during the year **i. Income from Operations**							
Setpro18 Distribution Ltd	- (-)	- (-)	- (-)	224,511 (364,866)	- (-)	- (-)	224,511 (364,866)
Star Den Media Services Private Limited	- (-)	- (-)	375,401 (493,965)	- (-)	- (-)	- (-)	375401 (493,965)
Others	420,652 (473,152)	26,984 (19,552)	- -	- (-)	5,000 (-)	- (-)	452,636 (492,704)
Total	**420,652** **(473,152)**	**26,984** **(19,552)**	**375,401** **(493,965)**	**224,511** **(364,866)**	**5,000** **-**	**-** **-**	**1,052,548** **(1,351,535)**

Schedules Forming Part of the Balance Sheet

Rs. in '(000)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand Total
ii. Sale of Equipment							
Den Kashi Cable Network Private Limited	21,044 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	21,044 (-)
Den Ambey Cable Networks Private Limited	12 (2,318)	- (-)	- (-)	- (-)	- (-)	- (-)	12 (2,318)
Den Sky Media Network Private Limited	21 (1,131)	- (-)	- (-)	- (-)	- (-)	- (-)	21 (1,131)
Others	477 (486)	- (-)	- (-)	- (-)	- (-)	- (-)	477 (486)
Total	**21,554** **(3,935)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**21,554** **(3,935)**

Rs. in '(000)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand Total
iii. Purchase of Services							
Den Enjoy Cable Networks Private Limited	149,766 (139,839)	- (-)	- (-)	- (-)	- (-)	- (-)	149,766 (139,839)
Star Den Media Services Private Limited	- (-)	- (-)	110,787 (139,194)	- (-)	- (-)	- (-)	110,787 (139,194)
Amogh Broad Band Services Private Limited	45,976 (91,099)	- (-)	- (-)	- (-)	- (-)	- (-)	45,976 (91,099)
Sameer Manchanda	- (-)	- (-)	- (-)	- (-)	- (-)	6,950 (-)	6,950 (-)
Others	774,447 (518,425)	63,271 (46,545)	- (-)	- (2)	604 (-)	- (4,272)	838,322 (569,244)
Total	**970,189** **(749,363)**	**63,271** **(46,545)**	**110,787** **(139,194)**	**-** **(2)**	**604** **(-)**	**6,950** **(4,272)**	**1,151,801** **(939,376)**
iv. Purchase of Fixed Assets							
Den Sky Media Network Private Limited	- (508)	- -	- -	- -	- -	- -	- (508)
Total	**-** **(508)**	**-** **-**	**-** **-**	**-** **-**	**-** **-**	**-** **-**	**-** **(508)**

v. Sale of Fixed Assets							
Den Kashi Cable Network Private Limited	4,841 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	4,841 (-)
Bali Den Cable Network Private Limited	1,016 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1,016 (-)
Malayalam Telenet Private Limited	- (1,084)	- (-)	- (-)	- (-)	- (-)	- (-)	- (1,084)
Den Sky Media Network Private Limited	- (386)	- (-)	- (-)	- (-)	- (-)	- (-)	- (386)
Others	25 (136)	- (-)	- (-)	- (-)	- (-)	- (-)	25 (136)
Total	**5,882** **(1,606)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**5,882** **(1,606)**

Rs. in '(000)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand Total
vi. Reimbursement of Expenses (Received)							
Aster Entertainment Private Limited	16,829 (2,652)	- (-)	- (-)	- (-)	- (-)	- (-)	16,829 (2,652)
Den Digital Entertainment Gujarat Private Limited	6,520 (417)	- (-)	- (-)	- (-)	- (-)	- (-)	6,520 (417)
Others	5,757 (2,725)	803 (837)	- (-)	- (-)	- (-)	- (-)	6,560 (3,562)
Total	**29,106** **(5,794)**	**803** **(837)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**29,909** **(6,631)**
vii. Reimbursement of Expenses (Paid)							
Den-Manoranjan Satellite Private Limited	500 (1,538)	- (-)	- (-)	- (-)	- (-)	- (-)	500 (1,538)
Den Ambey Cable Networks Private Limited	1,274 (658)	- (-)	- (-)	- (-)	- (-)	- (-)	1,274 (658)
Den Satellite Network Private Limited	- (482)	- (-)	- (-)	- (-)	- (-)	- (-)	- (482)
Others	- (31)	- (-)	- (-)	- (-)	- (-)	- (210)	- (241)
Total	**1,774** **(2,709)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**-** **(210)**	**1,774** **(2,919)**

viii. Interest Income							
Meerut Cable Network Private Limited	13,247 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	13,247 (-)
Amogh Broad Band Service Private Limited	3,389 (2,461)	- (-)	- (-)	- (-)	- (-)	- (-)	3,389 (2,461)
Den Sky Media Network Private Limited	10,516 (2,157)	- (-)	- (-)	- (-)	- (-)	- (-)	10,516 (2,157)
Den Kashi Cable Network Private Limited	1,052 (1,777)	- (-)	- (-)	- (-)	- (-)	- (-)	1,052 (1,777)
DEN Mewar Rajdev Cable Network Private Limited	3,055 (1,514)	- (-)	- (-)	- (-)	- (-)	- (-)	3,055 (1,514)
Den Narmada Network Private Limited	3,558 (1,076)	- (-)	- (-)	- (-)	- (-)	- (-)	3,558 (1,076)
Others	7,629 (1,634)	1,050 (250)	- (-)	- (-)	- (-)	- (-)	8,679 (1,884)
Total	**42,446** **(10,619)**	**1,050** **(250)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**43,496** **(10,869)**

Rs. in '(000)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand Total
ix. Investment made during the year							
Den Entertainment Network Private Limited	357,500 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	357,500 (-)
Den Satellite Network Private Limited	37,250 (297,750)	- (-)	- (-)	- (-)	- (-)	- (-)	37,250 (297,750)
Aster Entertainment Private Limited	54,000 (400)	- (-)	- (-)	- (-)	- (-)	- (-)	54,000 (400)
Others	75,316 (72,123)	- (-)	- (-)	- (-)	10,000 (-)	- (-)	85,316 (72,123)
Total	**524,066** **(370,273)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**10,000** **(-)**	**-** **(-)**	**534,066** **(370,273)**

x. Loans given during the year							
Den Sky Media Network Private Limited	209,987 (49,111)	- (-)	- (-)	- (-)	- (-)	- (-)	209,987 (49,111)
Aster Entertainment Private Limited	132,964 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	132,964 (-)
Meerut Cable Network Private Limited	100,000 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	100,000 (-)
Amogh Broadband Services Private Ltd	- (31,800)	- (-)	- (-)	- (-)	- (-)	- (-)	- (31,800)
DEN Mewar Rajdev Cable Network Private Limited	25,800 (15,404)	- (-)	- (-)	- (-)	- (-)	- (-)	25,800 (15,404)
Den Narmada Network Private Limited	78,600 (13,075)	- (-)	- (-)	- (-)	- (-)	- (-)	78,600 (13,075)
Others	43,823 (12,241)	8,630 (1,000)	- (-)	- (-)	- (-)	- (-)	52,453 (13,241)
Total	**591,174** **(121,631)**	**8,630** **(1,000)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**599,804** **(122,631)**

Rs. in '(000)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand Total
xi. Loans received back during the year							
Den Sky Media Network Private Limited	206,000 (51,018)	- (-)	- (-)	- (-)	- (-)	- (-)	206,000 (51,018)
Aster Entertainment Private Limited	130,000 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	130,000 (-)
Den Kashi Cable Network Private Limited	- (9,000)	- (-)	- (-)	- (-)	- (-)	- (-)	- (9,000)
Den Narmada Network Private Limited	93,000 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	93,000 (-)
Others	100,436 (10,069)	1,000 (-)	- (-)	- (-)	- (-)	- (-)	101,436 (10,069)
Total	**529,436** **(70,087)**	**1,000** **(-)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**530,436** **(70,087)**

xii. Loans repaid during the year							
Den Entertainment Network Private Limited	21,952 (33,050)	- (-)	- (-)	- (-)	- (-)	- (-)	21,952 (33,050)
Total	**21,952** **(33,050)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**21,952** **(33,050)**

b. Outstanding balances at year end **i. Debtors**							
Star Den Media Services Private Limited	- (-)	- (-)	112,665 (148,656)	- (-)	- (-)	- (-)	112,665 (148,656)
Setpro 18 Distribution Ltd	- (-)	- (-)	- (-)	60,117 (91,431)	- (-)	- (-)	60,117 (91,431)
Others	339,595 (372,434)	15,495 (15,505)	- (-)	- (-)	5,515 (-)	- (-)	360,605 (387,939)
Total	**339,595** **(372,434)**	**15,495** **(15,505)**	**112,665** **(148,656)**	**60,117** **(91,431)**	**5,515** **(-)**	**-** **(-)**	**533,387** **(628,026)**

Rs. in '(000)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand Total
ii. Unbilled Revenue							
Star Den Media Services Private Limited	- (-)	- (-)	- (97,929)	- (-)	- (-)	- (-)	- (97,929)
Setpro 18 Distribution Ltd	- (-)	- (-)	- (-)	- (22,640)	- (-)	- (-)	- (22,640)
Others	- (5,100)	- (-)	- (-)	- (-)	- (-)	- (-)	- (5,100)
Total	**-** **(5,100)**	**-** **(-)**	**-** **(97,929)**	**-** **(22,640)**	**-** **(-)**	**-** **(-)**	**-** **(125,669)**

Schedules Forming Part of the Balance Sheet

iii. Creditors							
DEN Enjoy Cable Network Pvt Ltd	39,522 (33,098)	- (-)	- (-)	- (-)	- (-)	- (-)	39,522 (33,098)
Star Den Media Services Private Limited	- (-)	- (-)	- (28,824)	- (-)	- (-)	- (-)	- (28,824)
Others	223,128 (109,500)	19,037 (16,749)	- -	- -	5,300 -	- (186)	247,465 (126,435)
Total	**262,650** **(142,598)**	**19,037** **(16,749)**	**-** **(28,824)**	**-** **(-)**	**5,300** **(-)**	**-** **(186)**	**286,987** **(188,357)**

iv. Investments							
Amogh Broad Band Services Private Limited	628,079 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	628,079 (-)
Den Satellite Network Private Limited	461,582 (424,332)	- (-)	- (-)	- (-)	- (-)	- (-)	461,582 (424,332)
Den Entertainment Network Private Limited	357,936 (436)	- (-)	- (-)	- (-)	- (-)	- (-)	357,936 (436)
Others	2,001,036 (1,818,731)	- (-)	25,000 (25,000)	- (-)	109,082 (-)	- (-)	2,135,118 (1,843,731)
Total	**3,448,633** **(2,243,499)**	**-** **(-)**	**25,000** **(25,000)**	**-** **(-)**	**109,082** **(-)**	**-** **(-)**	**3,582,715** **(2,268,499)**

v. Loans Taken							
Den Entertainment Network Private Limited	- (21,952)	- (-)	- (-)	- (-)	- (-)	- (-)	- (21,952)
Total	- **(21,952)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	- **(21,952)**

Schedules Forming Part of the Balance Sheet

Rs. in '(000)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand Total
vi. Loans Given							
Meerut Cable Network Private Limited	100,000 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	100,000 (-)
Amogh Broad Band Services Private Limited	- (31,800)	- (-)	- (-)	- (-)	- (-)	- (-)	- (31,800)
Den Mewar Rajdev Cable Network Private Limited	1,354 (20,554)	- (-)	- (-)	- (-)	- (-)	- (-)	1,354 (20,554)
Den Narmada Network Private Limited	2,320 (16,720)	- (-)	- (-)	- (-)	- (-)	- (-)	2,320 (16,720)
Others	49,029 (21,891)	9,711 (2,081)	- (-)	- (-)	- (-)	- (-)	58,740 (23,972)
Total	**152,703** **(90,965)**	**9,711** **(2,081)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**162,414** **(93,046)**
vii. Share Application							
Den Entertainment Network Private Limited	49 (200,000)	- (-)	- (-)	- (-)	- (-)	- (-)	49 (200,000)
Meerut Cable Network Private Limited	- (100,000)	- (-)	- (-)	- (-)	- (-)	- (-)	- (100,000)
Amogh Broadband Services Pvt. Ltd.	201,700 (20,000)	- (-)	- (-)	- (-)	- (-)	- (-)	201,700 (20,000)
Others	2,216 (12,876)	- (-)	- (-)	- (-)	- (-)	- (-)	2,216 (12,876)
Total	**203,965** **(332,876)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**203,965** **(332,876)**

Schedules Forming Part of the Balance Sheet

Rs. in '(000)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand Total
viii. Advance Given							
Amogh Broad Band Services Private Limited	5,945 (13,393)	- (-)	- (-)	- (-)	- (-)	- (-)	5,945 (13,393)
Dew Shree Network Private Limited	1,896 (1,893)	- (-)	- (-)	- (-)	- (-)	- (-)	1,896 (1,893)
Den Digital Entertainment Gujarat Private Limited	1,778 (34)	- (-)	- (-)	- (-)	- (-)	- (-)	1,778 (34)
Den Sky Media Network Private Limited	12,299 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	12,299 (-)
Meerut Cable Network Private Limited	11,950 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	11,950 (-)
Others	26,991 (16,687)	3,063 (2,157)	5 (5)	- (-)	4 (-)	- (-)	30,063 (18,849)
Total	**60,859** **(32,007)**	**3,063** **(2,157)**	**5** **(5)**	**-** **(-)**	**4** **(-)**	**-** **(-)**	**63,931** **(34,169)**
ix. Security Deposits Received							
DEN Mahendra Satellite Private Limited	120 (120)	- (-)	- (-)	- (-)	- (-)	- (-)	120 (120)
Crystal Vision Media Private Limited	- (-)	- (-)	- (-)	- (-)	10,000 (-)	- (-)	10,000 (-)
Den BCN Suncity Network Private Limited	- (100)	- (-)	- (-)	- (-)	- (-)	- (-)	- (100)
Den Mod Max Cable Network Private Limited	- (100)	- (-)	- (-)	- (-)	- (-)	- (-)	- (100)
Others	24 (24)	- (-)	- (-)	- (-)	- (-)	- (-)	24 (24)
Total	**144** **(344)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**10,000** **(-)**	**-** **(-)**	**10,144** **(344)**

Schedules Forming Part of the Balance Sheet

Rs. in '(000)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand Total
x. Accured Expenses							
Star Den Media Services Private Limited	- (-)	- (-)	25,163 (26,255)	- (-)	- (-)	- (-)	25,163 (26,255)
Dew Shree Network Private Limited	6,840 (2,388)	- (-)	- (-)	- (-)	- (-)	- (-)	6,840 (2,388)
Den Sky Media Network Private Limited	1,800 (58)	- (-)	- (-)	- (-)	- (-)	- (-)	1,800 (58)
Others	10,151 (1,148)	572 (52)	- -	- (-)	- (-)	- (-)	10,723 (1,200)
Total	**18,791** **(3,594)**	**572** **(52)**	**25,163** **(26,255)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**44,526** **(29,901)**
xi. Prepaid Expenses							
Amogh Broad Band Services Private Limited	- (8,358)	- (-)	- (-)	- (-)	- (-)	- (-)	- (8,358)
Rajkot City Communication Pvt Ltd	455 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	455 (-)
Den Mcn Cable Network Private Limited	315 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	315 (-)
Den-Manoranjan Satellite Private Limited	254 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	254 (-)
Others	940 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	940 (-)
Total	**1,964** **(8,358)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**1,964** **(8,358)**
xii. Advance Billing							
Star Den Media Services Private Limited	- (-)	- (-)	188 (-)	- (-)	- (-)	- (-)	188 (-)
Setpro 18 Distribution Ltd.	- (-)	- (-)	- (-)	15,869 (22,540)	- (-)	- (-)	15,869 (22,540)
Den Satellite Network Private Limited	5,463 (6,097)	- (-)	- (-)	- (-)	- (-)	- (-)	5,463 (6,097)
Others	10,076 (2,101)	- (-)	- (-)	- (-)	- (-)	- (-)	10,076 (2,101)
Total	**15,539** **(8,198)**	**-** **(-)**	**188** **(-)**	**15,869** **(22,540)**	**-** **(-)**	**-** **(-)**	**31,596** **(30,738)**

