



ANNUAL REPORT
2012 - 2013





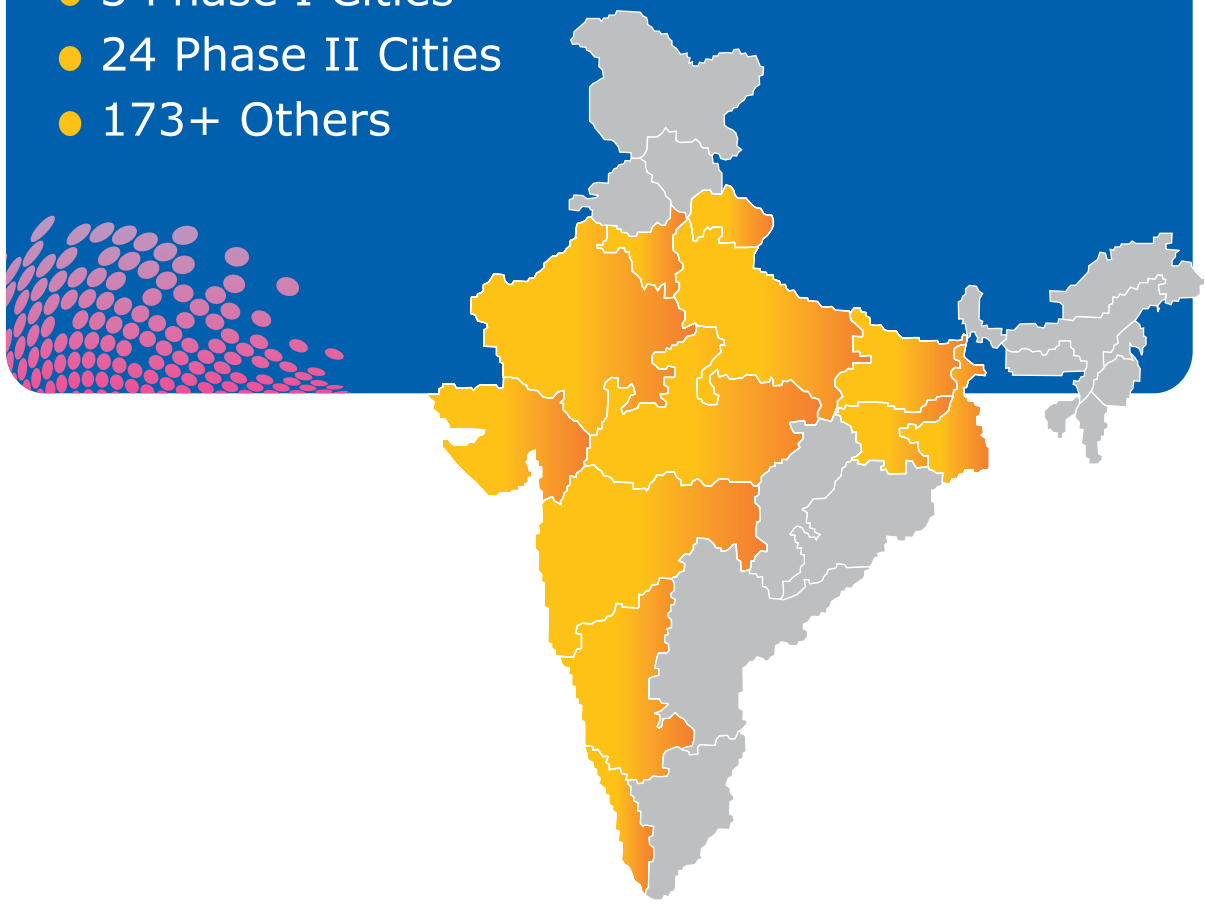
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DEN NETWORKS: INDIA'S LEADING CABLE TV DISTRIBUTION COMPANY

**STRONG NATIONWIDE PRESENCE:
200+ CITIES ACROSS 13 STATES**

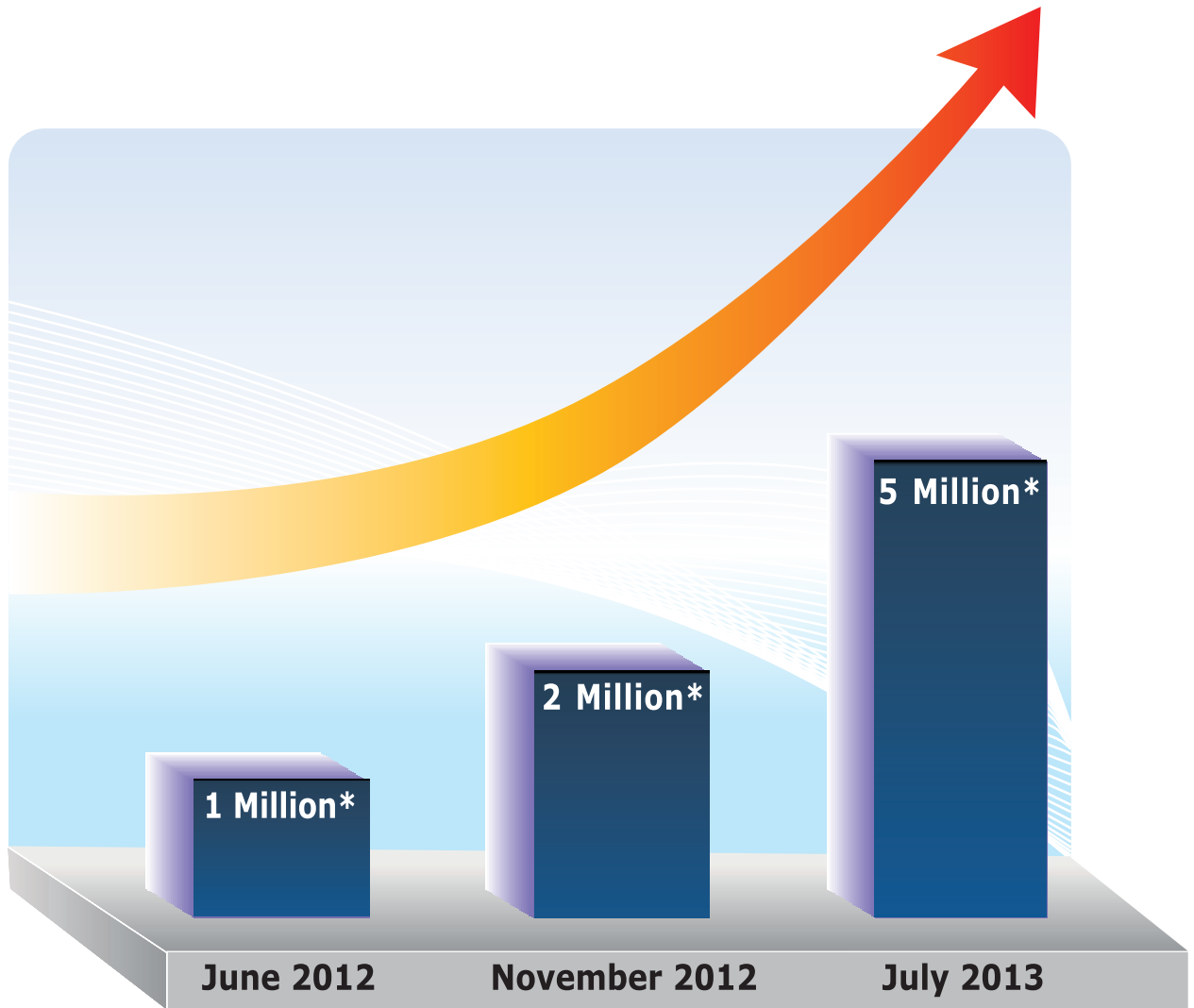
- 3 Phase I Cities
- 24 Phase II Cities
- 173+ Others



SERVING 11 MILLION HOMES ACROSS INDIA*

**Source: MPA Report 2013*

DEN DIGITAL: CAPITALISING ON THE DIGITAL OPPORTUNITY



**5 MILLION SET TOP BOXES INSTALLED IN
DAS PHASE 1 AND 2**



**Approximate Figures for Total DEN Digital STBs Installed*

DAS-Digital Addressable Systems

DEN DIGITAL...



DEN Digital

Cutting edge digital cable service with all channels in DVD- like picture & stereophonic sound.



DEN Excite! Value Added Services

Varied range of value added services*
- multi-genre digital music service, blog.telly, a micro-blogging app on TV, City Bytes restaurants & events search guide, and games.



Interactive & Feature-Rich EPG

State-of-the-art Electronic Programming Guide with genre-wise channel listings, programme type search, parental control and reminder functionalities.

**DEN Excite ! is available in selective areas.*

...DELIVERING A WORLD OF ENTERTAINMENT

DEN HD

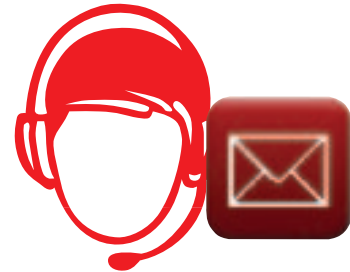
Premiere high definition cable service
with 1080i video resolution & Dolby
Digital (5.1 surround sound).

DEN HD



Personalised Customer Care

Multi lingual support through all-India
toll free helpline (1800-419-2020),
personalized and online help through
the website.



More channels

Hundreds of TV Channels across different
languages and genres.



Director's Report

Dear Shareholders,

Your Directors have the pleasure in presenting the sixth annual report on the business & operations of your Company along with the Consolidated & Standalone audited financial statements for the year ended March 31, 2013.

Financial Performance

The key financial figures on standalone and consolidated basis of your Company for the year ended March 31, 2013 are as follows:

company had obtained members approval vide resolution passed by way of Postal Ballot on February 28, 2013 to authorise the Board of Directors of the Company to decide, alter, vary, revise and finalise the IPO proceeds apart from the objects mentioned in the Prospectus. The details of utilisation of issue proceeds as on March 31, 2013 were placed before the members of Audit Committee at the meeting dated May 30, 2013 and the same has also been taken on record by the Board of Directors of the Company.

(` in millions)

Particulars	Consolidated		Standalone	
	Financial year ended March 31, 2013	Financial year ended March 31, 2012	Financial year ended March 31, 2013	Financial year ended March 31, 2012
Net Revenue	9,346.44	11,565.95	7,268.16	4,523.38
Operating profit/(loss) before interest and depreciation	2,355.69	1,093.17	1,580.73	647.06
Interest	470.88	269.24	446.84	255.88
Depreciation	811.22	538.11	496.15	305.41
Net Profit/(loss) before Tax	1,073.59	285.82	637.74	85.77
Provision for taxes/ deferred tax	294.24	100.20	188.12	7.10
Profit/(loss) after tax	623.01	142.80	449.62	78.67

During the year under review, the total revenue of your Company was ` 7,268.16 million on standalone basis and ` 9,346.44 million on consolidated basis as compared to last year's revenue of ` 4,523.38 million on standalone basis and ` 11,565.95 million on consolidated basis. The Profit After Tax of your Company was ` 449.62 million on standalone basis and ` 623.01 millions on consolidated basis as compared to last year's Profit After Tax of ` 78.67 million on standalone basis and ` 142.80 million on consolidated basis respectively.

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.

Utilisation of IPO Proceeds

During the financial year 2009-10, your Company had successfully completed its Initial Public Offer (IPO). As regards to the utilization of the IPO proceeds, the

Dividend

Your Directors do not recommend any Dividend for the financial year ended March 31, 2013.

Transfer To Reserves

Your Company has not made any transfer to Reserves during the financial year 2012-13.

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.