Rs. in '(000)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand Total
xiii. Advance from Customers							
Den Ashu Cable Private Limited	789 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	789 (-)
Den Enjoy Cable Networks Private Limited	227 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	227 (-)
Den Ambey Cable Networks Private Limited	225 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	225 (-)
Others	692 (-)	148 (-)	- (-)	- (-)	- (-)	- (-)	840 (-)
Total	**1,933** **(-)**	**148** **(-)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**2,081** **(-)**

7. Advances recoverable from Companies under the same Management within the meaning of Section 370 (1B) of the Companies Act, 1956

a. In the nature of loan

Rs. in '(000)

	Name of the Company	Balance as at		Maximum amount outstanding during the year	
		31-03-2011	31-03-2010	31-03-2011	31-03-2010
1	Amogh Broad Band Services Private Limited	-	31,800	31,800	31,800
2	Den Ambey Cable Networks Private Limited	-	500	500	500
3	Den Ambey Jhansi Cable Network Private Limited	-	1,000	1,000	1,000
4	Den Enjoy Cable Networks Private Limited	-	-	-	2,550
5	Den Fateh Mareketing Private Limited	-	-	-	1,900
6	Den Infoking Channel Entertainers Private Limited	14,000	1,000	14,000	1,000
7	Den Kashi Cable Network Private Limited	7,944	7,944	7,944	16,944
8	Den Mewar Rajdev Cable Network Private Limited	1,354	20,554	26,354	20,554
9	Den Mod Max Cable Network Private Limited	1,333	-	1,333	990
10	Den Nanak Communication Private Limited	1,081	1,081	1,081	1,081
11	Den Narmada Network Private Limited	2,320	16,720	42,320	16,720
12	Den Pradeep Cable Network Private Limited	-	541	541	541
13	Den Prayag Cable Networks Private Limited	-	-	-	2,130
14	Den Prince Network Private Limited	808	808	808	808
15	Den Radiant Satelite Cable Network Private Limited	-	725	1,095	725
16	Den Ris Cable Network Private Limited	1,070	950	1,070	950
17	Den Shiva Cable Network Private Limited	1,425	1,425	1,425	1,425
18	Den Sky Media Network Private Limited	4,560	573	94,560	51,591
19	Mahadev Den Network Private Limited	-	2,500	-	3,000
20	Radiant Satellite (India) Private Limited	4,925	4,925	4,925	4,925
21	Meerut Cable Network Private Limited	100,000	-	100,000	-
22	Shine Cable Network Private Limited	10,000	-	10,000	-

Schedules Forming Part of the Balance Sheet

Rs. in '(000)

	Name of the Company	Balance as at		Maximum amount outstanding during the year	
		31-03-2011	31-03-2010	31-03-2011	31-03-2010
23	Den Faction Communication System Private Limited	8,630	-	8,630	-
24	Aster Entertainment Private Limited	2,964	-	60,464	-
25	Den Digital Entertainment Gujarat Private Limited	-	-	4,000	-
26	Den Satellite Network Private Limited	-	-	13,700	-
	Total	**162,414**	**93,046**	**427,550**	**161,134**

b. In the nature of advances

	Subsidiaries				
1	Amogh Broad Band Services Private Limited	5,945	21,746	5,945	39,004
2	Bali Den Cable Network Private Limited	8	15	20	15
3	Creative Cable Network	-	-	-	200
4	Den Aman Entertainment Private Limited	18	2	24	281
5	Den Ambey Citi Cable Network Private Limited	23	7	23	106
6	Den Ambey Farukabad Cable Network Private Limited	28	5	116	5
7	Den Ambey Jhansi Cable Network Private Limited	47	107	110	367
8	Den Ashu Cable Private Limited	4	57	64	57
9	Den Bcn Suncity Network Private Limited	25	2	25	50
10	Den Bellary City Cable Private Limited	14	10	14	10
11	Den Bindra Network Private Limited	5	-	5	54
12	Den Budaun Cable Network Private Limited	15	125	15	382
13	Den Citi Channel Private Limited	17	9	17	9
14	Den Classic Cable Tv Services Private Limited	17	81	85	81
15	Den Crystal Vision Network Private Limited	111	55	112	414
16	Den Deva Cable Network Private Limited	7	17	18	17
17	Den Digital Cable Network Private Limited	93	42	93	42
18	Aster Entertainment Private Limited	2,526	2,369	18,469	2,369
19	Den Digital Entertainment Gujarat Private Limited	1,778	34	5,214	430
20	Den Elgee Cable Vision Private Limited	3	8	11	8
21	Den Enjoy Cable Networks Private Limited	152	82	152	2,407
22	Den Enjoy Navaratan Network Private Limited	46	17	46	851
23	Den Entertainment Network Private Limited	985	107	985	107
24	Den Faction Communication System Private Limited	979	175	1,065	262
25	Den F K Cable Tv Network Private Limited	7	4	8	361
26	Den Fateh Marketing Private Limited	63	57	63	57
27	Den Futuristic Cable Networks Private Limited	607	570	607	570
28	Den Harsh Mann Cable Network Private Limited	82	54	83	54
29	Den Infoking Channel Entertainers Private Limited	998	106	998	106
30	Den Jai Ambey Vision Cable Private Limited	23	1	23	63
31	Den Kashi Cable Network Private Limited	4,316	2,308	4,421	2,330
32	Den Krishna Cable Tv Network Private Limited	38	110	124	110
33	Den Maa Sharda Vision Cable Networks PrivateLimited	115	9	116	206
34	Den Mahendra Satellite Private Limited	68	54	68	54
35	Den Malabar Cable Vision Private Limited	4	15	15	15
36	Den Mcn Cable Network Private Limited	368	47	368	47
37	Den Mewar Rajdev Cable Network Private Limited	4,967	2,044	5,106	2,044
38	Den Mod Max Cable Network Private Limited	298	121	299	405
39	Den Montooshah Network Private Limited	2	-	7	11
40	Den Nanak Communication Private Limited	1,281	1,165	1,281	1,165
41	Den Narmada Network Private Limited	4,402	1,211	4,639	1,211
					-

Schedules Forming Part of the Balance Sheet

Rs. in '(000)

	Name of the Company	Balance as at		Maximum amount outstanding during the year	
		31-03-2011	31-03-2010	31-03-2011	31-03-2010
42	Den Nashik City Cable Network Private Limited	68	14	68	14
43	Den P.S.C. Network Private Limited	-	31	-	47
44	Den Pawan Cable Network Private Limited	39	52	61	52
45	Den Pradeep Cable Network Private Limited	189	114	189	114
46	Den Prayag Cable Networks Private Limited	589	561	589	561
47	Den Prince Network Private Limited	278	151	278	151
48	Den Radiant Satelite Cable Network Private Limited	2	158	159	158
49	Den Ris Cable Network Private Limited	550	413	557	413
50	Den Satellite Cable Tv Network Private Limited	3	122	64	3,179
51	Den Saya Channel Network Private Limited	11	1	11	32
52	Den Shiva Cable Network Private Limited	403	230	421	230
53	Den Sky Media Network Private Limited	12,299	2,117	13,120	2,117
54	Den Supreme Satellite Vision Private Limited	30	4	30	4
55	Den Ucn Network India Private Limited	562	6	562	6
56	Den Varun Cable Network Private Limited	33	2	34	183
57	Dew Shree Network Private Limited	1,896	1,893	1,896	1,893
58	Drashti Cable Network Private Limited	77	9	77	9
59	Fab Den Network Private Limited	20	5	20	5
60	Fortune (Baroda) Network Private Limited	6	1	6	1
61	Galaxy Den Media & Entertainment Private Limited	72	1	72	1
62	Kisna Den Cable Network Private Limited	10	379	10	379
63	Mahadev Den Cable Net Private Limited	85	13	85	13
64	Mahadev Den Cable Network Private Limited	396	301	396	301
65	Mahadev Den Network Private Limited	274	48	274	48
66	Mahavir Den Entertainment Private Limited	698	2,476	698	6,965
67	Malayalam Telenet Private Limited	6	33	33	33
68	Meerut Cable Network Private Limited	11,950	3	13,275	10
69	Radiant Satellite (India) Private Limited	757	144	806	144
70	Rajkot City Communication Pvt Ltd	460	1	460	1
71	Shree Siddhivinayak Cable Network Private Limited	168	7	168	7
72	Star Channel Den Network Private Limited	3	284	8	284
73	Astron Media Networks Private Limited	440	-	440	-
74	Big DEN Entertainment Pvt Ltd	38	-	38	-
75	Cab-I-Net Communications Pvt. Ltd.	14	-	14	-
76	DEN AF Communication Private Limited	425	-	425	-
77	Den Ambey Cable Networks Private Limited	67	-	69	-
78	Den BMC Cable Network Private Limited	70	-	70	-
79	Den Kattakada Telecasting & Cable Services Private Limited	3	-	3	-
80	Den Krishna Vision Private Limited	1	-	1	-
81	Den New Broad Communications Private Limited	-	-	284	-
82	Den Sahyog Cable Network Pvt. Ltd	61	-	61	-
83	Den Sariga Communications Private Limited	2	-	2	-
84	Den Satellite Network Private Limited	598	-	598	-
85	Den-Manoranjan Satellite Private Limited	259	-	259	-
86	Divya Drishti Den Network Private Limited	41	-	41	-
87	Fun Cable Network Private Limited	38	-	38	-
88	IME Network Private Limited	26	-	26	-
89	Rajasthan Entertainment Private Limited	39	-	853	-
90	Shine Cable Network Private Limited	1,260	-	1,400	-
91	Shri Ram Den Network Private Limited	1	-	1	-

Schedules Forming Part of the Balance Sheet

Rs. in '(000)

	Name of the Company	Balance as at		Maximum amount outstanding during the year	
		31-03-2011	31-03-2010	31-03-2011	31-03-2010
92	United Cable Network (Digital) Pvt. Ltd.	84	-	84	-
	Sub Total (A)	**65,886**	**42,522**	**89,988**	**73,692**
	Jointly Controlled Entity				
93	Star Den Media Services Private Limited	5	5	5	5
	Sub Total (B)	**5**	**5**	**5**	**5**
	Associates				
94	Crystal Vision Media Private Limited	4	-	4	-
	Sub Total (C)	**4**	**-**	**4**	**-**
	Total (A+B+C)	**65,895**	**42,527**	**89,997**	**73,697**

8. Debtors outstanding from Companies under the same Management within the meaning of Section 370 (1B) of the Companies Act, 1956.

Rs. in '(000)

	Name of the Company	As at 31-03-2011	As at 31-03-2010
	Subsidiaries		
1	Kisna Den Cable Network Private Limited	-	2
2	Den Satellite Network Private Limited	16,521	38,995
3	Den Ambey Cable Networks Private Limited	24,141	27,657
4	Den Nashik City Cable Network Private Limited	6,699	25,239
5	Den-Manoranjan Satellite Private Limited	3,764	24,171
6	Dew Shree Network Private Limited	21,065	21,172
7	Rajkot City Communication Pvt Ltd	7,665	19,850
8	Den Mcn Cable Network Private Limited	22,572	16,139
9	Aster Entertainment Private Limited	11,912	13,401
10	Den Enjoy Cable Networks Private Limited	5,464	12,955
11	Den Sky Media Network Private Limited	9,289	10,270
12	Meerut Cable Network Private Limited	26,903	8,362
13	Den Supreme Satellite Vision Private Limited	7,165	8,264
14	Den Digital Cable Network Private Limited	3,424	8,252
15	Den Prayag Cable Networks Private Limited	2,056	7,299
16	Galaxy Den Media & Entertainment Private Limited	10,732	10,525
17	Shree Siddhivinayak Cable Network Private Limited	9,342	7,140
18	Drashti Cable Network Private Limited	9,466	6,525
19	Den Montooshah Network Private Limited	4,217	6,343
20	Den F K Cable Tv Network Private Limited	10,293	6,070
21	Den Fateh Marketing Private Limited	10,896	5,681
22	Fab Den Network Private Limited	3,026	5,580
23	Den Futuristic Cable Networks Private Limited	5,300	5,372
24	Den Mewar Rajdev Cable Network Private Limited	3,121	3,301
25	Den Mod Max Cable Network Private Limited	8,678	4,557
26	Den Saya Channel Network Private Limited	3,890	4,654

Schedules Forming Part of the Balance Sheet

Rs. in '(000)

	Name of the Company	As at 31-03-2011	As at 31-03-2010
27	Fortune (Baroda) Network Private Limited	4,158	4,406
28	Den Enjoy Navaratan Network Private Limited	3,079	4,327
29	Den Kashi Cable Network Private Limited	22,814	1,690
30	Den Bellary City Cable Private Limited	1,630	3,969
31	Den Varun Cable Network Private Limited	5,246	3,816
32	Mahadev Den Network Private Limited	6,299	3,585
33	Den Crystal Vision Network Private Limited	1,368	3,599
34	Amogh Broad Band Services Private Limited	1,360	1,800
35	Den Krishna Cable Tv Network Private Limited	1,668	3,093
36	Den Mahendra Satellite Private Limited	2,940	3,085
37	Mahadev Den Cable Network Private Limited	2,387	2,508
38	Den Digital Entertainment Gujarat Private Limited	129	2,019
39	Den Pawan Cable Network Private Limited	4,370	2,468
40	Den Classic Cable Tv Services Private Limited	1,214	2,368
41	Radiant Satellite (India) Private Limited	2,620	2,204
42	Bali Den Cable Network Private Limited	2,984	2,299
43	Den Bcn Suncity Network Private Limited	1,042	2,231
44	Den Maa Sharda Vision Cable Networks Pvt. Ltd.	1,518	2,003
45	Den Narmada Network Private Limited	1,398	852
46	Den Aman Entertainment Private Limited	1,043	1,917
47	Den Faction Communication System Private Limited	1,027	1,806
48	Den Ambey Farukabad Cable Network Private Limited	673	1,701
49	Den Jai Ambey Vision Cable Private Limited	1,759	1,607
50	Mahadev Den Cable Net Private Limited	4,306	1,577
51	Den Prince Network Private Limited	1,338	1,358
52	Mahavir Den Entertainment Private Limited	2,462	1,507
53	Den Pradeep Cable Network Private Limited	1,160	1,297
54	Den Budaun Cable Network Private Limited	-	1,391
55	Den Radiant Satelite Cable Network Private Limited	1,221	1,257
56	Den P.S.C. Network Private Limited	-	1,300
57	Den Shiva Cable Network Private Limited	1,268	1,029
58	Den Ris Cable Network Private Limited	1,106	1,171
59	Malayalam Telenet Private Limited	-	1,214
60	Den Harsh Mann Cable Network Private Limited	899	1,177
61	Den Ambey Jhansi Cable Network Private Limited	496	963
62	Den Deva Cable Network Private Limited	903	1,018
63	Den Bindra Network Private Limited	649	1,005
64	Den Ucn Network India Private Limited	1,635	629
65	Den Nanak Communication Private Limited	380	380
66	Den Ashu Cable Private Limited	517	492
67	Den Malabar Cable Vision Private Limited	634	371
68	Den Ambey Citi Cable Network Private Limited	393	383
69	Den Elgee Cable Vision Private Limited	1,125	342
70	Den Citi Channel Private Limited	604	363
71	Den Satellite Cable Tv Network Private Limited	1,104	315
72	Star Channel Den Network Private Limited	248	271
73	Big DEN Entertainment Pvt Ltd	1,191	-
74	Cab-I-Net Communications Pvt. Ltd.	2,563	-
75	DEN AF Communication Private Limited	25	-
76	Den Kattakada Telecasting & Cable Services Pvt. Ltd.	191	-
77	Den Krishna Vision Private Limited	642	-
78	Den New Broad Communications Private Limited	4,315	-
79	Den Sahyog Cable Network Pvt. Ltd	1,952	-
80	Den Sariga Communications Private Limited	770	-

Schedules Forming Part of the Balance Sheet

Rs. in '(000)

	Name of the Company	As at 31-03-2011	As at 31-03-2010
81	Divya Drishti Den Network Private Limited	91	-
82	Sree Gokulam Starnet Communications Pvt Ltd	341	-
83	United Cable Network (Digital) Pvt. Ltd.	234	-
	Sub Total (A)	**355,090**	**387,939**
	Jointly Controlled Entity		
84	Star Den Media Services Private Limited	112,665	148,656
	Sub Total (B)	**112,665**	**148,656**
	Associates		
85	Crystal Vision Media Private Limited	5,515	-
	Sub Total (C)	**5,515**	**-**
	Total (A+B+C)	**473,270**	**536,595**

9. Deferred Tax

a. Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing tax laws.

b. Break up of deferred taxes/ liabilities and reconciliation of current year's deferred tax charge is as follows:

Rs. in '(000)

	Opening Balance	Credited/ (Charged) to P&L Account	Closing Balance
Deferred tax liability			
Depreciation	(30,313)	(380)	(30,693)
Total	**(30,313)**	**(380)**	**(30,693)**
Deferred tax assets			
Employee benefits	7,072	2,033	9,105
Provision for doubtful debts	3,290	(269)	3,021
Brought forward unabsorbed depreciation	10,226	8,339	18,565
Others	3	(1)	2
Total	**20,591**	**10,102**	**30,693**
Deferred tax liability (Net)	**(9,722)**	**9,722**	**-**

10. 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 Rs. '(000) 83,287 [Previous year Rs. '(000) 86,578].

Schedules Forming Part of the Balance Sheet

11. Investments

a. Subsidiary Companies

During the year, the company has acquired majority control in certain companies through share subscription and share purchase agreements for a total consideration of Rs. '(000) 1,323,358 [Previous year Rs. '(000) 912,136]. Of this, consideration payable on account of share purchase agreements to the erstwhile shareholder at the year-end amounting to Rs. '(000) 27,491 [Previous year Rs. '(000) 84,978] has been disclosed under sundry creditors. The Company has sold investments in a company during the year for total consideration of Rs. '(000) 9,142 [Previous year Rs. '(000) 12,631].

The company has also advanced Rs. '(000) 82,925 [Previous year Rs. '(000) 978,548] to acquire majority control in companies, the agreements for which have not been concluded prior to the year-end. Such balances have been disclosed under loans and advances. Balance commitments on account of such agreements concluded / to be concluded after the year end amount to Rs. '(000) 360,763 [Previous year Rs. '(000) 670,688].

The Company has also advanced Rs. '(000) 110,645 [Previous year Rs. '(000) Nil] for purchase of mutual fund units. These mutual fund units were allotted on April 4, 2011.

The following is the detail of purchase/ (sale) of shares during the year:

	Name of the Company	No of Shares Purchased/(Sold)	Amount Paid/(Received) Rs. in '(000)
	Investment in Equity Shares		
1	United Cable Network (Digital) Pvt. Ltd.	25,500	4,602
2	Sri Ram DEN Network Pvt. Ltd.	45,900	31,198
3	Den Krishna Vision Pvt. Ltd.	25,500	3,681
4	Cab-i-Net Communications Pvt. Ltd.	102,039	30,037
5	Den Sahyog Cable Network Pvt. Ltd.	25,500	1,581
6	Den Sariga Communications Pvt. Ltd.	34,285	9,060
7	Amogh Broadband Services Pvt. Ltd.	10,200	628,079
8	IME Networks Pvt. Ltd.	1,980,000	19,800
9	Den Elgee Cable Vision Private Limited	10,200	2,005
10	Den Entertainment Network Private Limited	7,150,000	357,500
11	Den Futuristic Cable Networks Private Limited	145,078	14,508
12	DEN P.S.C. Network Private Limited	(38,914)	(9,142)
13	Den Kattakada Telecasting and Cable Services Pvt. Ltd.	50,775	16,406
14	Den A.F. Communication Pvt. Ltd.	48,931	489
15	Crystal Vision Media Private Limited	4,504	109,082
16	Malayalam Telenet Private Limited	9,962	904
17	Den Citi Channel Pvt. Ltd.	707,500	-
18	Sree Gokulam Starnet Communications Pvt. Ltd.	5,100	11,526
19	Mahavir Den Entertainment Pvt. Ltd.	24,498	(29,575)
20	Big Den Entertainment Pvt. Ltd.	30,620	12,221
21	Den UCN Network India Pvt. Ltd.	169	1,150
22	DEN Satellite Network Pvt. Ltd.	4,062	37,250
23	Den Digital Entertainment Gujarat Private Limited	150,000	7,500
24	Aster Entertainment Private Limited	540,000	54,000
25	Den Pradeep Cable Network Private Limited	1,532	354
	Total	**11,092,941**	**1,314,216**

Schedules Forming Part of the Balance Sheet

b. Mutual Funds

The details of purchase and sales of investments in mutual fund during the year are as follows:

	Mutual Fund	Purchase*		Sales	
		No. of units	Value Rs. in '(000)	No. of units	Value Rs. in '(000)
1	Canara Robeco Liquid Super Instt Growth Fund	- (18,143,223)	- (200,000)	- (14,630,886)	- (200,022)
2	Canara Robeco Treasury Advantage Super Instt Growth Fund	- (14,630,886)	- (200,022)	- (14,630,886)	- (200,270)
3	NLFSG Canara Robeco Liquid Super Instt Growth Fund	- (35,770,177)	- (400,000)	28,789,123 (35,770,177)	400,586 (400,054)
4	NLFSG Canara Robeco Treasury Advantage Super Instt Growth Fund	- (28,789,123)	- (400,054)	- (-)	- (-)
5	Baroda Pioneer Liquid Fund-Institutional Growth Plan	- (19,017,124)	- (200,208)	9,509,161 (9,507,963)	100,278 (100,011)
6	Baroda Pioneer Treasury Advantage Fund-Institutional Growth Plan	9,659,940 (9,660,605)	100,278 (100,011)	9,659,940 (9,660,605)	100,374 (100,208)
7	B304 BSI Medium Term Plan Instl Growth	- (99,352,098)	- (1,002,385)	- (99,352,098)	- (1,008,351)
8	B304WD BSL Medium term Plan Instl-Weekly Dividend Reinvestment	- (19,959,923)	- (200,116)	- (19,959,923)	- (200,230)
9	B331G Birla Sun Life Saving Fund Growth	- (12,016,521)	- (200,023)	- (12,016,521)	- (201,167)
10	B332 G BSL Saving Fund-Instl Growth	- (17,486,206)	- (302,043)	- (17,486,206)	- (302,097)
11	B332G Birla Sun Life Floating Rate Fund Retail Long Term Growth	- (12,668,250)	- (200,000)	12,668,250 (-)	202,349 (-)
12	B332G Birla Sun Life Saving Fund Instl. Growth	8,605,699 (6,074,841)	152,349 (106,192)	14,680,540 (-)	259,385 (-)
13	B501G Birla Sun Life Cash Plus-Growth	- (8,361,309)	- (200,000)	- (8,361,309)	- (200,023)
14	Birla Sun Life Cash Plus-Instl. Premium Growth	- (34,457,569)	- (500,000)	- (34,457,569)	- (500,059)
15	Birla Sun Life Cash Plus-Retail Growth	- (847,092)	- (20,000)	- (847,092)	- (20,003)
16	Birla Sun Life Saving Fund-Retail Growth	- (1,219,447)	- (20,003)	- (1,219,447)	- (20,109)

Schedules Forming Part of the Balance Sheet

	Mutual Fund	Purchase*		Sales	
		No. of units	Value Rs. in '(000)	No. of units	Value Rs. in '(000)
17	LICMF Income Plus Fund Growth Plan	11,432,295 (17,315,847)	143,145 (210,009)	11,432,295 (17,315,847)	143,343 (210,160)
18	LICMF Liquid Fund Growth Plan	11,620,097 (108,994,887)	200,000 (1,815,212)	11,620,097 (108,994,887)	200,026 (1,815,432)
19	LICMF Saving Plus Fund Growth Plan	50,997,801 (139,082,247)	753,369 (2,005,521)	50,997,801 (139,082,247)	758,300 (2,022,249)
20	DSP Blackrock Cash Manager Fund Institutional Plan Growth	- (735,730)	- (851,910)	- (735,730)	- (851,977)
21	DSP Blackrock Floating Rate Fund Institutional Plan Growth	75,298 (613,299)	100,013 (801,970)	75,298 (613,299)	100,401 (805,461)
22	DSP Blackrock Liquidity Fund-Regular Plan Growth	- (473,133)	- (10,000)	- (473,133)	- (10,011)
23	DSP Blackrock Money Manager Fund-Inst Plan Growth	- (40,334)	- (50,006)	- (40,334)	- (50,189)
24	Kotak Floater Long Term Growth	- (32,050,850)	- (461,060)	- (32,050,850)	- (464,385)
25	Kotak Liquid(Institutional Premium)-Growth	15,776,221 (10,884,452)	300,000 (201,010)	15,776,221 (10,884,452)	300,090 (201,036)
26	Kotak Liquid(Institutional)-Growth	- (11,448,412)	- (210,000)	- (11,448,412)	- (210,024)
27	TFLG Tata Floater Fund Growth	- (3,807,129)	- (50,007)	- (3,807,129)	- (50,396)
28	TLSG01 Tata Liquid Super High Inv. Fund Appreciation	- (30,633)	- (50,000)	- (30,633)	- (50,007)
29	M17G Fortis money Plus Institutional Growth	- (3,021,963)	- (40,006)	- (3,021,963)	- (40,201)
30	M43 Fortis Overnight Institutional Growth	- (2,977,586)	- (40,000)	- (2,977,586)	- (40,006)
31	Reliance Liquid Fund - Growth Option	- (14,639,574)	- (200,000)	- (14,639,574)	- (200,023)
32	Reliance Liquid Fund -Treasury Plan Retail Option Growth Option-Growth Plan	4,429,247 (9,190,584)	100,000 (200,992)	4,429,247 (9,190,584)	100,012 (201,013)
33	Reliance Money manager Fund Intuitional Option-Daily Dividend Plan	- (199,922)	- (200,149)	- (199,944)	- (200,171)
34	Reliance Money manager Fund Intuitional Option-Growth Plans	118,127 (486,161)	150,744 (601,207)	118,127 (486,161)	150,872 (604,260)

Schedules Forming Part of the Balance Sheet

	Mutual Fund	Purchase*		Sales	
		No. of units	Value Rs. in '(000)	No. of units	Value Rs. in '(000)
35	ICICI Prudential Institutional Liquid Plan- Super Institutional Growth	- (1,492,326)	- (200,978)	- (1,492,326)	- (201,002)
36	ICICI Prudential Flexible Income Plan Premium	- (2,374,562)	- (401,002)	- (2,374,562)	- (403,115)
37	UTI Floating Rate Fund Short Term Plan Institutional Growth Option	- (106,914)	- (110,012)	- (106,914)	- (110,624)
38	UTI Liquid Cash Plan Institutional Growth Plan	- (73,105)	- (110,000)	- (73,105)	- (110,012)
39	UTI Treasury Advantage Fund Institutional Plan	- (89,437)	- (110,624)	89,437 (-)	110,811 (-)
40	2024/HDFC Floating Rate Income Fund-short Term Plan Wholesale Option Growth	- (73,283,246)	- (1,121,742)	- (73,283,246)	- (1,130,423)
41	2032/HDFC Cash Management Fund-Treasury Advantage Plan Wholesale Growth	- (3,617,663)	- (70,007)	- (3,617,663)	- (70,398)
42	3004/HDFC LIQUID FUND GROWTH	- (64,371,574)	- (1,151,488)	- (64,371,574)	- (1,151,619)
43	Reliance Medium term Fund Retail Fund - Growth Plan Growth Plan Growth Option	5,469,415 (-)	105,000 (-)	5,469,415 (-)	105,256 (-)
44	Reliance Regular Saving Fund Debt Plan Institutional Growth Plan	2,338,361 (-)	30,000 (-)	- (-)	- (-)
45	Reliance Monthly Interval Fund Series II Institutional Growth Fund	48,342,217 (-)	620,180 (-)	48,342,217 (-)	626,689 (-)
46	Axis Treasury Advantage fund Institutional Growth	55,854 (-)	60,000 (-)	55,854 (-)	60,405 (-)
47	B32 Birla Sun Life Income Fund - Growth	3,106,246 (-)	106,817 (-)	3,106,246 (-)	108,859 (-)
48	B331G Birla Sun Life Dynamic Bond Fund-Retail Growth	12,882,033 (-)	200,000 (-)	12,882,033 (-)	205,936 (-)
49	Birla Sun Life Cash Manager	4,637,945 (-)	110,000 (-)	4,637,945 (-)	110,645 (-)
50	Pramerica Liquid Fund- Growth Option	69,043 (-)	70,000 (-)	69,043 (-)	70,286 (-)
51	Pramerica Ultra Term Bond Fund Growth Option	49,252 (-)	50,043 (-)	49,252 (-)	50,964 (-)
52	DSP Black Rock Liquid Fund- Institutional Plan Growth	75,817 (-)	100,000 (-)	75,817 (-)	100,013 (-)

	Mutual Fund	Purchase*		Sales	
		No. of units	Value Rs. in '(000)	No. of units	Value Rs. in '(000)
53	FMP 3M Series 18 Growth	5,000,000 (-)	50,000 (-)	5,000,000 (-)	50,813 (-)
54	FMP 3M Series 23 Growth	5,000,000 (-)	50,000 (-)	5,000,000 (-)	50,971 (-)
55	FMP 3M Series 29 Growth	5,097,050 (-)	50,971 (-)	- (-)	- (-)
56	Kotak Bond (Short Term)-Growth	11,129,288 (-)	200,024 (-)	11,129,288 (-)	202,593 (-)
	Total	**215,967,246** **(839,855,964)**	**3,802,933** **(15,525,969)**	**265,662,647** **(779,212,837)**	**4,670,259** **(14,656,796)**

**Purchases include reinvestment of dividend units*

12. Dividend on cumulative preference shares

Dividend on 0.001% cumulative preference shares amounts to Rs. '(000) Nil (Previous year 1.49).

13. 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 Rs. Nil (Previous year Rs. Nil) and no interest has been paid or is payable under the terms of the MSMED Act, 2006.

14. 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 for qualifying employees:
a. Employees' Provident Fund (EPF)
b. Employees' State Insurance (ESI)
c. Employees' Pension Scheme (EPS)

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

Rs. in '(000)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
a. Employer's contribution to EPF	10,912	10,130
b. Employer's contribution to ESI	1,017	512
c. Employer's contribution to EPS	2,859	2,833

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 Rs. 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, 2011.

i. Change in benefit obligations:

Rs. in '(000)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Present value of obligations* at the beginning of the year	9,725	5,261
Current service cost	4,860	4,597
Interest cost	865	368
Past Service Cost	-	762
Actuarial (gain)/loss on obligation	(1,447)	(1,263)
Benefits paid	(17)	-
Present value of obligations* at the year end	**13,986**	**9,725**

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

ii. Expenses recognised in the profit and loss account:

Rs. in '(000)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Current Service cost	4,860	4,597
Interest cost	865	368
Past Service Cost	-	762
Actuarial (gain)/loss recognised during the year	(1,447)	(1,263)
Net cost	**4,278**	**4,464**
Experience adjustments on plan liabilities (gain)/ loss	1,413	(501)

iii. Principal actuarial assumptions:

(A). Economic Assumptions

Particulars	Refer note below	Year Ended 31.03.2011	Year Ended 31.03.2010
a. Discount rate (per annum)	1	8.00%	7.00%
b. Estimated salary escalation rate (per annum)	2	8.00%	7.00%

(B). Demographic Assumptions

Particulars	Refer note below	Year Ended 31.03.2011	Year Ended 31.03.2010
a. Retirement age (years)		58	58
b. Mortality Table		LIC 1994-96	(duly modified)
c. Withdrawal Rates			
Ages		**Withdrawal Rate (%)**	**Withdrawal Rate (%)**
Upto 30 years		3.00	3.00
From 31 years to 44 years		2.00	2.00
Above 44 years		1.00	1.00

iv. Experience adjustment:

Rs. in '(000)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010	Year Ended 31.03.2009
On plan liabilities	1,413	501	12
On plan assets	-	-	-
Present value of benefit obligation	13,986	9,725	5,261
Fair value of plan assets	-	-	-
Excess of (obligation over plan assets)/plan assets over obligation	(13,986)	(9,725)	(5,261)

The expected contribution is based on the same assumptions used to measure the company's gratuity obligations as of March 31, 2011. The company is expected to contribute Rs. '(000) 6,637 to gratuity funds for the year ended March 31, 2011.

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.

15. The Company has not used the foreign currency forward contracts during the year to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments.