Operations

Your Company is the largest cable television distribution company in India in terms of homes served*. It serves an estimated 11 million homes in 200+ cities & towns across 13 states in India including Delhi, Uttar Pradesh, Haryana, Rajasthan, Gujarat, Maharashtra, Karnataka, Kerala, West Bengal, Bihar, Jharkhand, Madhya Pradesh and Uttarakhand.

DEN Digital - Your Company's cutting edge digital cable TV service offers subscribers a wide choice of channels and state of the art value added services. With

*Source: Asia Pacific Pay-TV & Broadband Markets Report 2013, Media Partners Asia (MPA)

approximately 5 million set top boxes installed, DEN Digital is one of India's largest digital television platforms. During the year gone by, your company witnessed robust growth in profitability. Your company is continually investing in its digital cable TV operations and rapidly converting its analog subscriber base into digital in accordance with the law on Digital Addressable Systems (DAS).

Digitisation

The year gone by witnessed an unparalleled change in the Indian television landscape with the onset of the mandatory phase-wise digitisation of analogue cable TV homes across India. All stakeholders of the Indian cable TV value chain including broadcasters, MSOs and LCOs under the stewardship of the Indian Government committed their efforts in making DAS a success.

Your Company expects that the future growth of the cable television distribution industry in India in the near-term will primarily be dependent on the conversion of analog cable subscribers to digital cable subscribers. Conversion to Digital Addressable Systems (DAS) is expected to create a seamless cable TV value chain and curb the current industry-wide problems such as under declaration and piracy.

Employee Stock Option Scheme (ESOS)

During the financial year 2010-11, the Company had granted 5,000,000 Equity shares of ₹ 10/- each to the Employees of the Company and Subsidiary Companies under the DEN Employee Stock Options Scheme 2010, out of which 1,465,874 options were surrendered by the employees of the Company. As on March 31, 2013, the total number of options granted by the Company to purchase Equity Shares pursuant to the DEN ESOP is 3,534,126, of which 3,534,126 have vested and 1,252,776 are yet to be exercised. During the financial year 2012-13, the period of vesting of ESOP options which was to be vested in 30 months earlier was reduced to 20 months. Disclosures in the accordance with clauses 12 & 19 of ESOP guidelines of SEBI are detailed in Annexure 'A' to this report.

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

Management's Discussion and Analysis Report

In accordance with the requirement of Clause 49 of the Listing Agreement with the Stock Exchanges, the Management's Discussion and Analysis Report (MD&A) disclosing the operations of the Company in detail is provided as a part of the Directors' Report.

Directors

Mr. Ajaya Chand, Non Executive Independent Director of your 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, 2013, 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, 2013 on a 'going concern' basis.

Details of Unclaimed Shares as per Clause 5A of the Listing Agreement

In the year 2009, your Company made Initial Public Offering (the Issue) of its equity shares in dematerialization mode and had credited the dematerialization accounts of allottees with respective shares allotted under the Issue. However dematerialization credit of 309 equity shares of ₹ 10 each for four allottees could not happen till date due to incorrect particulars of account holders. The Company through its

Particulars	No. of Shareholders	No. of Equity Shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year i.e. 1st April, 2012/ transferred to Account during the year ended 31st March, 2013	5	459
Number of shareholders who approached to the Company / RTA for transfer of shares from Unclaimed Suspense Account during the year ended 31st March, 2013	1	150
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year ended 31st March, 2013	1	150
Aggregate Number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e. as on 31st March, 2013.	4	309

Registrar and Share Transfer Agent M/s Karvy Computershare Private Limited had sent several reminders to these allottees and in the absence of any response from any of them had finally transferred the aforesaid equity shares to 'Den Networks Limited - Unclaimed Securities Suspense Account'. As required under clause 5A of the Listing Agreement, the status of outstanding shares lying in the aforesaid account as on March 31, 2013 is mentioned in the table above.

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

Subsidiary Companies

The Ministry of Corporate Affairs vide its Circular No. 51/12/2007-CL-III dated February 8, 2011 has given a general exemption to Companies to attach their subsidiary Companies' financial statements in the Directors' Report as per section 212(8) of the Companies Act, 1956 in 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 has been annexed and forms 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 the respective Subsidiary Company on receipt of request in this regard.

Auditor & 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 Auditors of the Company on the Accounts for the financial year ended March 31, 2013. The notes on

Accounts as presented in this Annual Report are self explanatory in this regard and hence do not call for any further clarification.

Cost Auditors

Your Company has re-appointed M/s Ajay Kumar Singh & Co., Cost Accountants, as Cost Auditors under Section 233B of the Companies Act, 1956 for Cost Audit for the financial year 2013-14.

Corporate Governance and 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 a Certificate from the 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.

Particulars of Employees

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with

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

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

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

A. Conservation of Energy

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

B. Technology absorption

Your Company is conscious of implementation of latest technologies in key working areas. Technology

is ever-changing and employees of your Company are made aware of the latest working techniques and technologies through workshops, group e-mails and discussion sessions to ensure optimum utilization of available resources and 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	: - ` 20.86 Millions

Acknowledgement

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, financial institutions and its business partners/ associates for their constant 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 leading player in the Cable TV Industry.

For and on behalf of the Board of Directors

Sd/-
Chairman

Place: New Delhi
Date: 14/08/2013

Annexure - A

Information regarding 'DEN ESOP Scheme 2010' as on March 31, 2013 in terms of Regulation 12 of SEBI (Employees Stock Option and Employees Stock Purchase Scheme) Guidelines, 1999 is as under:

S. No.	Particulars	Details
1	Options Granted during the year 2012-13	Nil
2	Exercise price	Rs 30/- Per Share
3	Options Vested	3,534,126
4	Options Exercised	2,281,350
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	3,534,126
10	Employee wise details of Options granted during the Financial Year 2012- 13 to	
	(i) Senior Management Personnel	Nil
	ii) Any other employee who received a grant in any one year of Options amounting to 5% or more of Options granted during the year	Nil
	iii) Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
11	Diluted Earnings Per Share (EPS) before exceptional items pursuant to issue of shares on exercise of Options calculated in accordance with Accounting Standard (AS) 20 on 'Earning Per Share'.	3.38
12	Computation of employee compensation cost and effect on profit and EPS	
	a) Method of calculation of employee compensation cost	Intrinsic value as per SEBI ESOP Guidelines
	b) Difference between the employee compensation cost so computed at (a) above and the employee compensation cost to P&L account if the Company has used the fair value of the option	Difference= ₹ 21.41 millions
13	The impact of this difference on the profits and EPS of the Company:	
	Profit after tax	449.62
	Less: Additional employees compensation cost based on the aforesaid difference	21.41
	Adjusted PAT	471.03
	Adjusted Basic EPS	3.38
	Adjusted Diluted EPS	3.38

S. No.	Particulars	Details	
14	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 (`) Weighted average fair value (`)	35,34,126 ` 30.00 Per Share ` 62.74 Per Share	
15	Description of the method and significant assumptions used during the year to estimate the fair value of the options, including the following weighted average information:	22,33,813 Options (vesting-1 year)	13,00,313 options (vesting period-2year)
	Risk free rate of interest (%)	7.67%	7.74%
	Expected life of the option from the date of grant (in years)	2.00	3.00
	Expected volatility (%)	42.51%	42.51%
	Dividend yield (%)	Nil	Nil
	The price of the underlying share in market at the time of option grant		

Management Discussion & Analysis

Economic Overview

Global Economy

The year 2012 was characterised by a slowing global economy weighed down by the continued crisis in the Euro Zone and uncertainty in the US fiscal policy. There was a noticeable slowdown in the emerging markets and developing economies that can be attributed to the sharp deceleration in demand from key advanced economies, domestic policy tightening and the end of investment booms in some of the major emerging economies. According to IMF's World Economic Outlook (April 2013 update), the global economy is projected to grow around 3.3 % in 2013 as opposed to a 3.2% growth in 2012. The growth rate for emerging economies is also expected to remain constant from 5.1% in 2012 to around 5.3% in 2013.

Indian Economic Overview:

The recent slowdown in the Indian economy is partly rooted in external causes, with domestic factors also playing a significant role. Domestically, the monetary and fiscal stimulus provided by the Government of India post financial-crisis led to strong growth in demand and consumption in 2009-10 and 2010-11. However, this resulted in higher inflation and a prevailing monetary response that slowed consumption demand. Moreover, corporate and infrastructure investment were also pulled down by the tightened monetary policy as well as the policy bottlenecks.

According to the Central Statistical Organisation (CSO), the estimated growth in real GDP for the year 2012-13 will be 5% as compared to 6.2% posted in 2011-12.

With an anticipated mild recovery in the global growth rates, the Indian economy is expected to grow in the range of 6.1 - 6.7% in 2013-14, as estimated by the Indian Economic Survey 2012-13.

Indian Media and Entertainment Industry

The Indian M&E Industry - Significant potential to grow reach in a country of one billion

- 730 million TV Viewers
- 159 million Radio listeners
- 176 million Internet users

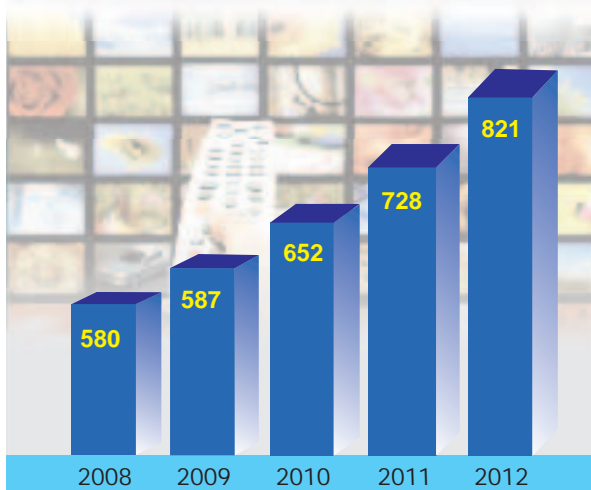
Source: FICCI KPMG Report 2013

Overview: Even in the face of bleak global and domestic economic conditions, the Indian M&E Industry grew rapidly on the back of the ongoing Digitisation of Cable TV, continued growth of regional media, strength in the film sector, upcoming elections and the fast increasing new media businesses.

Television continued to be the dominant segment even as other media sectors like animation, films and music posted strong growth. The successful implementation of

digital addressable systems (DAS) in Phase 1 and the continued Phase 2 rollout is expected to contribute significantly to strong sustained growth in the TV sector revenues and its ability to invest in and monetize content.

India M&E Market Size (FICCI KPMG) (INR Billion)



Indian Media & Entertainment Industry Continued on its Rapid Growth Curve despite the Bleak face of Global & Indian Economy

Growth: According to FICCI KPMG estimates for 2012, the Indian media industry demonstrated an overall growth rate of 12.6% in 2012 growing from INR 728 billion in 2011 to INR 821 billion in 2012. The industry is estimated to achieve a growth rate of 11.8% in 2013 to touch INR 917 billion.

The M&E sector is projected to reach INR 1,661 billion in 2017, growing at a healthy CAGR of 15.2% over the period of 2012-2017.

Emerging Trends in Indian Media

• **Digitisation of TV distribution:**

The year 2012 heralded the much awaited start to the digitisation of analog cable TV households. Phase 1 saw significant progress in implementation of mandatory digital addressable systems (DAS) across the four metros. The same momentum has been visible in Phase 2 which covers the next 38 cities whose population exceeds 1 million with concerted efforts from all stakeholders in the value chain.

The benefits of digitisation such as enhanced ability to monetize content, greater transparency and equitable revenue shares across the value chain led to an increased ability to invest in differentiated content.