At the year end, foreign currency exposures are as follows:

Particulars	Year Ended 31.03.2011 Rs. in '(000)		Year Ended 31.03.2010 Rs. in '(000)	
	In INR	In USD	In INR	In USD
Payables	126,326	2,829	101,263	2,243

16. 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 Rs. 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. The Company has granted 5,000,000 options up to 31 March, 2011.

c. The movement in the scheme is set out as under:

	Particulars	ESOP 2010 Year Ended 31.03.11	
		Option (Numbers)	Weighted Average Price (Rs.)
a	Outstanding at the beginning of the year	-	-
b	Granted during the year	5,000,000	30.00
c	Exercised during the year	-	-
d	Forfeited during the year	-	-
e	Expired during the year	-	-
f	Outstanding at the end of the year	5,000,000	30.00
g	Exercisable at the end of the year	NA	NA
h	Number of equity shares of Rs. 10 each fully paid up to be issued on exercise of option	5,000,000	NA
I	Weighted average share price at the date of exercise	NA	NA
j	Weighted average remaining contractual life (years)	2.38	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:

Rs. in '(000)

Particulars	Year Ended 31.03.2011
Net Profit/ (Loss) as reported (a)	69,596
Add:Stock based employee compensation expense debited to Profit and Loss account (i)	1,946
Less:Stock based employee compensation expense based on fair value (ii)	2,127
Difference between (i) and (ii)	(181)
Adjusted pro forma Profit/(Loss) (b)	69,415
Difference between (a) and (b)	(181)
Basic earnings per share as reported	0.53
Pro forma basic earnings per share	0.53
Diluted earnings per share as reported	0.53
Pro forma diluted earnings per share	0.53

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	3,416,750 Options (Vesting Period - 1 Year)	854,750 Options (Vesting Period - 2 Year)	728,500 Options (Vesting Period - 2.5 Year)
Risk free interest rates (in %)	7.67%	7.74%	7.77%
Expected life (in years)	2.00	3.00	3.50
Volatility (in %)	42.51%	42.51%	42.51%
Dividend yield (in %)	NIL	NIL	NIL

The volatile 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

Particulars	Year Ended 31.03.2011
Total options granted	5,000,000
Weighted average exercise price (in Rs.)	30.00
Weighted average fair value (in Rs.)	62.74

Schedules Forming Part of the Balance Sheet

17. Additional information required to be given pursuant to Part II of Schedule VI of the Companies Act, 1956

Rs. in '(000)

Particulars	Year Ended 31.03.2011
a. Remuneration paid to Directors (See note below)	
i. Salary	6,616
ii. Contribution to provident and other funds	334
iii. Other perquisites	-
Total	**6,950**
Note: Excludes provision for compensated absences and gratuity since the provision is based on an actuarial valuation for the Company as a whole.	

Computation of net profits in accordance with section 349 of the Companies Act, 1956:

Rs. in '(000)

Particulars	Year Ended 31.03.2011
I. Net profit before tax from ordinary activities	59,966
Add:	
ii. Whole-time Directors' remuneration	6,950
iii. Directors' sitting fees	320
iv. Provision for doubtful debts	8,978
v. Depreciation as per books of account	261,199
vi. Provision for diminution in the value of long term investment	5,000
vii. Loss on sale of investments	97
viii. Loss on sale of fixed assets	2,096
ix. Fixed assets written off	21
x. Provision for doubtful advances	13,000
Total	**357,627**
Less:	
xi. Depreciation as envisaged under Section 350 of the Companies Act, 1956*	261,199
xii. Profit on sale of current investments	31,218
xiii. Bad debts written off out of provision	9,572
Net profit for calculation on which remuneration is payable.	**55,638**
Maximum permissible managerial remuneration -5% of net profit	2,782
Managerial remuneration (annualised)	18,000

*The Company depreciates fixed assets based on estimated useful lives that are equal to or higher than those implicit in Schedule XIV of the Companies Act, 1956. Accordingly the rates of depreciation used by the Company are higher than the minimum rates prescribed by Schedule XIV.

The Managing director was appointed vide a resolution passed by the board of directors on 12 November, 2010. The provision for payment of managerial remuneration for the year ended 31 March, 2011 as recommended by the board of directors exceeded the limits prescribed under section 198/309 read with schedule XIII of the Companies Act, 1956 and is subjected to the approval of Central Government. The Company has applied to the Central Government for waiver of excess remuneration paid to the managing director. However, permission is still awaited.

Schedules Forming Part of the Balance Sheet

b.Expenditure in foreign currency (on cash basis)

Rs. in '(000)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Repairs and maintenance	34,043	10,834
License Fee	9,375	5,625
Travelling and conveyance expenses	1,332	529
Consultancy, professional & legal charges	2,642	-
Total	**47,392**	**16,988**

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

Rs. in '(000)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Capital Goods	**479,465**	**278,811**

d. Quantitative disclosure in respect of traded items consisting of capital goods

Class of Goods	Units	Purchases		Sales	
		Quantity	Value	Quantity	Value
a.Cable/wire	Meter	61,818 (152,960)	3,027 (2,797)	61, 818 (152,960)	2,917 (2,796)
b.Headend equipment	Nos.	367 (2,416)	20,715 (1,858)	367 (2,416)	20,716 (1,739)
c.Distribution equipments	Nos.	5,700 (2,332)	564 (233)	5,700 (2,332)	564 (233)
d.Others	Nos.	6,627 (3)	1,080 (5)	6,627 (3)	1,330 (5)
Total			**25,386** **(4,893)**		**25,527** **(4,773)**

Notes:
1.Amounts in brackets indicate amounts pertaining to the previous year.
2.Purchases include purchases during the Previous year, for own consumption.

e. Auditors' remuneration*

Legal, professional and consultancy charges include auditors' remuneration as follows:

Rs. in '(000)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Statutory audit (including limited review for quarterly reports)	6,300	5,200
Other Services**	-	5,000
Total	**6,300**	**10,200**

**Exclusive of service tax*
*** Pertaining to IPO related services adjusted from Securities Premium Account*

Schedules Forming Part of the Balance Sheet

18. Utilisation of Initial Public Offer (IPO) proceeds :

The Initial Public Offer (IPO) proceeds have been utilised as per objects as stated in the Prospectus dated November 5, 2009 as under :

Rs. in '(000)

Particulars		
Amount Received from IPO		**3,644,560**
Utilisation of funds upto March 31, 2011	**Projected**	**Actual**
•Investment in the development of cable television infrastructure and services	2,100,000	779,112
•Investment in the development of cable broadband infrastructure and services	250,000	10,230
•Investment in acquisition of content and broadcasting rights	100,000	22,240
•Repayment of loans	400,000	400,000
•Fund expenditure for general corporate purposes	525,810	520,302
•Share Issue Expenses	268,750	268,750
	3,644,560	**2,000,634**
Balance Unutilised		**1,643,926**
Unutilised Balance has been invested as follows		
•Mutual Funds		190,000
•Bank Balance (including fixed deposit)		1,453,926
Total		**1,643,926**

19. Earnings per Equity Share (EPS)

Basic earnings per share have been computed by dividing net profit after tax and after dividend on cumulative convertible preference shares by the weighted average number of equity shares outstanding for the year. Convertible preference shares have been considered in Diluted Earnings per Share computation.

Rs. in '(000)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
a. Net Profit / (loss) attributable to equity shareholders	69,596	208,016
b. Weighted average number of equity shares outstanding used in computation of basic EPS	130,489,975	112,062,269
c. Basic Earnings/ (Loss) per equity share of Rs. 10 each (in Rs.)	0.53	1.86

Schedules Forming Part of the Balance Sheet

Rs. in '(000)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
d. Dilutive effect of preference shares outstanding	-	1
e. Weighted average number of equity shares and equity equivalent shares outstanding used in computing diluted EPS	130,516,965	116,345,226
f. Diluted Earnings/ (Loss) per equity share of Rs. 10 each (in Rs.)	0.53	1.79

20. Previous year's figures have been regrouped/ reclassified, wherever necessary to confirm to the current year's presentation.

For and on behalf of the Board
DEN NETWORKS LIMITED

Sd/-
SAMEER MANCHANDA
Chairman & Managing Director

Sd/-
AJAYA CHAND
Director

Sd/-
RAJESH KAUSHALL
Chief Financial Officer

Sd/-
JATIN MAHAJAN
Company Secretary

New Delhi
28 May, 2011

Balance Sheet Abstract & Company's General Business Profile

I. Registration Details

Registration No.	: L92490DL2007PLC165673	State Code	: 55
Balance Sheet Date	: 31-03-2011		

II. Capital raised during the year

Public Issue	: NIL	Right Issue	: NIL
Bonus Issue	: NIL	Private Placement	: NIL
Preferential Allotment	: NIL	Others	: NIL

III. Position of Mobilization and Deployment of Funds
(All Amounts in Rs. Thousands)

Total Liabilities (Including Shareholders' Funds)	: 10191257	Total Assets	: 10191257

Sources of Funds

Paid up Capital	: 1304900	Reserve & Surplus	: 6105323
Secured Loans	: 1547030	Unsecured Loan	: 14100
Deferred Tax Liability	: NIL	Equity Warrants	: NIL

Application of Funds

Net Fixed Assets (Including Capital work in Progress)	: 2065426	Investments	: 3658686
Net Current Assets	: 3168791	Miscellaneous Expenditure	: NIL

IV. Performance of Company
(All amounts in Rs. Thousand except per share data)

Turnover *(Including Other Income)*	: 3545391	Total Expenditure	: 3485425
Profit/Loss Before Tax	: +59966	Profit/Loss After Tax	: +69596

(Please tick appropriate box + for profit, - for loss)

Earning per Share (in Rs.) Annualised (in Rs.)	: +0.53	Dividend Rate %	: NIL

(Please tick appropriate box + for positive, - for Negative)

V. Generic names of principal products/services of the Company

Item Code No. (ITC Code)	: -
Product Description	: Broadcasting & Cable TV

For and on behalf of the Board
DEN NETWORKS LIMITED

Sd/-
SAMEER MANCHANDA
Chairman & Managing Director

Sd/-
AJAYA CHAND
Director

Sd/-
RAJESH KAUSHALL
Chief Financial Officer

Sd/-
JATIN MAHAJAN
Company Secretary

New Delhi
28 May, 2011

Financial Information of Subsidiary Companies

Rs. in '(000)

	Name of Subsidiary Company	Share Capital	Reserves	Total Assets	Total Liabilities	Detail of investment (except in case of investment in subsidiaries)	Turnover	Profit Before Taxation (PBT)	Provision for Taxation	Profit After Taxation (PAT)	Proposed Dividend
1	Den Entertainment Network Private Limited	97,372	287,576	385,998	2,050	-	5,329	4,715	752	3,964	-
2	Den Digital Entertainment Gujarat Private Limited	2,000	15,207	75,030	57,823	-	141,568	12,964	4,324	8,640	-
3	Aster Entertainment Private Limited	5,900	124,768	262,363	131,695	-	281,365	114,021	37,936	76,085	-
4	Shine Cable Network Private Limited	500	(1,874)	9,629	11,003	-	365	(1,038)	3	(1,041)	-
5	DEN Krishna Cable TV Network Private Limited	509	4,935	14,528	9,084	-	32,641	5,233	1,619	3,614	-
6	Den Mahendra Satellite Private Limited	555	(3,104)	1,324	3,873	-	2,998	(306)	(0)	(306)	-
7	DEN Pawan Cable Network Private Limited	516	4,785	12,530	7,229	-	33,821	4,161	1,294	2,868	-
8	DEN Harsh Mann Cable Network Private Limited	541	801	5,778	4,436	-	11,477	983	303	680	-
9	Den Classic Cable TV Services Private Limited	582	372	3,248	2,294	-	6,293	564	174	390	-
10	Den Montooshah Network Private Limited	512	3,426	13,437	9,499	-	33,338	4,788	1,480	3,309	-
11	Den Bindra Network Private Limited	526	56	2,242	1,660	-	4,092	103	32	71	-
12	Den Ashu Cable Private Limited	573	4,624	10,183	4,986	-	19,388	2,168	671	1,498	-

Financial Information of Subsidiary Companies

Rs. in '(000)

	Name of Subsidiary Company	Share Capital	Reserves	Total Assets	Total Liabilities	Detail of investment (except in case of investment in subsidiaries)	Turnover	Profit Before Taxation (PBT)	Provision for Taxation	Profit After Taxation (PAT)	Proposed Dividend
13	Den Nanak Communication Private Limited	609	(5,050)	1,030	5,471	-	11	(357)	0	(357)	-
14	Den Futuristic Cable Networks Private Limited	8,600	78,645	53,315	21,117	-	39,095	22,100	(5,045)	27,146	-
15	Den Digital Cable Network Private Limited	591	30,491	52,401	21,318	-	77,889	(7,802)	(2,411)	(5,391)	-
16	Den Saya Channel Network Private Limited	2,500	5,925	40,368	31,943	-	64,164	5,075	1,568	3,507	-
17	Den Faction Communication System Private Limited	578	(9,793)	21,959	31,175	-	27,973	(5,720)	-	(5,720)	-
18	Radiant Satellite (India) Private Limited	1,500	(4,481)	41,679	44,660	-	74,166	(4,071)	-	(4,071)	-
19	Den Mewar Rajdev Cable Network Private Limited	522	(9,137)	32,693	41,309	-	38,649	102	32	70	-
20	Den Radiant Satelite Cable Network Private Limited	541	1,533	4,779	2,706	-	4,836	1,801	557	1,244	-
21	Den RIS Cable Network Private Limited	603	(3,528)	2,473	5,397	-	2,617	(1,305)	-	(1,305)	-
22	Den Sky Media Network Private Limited	1,000	45,704	214,230	167,526	-	160,456	31,360	(9,690)	41,051	-
23	Meerut Cable Network Private Limited	1,000	10,850	192,974	181,124	-	121,711	3,962	1,224	2,738	-
24	DEN Crystal Vision Network Private Limited	572	1,121	7,498	5,805	-	14,707	989	306	683	-

Financial Information of Subsidiary Companies

Rs. in '(000)

	Name of Subsidiary Company	Share Capital	Reserves	Total Assets	Total Liabilities	Detail of investment (except in case of investment in subsidiaries)	Turnover	Profit Before Taxation (PBT)	Provision for Taxation	Profit After Taxation (PAT)	Proposed Dividend
25	Den Mod Max Cable Network Private Limited	516	(4,312)	8,192	11,988	-	11,040	(3,325)	475	(3,799)	-
26	DEN BCN Suncity Network Private Limited	537	351	5,741	4,853	-	12,987	(354)	(100)	(254)	-
27	Den Pradeep Cable Network Private Limited	533	755	4,443	3,155	-	8,746	645	200	446	-
28	Den Prince Network Private Limited	537	(518)	4,501	4,482	-	6,873	429	0	428	-
29	Den Jai Ambey Vision Cable Private Limited	502	2	5,142	4,638	-	9,410	(189)	5	(195)	-
30	DEN Varun Cable Network Private Limited	596	1,469	12,274	10,208	-	27,576	1,715	530	1,184	-
31	DEN Aman Entertainment Private Limited	599	1,809	9,419	7,011	-	13,278	934	289	645	-
32	Den Satellite Cable TV Network Private Limited	613	(717)	15,912	16,016	-	15,622	(2,131)	(659)	(1,473)	-
33	Den F K Cable Tv Network Private Limited	543	6,594	27,416	20,279	-	41,216	3,039	959	2,081	-
34	Den Budaun Cable Network Private Limited	728	856	3,776	2,193	-	8,653	(155)	(48)	(107)	-
35	DEN Ambey Cable Networks Private Limited	612	28,670	77,986	55,046	-	152,533	14,756	4,560	10,196	-
36	Den Ambey Citi Cable Network Private Limited	500	637	2,975	1,838	-	6,738	748	230	518	-

Financial Information of Subsidiary Companies

Rs. in '(000)

	Name of Subsidiary Company	Share Capital	Reserves	Total Assets	Total Liabilities	Detail of investment (except in case of investment in subsidiaries)	Turnover	Profit Before Taxation (PBT)	Provision for Taxation	Profit After Taxation (PAT)	Proposed Dividend
37	Den Ambey Jhansi Cable Network Private Limited	500	(354)	8,325	8,179	-	30,082	1,952	(526)	2,479	-
38	Den Ambey Farukabad Cable Network Private Limited	500	3,127	9,080	5,453	-	24,838	2,736	846	1,889	-
39	Den Kashi Cable Network Private Limited	8,000	33,446	104,246	65,900	-	81,981	5,009	1,547	3,461	-
40	Den Enjoy Cable Networks Private Limited	6,980	49,541	113,134	61,621	-	171,847	19,804	6,120	13,684	-
41	DEN Prayag Cable Networks Private Limited	500	3,339	14,480	10,641	-	33,716	6,363	377	5,987	-
42	Den Deva Cable Network Private Limited	500	(736)	713	949	-	1,507	(39)	-	(39)	-
43	Den Maa Sharda Vision Cable Networks Private Limited	612	4,882	10,899	5,404	-	33,340	30	9	21	-
44	Den Fateh Mareketing Private Limited	500	4,664	37,826	32,667	5	90,574	4,547	1,400	3,147	-
45	Den Enjoy Navaratan Network Private Limited	608	5,573	17,884	11,702	-	47,345	3,535	1,093	2,443	-
46	Den Shiva Cable Network Private Limited	500	(2,704)	3,155	5,359	-	3,754	(663)	-	(663)	-
47	Den Narmada Network Private Limited	879	(34,510)	32,411	66,042	-	26,822	(11,152)	-	(11,152)	-
48	Dewshree Network Private Limited	794	(1,914)	73,375	74,496	-	57,418	(3,002)	928	(3,930)	-

Financial Information of Subsidiary Companies

Rs. in '(000)

	Name of Subsidiary Company	Share Capital	Reserves	Total Assets	Total Liabilities	Detail of investment (except in case of investment in subsidiaries)	Turnover	Profit Before Taxation (PBT)	Provision for Taxation	Profit After Taxation (PAT)	Proposed Dividend
49	Shree Siddhivinayak Cable Network Private Limited	500	(1,638)	24,768	25,909	2	30,987	3,846	1,718	2,127	-
50	Mahadev Den Network Private Limited	2,400	1,901	42,617	38,316	-	37,369	627	403	224	-
51	Mahadev Den Cable Net Private Limited	900	1,744	12,245	9,601	-	18,497	1,066	336	730	-
52	Mahadev Den Cable Network Private Limited	900	(6,925)	20,445	26,470	-	23,947	(1,759)	(551)	(1,209)	-
53	Den MCN Cable Network Private Limited	1,099	9,737	51,199	40,363	-	47,210	1,587	537	1,051	-
54	Drashti Cable Network Private Limited	536	4,656	23,312	18,120	-	15,297	678	211	466	-
55	Den-Manoranjan Satellite Private Limited	500	11,048	87,278	75,730	-	162,639	17,921	5,331	12,590	-
56	Den Nashik City Cable Network Private Limited	500	20,959	85,411	63,952	-	154,341	11,823	2,970	8,852	-
57	Den Supreme Satellite Vision Private Limited	597	17,286	50,168	32,285	-	57,512	8,315	1,908	6,408	-
58	Den Bellary City Cable Private Limited	567	8,822	20,261	10,872	-	43,972	986	729	256	-
59	Malayalam Telenet Private Limited	10,995	(3,453)	14,354	6,812	-	17,726	2,359	418	1,941	-
60	Den Malabar Cable Vision Private Limited	601	6,853	10,840	3,386	-	12,657	(820)	-	(820)	-

Financial Information of Subsidiary Companies

Rs. in '(000)

	Name of Subsidiary Company	Share Capital	Reserves	Total Assets	Total Liabilities	Detail of investment (except in case of investment in subsidiaries)	Turnover	Profit Before Taxation (PBT)	Provision for Taxation	Profit After Taxation (PAT)	Proposed Dividend
61	Den Elgee Cable Vision Private Limited	1,123	5,468	9,132	2,541	-	8,418	341	114	227	-
62	Rajkot City Communication Private Limited	100	6,076	76,857	70,682	-	85,430	808	312	497	-
63	Den Infoking Channel Entertainers Private Limited	547	1,823	35,152	32,782	-	38,674	6,413	411	6,002	-
64	Den Ucn Network India Private Limited	621	6,884	13,422	5,918	-	36,292	(832)	(111)	(720)	-
65	Fortune (Baroda) Network Private Limited	1,000	801	17,140	15,338	-	20,469	99	312	(213)	-
66	Galaxy Den Media & Entertainment Private Limited	500	16,237	40,868	24,131	-	30,013	1,745	48	1,697	-
67	Bali Den Cable Network Private Limited	535	6,238	24,525	17,753	-	34,370	2,900	492	2,408	-
68	Mahavir Den Entertainment Private Limited	500	2,529	34,273	31,244	-	62,767	11,177	1,332	9,845	-
69	Den Citi Channel Private Limited	7,721	8,343	19,941	3,878	-	12,720	(1,016)	116	(1,132)	-
70	Amogh Broad Band Services Private Limited	200	(156,217)	398,280	554,296	-	325,036	1,446	22,053	(20,607)	-
71	Star Channel Den Network Private Limited	698	367	2,016	951	-	4,039	784	239	545	-
72	Kishna DEN Cable Network Private Limited	573	(135)	1,989	1,551	-	4,406	(330)	(102)	(228)	-

Financial Information of Subsidiary Companies

Rs. in '(000)

	Name of Subsidiary Company	Share Capital	Reserves	Total Assets	Total Liabilities	Detail of investment (except in case of investment in subsidiaries)	Turnover	Profit Before Taxation (PBT)	Provision for Taxation	Profit After Taxation (PAT)	Proposed Dividend
73	Fab Den Network Private Limited	573	12,104	34,421	21,743	-	49,732	3,597	1,112	2,485	-
74	Den Satellite Network Private Limited	1,006	379,004	633,074	327,801	38	505,556	69,053	30,691	38,362	-
75	United Cable Network (Digital) Private Limited	500	52	2,087	1,535	-	3,002	34	30	4	-
76	Shree Ram Den Network Private Limited	900	2,865	22,233	18,468	-	18,995	4,174	1,310	2,865	-
77	Den Krishna Vision Private Limited	500	1	1,736	1,235	-	4,144	(268)	(34)	(235)	-
78	Cab-i-Net Communications Private Limited	20,000	(2,814)	30,134	12,949	-	29,829	2,055	-	2,055	-
79	Divya Drishti Den Network Private Limited	740	(2)	2,702	1,964	-	2,137	(430)	-	(430)	-
80	Den Sahyog Cable Network Private Limited	500	1,459	7,106	5,147	-	7,439	233	90	143	-
81	Den Sariga Communications Private Limited	672	4,115	6,639	1,852	-	4,031	238	114	124	-
82	DEN New Broad Communication Private Limited	723	46,531	75,079	27,825	-	99,413	2,620	925	1,696	-
83	IME Networks Private Limited	19,805	(482)	5,097	1,268	-	-	(431)	-	(431)	-
84	Astron Media Networks Private Limited	15,500	(455)	17,990	2,945	-	-	(424)	-	(424)	-

Financial Information of Subsidiary Companies

Rs. in '(000)

	Name of Subsidiary Company	Share Capital	Reserves	Total Assets	Total Liabilities	Detail of investment (except in case of investment in subsidiaries)	Turnover	Profit Before Taxation (PBT)	Provision for Taxation	Profit After Taxation (PAT)	Proposed Dividend
85	Den Kattakada Telecasting and Cable Services Private Limited	996	14,495	18,327	2,837	-	8,673	(19)	267	(286)	-
86	Den BMC Cable Network Private Limited	500	(74)	5,524	5,098	-	-	(60)	-	(60)	-
87	Den A.F. Communication Private Limited	959	(582)	1,800	1,422	-	902	(558)	-	(558)	-
88	Big Den Entertainment Private Limited	600	3,796	7,183	2,786	-	2,794	(149)	(46)	(103)	-
89	Sree Gokulam Starnet Communication Private Limited	100	(3,204)	3,507	6,611	-	1,252	(281)	(65)	(216)	-
90	Rajasthan Entertainment Private Limited	500	(26)	6,164	5,690	-	266	(38)	(12)	(26)	-
91	Fun Cable Network Private Limited	500	(40)	498	38	-	-	(3)	-	(3)	-

Auditors' Report

TO

THE BOARD OF DIRECTORS
DEN NETWORKS LIMITED

1. We have audited the attached Consolidated Balance Sheet of **DEN Networks Limited**, ("the Company"), its subsidiaries, jointly controlled entity and partnership firm (collectively defined as "the Group") as at 31 March, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in associate accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and the jointly controlled entities accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of certain subsidiaries, partnership firm and a joint venture, whose financial statements reflect total assets of Rs. ('000) 5,101,684 as at 31 March, 2011, total revenues of Rs. ('000) 7,695,477 and net cash inflows amounting to Rs. ('000) 141,283 for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts included in respect of these subsidiaries, joint venture and partnership firm is based solely on the reports of the other auditors.

4. Attention is invited to Note 2(c)(viii) of Schedule 17 whereby it is stated that

i. The financial statements of one subsidiary company have been consolidated based on unaudited financial statements as certified by the Company's management. These financial statements reflect total assets of Rs. ('000) 22,233 as at 31 March, 2011, total revenues of Rs. ('000) 18,995 and net cash inflows amounting to Rs. ('000) 748 for the year ended on that date as considered in the Consolidated Financial Statements;

ii. The financial statements of an associate of the Company has also been accounted for based on unaudited financial statements as certified by the Company's management which reflects total investment of Rs. ('000) 109,260 including profit for the current year amounting to Rs. ('000) 178.

We are unable to comment on the impact of adjustments, if any, on the Consolidated Financial Statements which may arise had the financial statements of the subsidiary and the associate been subjected to an audit.

5. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) and Accounting Standard 27 'Financial Reporting of Interests in Joint Ventures' as notified under the Companies (Accounting Standards) Rules, 2006.

6. Based on our audit and on consideration of separate audit reports on the individual financial statements of the Company, and the aforesaid subsidiaries, partnership firm and joint venture, and to the best of our information and according to the explanations given to us, in our opinion, subject to our comments in paragraph 4 above, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

i. In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March, 2011;

ii. In the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and

iii. In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

Sd/-
JITENDRA AGARWAL
Partner
(Membership No. 87104)

New Delhi
September 01, 2011

Consolidated Balance Sheet as at March 31, 2011

Rs. in '(000)

	Schedule Reference	As at 31-03-2011	As at 31-03-2010
SOURCE OF FUNDS			
1 **SHAREHOLDERS' FUNDS**			
a. Share Capital	1	1,304,900	1,304,900
b. Employee stock options outstanding	2	1,946	-
c. Reserves and Surplus	3	6,414,267	6,105,323
2 **PREFERENCE SHARE CAPITAL ISSUED BY SUBSIDIARY COMPANY**	4	25,000	25,000
3 **MINORITY INTEREST** (see note 11)		365,026	211,516
4 **LOAN FUNDS**			
a. Secured Loans	5	1,558,146	1,620,635
b. Unsecured Loans	6	21,887	129,469
5 **DEFERRED TAX LIABILITIES** (see note 5)		76,917	72,863
		9,768,089	**9,469,706**
APPLICATION OF FUNDS			
6 **FIXED ASSETS**	7		
a. Gross block		3,355,626	2,707,841
b. Less: Depreciation		941,794	496,896
c. Net block		2,413,832	2,210,945
d. Capital work in progress		412,917	203,134
		2,826,749	**2,414,079**
7 **GOODWILL ON CONSOLIDATION** (see note 7)		2,717,151	2,501,725
8 **INVESTMENTS**	8	190,276	917,124
9 **DEFERRED TAX ASSETS** (see note 5)		208,060	155,790
10 **CURRENT ASSETS, LOANS & ADVANCES**			
a. Sundry debtors	9	2,981,348	2,534,587
b. Unbilled revenue		95,279	121,446
c. Cash and bank balances	10	2,737,583	2,432,301
d. Loans and advances	11	1,883,089	1,802,284
		7,697,299	**6,890,618**
11 **LESS: CURRENT LIABILITIES AND PROVISIONS**	12		
a. Current liabilities		3,821,012	3,439,808
b. Provisions		50,434	36,181
		3,871,446	**3,475,989**
12 **NET CURRENT ASSETS** (10-11)		3,825,853	3,414,629
13 **PROFIT AND LOSS ACCOUNT** (DEBIT BALANCE)		-	66,359
		9,768,089	**9,469,706**
Notes forming part of the accounts The above schedules form an integral part of the balance sheet	17		

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

Sd/-
JITENDRA AGARWAL
Partner
Membership No. 87104

New Delhi
September 01, 2011

For and on behalf of the Board
DEN NETWORKS LIMITED

Sd/-
SAMEER MANCHANDA
Chairman & Managing Director

Sd/-
AJAYA CHAND
Director

Sd/-
RAJESH KAUSHALL
Chief Financial Officer

Sd/-
JATIN MAHAJAN
Company Secretary

New Delhi
September 01, 2011

Consolidated Profit & Loss Account for the year ended March 31, 2011

Rs. in '(000)

		Schedule Reference	Year Ended 31-03-2011	Year Ended 31-03-2010
1	**INCOME**			
	a. Income from operations		10,217,171	9,098,670
	b. Sale of equipment		3,974	4,773
	c. Other income	13	350,610	133,559
	d. Gain on foreign exchange fluctuation		8,861	18,931
			10,580,616	**9,255,933**
2	**EXPENDITURE**			
	a. Operational, administrative and other costs	14	8,675,731	7,724,278
	b. Personnel cost	15	636,179	565,185
	c. Cost of traded items		3,833	4,893
	d. Finance costs	16	191,861	194,425
	e. Depreciation and amortisation	7	455,825	328,834
			9,963,429	**8,817,615**
3	**PROFIT/LOSS BEFORE TAX**		617,187	438,318
4	**PROVISION FOR TAXES**			
	a. Income tax (including wealth tax)		236,176	163,002
	b. Deferred tax asset (net)		(48,222)	(73,842)
	c. Minimum alternate tax (mat) credit entitlement		(14,089)	(15,080)
			173,865	**74,080**
5	**PROFIT/LOSS AFTER TAX AND BEFORE MINORITY INTEREST**		443,322	364,238
6	MINORITY INTEREST		68,197	63,124
7	SHARE IN (LOSS)/PROFIT OF ASSOCIATES		178	-
8	**PROFIT/LOSS AFTER TAX AND MINORITY INTEREST**		**375,303**	**301,114**
9	**PROFIT/LOSS BROUGHT FORWARD**		**(66,359)**	**(367,472)**
10	**APPROPRIATIONS**			
	Dividend on cumulative convertible preference shares		-	1
11	**PROFIT/LOSS CARRIED TO BALANCE SHEET**		**308,944**	**(66,359)**
	Earnings per equity share (see note 10)			
	(Face Value of Rs. 10 per share)			
	Basic		2.88	2.69
	Diluted		2.88	2.59
	Notes forming part of the accounts	17		
	The above schedules form an integral part of the profit and loss account			

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

Sd/-
JITENDRA AGARWAL
Partner
Membership No. 87104

New Delhi
September 01, 2011

For and on behalf of the Board
DEN NETWORKS LIMITED

Sd/-
SAMEER MANCHANDA
Chairman & Managing Director

Sd/-
AJAYA CHAND
Director

Sd/-
RAJESH KAUSHALL
Chief Financial Officer

Sd/-
JATIN MAHAJAN
Company Secretary

New Delhi
September 01, 2011

Consolidated Cash Flow Statement for the year ended March 31, 2011

Rs. in '(000)

	Year Ended 31-03-2011	Year Ended 31-03-2010
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (loss) before tax	617,187	438,318
Adjustment for :		
Depreciation and amortisation	455,825	328,834
Non cash acquisition consultancy cost	-	17,617
Provision for impairment	5,000	-
Profit on sale of investment in subsidiary	(397)	-
Employee stock compensation expenses	1,946	-
Fixed assets/ capital work in progress written off	2,501	1,395
Interest and finance charges	191,861	194,425
Loss/ (gain) on exchange rate fluctuation - Unrealized	(302)	(3,636)
Provision for employee benefits	15,041	14,985
Provision for entertainment tax	(772)	-
Doubtful debts and advances written off/provided	162,850	120,300
Interest income	(116,562)	(17,123)
Dividend on current investment	-	(135)
Profit from Sale of investment	(31,218)	(47,774)
Liabilities written back	133,463	(50,371)
Operating profit before working capital changes	**1,436,423**	**996,834**
Adjustments for :		
Decrease/(Increase) in current assets	(753,250)	(901,475)
Increase/(Decrease) in current liabilities	360,267	935,766
Cash generated from/(used in) operations	1,043,440	1,031,126
Tax on operational income (including fringe benefit tax)	(219,655)	(347,883)
Net cash from/ (used in) operating activities	**823,785**	**683,243**
B CASH FLOW FROM INVESTING ACTIVITIES		
Increase in goodwill on consolidation	(286,460)	(1,572,352)
Sale of investment in subsidiary	9,120	-
Purchase of mutual fund investment	(3,802,933)	(15,526,009)
Loan repaid by/(to) body corporate (net)	(13,168)	(12,317)
Advance given for investment	(13,240)	131,397
Interest received	116,782	17,551
Dividend on current investment	-	135
Sale of mutual fund investment	4,670,259	14,656,665
Purchase of fixed assets (including capital advances)	(853,544)	(921,447)
Proceeds from Sale of Fixed Assets	16,613	-
Net cash from/ (used in) investing activities	**(156,571)**	**(3,226,377)**
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	-	4,394,562
Share Issue expenses	-	(291,264)
(Repayment)/Proceeds from short term borrowings from a director	-	(31,600)
(Repayment)/Proceeds from short term borrowings from others	(107,582)	125,224
(Repayment)/Proceeds from working capital loan from bank	55,621	(123,619)
(Repayment)/Proceeds from term loan from bank	(124,569)	591,327
(Repayment)/Proceeds from finance lease obligation	6,459	(2,005)
Interest Paid	(191,861)	(197,754)
Net cash from/ (used in) financing activities	**(361,932)**	**4,464,871**

Consolidated Cash Flow Statement for the year ended March 31, 2011

(Rs. in '000)

	Year Ended 31-03-2011	Year Ended 31-03-2010
Net increase/ (decrease) in cash and cash equivalents	305,282	1,921,737
Cash & Cash Equivalents at the beginning of year	2,432,301	510,564
Cash and cash equivalents as at the end of the year	**2,737,583**	**2,432,301**

Notes :

1. The above Cash flow statement has been prepared under the indirect method set out in AS-3 prescribed in Companies (Accounting Standards) Rules, 2006.
2. Figures in brackets indicate cash outflow.
3. Cash and cash equivalents includes Rs. 86,215 (Previous year Rs. 83,820) under lien with banks.
4. Previous period figures have been regrouped and recast wherever necessary to conform to the current period classification.