• **Revenue models still advertising dependent:**

M&E is still an advertising dependent industry in India. In the TV sector, digitisation has the potential

to increase ARPUs (Average Revenue per User) and improve the share of subscription revenues to the broadcasters.

- **Regional markets remain key centres of growth:**

Key media players are focusing on selectively expanding their presence in regional markets that are seeing higher rates of advertising revenue growth and better insulation from slowdown than metros. Going beyond regional GECs (general entertainment channels), broadcasters launched several sub-genre channels in regional markets.

- **New Media Businesses:**

The growth in mobile and wireless connections continued to drive the growth of internet penetration in India. With better access through cheaper and smarter devices, audiences (especially youth) are consuming more content online. Going forward, better uptake of 3G connections, the launch of 4G and the growth of cable broadband are expected to spur this growth further.

- **Growth in the "Niche" segment:**

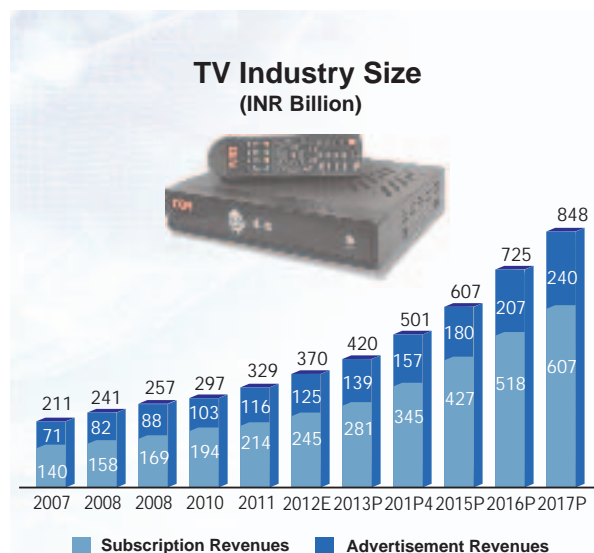
The content sector has traditionally been inhibited by challenges of lack of transparency, niche audience measurement and broadcast economics not supportive of investing in targeted content. But, a key outcome of the push in digitisation will be the ability to increase production budgets and invest in differentiated genres and multilingual content.

Indian Television Industry

Overview: India is the second largest TV market in the world with approximately 162 million TV households, second only to China. In 2012, the television industry commenced its journey down a game changing path, with the seeds planted for sweeping changes that would significantly change the industry. Digitisation of cable TV is expected to bring in transparency and increase subscription revenues for stakeholders in the broadcasting value chain.

Industry Size & Growth: The television industry in India is estimated at INR 370 billion in 2012 and is expected to grow at a CAGR of 18% over 2012-17, to reach INR 848 billion in 2017. Aided by digitisation and the consequent increase in ARPUs, the share of subscription revenue to the total industry revenue is expected to increase from 66% in 2012 to 72% in 2017. However, it is the transparency brought on by digitisation which is likely to bring revolutionary change in the industry by allowing all stakeholders to receive their legitimate share in subscription revenues.

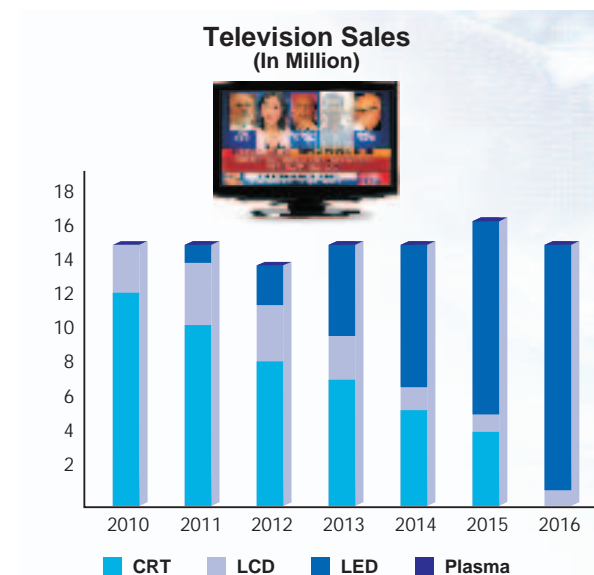
Strong growth in TV sales continues: Approximately 14 million television sets were sold in India in 2012 (a large proportion of these television sales represent



Source: KPMG in India Analysis, Industry discussions conducted by KPMG in India.

Note: Figures are rounded to nearest integers and may not add up to exactly to column totals

replacement of old television sets, institutional TV sales, and a second or third TV set entering a household.) As per the Ministry of Information and Broadcasting (MIB) estimates, institutional and multi TVs account for approximately 17% of television sets in metro cities. The ministry factored in a 20% incidence of multiple TVs in its digitisation estimates.



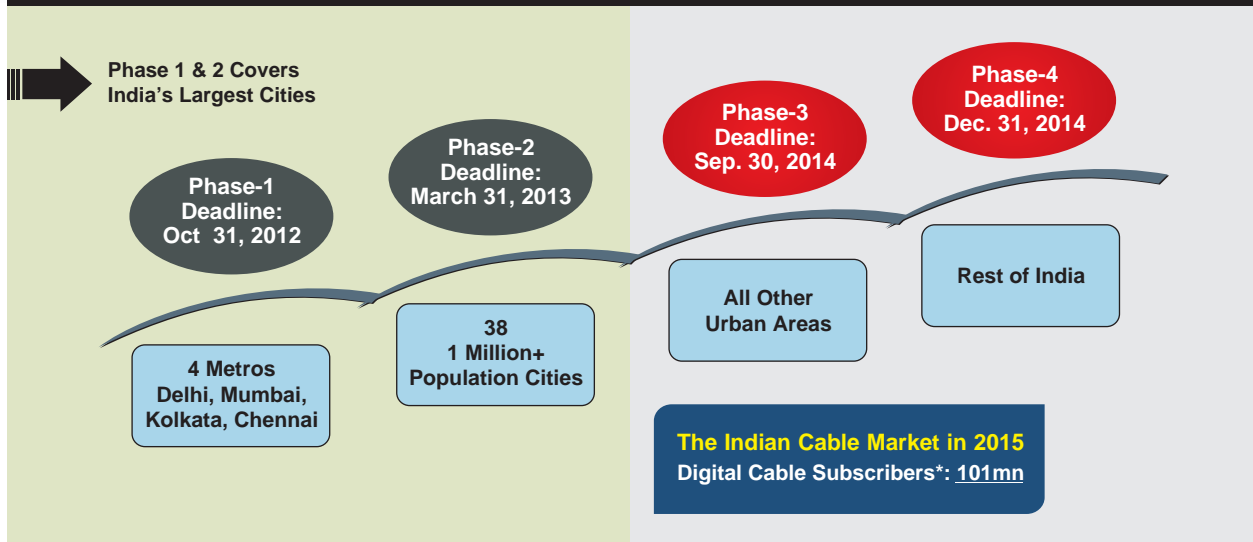
Source: Industry discussions conducted by KPMG in India.

Note: 1. Year indicate year ended 31 March.
2. TV sales reported in last year's report have been revised basis Industry discussions conducted by KPMG in India.

Paid C&S penetration of TV households expected to increase to approx. 90% by 2018: The number of Cable & Satellite households in India increased by 6.8 million in 2012, to reach 135 million. This paid C&S base is expected to grow to 173 million by 2017, representing 89.6% of TV households.

THE INDIAN CABLE DIGITISATION LAW

A Four Phase Conversion of Analog to Digital



Digital Addressable System (DAS) - Unprecedented Change in Television Distribution:

Last year brought about an unparalleled change in the Indian cable television industry with the implementation of the mandatory pan-India phase-wise digitisation law by the government.

The implementation of DAS saw the coming together of all stakeholders of the Indian television industry for the first time. Everyone from MSOs to broadcasters and the Government committed themselves wholly to the digitisation effort despite the issues of such a large-scale change.

Major Indian MSOs successfully deployed digital set top boxes in their analog markets across a mammoth total of 42 DAS Phase 1 & 2 cities including 4 major metros - Delhi, Mumbai, Kolkata & Chennai and 38 cities with a population of over one million ("one million plus cities").

DAS Implementation Highlights:

November 1, 2012 marked the switch off date of analog cable TV signals in Phase 1 cities of Delhi, Mumbai, Kolkata and Chennai as per the DAS roadmap. DAS roll-out was successfully completed in Delhi, Mumbai and Kolkata and these cities are now assumed to be fully digitised with no incidence of analog signals.

Stakeholder efforts make Digitisation a success

Government Initiatives

The government and regulatory authorities are taking an active part in all steps of the digitisation process to ensure timely implementation of DAS.

In this regard, the Telecom Regulatory Authority of India (TRAI) and the Ministry of Information and Broadcasting (MIB) have taken the following steps:

Special Digitisation Task Force

Periodic meetings of the Digitisation Task Force consisting of various stakeholders to track the implementation of DAS and closely monitor the progress made by these stakeholders

Collecting Data from Platforms

Dedicated website for real time updation of data from various MSOs and DTH operators

Prosecution for Non-Compliance

The regulatory authorities have also resorted to prosecution against non-compliance & cancellation of DAS licenses.

Spreading Public Awareness:

- **TV Ad Campaign:** The 'Blackout Advertisement' carried out by the Ministry on all major television channels created massive public awareness about digitisation and underscored the urgency to install set top boxes.

- **Text Message (SMS) Campaign:** An intensive mass SMS campaign has been carried out in various cities reminding consumers to go digital by contacting their LCOs.

- **Radio:** Public Awareness ads and jingles were aired on all major Radio channels highlighting the benefits of going digital and encouraging consumers to get their STB at the earliest.

- **Outdoor and Other:** Ads on outdoor media such as hoardings and bus shelters and ads in movie halls also created awareness about digitisation.

- **Social Media presence** in the form of an official MIB Facebook page to spread awareness about Digitisation amongst consumers

Joint Initiatives by National MSOs

[31ST OCTOBER, 2012]
[DELHI, MUMBAI, KOLKATA, CHENNAI]

GO DIGITAL
OR
GO BLACK

The major national MSOs undertook joint consumer awareness campaigns through the release of advertisements on the front pages of major national dailies educating consumers about the benefits of Digital Cable. MSOs advertised promotional schemes for STBs for consumers in Phase 1 cities.

- **Cable emerges as the Market Leader:** The figures released by the MIB indicate that 18 million Set Top Boxes (STBs) were installed in these cities till August 12, 2013. Of these, 13 million STBs were installed by cable TV MSOs representing 72% of the total market.

Cable & DTH in Phase 1 & 2 Cities Cable Becomes Largest Digital Platform				
Government Data on Digitisation in Phase 1 & 2 Cities				
Phase	Total Digital Cable & DTH STBs Seeded	DTH Subscribers	Digital Cable STBs installed	Digital Cable Market Share (%)*
Phase 1**	8.7 mn	2.2 mn	6.5 mn	75%
Phase 2	18.0 mn	5.0 mn	13.0 mn	72%
Total	26.7 mn	7.2 mn	19.5 mn	73%

* Digital cable market=Digital cable SBT -Sum Digital cable & DTH subscribers

** Phase 1 data corresponds to Delhi, Mumbai & Kolkata. Excludes Chennai

Source: Phase 1 data as per MIB Press Release (Nov 1, 2012): Phase 2 data as per MIB

Digitisation Driving Transformation of the Indian Television Industry

a) All Stakeholders Benefiting from Full Transparency and Legitimate Sharing of Subscription Revenues

Digitisation is leading to full transparency of the cable TV subscriber base. All stakeholders including MSOs, broadcasters and the Government stand to gain from the legitimate sharing of subscription revenues and applicable taxes being collected from subscriber homes.

b) Transition to the DAS Era Seeing Concerted Efforts from All Stakeholders

Implementation of DAS across India is a massive transition for the entire television value chain. All stakeholders are making concerted efforts to make DAS a success. The ongoing process of KYC data collection and channel package selection is a key step in this direction. Regulatory action to ensure that this process remains on track has already started yielding results.

c) Dramatic Changes in Consumer Value Proposition of Cable with Implementation of DAS

• Increase in Channel Offering:

Digitisation and the freeing up of analog bandwidth has resulted in cable TV platforms offering hundreds of channels to their subscribers.

• Increase in Time Spent on TV

Viewership data post- DAS implementation indicated an increase in time spent on television driven by digital quality picture and sound and effective clustering and packaging of channels.

d) New Channel Launches

With the implementation of Phase 1 of Digitisation, new channels from broadcasters like Discovery,

Disney, Star and Zee are expanding the choice of content for consumers and introducing more targeted content for kids and regional languages. HBO has also launched two ad free channels.

New channels increase choice for consumers who can now select and pay for content that they want to watch. Such offerings are likely to boost ARPU and become revenue accretive for both broadcasters and platforms.

Other services like Pay per View (PPV), Video on Demand (VOD) and Value Added Services are set to enhance the user experience with more content and choice, offering growth opportunities for content producers, broadcasters and platforms

e) Improving Pricing Environment

With the implementation of DAS, digital cable & DTH service providers are also increasing their consumer offerings by adding more digital channels and services creating an improved pricing environment.

f) Large Consolidation Opportunity in Phases 3&4

Phases 3 and 4 markets are mostly served by smaller fragmented MSOs. This presents a large consolidation opportunity for the cable TV industry. As the focus of digitisation shifts to these cities, larger, national MSOs are expected to consolidate these markets through inorganic and organic routes.

g) Stage set for Growth of Cable Broadband

According to the TRAI's Telecom Services Performance Indicators Report March 2013, India has only 15.05 million broadband subscribers. Digitisation with addressability has set the stage for rapid and scalable growth of cable broadband which can offer high speed data connections to India's bandwidth starved households.

Cable TV MSOs are expected to offer bundled broadband and video services giving superior value

to consumers through a single connection. This is likely to become one of the major growth drivers of the industry over the next few years.

Legal and Regulatory Developments

- FDI limit for TV distribution increased to 74%**
 The government increased the FDI limit in Cable TV MSOs and DTH operators to 74% from 49% in September 2012. Besides supplementing the funding requirement, partnerships with global strategic players will also help MSOs tap strategic expertise, especially in broadband.
- TRAI Tariff Orders on Standard STBs/CPEs Tariff Packages**
 The TRAI issued two new tariff orders prescribing standard tariff packages for Set Top Boxes (STBs) & Consumer Premises Equipment (CPEs) for Digital Addressable Service (DAS) and DTH services. The prime objective of the order is to facilitate digitisation of DAS phases 3 & 4 and ensure recognition and recovery of investments for the platform operators. The order provides consumers a choice between rental and security deposit plans.

Company Overview

DEN Networks Limited is India's leading cable TV distribution company reaching an estimated 11 million households in over 200 cities across India. The company

has been one of the frontrunners in the digitisation process and has approx. 5 million digital cable subscribers (as on July 2013).

DEN is present in 13 key states across India including Delhi, Uttar Pradesh, Karnataka, Maharashtra, Gujarat, Rajasthan, Haryana, Kerala, West Bengal, Jharkhand, Bihar, Madhya Pradesh and Uttarakhand. The company has a leading presence in the economically important Hindi Speaking Markets (HSM) belt.

DEN Digital - DEN's digital cable services brand, is one of the market leaders in India's digital television space. DEN Digital has a wide choice of channels and services spanning all major genres and languages along with cutting edge value added services (VAS) and TV applications. The service also has an easy to use and feature rich 'Electronic Programming Guide' (EPG).

DEN's VAS and TV applications portfolio - DEN Excite! - Includes a multi-genre digital music service, City Bytes - a restaurant and events search application, blog.telly - India's first micro blogging service on TV and interactive TV games.

DEN Networks has a strategic content distribution JV with Star, Zee and Turner. The company formed a 50-50 JV with Star TV Group called Star DEN in 2008. Star DEN formed a 50-50 J-V with Zee Turner in May 2011 named Media Pro, which combined the Pay TV distribution assets of the Star, Zee and Turner groups in India. Media Pro is the exclusive distribution house of over 70 leading pay TV channels in India.

DEN SERVICE OFFERING



DEN Digital

Cutting edge digital cable service with all channels in DVD-like picture & stereophonic sound.



DEN Excite! Value Added Services

Varied range of Value Added Services* - multi-genre digital music service, blog.telly a micro-blogging app on TV, City Bytes restaurants & events search guide, and games.



Weather Proof Service

Weather proof service unaffected by rain interruptions ensuring an uninterrupted viewing experience.



More Channels

250+ TV channels** across different genres and languages.



Personalised Customer Care

Multi lingual support through all-India Toll-free Helpline (1800-419-2020), personalised attention from your cable operator and Online Help through the Website.



DEN HD

Premiere high definition cable service with 1080i video resolution & Dolby Digital (5.1 surround sound).



Interactive & Feature-Rich EPG

State-of-the-Art Electronic Programming Guide with genre wise channel listings, programme type search, parental control and reminder functionalities.



Value for Money

A world-class service with more channels, interactive features & value added services at reasonable prices.

*DEN Excite! Is available in selective areas

**DEN DAS areas offer 250+ channels in SD and HD including local cable channels.

DEN Channel Packages

DEN launched its channel packages which have been designed and customised for local markets to cater to the specific tastes of audiences in these markets while offering the best value for money for the price conscious Indian consumer. DEN's Channel Packages have been designed keeping in mind the diverse interests of the entire family and include a varied mix of all popular channels across genres.



• DEN Basic	100/-
• DEN Intro	180/-
• DEN Family	225/-
• DEN Platinum	270/-

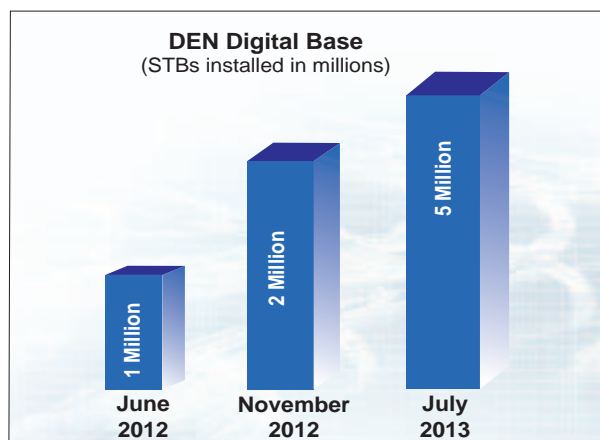
DEN Networks Raises US\$ 160 million in fresh equity in May 2013 to Fund Growth Opportunities

- **DEN announces an investment of US\$ 110 million from Goldman Sachs**
DEN secured an investment of US\$ 110 million (Rs 600 crores approx.) from Goldman Sachs, a leading global investment bank and an active investor in cable and broadband companies across the world. The investment will be utilized for funding DEN's growth plans. This investment is subject to regulatory and customary approvals.
- **DEN Raises US\$ 50 million through a Qualified Institutional Placement (QIP)**
The company also raised US\$ 50 million (~ 270 crore approx.) through a qualified institutional placement (QIP) of shares to domestic and foreign institutional buyers. Leading FII's & domestic institutions participated in the issue.

DEN Rapidly Digitises its Massive Subscriber Base Across DAS Phase 1 and 2 Markets

2 million STBs seeded in the Phase 1 cities

DEN digitised the vast majority of its homes served across the three Phase 1 cities that it is present in, namely Delhi, Mumbai and Kolkata. DEN and its affiliates seeded 2 million STBs in these 3 cities.



Phase 2 :

DEN's Phase 2 presence currently spans 24 of the 38 Phase 2 cities (60% of all Phase 2 towns) including all 7

Phase 2 cities of UP besides 6 towns in Maharashtra, 3 in Gujarat, 2 each in Rajasthan and Karnataka, and 1 each in Bihar, Jharkhand, West Bengal and Haryana. With a strong presence across these markets, DEN has seeded approx. 3 million STBs.

Put together with steady conversions of subscribers in other parts of the country, DEN is poised to become a leading Digital TV platform in the country as digitisation progresses.

Growth Opportunities with Digitisation

DEN considers successful digitisation as the first step leading to newer opportunities for diversification of its service offerings and sustainable revenue growth. Digitisation offers tremendous growth opportunities for the company through expansion & consolidation, launch of broadband and ARPU enhancement by offering more channels and services.

a) DAS Phases 3 & 4 Opportunity

- **Digitising DEN's existing subscriber base**

DEN's estimated subscriber base of over 6 million homes in DAS Phase 3 & 4 cities is a huge potential market to be digitised and is sure to bolster the company's position as India's leading digital cable TV platform.

- **Further consolidation**

DEN is planning to increase its presence in Phase 3 & 4 cities through further consolidation in its current markets and also by selectively entering strategic new markets.

b) Broadband

DEN intends to roll out its high speed broadband internet service and offer bundled cable TV and broadband services to consumers in markets that have been fully digitised. The existing presence in millions of subscriber homes creates a ready market for the company to push its broadband services into the home.

DEN is in the process of building an industry experienced team to spearhead the broadband operations and expects to roll out its services during the first few months of 2014.

c) Enhanced Consumer Offering:

Digital channels require far lesser bandwidth than analog. Following digitisation, the vacated analog bandwidth is being used to accommodate more and more channels and services for DEN consumers.

DEN: Redefining The Digital Local Channels Space

DEN Movies & DEN Classic : State of the art Digital Cable Movie Channels launched by DEN

DEN recently launched 2 new state of the art digital cable channels - DEN Movies and DEN Classic that are available to subscribers in selective areas. DEN Movies is a contemporary Hindi Movies Channel showcasing recent popular Bollywood movies while DEN Classic showcases vintage Bollywood movies.



Broadband

Despite a tremendous potential owing to a huge population consisting of a very high youth dominated demographic, the growth of broadband in India has been largely stunted. This has been mainly due to internal industry dynamics like low fixed line phone penetration, penetration of internet enabled devices and inability of exploiting the potential of the cable sector due to fragmentation and non alignment of interest of the MSOs with the last mile operator.

With the changing environment, the outlook on the industry is now appearing brighter and more positive. According to the McKinsey's Report on Internet Impact on India (Dec 2012), there are 120 million Internet users currently, which are likely to go up to 350 million by 2015, making it the highest incremental growth in Internet users in this period globally. This massive growth projection points to a tremendous opportunity for Cable TV MSOs, as cable is the only 'pipe' which is already going into 98 million consumer homes.

India is in a unique situation where broadband ARPUs are 2x-3x of video ARPUs which is opposite the trend in developed markets.

In India, most of the private and national telecom players have been investing heavily in long distance fibre network. With the introduction of infrastructure sharing a few years back, a lot of fibre has been freed up which is now being put to use for providing other services. Cable companies are leveraging the surplus bandwidth to deliver video and broadband at very low prices. Optical fibre prices over the years have come down dramatically and with proliferation of more channels, cable networks in India already have deep fibre penetration across their territories achieved at a very low capex.