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Sd/-
JITENDRA AGARWAL
Partner
Membership No. 87104

New Delhi
September 01, 2011

For and on behalf of the Board
DEN NETWORKS LIMITED

Sd/-
SAMEER MANCHANDA
Chairman & Managing Director

Sd/-
AJAYA CHAND
Director

Sd/-
RAJESH KAUSHALL
Chief Financial Officer

Sd/-
JATIN MAHAJAN
Company Secretary

New Delhi
September 01, 2011

Schedules Forming Part of the Consolidated Accounts

Rs. in '(000)

	As at 31-03-2011	As at 31-03-2010
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED		
200,000,000 (Previous year 165,000,000) equity shares of Rs.10 each	2,000,000	1,650,000
ISSUED, SUBSCRIBED AND PAID UP		
130,489,975 (Previous year 130,489,975) equity shares of Rs. 10 each fully paid up	1,304,900	1,304,900
SCHEDULE 2		
EMPLOYEE STOCK OPTIONS OUTSTANDING		
a. Employees stock options outstanding	287,000	-
b. Less : Deferred employee compensation	285,054	-
c. Net Balance	**1,946**	-
(for stock options outstanding details see note 10)		
SCHEDULE 3		
RESERVES AND SURPLUS		
Securities Premium Account		
a. Opening Balance	6,105,323	2,322,018
b. Amount received pursuant to issue of equity and preference shares	-	5,199,254
c. Less:		
i. Utilisation for issue of bonus shares	-	1,124,685
ii. Share issue expenses	-	291,264
	6,105,323	**6,105,323**
Profit and Loss Account		
a. Opening Balance (Debit Balance)	(66,359)	-
b. Profit for the year	375,303	-
	308,944	-
	6,414,267	**6,105,323**
SCHEDULE 4		
PREFERENCE SHARE CAPITAL ISSUED BY SUBSIDIARY COMPANY		
AUTHORISED		
2,600,000 (Previous year 2,600,000) .001% non cumulative 5 years redeemable preference shares of Rs. 10 each fully paid up	**26,000**	**26,000**
ISSUED, SUBSCRIBED AND PAID UP		
2,500,000 (Previous year 2,600,000) .001% non cumulative 5 years redeemable preference shares of Rs. 10 each fully paid up	**25,000**	**25,000**
SCHEDULE 5		
SECURED LOANS (FROM BANKS)		
a. Term loans	1,264,832	1,389,401
b. Cash credit accounts	285,966	230,345
c. Other loans	7,348	889
	1,558,146	**1,620,635**
SCHEDULE 6		
UNSECURED LOAN		
Short term loans from others	21,887	129,469

Schedules Forming Part of the Consolidated Accounts

SCHEDULE 7
FIXED ASSETS (at cost)

Rs. in '(000)

Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01-04-2010	Adjustment	Additions	Sales/ Adjustment	As at 31-03-2011	As at 01-04-2010	Additions	Sales/ Adjustment	As at 31-03-2011	As at 31-03-2011	As at 01-04-2010
(A) Tangible Assets											
Building	30,740	-	5,508	4,912	31,336	307	142	17	432	30,904	30,433
Leasehold improvements	107,153	-	852	1,758	106,247	63,919	33,642	1,109	96,452	9,795	43,234
Plant and machinery											
- Headend and distribution equipments	1,212,361	22,556	312,671	10,479	1,537,109	203,163	183,715	2,965	383,913	1,153,196	1,009,198
- Set top boxes	664,922	-	246,279	-	911,201	86,982	92,181	-	179,163	732,038	577,940
- Computers	48,102	-	6,317	1,965	52,454	13,203	8,912	1,258	20,857	31,597	34,899
- Office & other equipments	108,025	-	5,541	83	113,483	19,660	4,125	55	23,730	89,753	88,365
Furniture and fixtures	23,654	-	9,147	2,319	30,482	7,057	4,891	1,149	10,799	19,683	16,597
Vehicles	23,685	-	12,643	7,480	28,848	7,501	4,478	3,747	8,232	20,616	16,184
(B) Intangible Assets											
Goodwill	21,823	-	4,504	1,045	25,282	9,808	4,290	627	13,471	11,811	12,015
Distribution network rights	447,128	-	50,789	-	497,917	80,248	115,580	-	195,828	302,089	366,880
Software	16,190	-	1,019	-	17,209	3,589	3,377	-	6,966	10,243	12,601
Licence fee for internet service	2,058	-	-	-	2,058	827	92	-	919	1,139	1,231
Non Compete Fees	2,000	-	-	-	2,000	632	400	-	1,032	968	1,368
Total	**2,707,841**	**22,556**	**655,270**	**30,041**	**3,355,626**	**496,896**	**455,825**	**10,927**	**941,794**	**2,413,832**	**2,210,945**
Previous year	**1,709,520**	-	**1,012,487**	**14,166**	**2,707,841**	**171,570**	**328,834**	**3,508**	**496,896**	**2,210,945**	
Capital work-in-progress (including capital advance Rs. '(000) 23,037 (Previous year Rs. '(000) 25,966)										**412,917**	**203,134**

Schedules Forming Part of the Consolidated Accounts

Rs. in '(000)

	As at 31-03-2011	As at 31-03-2010
SCHEDULE 8		
INVESTMENTS		
a. Trade and unquoted - long term in equity shares - at cost		
i. in associates		
2,228 (Previous year Nil) equity shares of Rs. 10 each, fully paid up in Crystal Vision Media Private Limited	109,260	-
Aggregate of unquoted - long term trade investments in equity shares	109,260	-
b. Unquoted - Current investments (at lower of cost or fair value) (other than trade)		
i. Investment in Mutual Funds		
Nil (Previous year 28,789,123) units of Rs. 13.90 each in NLFSG Canara Robeco Treasury Advantage Super Instt Growth Fund	-	400,055
Nil (Previous year 9,509,161) units of Rs. 10.54 each in Baroda Pioneer Liquid Fund-Institutional Growth Plan's	-	100,208
Nil (Previous year 12,668,250) units of Rs. 15.79 each in B332G Birla Sun Life Floating Rate Fund Retail Long Term Growth	-	200,000
Nil (Previous year 6,074,841) units of Rs. 17.48 each in B332G Birla Sun Life Saving Fund Instl. Growth	-	106,192
Nil (Previous year 89,437) units of Rs. 1,237 each in UTI Treasury Advantage Fund Institutional Plan	-	110,624
2,338,361 (Previous year Nil) units of Rs. 12.83 each in Reliance Regular Saving Fund Debt Plan Institutional Growth Plan	30,000	-
5,097,050 (Previous year Nil) FMP 3M Series 18 Growth	50,971	-
Aggregate of unquoted - current investment in units of mutual funds	**80,971**	**917,079**
ii Other Investments	45	45
	190,276	**917,124**
SCHEDULE 9		
SUNDRY DEBTORS (Unsecured)		
a. Debts outstanding for more than 6 months		
i. Considered good	851,783	200,354
ii. Considered doubtful	269,317	216,071

Rs. in '(000)

	As at 31-03-2011	As at 31-03-2010
b. Others		
I. Considered good	2,129,565	2,334,232
ii. Considered doubtful	97	25,704
	3,250,762	**2,776,361**
c. Less: Provision for doubtful debts	269,414	241,774
	2,981,348	**2,534,587**
SCHEDULE 10		
CASH AND BANK BALANCES		
a. Cash in hand	33,186	29,438
b. Cheques in hand	569,583	268,520
c. Balances with scheduled banks:		
i. in current account	598,794	783,910
ii. in deposit account	1,504,090	1,319,227
iii. as margin money	30,180	30,180
d. Balances with non scheduled banks:		
i. in current account *	1,750	1,026
	2,737,583	**2,432,301**
* Maximum amount outstanding during the year Rs. '(000) 8,319 (Previous year Rs. '(000) 3,903)		

Schedules Forming Part of the Consolidated Accounts

Rs. in '(000)

		Year Ended 31-03-2011		Year Ended 31-03-2010
SCHEDULE 11				
LOANS AND ADVANCES (Unsecured)				
a. Advances recoverable in cash or in kind or for value to be received				
i. Considered good	583,942		510,433	
ii. Considered doubtful	27,504		13,886	
	611,446		524,319	
b. Less: Provision for doubtful advances	27,504	583,942	13,886	510,433
c. Loans given		28,712		15,544
d. Advance for investments (see note7)		679,501		765,344
e. Balance with government authorities		278,262		196,472
f. Advance tax [including tax deducted at sources Rs. '(000) 327,806 Previous year Rs. '(000) 321,270 (Net of provision Rs. '(000) 520,283 Previous year Rs.'(000) 328,577)]		286,963		289,411
g. Share Application Money (Pending Allotment)		-		10,000
h. MAT credit entitlement		25,709		15,080
		1,883,089		**1,802,284**
SCHEDULE 12				
CURRENT LIABILITIES AND PROVISIONS				
a. Current liabilities				
i. Sundry Creditors				
- Balance consideration payable on investments (see note 7)		27,491		84,978
- Others		2,642,858		2,533,930
ii. Security deposits received		41,809		27,496
iii. Book overdraft		256,256		46,265
iv. Advances from customers		90,636		96,799
v. Advance billing		261,575		143,128
vi.Other liabilities		500,387		507,212
		3,821,012		**3,439,808**
b. Provisions				
i. Wealth tax [net of advance tax of Rs. '(000) 241 (Previous year Rs. '(000) 133)]		83		99
ii. Entertainment tax		205		977
iii. Employee benefits				
- Gratuity (see note 8)		28,982		18,927
- Compensated absences/ leave encashment		21,164		16,178
		50,434		**36,181**
		3,871,446		**3,475,989**

Schedules Forming Part of the Consolidated Profit & Loss Account

Rs. in '(000)

	Year Ended 31-03-2011	Year Ended 31-03-2010
SCHEDULE 13		
OTHER INCOME		
a. Profit on sale of current investments (other than trade and unquoted)	31,218	47,774
b. Dividend on current investments (other than trade and unquoted)	-	135
c. Interest income		
i. on fixed deposits [including tax deducted at source Rs. '(000) 3,504 (Previous year Rs. '(000) 1,589)]	90,172	14,396
ii. on others [including tax deducted at source Rs. '(000) 569 (Previous year Rs. 231)]	26,390	2,727
iii. on income tax refund	14,333	-
d. Excess provisions written back	87,365	46,331
e. Profit on sale of investment in subsidiary	397	-
f. Miscellaneous income	100,735	22,196
	350,610	**133,559**
SCHEDULE 14		
OPERATIONAL, ADMINISTRATIVE AND OTHER COSTS		
a. Content cost	5,838,996	5,510,905
b. Placement fees	1,086,911	867,007
c. Distributor commission/ incentive	169,725	91,152
d. Rent and hire charges	124,082	117,968
e. Repairs and maintenance		
i. Plant and machinery	102,845	98,046
ii. Others	237,866	84,605
f. Power and fuel	79,191	61,998
g. Director's sitting fees	180	80
h. Brokerage/ commission	29,737	21,531
i. Consultancy, professional & legal charges	352,168	325,043
j. Travelling and conveyance	115,657	98,992
k. Advertisement, publicity and business promotion	68,958	73,003
l. Communication expenses	167,516	128,156
m. Security charges	12,227	10,982
n. Insurance	11,801	10,466
o. Rates & taxes	43,280	38,344
p. Provision for doubtful debts/ advances	58,637	44,400
q. Bad debts/ advances written off	104,213	75,900
r. Provision for Impairment	5,000	-
s. Fixed assets/ capital work in progress written off	2,501	1,395
t. Miscellaneous expenses	64,240	64,305
	8,675,731	**7,724,278**
SCHEDULE 15		
PERSONNEL COST		
a. Salaries, allowances and bonus	566,336	506,470
b. Contribution to provident fund and other funds	25,778	21,328
c. Employee benefits (See note 10)	15,838	16,681
d. Staff welfare expenses	26,281	20,706
e. Employee stock compensation expenses	1,946	-
	636,179	**565,185**
SCHEDULE 16		
FINANCE COSTS		
a. Interest on loans from banks	184,998	180,158
b. Interest on finance lease obligations (vehicles)	26	264
c. Bank charges and other costs	1,990	13,258
d. Interest on loan from others	4,847	745
	191,861	**194,425**

Schedules Forming Part of the Consolidated Accounts

SCHEDULE 17
NOTES FORMING PART OF THE ACCOUNTS

1. Background

DEN Networks Limited (hereinafter referred to as 'the Company' or 'DEN') was incorporated on 10 July, 2007 to engage in cable television distribution, broadband internet and other related business. DEN is engaged in distribution of television channels through analog and digital cable distribution network and provision of broadband internet 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 1,85,67,240 Equity Shares of face value of Rs. 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, partnership firm, associate and joint venture. These subsidiaries and the partnership firm are mainly engaged in the business of cable television distribution, internet and other related business. The joint venture is engaged in the business of distribution of television distribution on all modes of distribution, including cable, direct to home, digital or analog, terrestrial satellite or any other emerging mode.

2. Significant Accounting Policies

a. Basis of Preparation

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles ("GAAP") in India, and comply with the accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006, to the extent applicable and in accordance with the relevant provisions of the Companies Act, 1956, as adopted consistently by the Company.

b. Basis of Consolidation

These consolidated financial statements are prepared in accordance with the principles and procedures prescribed by Accounting Standard (AS 21) Consolidated Financial Statements, Accounting Standard (AS 23) Accounting for Investments in Associates in 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.

The financial statements of the subsidiary companies, joint ventures and associates used in the consolidation are drawn up to the same reporting date as that of the Parent.

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

i. The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealised profits or losses have been fully eliminated.

ii. Interest in jointly controlled entities is reported using proportionate consolidation.

iii. The consolidated financial statements include the share of profit/loss of associate company, which has been accounted under the 'Equity method' as per which the share of profit of the associate company has been added to the cost of investment. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture.

iv. The excess of cost to the Company of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates, on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment, is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

v. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments

are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.

c. Principles of Consolidation

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.

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.

The share of profit/loss of associate company has been accounted under the 'Equity method' as per Accounting Standard 23 prescribed by the Companies (Accounting Standards) Rules, 2006.