India will also benefit greatly from the initiatives and investments made by the government since private players can also leverage the infrastructure developed in this process.

DEN intends to build a versatile internet protocol delivery platform that can deliver video and data to its subscribers. A proof of concept for the same has been carried out. DEN plans to roll out its broadband service in fully digitised markets during the first few months of 2014.

Human Resource Management

DEN's employee pool consists of over 550 professionals from diverse fields of technology, HR, Operations, Finance, Technical and Administrative functions. DEN employees have increasingly emerged as strategic drivers of the company's business goals. DEN has adopted HR policies focused on the long term development and retention of its human capital keeping in mind the company's expanding scope of operations in different states and cities.

- **Recruitment**

Through a rigorous and comprehensive process of recruitments and need based hiring, DEN acquires the most competent and suited candidates who can synergise with the current resources of the company. These professionals are placed at the corporate offices, regional offices, head ends and for on-ground operations and drive the company to higher success levels with every passing year.

- **Training & Development**

Talent identification, development and empowering its human resource with the most competitive skills have always been on the forefront of DEN's agenda. DEN continues its endeavour to enhance its human resource capability by investing heavily in skill development and training of its employees along with various employee engagement initiatives. The company also provides functional training to its employees through various simulations and game-based modules.

- **Rewards & Recognition**

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

- **Employee Engagement and Welfare Activities**

DEN acknowledges the fact that the productivity of the company is directly proportional to the productivity of its employees and hence organises a series of employee engagement events throughout the year. Annual excursions, weekly movie and puzzle contests, employee birthday celebrations and elaborate celebrations on all festivals and occasions are organised with a lot of zeal. DEN also organises an annual cricket tournament and employees from all over the country participate. Various other employee welfare activities like eye check up camps are also organised regularly.

Corporate Social Responsibility

DEN strives to inculcate a corporate environment that transcends organisational boundaries and relates to the community at large. The various initiatives made by DEN in this regard include -



Environmental Initiatives: DEN believes in making lifestyle changes that make an impact to the environment in the long term. Employees are encouraged to make small changes in their lives to reduce negative impacts on the environment and prevent overuse of scarce resources. DEN believes that it is small changes in habits which can help save the environment in the long run. Mailers are sent to employees periodically to remind them of their commitment towards reducing wastage and for saving energy. DEN-i-Care is another initiative undertaken in this direction with the aim of inculcating socially responsible values among the employees. Employees are made conscious about green environmental practices like saving water, using car pools, using energy efficient devices, recycling of paper, etc., thus encouraging them to make a visible difference to the environment.

Helping out the less fortunate with Goonj: DEN's initiatives to help the underprivileged sections of the society included "Rahat Winters" and "Don't pack your unwanted clothes" campaigns in association with the NGO- Goonj. This program included several clothes collection drives in the corporate office where all employees were encouraged to do their bit by contributing for the economically deprived. Employees also contributed whole heartedly for the relief of the Uttarakhand Flood victims.

Strengths and Opportunities

- **Largest Cable Distribution Company in India**

DEN is the largest cable TV distribution company in India, in terms of subscribers. DEN serves an estimated 11 million homes in over 200 cities across 13 states in India. DEN has established an extensive delivery network comprising 115 analog head-ends, 18 digital head-ends and more than 12,400 kilometres of HFC cable network. Owing to the company's existing presence and investments in STBs and digital technology, the company is

well-positioned to benefit from the mandatory conversion to digital platform required to be completed by December 31, 2014. As of April 5, 2013, DEN has a total of 5 million digital subscribers, comprising approximately, 2.0 million subscribers in Phase I cities and 3.0 million subscribers in Phase II cities. DEN provides analog and digital cable television services to subscribers in several cities in the states of Delhi, Uttar Pradesh, Karnataka, Maharashtra, Gujarat, Rajasthan, Haryana, Kerala, West Bengal, Jharkhand and Bihar, which are key growth markets. Operating in these states provides DEN with the opportunity to expand its business significantly.

DEN's existing nationwide reach and delivery network provides a key growth opportunity to convert the existing analog cable television subscriber base, as well as attract new subscribers for DEN's digital cable services.

- **Acquisition and Integration Track Record**

DEN has acquired majority interests in MSOs that are located in states which have significant television viewership and potential for increased digital cable penetration. DEN's understanding of the cable television distribution industry has enabled the company to identify and acquire appropriate acquisition targets, which in turn, has enabled DEN to become the largest national cable television distribution company in India.

- **Established Relationship with Industry Leaders**

DEN sources equipment for its digital cable TV service offerings from reputed vendors of digital components like Cisco, Harmonic Inc. and Skyworth Digital Technology. The company's expertise in designing and constructing cable networks enables it to rapidly develop and expand its cable television distribution network. This expertise also allows DEN to efficiently integrate the networks and technology of the MSOs in which the company has acquired a majority interest.

- **Financially Efficient Operations**

Through the extensive operations of DEN, we have been able to achieve economies of scale in various operational areas such as equipment purchasing, customer service and general and administrative services. These economies of scale reduce costs per subscriber and make the company's operations more efficient.

- **Industry-Experienced Management Team**

DEN's senior management and leadership team has professionals with extensive experience in the cable television distribution sector, entertainment and media operations, finance and engineering. The company strives to become a truly world class enterprise and continues to recruit qualified and experienced professionals.

Opportunities

DEN considers successful digitisation as first step leading to newer opportunities for diversification of its service offerings and sustainable revenue growth.

- **HD:** The release of analog bandwidth also allows DEN to launch a large number of HD channels on its platform, bringing the best in high definition content to DEN viewers.
- **Addressability:** Successful implementation of DAS (Digital Addressable System) will create a fully digitised and addressable environment which will solve the problems of under-declaration and benefit MSOs like DEN. DEN and other MSOs will now handle billing of subscribers which ensures that all stakeholders including MSOs and broadcasters get their legitimate share of revenues and the government receives its share of taxes.
- **Broadband:** DEN intends to build a high speed broadband internet service and offer bundled double play and triple play services to consumers in fully digitised markets. DEN is expected to launch its broadband service in such markets during the first few months of 2014.
- **ARPU Growth:** Digitisation also opens doors for DEN to venture into other related services like offering new niche channels, Value Added Services, HD and DVR, Broadband etc leading to growth in ARPU.
- **Greater consolidation:** Consolidation in existing markets and entry into new markets especially where the consolidation theme is yet to play out.
- **DAS Phases 3 & 4 Opportunity**
 - Digitising DEN's existing subscriber base DEN's existing subscriber base of over 6 million homes in DAS Phase 3 & 4 cities is a huge potential market to be digitised and is sure to bolster the company's position as India's leading digital cable TV platform.
 - Further consolidation
DEN is planning to increase its presence in Phase 3 & 4 cities through further consolidation

in its current markets and also by selectively entering strategic new markets.

Risks And Concerns

- **Hurdles in Implementation of DAS:** Hurdles in the implementation of DAS could result in under recoveries on box subsidies being given to consumers, delay in full consumer billing and thereby lower revenues.
- **Exchange rate:** Depreciation of the rupee may add to the company's subsidy burden and capex outlay as the cost of set top boxes and other imported equipments which are imported may rise.
- **Competition from other platforms, especially DTH** which are promoted by large, well funded corporate groups could result in subscribers churn in markets that are yet to be digitised.
- **Rise in Content Costs:** Any disproportionate rise in content costs charged by broadcasters which the company is unable to pass on to its subscribers could strain the company's finances.

Internal Control System

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

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

Report on Corporate Governance

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

Corporate Governance

Good Corporate Governance practices are characterised by a strong commitment and adoption of ethical practices in all dealing with stakeholders of the Company. Corporate Governance goes beyond the practices enshrined in the laws and should be imbibed in the basic business ethics and values. With the increasing complexity in business in today's world, sound governance practices are becoming more and more essential in building and maintaining the trust of all stakeholders. Good corporate governance practices are also essential for a sustainable business model for generating long term value for all its stakeholders.

At DEN, we believe that transparent, ethical and responsible corporate governance practices are essential in enhancing and retaining stakeholder trust. Corporate Governance is an integral part of the philosophy of the Company in its pursuit of excellence, growth and value creation. In addition to complying with the statutory requirements, effective governance systems and practices towards improving transparency, disclosures, internal controls and promotion of ethics at work place have been institutionalized. The Company recognizes that good governance is a continuing exercise and reiterates its commitment to pursue the highest standards of Corporate Governance in the overall interest of all its stakeholders.

Board of Directors

Composition

The Company's Board is an optimum mix of executive,

non-executive and independent directors constituted in conformity with the provisions of the FDI guidelines, listing agreement, terms of the shareholders' agreement and other statutory provisions. The size and composition of the Board of Directors confirms the requirement of the Listing Agreement. Presently the Board comprises of five members, all of whom are Non-Executive Directors except Mr. Sameer Manchanda, Chairman and Managing Director of the Company. More than 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, 2013 are set out in the table below:-

- For the purpose of considering the total number of directorships, all Public Limited Companies, whether listed or not, have been considered. Private Limited Companies whether subsidiary of a Public Limited Company or not, Alternate Directorships, Foreign Companies and Companies under section 25 of The Companies Act, 1956, have not been included.
- For the purpose of considering the total number of Memberships/ Chairmanships of Committee(s) only Audit Committees and Shareholders'/ Investors' Grievance Committees of all Public Limited Companies have been considered.
- 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 constantly strives to achieve the overall goals of the Company. The Board consists of professionals and learned executives having in depth knowledge of their respective fields to oversee the overall functioning of the Company and to take strategic decisions in the best interest of the stakeholders.

Name of 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	02*	Nil	Nil
Mr. Shahzaad Siraj Dalal	Nominee Director	08	01	03
Mr. Krishna Kumar	Alternate Director to Mr. Shahzaad Siraj Dalal	04	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

* Includes directorship in one Pvt. Ltd. which is subsidiary of a Public Limited

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

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

Attendance at Board Meetings and Annual General Meeting:

A total of 06 (Six) meetings were held during the financial year 2012-13 on May 15, 2012, August 09, 2012, August 29, 2012, November 09, 2012, January 15, 2013 and March 28, 2013. The Fifth Annual General Meeting of the Company was held on September 27, 2012.

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

Name of Director	No. of Board meetings attended	Attended last A.G.M
Mr. Sameer Manchanda	06	Yes
Mr. Shahzaad Siraj Dalal	Nil	No
Mr. Krishna Kumar (Alternate Director for Mr. Shahzaad Siraj Dalal)	01	No
Mr. Ajaya Chand	06	Yes
Mr. Robindra Sharma	05	No
Mr. Atul Sharma	Nil	No

Director's Profile

A brief description of the Directors, whose candidature is proposed for re-appointment at the forthcoming Annual General Meeting, along with name of the Companies in which they hold 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. Ajaya Chand-Non Executive Independent Director

Mr. Ajaya Chand is a Non Executive Independent Director of the Company. He holds a bachelor's degree in commerce from Hansraj College, University of Delhi and is also a qualified Chartered Accountant. He is currently an independent financial and management consultant.

He has over 24 years of experience in accounting and financial and corporate legal matters. Prior to that, he was associated with ibn18 Broadcast Limited and New Delhi Television Limited.

S. No.	Name of Company	Position on the Board and Committee thereof
1.	Sangyan Advisory & Consultancy Services Private Limited	Director

Compensation to the members of Board

During the financial year 2012-13, the Company has not paid remuneration to any Director except Mr. Sameer Manchanda Chairman and Managing Director of the Company. The details of remuneration are mentioned below. Non-Executive & Independent members of the Board are paid sitting fees for attending the Meetings of the Board within the ceiling as provided under the Companies Act, 1956. Besides this Non-Executive Directors do not have any other pecuniary relationship or transaction with the Company. The Company has no policy of advancing any loans to Directors.

S.No.	Particulars	in millions
1.	Basic Salary	8.13
2.	House Rent Allowance	4.06
3.	Management Allowance	7.15
4.	Provident Fund	0.98

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

- Gross salary: The Company shall pay a basic salary of ₹ 2 million per month with a 10% annual increment.
- Medical benefits (for self and family): The Company shall reimburse expenses actually incurred towards medical expenses, the total cost of which to the Company shall not exceed Mr. Sameer Manchanda one month's salary.
- Leave travel concession (for self and family): The Company shall reimburse such expenses which shall not exceed Mr. Sameer Manchanda one month's salary. Any unspent amount is required to be repaid at the end of tenure or may be carried forward to the succeeding years in case of extension of appointment.
- Provident fund: The Company shall contribute to the Company's provident fund scheme, in accordance with the rules of the scheme.
- Super-Annuation: The Company shall contribute to the superannuation fund scheme in accordance with the rules of the scheme.
- Gratuity: The Company shall pay half of one month's salary for each completed year of service.
- Leave encashment: Mr. Sameer Manchanda is permitted to encash leave at the end of the tenure

subject to a maximum of 45 days, including brought forward leaves.

- Car: The Company shall provide free use of Company maintained car with chauffeur for official purpose.
- Telephone: The Company shall provide free telephone facility at residence.
- Club membership: The Company shall pay actual membership fees for a maximum of two clubs.

Shareholding of Directors

Shareholding of the Directors of the Company as on March 31, 2013 is as under:

S. No.	Name of Director	No. of shares held (face value 10/- each)
1.	Mr. Sameer Manchanda	46,654,550
2.	Mr. Shahzaad Siraj Dalal	10,000
3.	Mr. Krishna Kumar	7,720
4.	Mr. Ajaya Chand	64,420
5.	Mr. Robindra Sharma	Nil
6.	Mr. Atul Sharma	Nil

Committee (s) of Board

To facilitate the operations and to comply with Statutory requirements, the Board of the Company has constituted different Committees having their focused attention on various working aspects of the Company. Presently the Board has five standing committees and has the 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 various aspects including financial statements, adequacy of internal controls, various audit reports, compliance with accounting standards and the Company's financial & risk management policies. It reports its findings & recommendations on the above issues to the Board of Directors. The Committee also reviews the utilization of funds generated through the Issue proceeds of the Company on a quarterly basis until the funds are fully utilized.

The Audit Committee reviews the reports of the Internal Auditors, meets Statutory and Internal Auditors as and when required & 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 provision of Clause 49 of Listing Agreement with the Stock Exchange(s) and Section 292A of the Companies Act, 1956. The Audit Committee comprises of the following Directors out of which two third are Independent

Directors. The composition of the Audit Committee is as follows:

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

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

(c) Number of meetings & attendance

During the year under review, 05 (five) meetings of the Audit Committee were convened on May 15, 2012, August 09, 2012, August 29, 2012, November 09, 2012 and January 15, 2013. 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 (Alternate Director for Mr. Shahzaad Siraj Dalal)	01
Mr. Robindra Sharma	05

2. Shareholders Transfer /investor's Grievance Committee

(a) Composition

The Committee comprises of following three Directors:

Name	Category of Directorship	Position
Mr. Ajaya Chand	Non Executive Independent Director	Chairman
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 specifically looks into the redressal of shareholders' /investors' complaints.

(c) Number of Committee meetings & attendance

The Committee met 06 (six) times during the year viz. on April 21, 2012, June 14, 2012, July 23, 2012, November 13, 2012, February 12, 2013 and

February 22, 2013. The Committee discussed the complaints received by the Company and steps taken for their redressal. The details of attendance of members at the Committee Meetings are as under:

Name	No. of meetings attended
Mr. Sameer Manchanda	06
Mr. Ajaya Chand	06
Mr. Atul Sharma	Nil

(d) Investors' correspondence/complaints and their redressal

The Company received 07 correspondence(s)/complaints from the Shareholders during the period from April 1, 2012 to March 31, 2013 which were general in nature. All complaints were redressed/attended to the satisfaction of the shareholders effectively within the statutory time limit & no complaint was pending at the end of financial year March 31, 2013.

3. Remuneration/ Compensation Committee

(a) Composition

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

Name of Member	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 employees of the Company and/or its holding and subsidiary Companies, if any.

(c) Number of Committee meetings & attendance

The committee met 03 (three) times during the period under review on April 03, 2012, November 09, 2012 and December 13, 2012. The detail of attendance of members at the Committee Meeting is as under:

S.No.	Name of Member	No. of meetings attended
1.	Mr. Ajaya Chand	03
2.	Mr. Sameer Manchanda	03
3.	Mr. Robindra Sharma	03
4.	Mr. Atul Sharma	Nil

Besides the above-mentioned Committees, the Company also has the following 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 (I D) of the Listing Agreement. This code is also posted on the Company website (www.dennetworks.com). All the Board Members and Senior Management Personnel to whom this Code of Conduct is applicable have affirmed compliance with the Code and a declaration of this affirmation from Chairman and Managing Director of the Company forms a part of this report as Annexure - 'B'.

Code of Conduct for Prohibition of Insider Trading

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

Disclosures

- None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of the members is drawn to the disclosures of transactions with the related parties as set out in the Notes on Accounts, forming part of this Annual Report.
- The Company has complied with all the requirements, as applicable to the Company, to the best of its knowledge and understanding, of the Listing Agreement with the Stock Exchange(s), the regulations and guidelines of the Securities and Exchange Board of India (SEBI). SEBI, Stock Exchange(s) or any other statutory authorities have imposed no penalties or strictures on matters relating to capital markets from the date of listing i.e. November 24, 2009.
- The Company has complied with all the mandatory requirements under Clause 49, as applicable.
- Management Discussion and Analysis Report is provided as a part of the Directors' Report published as the previous section in this Annual Report.
- In preparation of the financial statements, the Company has followed the Accounting Standards as issued by 'The Institute of the Chartered Accountants of India', to the extent applicable.
- Business Risk Evaluation and Management is an ongoing process within the Company. The objective of the Company's risk management practices is to

identify the potential areas that may affect the affairs of the Company and ensure 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, 2013, which forms part of this report as Annexure - 'C'.

General Body Meetings

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

Year	Location	Date	Day	Time
2009-10	Kamani Auditorium, 1 Copernicus Marg, Near Mandi House - New Delhi - 110001	September 10, 2010	Friday	11.30 A.M.
2010-11	Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110003	September 27, 2011	Tuesday	03.00 P.M.
2011-12	Kamani Auditorium, 1 Copernicus Marg, Near Mandi House - New Delhi - 110001	September 27, 2012	Thursday	12.30 P.M.

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

- At the AGM held on September 10, 2010:- The below mentioned resolutions were approved :-
 - 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.

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

No Extra Ordinary General Meeting of the members of the company was convened and held during the year under review.

Details of Postal Ballot conducted

During the year, the Company conducted one (1) postal ballot for equity shareholders in accordance with the provisions of section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolutions by

Postal Ballot) Rules, 2011. Postal Ballot Notices containing proposed resolutions and explanatory statements thereto were sent to the registered addresses of the shareholders along with the Postal Ballot form and a postage pre paid envelope containing the address of the Scrutinizer appointed by the Board. The Postal Ballot Forms received within 30 days of dispatch were considered by the Scrutinizer and thereafter the Scrutinizer submitted his report to the Company for declaration of results. Details of the voting pattern and resolutions are given below:

Date of Declaration of Postal Ballot Result & Name of the Scrutinizer	Brief particulars of Resolution(s)	Percentage of votes cast in favour of resolution
Date of Declaration of Postal Ballot Result: February 28, 2013	Ordinary Resolution for increase in Borrowing powers of the Company under Section 293(1)(d) of the Companies Act, 1956.	99.98%
Name of the Scrutinizer: Mr. Neelesh Kumar Jain, Practicing Company Secretary	Ordinary Resolution for creation of Charge over moveable & immoveable properties for securing term loans and working capital facilities under Section 293(1)(a) of the Companies Act, 1956.	99.98%
	Modification of Objects of the Initial Public Offer ("IPO") as mentioned in the Prospectus dated November 05, 2009.	99.99%
	Special Resolution for Increase in remuneration of Mr. Sameer Manchanda, Chairman Managing Director of the Company.	99.98%

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

Disclosure on materially significant related party transactions that may have potential conflict with the interests of the Company at large:

None of the transactions with any of the related parties i.e. transactions of the Company of material nature, with its Promoters, the Directors and the management, their relatives or subsidiaries, etc. were in conflict with the interest of the Company. Attention of members is drawn to the disclosure of transactions with the related parties set out in Notes of the Standalone Financial Statements, forming part of the Annual Report. The Company's major related party transactions are generally with its subsidiaries and associates. The related party transactions are entered into based on considerations of various business exigencies such as synergy in operations, sectoral specialization, the Company's long-term strategy for sectoral investments, optimization of market share, profitability, legal requirements, liquidity and capital resources of subsidiaries and associates. All related party transactions are negotiated on arms length basis and are intended to further serve the interests of the Company.

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges or any other statutory authority. However, SEBI passed a consent order, details of which are mentioned below:-

Consent Order

SEBI issued show cause notices dated May 18, 2012 to the Company, its Directors and certain other parties alleging certain violations of the SEBI Act. Our Company filed a consent application dated July 12, 2012 with SEBI, without admitting any guilt on their part, for settling the adjudication proceedings commenced against our Company and our Directors pursuant to the show cause notices. Accordingly, SEBI passed a consent order dated March 11, 2013 for settlement of the adjudication proceedings upon payment of Rs 20.88 million by our Company and Rs 0.20 million by each of our Directors as settlement charges.

Means of Communication

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

General Shareholders Information

Annual General Meeting

Day & Date	Wednesday , September 18, 2013
Time	At 11.30 A.M.
Venue	Sri Sathya Sai International Centre, 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, 2013.	Within first 15 days of August, 2013.
Financial Reporting for the 2nd Quarter ending September 30th, 2013.	Within first 15 days of November, 2013.
Financial Reporting for the 3rd Quarter ending December 31st, 2013.	Within first 15 days of February, 2014.
Financial Reporting for the last Quarter ending March 31st, 2014.	Within first 15 days of May, 2014, in case of Unaudited Financial Results or within 60 days from the end of March 31, 2014, in case of Audited Financial Results.

Date of Book Closure

Thursday, the 12 September, 2013 to Wednesday, 18 September, 2013 (both days inclusive)

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

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

The Annual Listing fee for 2013-14 has been paid to the aforesaid Stock Exchange(s) within the stipulated time period.

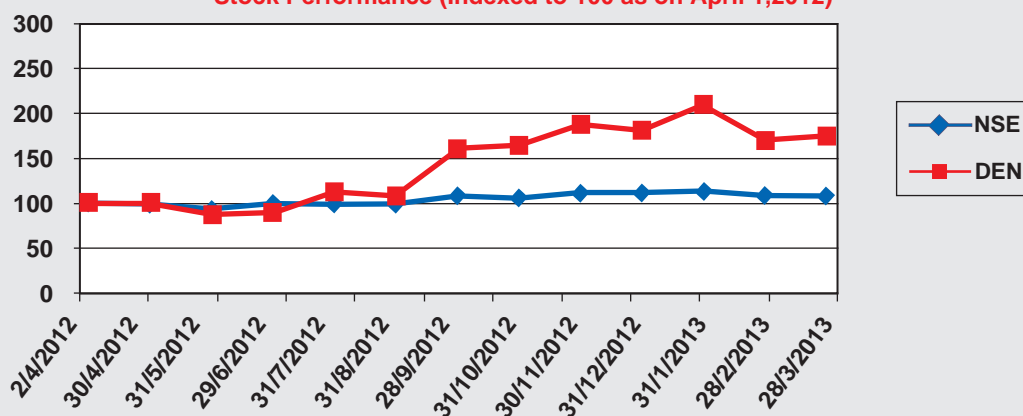
The International Securities Identification Number (ISIN) allotted to the Company's share under the Depository System is INE947J01015.