These consolidated financial statements relate to DEN, its subsidiaries, associate, partnership firm and joint venture referred to in these financial statements as "the Group", which are as follows:

i. Wholly Owned Subsidiaries

	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	Mahavir Den Entertainment Private Limited
6	Shine Cable Network Private Limited
7	IME Networks Private Limited

ii. Subsidiaries with 51% Shareholding

	Name of the Company
1	Amogh Broad Band Services Private Limited
2	Bali Den Cable Network Private Limited
3	Big Den Entertainment Private Limited
4	Cab-i-Net Communications Private Limited
5	Den A.F. Communication Private Limited
6	Den Aman Entertainment Private Limited
7	DEN Ambey Cable Networks Private Limited
8	Den Ashu Cable Private Limited
9	DEN BCN Suncity Network Private Limited
10	Den Bellary City Cable Private Limited
11	Den Bindra Network Private Limited
12	Den Budaun Cable Network Private Limited
13	Den Citi Channel Private Limited
14	Den Classic Cable TV Services Private Limited
15	DEN Crystal Vision Network Private Limited
16	Den Digital Cable Network Private Limited
17	Den Elgee Cable Vision Private Limited
18	Den Enjoy Cable Networks Private Limited
19	Den F K Cable Tv Network Private Limited
20	Den Fateh Mareketing Private Limited
21	DEN Harsh Mann Cable Network Private Limited
22	Den Infoking Channel Entertainers Private Limited
23	Den Jai Ambey Vision Cable Private Limited
24	Den Kashi Cable Network Private Limited
25	Den Kattakada Telecasting and Cable Services Private Limited
26	DEN Krishna Cable TV Network Private Limited
27	Den Krishna Vision Private Limited
28	Den Maa Sharda Vision Cable Networks Private Limited
29	Den Malabar Cable Vision Private Limited
30	Den MCN Cable Network Private Limited
31	Den Mod Max Cable Network Private Limited
32	Den Montooshah Network Private Limited
33	Den Narmada Network Private Limited
34	Den Nashik City Cable Network Private Limited
35	DEN Pawan Cable Network Private Limited
36	Den Pradeep Cable Network Private Limited
37	DEN Prayag Cable Networks Private Limited
38	Den Prince Network Private Limited
39	Den Sahyog Cable Network Private Limted
40	Den Sariga Communications Private Limited
41	Den Satellite Cable TV Network Private Limited

42	Den Shiva Cable Network Private Limited
43	Den Supreme Satellite Vision Private Limited
44	Den Ucn Network India Private Limited
45	DEN Varun Cable Network Private Limited
46	Den-Manoranjan Satellite Private Limited
47	Dewshree Network Private Limited
48	Drashti Cable Network Private Limited
49	Fab Den Network Private Limited
50	Fortune (Baroda) Network Private Limited
51	Galaxy Den Media & Entertainment Private Limited
52	Mahadev Den Cable Net Private Limited
53	Mahadev Den Cable Network Private Limited
54	Mahadev Den Network Private Limited
55	Malayalam Telenet Private Limited
56	Meerut Cable Network Private Limited
57	Radiant Satellite (India) Private Limited
58	Rajkot City Communication Private Limited
59	Shree Ram Den Network Private Limited
60	Shree Siddhivinayak Cable Network Private Limited
61	Sree Gokulam Starnet Communication Private Limited
62	United Cable Network (Digital) Private Limited
63	Den Satellite Network Private Limited

iii. Other Subsidiaries

	Name of the Company	Holding %
1	Den Sky Media Network Private Limited	91%
2	Den RIS Cable Network Private Limited	80%
3	Den Mewar Rajdev Cable Network Private Limited	65%
4	Den Radiant Satelite Cable Network Private Limited	65%
5	Den Mahendra Satellite Private Limited	60%

iv. Step Down Subsidiaries

	Name of the Company	Holding %
	Den Futuristic Cable Networks Private Limited	
1	Den Faction Communication System Private Limited	51%
2	Den Nanak Communication Private Limited	51%
3	Den Saya Channel Network Private Limited	51%
4	Fun Cable Network Private Limited	51%
	Den Ambey Cable Networks Private Limited	
1	Den Ambey Farukabad Cable Network Private Limited	100%
2	Den Ambey Jhansi Cable Network Private Limited	100%
3	Den Ambey Citi Cable Network Private Limited	51%
4	Den Deva Cable Network Private Limited	51%
5	Star Channel Den Network Private Limited	51%
	Den Enjoy Cable Networks Private Limited	
1	Den Enjoy Navaratan Network Private Limited	51%
	Den Kashi Cable Network Private Limited	
1	Divya Drishti Den Network Private Limited	51%
2	Kishna DEN Cable Network Private Limited	51%
	Den Satellite Network Private Limited	
1	DEN New Broad Communication Private Limited	51%
	IME Networks Private Limited	
1	Astron Media Networks Private Limited	100%

	Den Entertainment Network Private Limited	
1	Den BMC Cable Network Private Limited	100%
2	Rajasthan Entertainment Private Limited	100%

v. Associate

Name of the Company	Holding %
Crystal Vision Media Private Limited	43.28%

vi. Partnership Firm

Name of the Company	Holding %
Creative Cable Network	100%

vii. Joint Venture

Name of the Company	Holding %
Star Den Media Services Private Limited	50%

All the entities are located in India.

viii. The Group has consolidated the financial statements of Shri Ram Den Network Private Limited 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 Group's share of total assets, total revenue, profit/ (loss) before tax and profit/ (loss) after tax in the subsidiary is Rs. ('000) 22,233 as at 31st March, 2011 and Rs. ('000) 18,995, Rs. ('000) 4,194 and Rs. ('000) 2,865 for the year ended on that date respectively.

The financial statements of an associate of the Company has also been accounted for based on unaudited financial statements as certified by the Company's management which reflects total investment Rs. ('000) 109,260 including profit for the current year amounting to Rs. ('000) 178.

The management is of the view that the adjustments if any arising out of the audit of the financial statements of the subsidiary company and the associate will not have a material impact on the Consolidated Financial Statements.

d. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the results of operations during the reporting year. Examples of such estimates include estimates of income taxes, 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 years.

e. Revenue Recognition

i. Income from operations

I. Service revenue comprises income from subscription, placement of channels, advertisement revenue and other services. This also comprises fees for rendering management, technical and consultancy services. Income from services is recognised upon completion of services as per the terms of contracts with the customers. Year based services are accrued and recognised pro-rata over the contractual period.

II. Activation Fees on Set Top Boxes (STB) is recognized as revenue at the end of the month of activation of boxes, on issue of STBs to the customers.

III. Revenue billed but not recognised at the end of the year has been disclosed as deferred revenue under current liabilities.

ii. Sale of equipment

Revenue is recognized when the significant risks and rewards of ownership of the equipments have been passed to the buyer. The time of transfer of 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 profit and loss account as mentioned in Guidance Note on State Value Added Tax by ICAI.

iii. Others

I. 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 then carrying value of the investment.

ii. Interest on the deployment of surplus funds is recognised using the time-proportion method, based on interest rates implicit in the transaction.

iii. Dividend and interest income are recognised when the right to receive the same is established.

f. Barter Transactions

Barter transactions are recognised at the fair value of consideration received or paid. When the fair value of the transactions cannot be measured reliably, the revenue/expense is measured at the fair value of the goods/services provided/received adjusted by the amount of cash or cash equivalent transferred.

g. Fixed Assets

i. Tangible Assets

I. Fixed assets are stated at the cost of acquisition less accumulated depreciation. The actual cost capitalized includes purchase price, and all other attributed costs of bringing the assets to working condition for intended use.

II. Assets are capitalised on the date when they are ready for intended use. Set top Boxes are capitalized at the end of the month of activation.

III. Fixed assets under construction, advances paid towards acquisition of fixed assets and cost of assets not ready for intended use at the balance sheet date, are disclosed as capital work in progress.

ii. Intangible Assets

I. 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.

II. Other intangible assets are stated at cost of acquisition less accumulated amortisation. The actual cost capitalized includes purchase price, and all other attributed costs of bringing the assets to working condition for intended use.

h. 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 Rs. 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:

Headend and distribution equipment	6 to 15 years
Set top boxes	8 years
Building	61 years
Computers	5 to 6 years
Office & other equipment	3 to 10 years
Furniture & fixtures	5 to 6 years
Vehicles	6 years
Software	5 years

Leasehold improvements are amortised over the lower of the useful life or the period of the lease.

License fee for internet service is amortised over the period of license agreement.

Fixed Assets acquired through business purchase are depreciated over the useful life of 5 years as estimated by an approved valuer.

Intangible assets comprising distribution network rights, non compete fees and goodwill (except that arising on consolidation) are amortised on a straight line method over their estimated useful lives, determined by management to be 5 years.

i. Impairment of Assets

At each balance sheet date, the Company reviews the carrying amounts 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 profit and loss account.

j. Leases

I. 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 year.

ii. 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 expenses in the profit and loss account on a straight line basis over the lease term.

k. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized 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 recognized as an expense in the year in which they are incurred.

l. 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.

m. Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing at the date of the transaction. Realised gains and losses on foreign exchange transactions settled during the year are recognised in the profit and loss account. Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the rates prevailing on that date and resultant gains/losses on foreign exchange translations are recognised in the profit and loss account.

n. Taxation

Income tax comprises current tax and deferred tax. 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 year and are capable of reversal, subject to consideration of prudence, in one or more subsequent years. 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 recognized unless there is a virtual certainty that there will be sufficient future taxable income available to realize 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.

o. Employee Benefits

i. 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 year when the employee renders the services. These benefits include salaries, bonus, leave travel allowance and performance incentives.

ii. Long Term Employee Benefits

I. 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 profit and loss account during the year in which the employee renders the related service.

II. Gratuity

The Company provides for gratuity, a defined benefit retirement plan. In accordance with 'The Payment of Gratuity Act, 1972', the plan provides for a lump sum payment to vested employees, at retirement, death, incapacitation, or termination of employment, of an amount based on the respective employee's last drawn salary and tenure of employment with the Company.

III. Compensated Absences

The employees of the Company are entitled to compensate absences. The employees can carry forward a portion of unutilized accrued compensated absence and utilize it in future periods or receive cash compensation for the unutilized 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 year 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 profit and loss account as income or expense.

p. Earnings Per Share

In determining earnings per share, the company considers the net profit after tax and includes the post tax effect of any extraordinary/ exceptional item. Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity shares outstanding during the year and dilutive equity equivalent shares outstanding at the year end, except where the results would be anti dilutive.

q. Segment Information

i. 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.

ii. Geographical Segments

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

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

s. 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.

t. 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 Company are segregated.

3. Capital Commitments and Contingent Liabilities

a. Capital Commitments

Estimated amount of unexecuted capital contracts not provided for (net of advances) Rs. '(000) 541,794 [Previous year Rs. '(000) 73,359]

b. Contingent Liabilities

i. Guarantees issued by bankers outstanding as at the end of the year end amounting to Rs. '(000) 41,775 [Previous year Rs. '(000) 41,732] on account of license for internet use issued by the Department of Telecommunications.

ii. Letters of credit issued by bankers outstanding as at the end of the year Rs. '(000) 294,510 [Previous year Rs. '(000) 140,887].

iii. Service Tax penalty for Rs. '(000) 1,120 has been levied on a subsidiary company by the Deputy Commissioner (appeals) Central Excise (Service Tax) Cochin for the AY 2007-08, Appeal has been filed against the same with Commissioner (Appeals), Central Excise (Service Tax) Cochin.

iv. Appeal filed by a subsidiary company against the assessment order of Deputy Commissioner Income Tax for the AY 2007-08 for Rs. '(000) 972. Appeal pending before Commissioner Income Tax (Appeals) Cochin.

v. Appeal filed by a subsidiary company against the order of assessing officer towards penalty of Rs. '(000) 91 for AY 2006-07 and Rs. '(000) 143 for AY 2007-08. Appeal pending with Commissioner Income Tax (Appeal) cochin.

vi. Income Tax Department has raised demand of Rs. '(000) 2931 for AY 2005-06 on the subsidiary company. Appeal has been filed with ITAT against the same in Ahmedabad.

4. Related Party Disclosures

I. List of Related Parties

a. Key management personnel
1. Mr. Sameer Manchanda

b. Jointly controlled entity
1. Star Den Media Services Private Limited

c. Associates
1. Crystal Vision Media Private Limited

d. Entities under significant influence
1. Lucid Systems Private Limited
2. Setpro 18 Distribution Limited

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

a. Transactions during the year

Rs. in '(000)

Particulars	Key Management Personnel	Entities under significant influence	Jointly controlled entity	Associate	Grand Total
Investments					
Crystal Vision Media PrivateLimited	- (-)	- (-)	- (-)	109,082 (-)	109,082 (-)

Schedules Forming Part of the Consolidated Accounts

Rs. in '(000)

Particulars	Key Management Personnel	Entities under significant influence	Jointly controlled entity	Associate	Grand Total
Income from operations					
Setpro 18 Distribution Ltd.	- (-)	224,511 (364,866)	- (-)	- (-)	224,511 (364,866)
Star Den Media Services Private Limited	- (-)	- (-)	218,586 (250,508)	- (-)	218,586 (250,508)
Total	**-** **(-)**	**224,511** **(364,866)**	**218,586** **(250,508)**	**-** **(-)**	**443,097** **(615,374)**

Rs. in '(000)

Particulars	Key Management Personnel	Entities under significant influence	Jointly controlled entity	Associate	Grand Total
Purchase of Services					
Sameer Manchanda	6,950 (-)	- (-)	- (-)	- (-)	6,950 (-)
Star Den Media Services Private Limited	- (-)	- (-)	507,369 (567,384)	- (-)	507,369 (567,384)
Crystal Vision Media Private Limited	- (-)	- (-)	- (-)	604 (-)	604 (-)
Setpro 18 Distribution Limited	- (-)	- (2)	- (-)	- (-)	- (2)
Others	- (4,272)	- (-)	- (-)	- (-)	- (4,272)
Total	**6,950** **(4,272)**	**-** **(2)**	**507,369** **(567,384)**	**604** **(-)**	**514,923** **(571,658)**
Reimbursement of expenses (paid)					
Others	- (210)	- (-)	- (-)	- (-)	- (210)
Loans repaid during the year					
Sameer Manchanda	- (31,600)	- (-)	- (-)	- (-)	- (31,600)

b. Outstanding Balance at Year End

Rs. in '(000)

Particulars	Key Management Personnel	Entities under significant influence	Jointly controlled entity	Associate	Grand Total
Debtors					
Setpro 18 Distribution Ltd.	- (-)	60,117 (91,431)	- (-)	- (-)	60,117 (91,431)
Crystal Vision Media Private Limited	- (-)	- (-)	- (-)	5,515 (-)	5,515 (-)
Star Den Media Services Private Limited	- (-)	- (-)	172,872 (222,270)	- (-)	172,872 (222,270)
Total	**-** **(-)**	**60,117** **(91,431)**	**172,872** **(222,270)**	**5,515** **(-)**	**238,504** **(313,701)**
Unbilled revenue					
Setpro 18 Distribution Ltd.	- (-)	- (22,640)	- (-)	- (-)	- (22,640)
Star Den Media Services Private Limited	- (-)	- (-)	- (12,988)	- (-)	- (12,988)
Total	**-** **(-)**	**-** **(22,640)**	**-** **(12,988)**	**-** **(-)**	**-** **(35,628)**

Rs. in '(000)

Particulars	Key Management Personnel	Entities under significant influence	Jointly controlled entity	Associate	Grand Total
Investments					
Crystal Vision Media Private Limited	- (-)	- (-)	- (-)	109,082 (-)	109,082 (-)
Security deposits received					
Crystal Vision Media Private Limited	- (-)	- (-)	- (-)	10,000 (-)	10,000 (-)
Advance billing					
Setpro 18 Distribution Ltd.	- (-)	15,869 (22,540)	- (-)	- (-)	15,869 (22,540)
Star Den Media Services Private Limited	- (-)	- (-)	94 (-)	- (-)	94 (-)
Total	**-** **(-)**	**15,869** **(22,540)**	**94** **(-)**	**-** **(-)**	**15,963** **(22,540)**

Rs. in '(000)

Particulars	Key Management Personnel	Entities under significant influence	Jointly controlled entity	Associate	Grand Total
Creditor					
Crystal Vision Media Private Limited	- (-)	- (-)	- (-)	5,300 (-)	5,300 (-)
Star Den Media Services Private Limited	- (-)	- (-)	172,872 (235,259)	- (-)	172,872 (235,259)
Others	- (186)	- (-)	- (-)	- (-)	- (186)
Total	**-** **(186)**	**-** **(-)**	**172,872** **(235,259)**	**5,300** **(-)**	**178,172** **(235,445)**

Note: Amounts in brackets indicate previous year figures.

5. Deferred Tax

a. Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing tax laws where ever the right of offset is available.

b. Break up of deferred tax assets of current year is as follows:

Rs. in '(000)

Particulars	Opening Balance 01-04-2010	Credited/ (Charged) to P&L Account	Acquited on Business Acquisition	Def Tax Reversal on sale of subsidiary	Closing Balance 31-03-2011
Deferred Tax Liability					
Depreciation	2,151	5,338	177	(11)	7,655
Others	(39)	(3,779)	-	-	(3,818)
Total	**2,112**	**1,559**	**177**	**(11)**	**3,837**
Deferred tax assets					
Employee benefits	3,270	9,129	-	(44)	12,355
Provision for doubtful debts	54,312	14,797	-	-	69,109
Business losses	55,865	847	-	(113)	56,599
Others	40,231	25,943	-	(14)	66,160
Total	**153,678**	**50,716**	**-**	**(171)**	**204,223**
Deferred tax assets (Net)	**155,790**	**52,275**	**177**	**(182)**	**208,060**

c. Break up of deferred tax liability of current year is as follows:

Rs. in '(000)

Particulars	Opening Balance 01-04-2010	Credited/ (Charged) to P&L Account	Acquited on Business Acquisition	Closing Balance 31-03-2011
Deferred tax liability				
Depreciation	(94,160)	13,184	-	(80,976)
Others	(8)	(953)	-	(961)
Total	**(94,168)**	**12,231**	**-**	**(81,937)**
Deferred tax assets				
Employee benefits	7,229	(4,408)	-	2,821
Provision for doubtful debts	3,660	(2,176)	-	1,484
Business losses	10,256	(9,713)	-	543
Others	160	12	-	172
Total	**21,305**	**(16,285)**	**-**	**5,020**
Deferred tax liability (Net)	**(72,863)**	**(4,054)**	**-**	**(76,917)**

6. Operating Lease

The Group has taken office premises and accommodation for its employee under cancellable operating leases agreements. The cancellable lease agreements are normally renewed on expiry. The lease rental expense recognised in the profit and loss account for the year is Rs. '(000) 124,082 [Previous year Rs. '(000) 113,651].

7. 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 Rs. '(000) 782,107 [Previous year Rs. '(000) 1,415,683]. The acquisition has resulted in goodwill on consolidation amounting to Rs. '(000) 220,425 [Previous year Rs. '(000) 1,348,022]. The details are as follows:

Rs. in '(000)

Particulars	Year Ended 31-03-2011	Year Ended 31-03-2010
Opening Balance of Goodwill	**2,501,726**	**1,153,704**
Amounts paid	770,467	1,361,288
Direct cost relating to acquisition	11,641	54,395
Total purchase consideration paid	782,108	1,415,683
Value of net asset acquired	(561,683)	(67,661)
Goodwill generated	**220,425**	**1,348,022**
Provision for impairment on goodwill	**(5,000)**	-
Closing Balance of Goodwill	**2,717,151**	**2,501,726**

Balance consideration payable on account of investments at the year-end amounting to Rs. '(000) 27,491 [Previous year Rs. '(000) 84,978] has been disclosed under Sundry creditors.

b. During the year, the company has sold its stake in Den P.S.C. Network Private Limited for a consideration of Rs. ('000) 9,120.

c. The company has also advanced Rs. '(000) 568,856 [Previous year Rs. '(000) 765,344] to acquire majority control in companies, the agreements for which have not been concluded prior to the year-end. These have been disclosed under loans and advances. Balance commitments on account of such agreements concluded/to be concluded after the year-end amount to Rs. '(000) 352,058 [Previous year Rs. '(000) 673,163].

d. The company has also advanced Rs. '(000) 110,645 [Previous year Rs. '(000) Nil] for purchase of mutual fund units. These mutual fund units were allotted on April 4, 2011.

e. Business Purchase Acquisition

The Group has acquired the cable network business of certain multi system operators for a consideration amounting to Rs. '(000) 73,739 [Previous year Rs '(000) 65,156]. The consideration has been apportioned on fair value basis as determined and reported by expert valuers. The details are as follows:

Rs. in '(000)

Particulars	Year Ended 31-03-2011	Year Ended 31-03-2010
Tangible assets	69,996	43,807
Distribution network rights	2,212	17,982
Goodwill	1,531	3,367
Total	**73,739**	**65,156**

8. 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 and state plans for qualifying employees:

I. Employees' Provident Fund (EPF)
II. Employees' State Insurance (ESI)
III. Employees' Pension Scheme (EPS)

During the year the Company has recognized the following amounts in the Profit and Loss account:

Rs. in '(000)

Particulars	Year Ended 31-03-2011	Year Ended 31-03-2010
I. Employer's contribution to EPF	16,268	16,061
II. Employer's contribution to ESI	2,163	911
III. Employer's contribution to EPS	5,220	3,054

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

b. Defined Benefit Plan

Gratuity Plan

The following tables set out the status of the gratuity plan and amounts recognised in the Group's financial statements as at 31 March, 2011.

i. Change in benefit obligations:

Rs. in '(000)

Particulars	Year Ended 31-03-2011	Year Ended 31-03-2010
Present value of obligations as on 01.04.10	18,927	10,310
Current service cost	9,393	9,561
Interest cost	1,762	741
Actuarial (gain)/loss on obligation	(1,009)	(1,891)
Benefits paid	(91)	(96)
Gratuity acquired due to acquisition	-	301
Present value of obligations as on 31.03.11	**28,982**	**18,927**

ii. Expenses recognised in the profit and loss account:

Rs. in '(000)

Particulars	Year Ended 31-03-2011	Year Ended 31-03-2010
Current service cost	9,393	9,561
Interest cost	1,762	741
Actuarial (gain)/loss recognized	(1,009)	(1,891)
Net cost	**10,146**	**8,411**

iii. Principal actuarial assumptions:

Rs. in '(000)

Particulars	Refer Note Below	Year Ended 31-03-2011	Year Ended 31-03-2010
i. Economic Assumptions		7.00 -8.25% 5.00 - 8.00%	7.00 -7.75% 5.00 - 8.00%
a. Discount rate (per annum)	1		
b. Estimated salary escalation rate (per annum)	2		
		58	58
ii. Demographic Assumptions		LIC 1994-96	(duly modified)
a. Retirement age (years)			
b. Mortality Table			
c. Withdrawal Rates			
Ages		**Withdrawal Rate (%)**	**Withdrawal Rate (%)**
Upto 30 years		3%	3%
From 31 years to 44 years		2%	2%
Above 44 years		1%	1%

iii. Experience Adjustment:

Rs. in '(000)

Particulars	Year Ended 31-03-2011	Year Ended 31-03-2010	Year Ended 31-03-2009	Year Ended 31-03-2008
On plan liabilities	1,258	542	12	-
On plan assets	58	67	-	-
Present value of benefit obligation	18,278	11,835	6,373	704
Fair value of plan assets	324	293	273	-
Excess of (obligation over plan assets)/plan assets over obligation	(17,954)	(11,542)	(6,100)	(704)

The expected contribution is based on the same assumptions used to measure the company's gratuity obligations as of March 31, 2011. The company is expected to contribute Rs. '(000) 6,637 to gratuity funds for the year ended March 31, 2012.

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

9. 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 Rs. 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. The Company has granted 5,000,000 options up to 31 March, 2011.

c. The movement in the scheme is set out as under:

Particulars	ESOP 2010 Year Ended 31-03-2011	
	Option (Numbers)	Weighted Average Price (Rs.)
a. Outstanding at the beginning of the year	-	-
b. Granted during the year	5,000,000	30.00
c. Exercised during the year	-	-
d. Forfeited during the year	-	-

e.	Expired during the year	-	-
f.	Outstanding at the end of the year	5,000,000	30.00
g.	Exercisable at the end of the year	NA	NA
h.	Number of equity shares of Rs. 10 each fully paid up to be issued on exercise of option	5,000,000	NA
I.	Weighted average share price at the date of exercise	NA	NA
j.	Weighted average remaining contractual life (years)	2.38	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:

Rs. in '(000)

Particulars	Year Ended 31-03-2011
Net Profit/ (Loss) as reported (a)	69,596
Add: Stock based employee compensation expense debited to Profit and Loss account (i)	1,946
Less: Stock based employee compensation expense based on fair value (ii)	2,127
Difference between (i) and (ii)	(181)
Adjusted pro forma Profit/(Loss) (b)	69,415
Difference between (a) and (b)	(181)
Basic earnings per share as reported	0.53
Pro forma basic earnings per share	0.53
Diluted earnings per share as reported	0.53
Pro forma diluted earnings per share	0.53

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	3,416,750 Options (Vesting Period- 1 Year)	854,750 Options (Vesting Period- 2 Year)	728,500 Options (Vesting Period- 2.5 Year)
Risk free interest rates (in %)	7.67%	7.74%	7.77%
Expected life (in years)	2.00	3.00	3.50
Volatility (in %)	42.51%	42.51%	42.51%
Dividend yield (in %)	NIL	NIL	NIL

The volatile 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

Particulars	Year Ended 31-03-2011
Total options granted	5,000,000
Weighted average exercise price (in Rs.)	30.00
Weighted average fair value (in Rs.)	62.74

10. Earnings per Equity Share (EPS)

Basic earnings per share have been computed by dividing net profit after tax and after dividend on cumulative convertible preference shares by the weighted average number of equity shares outstanding during the year. Convertible preference shares have been considered in Diluted Earnings per Share computation.

Rs. in '(000)

	Particulars	Year Ended 31-03-2011	Year Ended 31-03-2010
a.	Net profit / (loss) attributable to equity shareholders	375,303	301,114
b.	Weighted average number of equity shares outstanding in computation of basic EPS	130,489,975	112,062,269
c.	Dilutive effect of preference shares outstanding	-	1
d.	Weighted average number of equity shares and equity equivalent shares outstanding used in computing diluted EPS	130,516,965	116,345,226
e.	Basic earnings/ (Loss) per equity share of Rs. 10 each (in Rs)	2.88	2.69
f.	Diluted earnings/ (Loss) per equity share of Rs. 10 each (in Rs)	2.88	2.59

11. Minority Interest

The break-up of the minority interest balance of Rs. '(000) 365,026 (Previous Year '(000) 211,516) as at 31 March, 2011 is as follows:

Rs. in '(000)

Particulars	Year Ended 31-03-2011	Year Ended 31-03-2010
Opening balance	211,516	143,797
Add/(less):Minority's share of accumulated profit/(loss)	85,446	39,726
Add/(less):Minority's share related to preference share premium	-	-
Add/(less):Share in profit/loss	68,197	63,124
Add/(less):Decrease in Minority's share due to acquisition by Parent Company	(133)	(35,131)
Closing balance	**365,026**	**211,516**

12. Auditors Remunerations*

Legal, professional and consultancy charges include auditors' remuneration as follows:

Particulars	Year Ended 31-03-2011	Year Ended 31-03-2010
Statutory audit	6,300	5,200
Other Services**	-	5,000
Total	**6,300**	**10,200**

*Exclusive of service tax
** Pertaining to IPO related services adjusted from Securities Premium Account

13. The Company has not used the foreign currency forward contracts during the year to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments.

At the year end, foreign currency exposures are as follows:

Particulars	Year Ended 31-03-2011 Rs. in '(000)		Year Ended 31-03-2010 Rs. in '(000)	
	In INR	In USD	In INR	In USD
Payables	126,326	2,829	101,263	2,243
Receivable	2,610	57	1,856	40

14. Segment Reporting

a. Business Segment

The Group is engaged in the distribution & promotion of television channels and related services which is considered as the only reportable segment.

b. Geographical Segment

Since the operations of the Group are mainly conducted in India, no geographical segmentation is required to be disclosed.

15. Previous year's figures have been regrouped/ reclassified, wherever necessary to conform to the current year's presentation

For and on behalf of the Board
DEN NETWORKS LIMITED

Sd/-
SAMEER MANCHANDA
Chairman & Managing Director

Sd/-
AJAYA CHAND
Director

Sd/-
RAJESH KAUSHALL
Chief Financial Officer

Sd/-
JATIN MAHAJAN
Company Secretary

New Delhi
September 01, 2011

NOTICE

Notice is hereby given that the Fourth Annual General Meeting of the members of DEN Networks Limited will be held on Tuesday, the 27th Day of September 2011 at 3.00 P.M at Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi -110003 to transact the following businesses: -

ORDINARY BUSINESS

1. To receive, consider & adopt the audited Balance Sheet of the Company as on March 31, 2011 and the Profit & Loss Account for the year ended on that date together with the reports of the Board of Directors & Auditors thereon.

2. To appoint a director in place of Mr. Robindra Sharma, who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint M/s. Deloitte Haskins & Sells, Chartered 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 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 until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

By order of the Board
FOR DEN NETWORKS LIMITED

Sd/
JATIN MAHAJAN
Company Secretary

New Delhi
September 01, 2011

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. 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.

4. Members/Proxies should bring the attendance slips duly filled in for attending the meeting.

5. Corporate Members are requested to send a duly certified copy of the Board resolution/ Power of attorney authorizing their representative to attend and vote at the Annual General Meeting.

6. 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.

7. Mr. Robindra Sharma, director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Brief resume of the director, nature of his expertise and names of other Public Limited companies in which he holds directorship and chairmanship / membership of committees of Board as required under clause 49 of the Listing agreement entered into with the stock exchange(s), are provided in the Corporate Governance Report annexed in the annual report. On re-appointment, Mr. Robindra Sharma would be an independent director. The Board of Directors recommends his re-appointment.

8. The registers of members will be closed from Tuesday the 20th day of September to Tuesday the 27th day of September, 2011, both days inclusive. The transfer books of the Company will also remain closed for the aforesaid period.

9. 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.

10. 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

11. The details of the stock exchanges, on which the securities of the company are listed, are given separately in this Annual Report.

12. 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.

13. 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.

DEN NETWORKS LIMITED

Regd. Office Address: 236, Okhla Industrial Estate, Phase-III, New Delhi-110020

ADMISSION SLIP

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

DP ID		Client ID	
Regd. Folio No*		No. of Shares	

Name(s) and address of the shareholder in full _____

_____

I/we herby record my presence at the Fourth Annual General Meeting of the Company being held on Tuesday, 27th day of September 2011 at 3:00 P. M. at Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi -110003, India.

Please ( ) in the box

☐ MEMBER ☐ PROXY

*Applicable for investor holding shares in physical form.

_____

Signature of Member/Proxy

DEN NETWORKS LIMITED

Regd. Office Address: 236, Okhla Industrial Estate, Phase-III, New Delhi-110020

PROXY FORM

DP ID		Client ID	
Regd. Folio No*		No. of Shares	

I/We

Name(s) and address of the shareholder in full _____

_____

being a member of DEN Networks Limited, hereby appoint _____ of _____ in the district of _____ Or failing _____ of _____ in the district of _____ as my/our Proxy to attend and vote for me/us on my/our behalf at the Fourth Annual General Meeting of the Company Scheduled to be held on Tuesday, 27th day of September 2011 at 3:00 P.M at Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi -110003 or/and at any adjournment therof.

I/We direct my/our Proxy to vote on the Resolution in the manner as indicated below:

S. No.	Resolutions	For	Against
1	Adoption of Annual Financial Statements and Reports		
2	Re-appointment of Mr. Robindra Sharma Director retiring by rotation		
3	Re-appointment of M/s. Deloitte Haskins & sells, Chartered Accountants, Gurgaon, as the Statutory Auditors of the Company		

_____

Signature of Member/Proxy

Affix the requisite Revenue Stamp

* Applicable for investor holding shares in physical form.

Note:

1. The proxy form duly completed and signed should be deposited at the Registered Office of the Company situated at 236, Okhla Industrial Estate, Phase–III, New Delhi–110020 not later than 48 hours before the commencement of the Annual General Meeting.
2. A Proxy need not be a member of the Company.
3. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
4. In Case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

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DEN NETWORKS LIMITED
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