Market Price Data

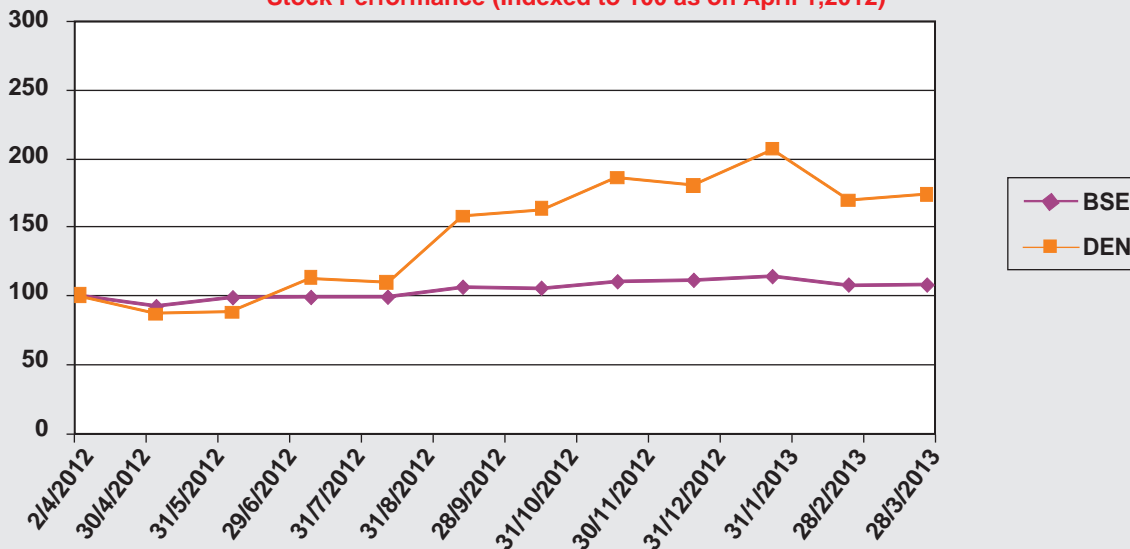
Equity Shares of the Company are listed and traded on BSE and NSE and the High Low rates of the shares of the Company during the year ended March 31, 2013 are as follows:

Month	National Stock Exchange (NSE) (In ` Per Share)		Bombay Stock Exchange (BSE) (In ` Per Share)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April, 2012	112.40	98.00	112.40	97.50
May, 2012	117.00	88.10	116.90	88.55
June, 2012	105.80	89.00	104.90	88.15
July, 2012	130.00	96.05	130.00	96.55
August, 2012	130.90	112.50	131.25	113.00
September, 2012	179.80	113.65	174.80	112.25
October, 2012	187.75	152.15	188.15	151.10
November, 2012	206.10	168.95	206.40	169.00
December, 2012	210.00	185.00	210.00	185.50
January, 2013	238.90	195.00	238.35	183.50
February, 2013	231.95	183.10	231.20	183.50
March, 2013	199.90	178.15	200.25	176.00

Stock Performance in Comparison with NSE Nifty
Stock Performance (Indexed to 100 as on April 1, 2012)



Stock Performance in Comparison with BSE Sensex
Stock Performance (Indexed to 100 as on April 1, 2012)



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

Approximate time taken for share transfer,
 if documents are in order in all respects : 15 days
 Total No. of shares transferred during
 2012 - 2013 : 21,946
 Number of Shares pending for
 Transfer as on 31.03.2013 : Nil

Name and designation of Compliance Officer

Jatin Mahajan
 Compliance Officer & Company Secretary
 Ph # (+91 - 011) 40522242
 Fax # (+91 - 011) 40522204
 Email : jatin.mahajan@denonline.in

Redressal of Investors Complaints

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

Investor.grievance@denonline.in

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, 2013 is as under:

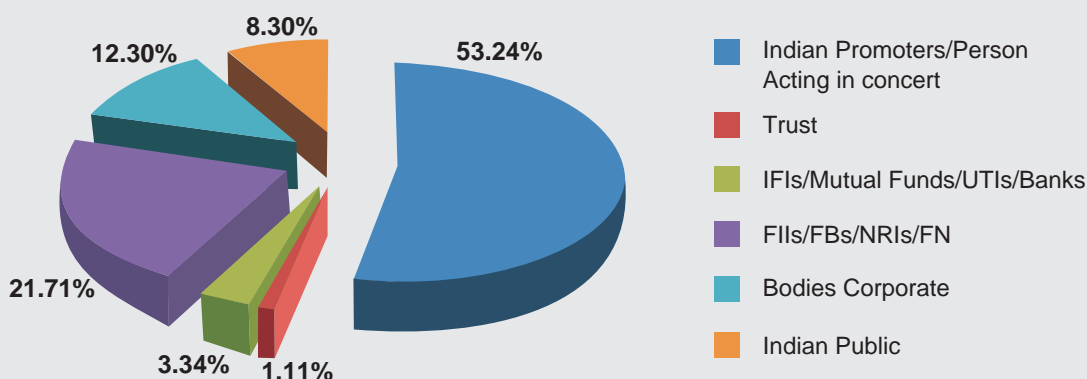
Share Transfer System

M/s Karvy Computer Share Private Limited is appointed as the Registrar & Share Transfer Agent of the Company. The transfer of shares is approved at the meetings of the Share Transfer Committee which met 6 times during the year 2012 - 13.

Sl. No.	Mode of Holding	No. of shares	% of total share capital
1.	Demat	133,747,327	99.79
2.	Physical	276,774	0.21
	TOTAL	134,024,101	100.00

Distribution of Shareholding as on 31.03.2013

Sl. No.	Category	No. of Shareholders	No. of Shares	%
1.	Indian Public	6,014	11,128,435	8.30
2.	Bodies Corporate	362	16,479,937	12.30
3.	IFIs / Mutual Funds / UTI / Banks	18	4,479,763	3.34
4.	Indian Promoters / Person Acting in Concert	06	71,360,420	53.24
5.	NRI's / OCB's / FII's / FN	173	29,090,722	21.71
6.	Trust	02	1,484,824	1.11
	Total	6,575	134,024,101	100.00

Graphic presentation of the Shareholding Pattern as on 31.03.2013

DISTRIBUTION SCHEDULE AS ON 31/03/2013

Sl. No	Category	Cases	% of Cases	Amount	% Amount
1	1 - 5000	5,707	86.80	4,495,720	0.34
2	5001 - 10000	265	4.03	2,177,840	0.16
3	10001 - 20000	150	2.28	2,294,920	0.17
4	20001 - 30000	80	1.22	2,045,700	0.15
5	30001 - 40000	55	0.84	1,955,610	0.15
6	40001 - 50000	37	0.56	1,740,980	0.13
7	50001 - 100000	74	1.13	5,637,250	0.42
8	100001 & ABOVE	207	3.15	1,319,892,990	98.48
	Total	6,575	100.00	1,340,241,010	100.00

Plant Locations

Not applicable

Outstanding GDRs/ADRs/Warrants/Convertible Instruments/ESOPs

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

Registered Office Address:

DEN Networks Limited

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

Annexure 'A'

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

To,
The Members,
DEN Networks Limited,

1. We have reviewed the implementation of the Corporate Governance procedures by DEN Networks Limited (the Company) during the year ended March 31, 2013, 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 Clause 49 of the Listing Agreement with the Stock Exchange(s), as in force.

For AMJ & Associates,
Company Secretaries

Sd/-

Place: New Delhi
Date: 14/08/2013

Manoj Jain
Proprietor

MembershipNo. FCS 5832
Certificate of Practice No. 5629

Annexure 'B'

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

To,
Dear Members,
DEN Networks Limited,

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

It is hereby certified that all the members of the Board and senior management personnel have confirmed to and complied with the "Code of Conduct" during the financial year 2012-13 and there have been no instances of violation of the Code.

For DEN Networks Limited

Sd/-

Place: New Delhi
Date : 14/08/2013

Sameer Manchanda
Chariman and Managing Director

Annexure 'C'

CMD AND CFO CERTIFICATION

To,
Dear Members,
DEN Networks Limited,

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

1. We have reviewed 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 violative 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 in review there were no -
 - (i) Changes in internal control
 - (ii) Changes in accounting policies; and
 - (iii) Instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For DEN Networks Limited

Sd/-
Sameer Manchanda
Chairman Managing Director

Sd/-
Rajesh Kaushal
Chief Financial Officer

Place: New Delhi
Date : 14/08/2013

Independent Auditors' Report

TO THE MEMBERS OF DEN NETWORKS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Den Networks Limited, ('the Company') which comprise the Balance Sheet as at 31 March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true & fair view of the financial position, financial performance & cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") & in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true & fair view & are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - (e) On the basis of the written representations received from the directors as on 31 March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Firm Registration No. 015125N)

JITENDRA AGARWAL

Partner
(Membership No. 87104)

New Delhi
30 May, 2013

Annexure To The Independent Auditors' Report

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

- i. Having regard to the nature of the Company's business/activities/result, clauses ii, x, xiii, xiv and xix of Companies (Auditor's Report) Order, 2003 are not applicable.
- ii. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. According to the information and explanations given to us, the Company has a regular programme of physical verification to cover all fixed assets in a phased manner over a period of three years other than set top boxes which are in possession of the customers/ third parties and distribution equipment comprising overhead and underground cables. Management is of the view that it is not possible to verify these assets due to their nature and location. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, other than for physical verification of set top boxes and distribution equipment referred to above, the frequency of verification of fixed assets is reasonable.
 - 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, to/from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the capital items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- v. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - a. The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - b. Having regard to the explanation that comparative quotations were not available for some services of a specified nature that were purchased during the year, such transactions in excess of ₹ 5 lakhs in respect of any party, have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
 - vi. According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year, within the meaning of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
 - vii. In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
 - viii. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
 - ix. According to the information and explanations given to us in respect of statutory dues:
 - a. The Company has generally been regular in depositing its undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. According to information and explanations given to us, the Company's operations did not give rise to any Excise Duty & Investor Education and Protection Fund.
 - b. There are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31 March, 2013 for a period of more than six months from the date they became payable.

- c. Details of dues of Sales tax which have not been deposited as on 31 March, 2013 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is	Period to which the Amount Pending	Amount Involved Relates (₹ in million)
UP Value Added Tax Act, 2008	Value added tax	Additional Commissioner (appeals)	April 2012 to December 2012	51.03

According to the information and explanations given to us, there are no amounts of Income Tax, Wealth Tax, Service Tax, Customs Duty, and Cess which have not been deposited on account of any disputes.

- x. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.
- xi. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by the way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantee given by the Company for a loan taken by its subsidiary company from a bank is not prima facie prejudicial to the interest of the Company.
- xiii. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xiv. In our opinion and according to the information and explanations given to us and on an overall

examination of the Balance Sheet of the Company, we report that funds raised on short term basis have, prima facie, not been used during the year for long term investment.

- xv. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xvi. The Management has disclosed the end use of money raised by public issues in the notes to the financial statements and we have verified the same.
- xvii. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

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

JITENDRA AGARWAL
Partner
(Membership No. 87104)

New Delhi
30 May, 2013

Balance Sheet

As at 31 March, 2013

	Note No.	As at 31.03.2013 (` in million)	As at 31.03.2012 (` in million)
A. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
a. Share capital	3	1,327.71	1,304.90
b. Reserves and surplus	4	6,801.68	6,266.22
		8,129.39	7,571.12
2. NON-CURRENT LIABILITIES			
a. Long-term borrowings	5	4,006.85	1,894.59
b. Deferred tax liabilities (net)		14.29	-
c. Other long-term liabilities	6	0.31	4.28
d. Long-term provisions	7	46.35	38.85
		4,067.80	1,937.72
3. CURRENT LIABILITIES			
a. Short-term borrowings	8	1,929.19	188.41
b. Trade payables	9	1,227.77	887.71
c. Other current liabilities	10	2,570.10	923.95
d. Short-term provisions	11	2.09	0.59
		5,729.15	2,000.66
	TOTAL	17,926.34	11,509.50
B. ASSETS			
1. NON-CURRENT ASSETS			
a. Fixed assets			
i Tangible assets	12	4,912.68	1,916.60
ii Intangible assets	12	87.49	124.68
iii Capital work in progress		533.71	740.27
		5,533.88	2,781.55
b. Non-current investments	13	4,367.47	3,931.29
c. Long-term loans and advances	14	460.39	428.36
d. Other non-current assets	15	747.15	97.54
		11,108.89	7,238.74
2. CURRENT ASSETS			
a. Current investments	16	1,314.24	223.29
b. Trade receivables	17	1,570.44	1,194.60
c. Cash and bank balances	18	1,918.70	1,980.28
d. Short-term loans and advances	19	1,022.56	700.49
e. Other current assets	20	991.51	172.10
		6,817.45	4,270.76
	TOTAL	17,926.34	11,509.50

See accompanying notes forming part of the financial statements

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

JITENDRA AGARWAL
Partner

New Delhi
30 May, 2013

For and on behalf of the Board of Directors
DEN NETWORKS LIMITED

SAMEER MANCHANDA
Chairman and
Managing Director

RAJESH KAUSHALL
Chief Financial Officer

New Delhi
30 May, 2013

AJAYA CHAND
Director

JATIN MAHAJAN
Company Secretary

Statement of Profit and Loss

For The Year Ended 31 March, 2013

	Note No.	Year ended 31.03.2013 (` in million)	Year ended 31.03.2012 (` in million)
1. REVENUE			
a. Revenue from operations	21	6,951.45	4,302.14
b. Other income	22	316.71	221.24
TOTAL REVENUE		7,268.16	4,523.38
2. EXPENSES			
a. Operational, administrative and other costs	23	5,231.18	3,352.58
b. Employee benefits expense	24	456.25	523.74
c. Finance costs	25	446.84	255.88
d. Depreciation and amortisation expense	12	496.15	305.41
TOTAL EXPENSES		6,630.42	4,437.61
3. PROFIT BEFORE TAX		637.74	85.77
4. TAX EXPENSE			
a. Current tax expense		162.66	15.27
b. Less : MAT credit		-	(8.17)
c. Short provision for tax relating to prior years		3.59	-
d. Reversal of excess MAT credit taken in prior years		7.58	-
e. Net current tax expense		173.83	7.10
f. Deferred tax		14.29	-
NET TAX EXPENSE		188.12	7.10
5. PROFIT AFTER TAX		449.62	78.67
Earnings per equity share (Face value of ` 10 per share)		39	
Basic		3.38	0.60
Diluted		3.38	0.59

See accompanying notes forming part of the financial statements

In terms of our report attached

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Director

JATIN MAHAJAN
Company Secretary

Cash Flow Statement

For The Year Ended 31 March, 2013

	As at 31.03.2013 (` in million)	As at 31.03.2012 (` in million)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	637.74	85.77
Adjustments for :		
Depreciation and amortisation expense	496.15	305.41
Loss on sale of investment	-	2.71
Interest and other financial expenses	446.84	255.88
Employee stock compensation expenses	40.21	160.71
Provision for impairment of investment	31.20	-
Provision for employee benefits	15.73	14.72
Net (gain)/ loss on foreign currency transactions and translation	(32.54)	7.92
Doubtful debts and advances written off/provided	112.57	50.52
Fixed assets/ capital work in progress written off	42.17	2.12
Interest income	(192.20)	(158.62)
Profit from sale of current investment	(35.87)	(21.26)
Profit from sale of fixed assets	(7.95)	(0.28)
Liabilities written back	(21.84)	(18.94)
Operating profit before working capital changes	1,532.21	686.66
Adjustments for changes in working capital:		
Decrease/(increase) in current assets	(1,485.39)	(308.67)
Decrease/(increase) in non current assets	(498.89)	1.22
Increase/(decrease) in current liabilities and provisions	939.32	172.70
Increase/(decrease) in non current liabilities and provisions	(12.20)	(3.28)
Cash generated from/ (used in) operations	475.05	548.63
Direct taxes paid (net of refunds)	(278.33)	(92.68)
Net cash from/ (used in) operating activities	196.72	455.95
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investments purchased:		
- in subsidiaries/joint venture/partnership firm (including share application money)	(519.79)	(277.49)
- in mutual funds	(5,307.74)	(2,798.91)
Sale of investments:		
- in subsidiaries/partnership firm	-	1.29
- in mutual funds	4,252.66	2,788.50
Loss on sale of investment in subsidiaries/partnership firm	-	(2.71)
Loan repaid by/(to) subsidiaries (net)	(23.45)	(209.53)
Advance recovered/(given) for investment	53.03	6.50
Interest income received	190.40	173.01
Purchase of fixed assets (including capital advances)	(3,205.10)	(1,037.81)
Proceeds from sale of fixed assets	251.29	9.96
Bank balances not considered as Cash and cash equivalents	(69.56)	127.58
Net cash from/ (used in) investing activities	(4,378.26)	(1,219.61)

	As at 31.03.2013 (` in million)	As at 31.03.2012 (` in million)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	68.44	-
Proceeds from short term borrowings	8,001.98	3,996.49
Repayment of short term borrowings	(6,237.56)	(4,101.97)
Proceeds from long term borrowings	2,799.99	1,625.43
Repayment of long term borrowings	16.46	(511.53)
Interest paid	(420.60)	(255.88)
Net cash from/ (used in) financing activities	4,228.71	752.54
Net increase/ (decrease) in cash and cash equivalents	47.17	(11.12)
Cash and cash equivalents as at the beginning of the year	1,143.56	1,154.68
Cash and cash equivalents as at the end of the year (see note 18)*	1,190.73	1,143.56
*Comprises:		
a. Cash on hand	15.42	1.10
b. Cheques on hand	51.28	120.09
c. Balance with scheduled banks		
i. in current accounts	1,109.79	730.36
ii. in deposit accounts		
-original maturity of 3 months or less	14.24	292.01
	1,190.73	1,143.56

See accompanying notes forming part of the financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants

JITENDRA AGARWAL

Partner

New Delhi
30 May, 2013

For and on behalf of the Board of Directors

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Chief Financial Officer

New Delhi
30 May, 2013

AJAYA CHAND

Director

JATIN MAHAJAN

Company Secretary

Notes Forming Part of the Financial Statement

1. Background

DEN Networks Limited (hereinafter referred to as 'the Company' or 'DEN') was incorporated on 10 July, 2007 and is engaged in distribution of television channels through analog and digital cable distribution network and provision of 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 ₹ 10/- each, pursuant to the Initial Public Offer (IPO), which were admitted for listing and trading on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) with effect from November 24, 2009.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements 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.

2.2 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities 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 provision for income tax, future obligations under employment retirement benefit plans, provision for doubtful debts and advances and estimated useful life of tangible and intangible assets. Actual results could

differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

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

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

2.4 Cash flow statement

Cash flows are reported using indirect method, whereby 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 based on available information.

2.5 Depreciation and amortisation

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

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

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

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

2.6 Revenue recognition

i. Income from operations

1. Service revenue comprises 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 STBs is recognized on activation of boxes once issued to customers.
3. Amounts billed for services in accordance with contractual terms but where revenue is not recognised, have been classified as advance billing and disclosed under current liabilities.

ii. Sale of equipment

Revenue for sale of equipments is recognized on delivery to customers which coincide with transfer of 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 statement of profit and loss as mentioned in Guidance Note of State Value Added Tax by ICAI.

2.7 Other income

1. Profit on sale of investment in mutual funds is recorded on transfer of title from the Company and is determined as the difference between the sales price and the carrying value of the investment.
2. Interest on the deployment of surplus funds is recognised using the time-proportion method, based on interest rates implicit in the transaction.

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

2.8 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. Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.9 Intangible assets

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

2.10 Foreign currency transactions and translations

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

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 statement of profit and loss.

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

2.11 Investments

Trade investments are investments made to enhance the Company's business interests. Investments are classified either as long term

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

2.12 Employee benefits

1. Short term employee benefits

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

2. Long term employee benefits

a. Provident fund and other state plans

Company's contributions towards recognised Provident Fund, Employee State Insurance Fund and Employees Pension Scheme under defined contribution plans are recognised in the statement of profit and loss during the period in which the employee renders the related service.

b. 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.

c. Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of unutilised accrued compensated absence and utilize it in future periods or receive cash compensation for the unutilised accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the service that increase

this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

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

2.13 Employee Stock Option Scheme (ESOS)

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

2.14 Borrowing costs

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

2.15 Segment information

1. Business segments

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

2. Geographical segments

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

2.16 Leases

1. Finance leases

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

2. Operating leases

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

2.17 Earnings per share

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.

2.18 Taxation

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

off - setting advance taxes paid and income tax provisions.

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

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

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

2.19 Impairment of assets

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

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

2.20 Provisions and contingencies

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect

of which reliable estimate can be made. A disclosure of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.21 Share issue expenses

Share issue expenses and redemption premium are adjusted against the Securities premium account as permissible under Section 78(2) of the Companies Act, 1956, to the extent balance is available for utilisation in the Securities Premium Account. The balance of share issue expenses is carried as an asset and is amortised over a period of 5 years from the date of the issue of shares.

2.22 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.23 Service tax input credit

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

2.24 Operating Cycle

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

	As at 31.03.2013 (` in million)	As at 31.03.2012 (` in million)
3. SHARE CAPITAL		
A. AUTHORISED 200,000,000 (Previous year 200,000,000) equity shares of ` 10 each with voting rights	2,000.00	2,000.00
B. ISSUED, SUBSCRIBED AND PAID UP 134,024,101 (Previous year 130,489,975) equity shares of ` 10 each fully paid up with voting rights	1,340.24	1,304.90
Less : Amount recoverable from DNL Employee Welfare Trust (1,252,776 number of shares issued to trust @ 10 per share)	12.53	-
	1,327.71	1,304.90

Of the above:

- 72,475,520 equity shares of ` 10 each were issued in 2009-10 as bonus shares in the ratio of 4:1 for every one equity share by utilisation of securities premium.
- "In 2009-10, the Company issued bonus shares for 39,993,000 .001% cumulative convertible preference shares of ` 10 each in the ratio of one share for every ten .001% cumulative convertible preference shares held by its shareholders by utilisation from the securities premium account resulting into total of 43,992,300.001% cumulative convertible preference shares. These shares were subsequently converted into 13,361,361 fully paid up equity shares of ` 10 each in 2009-10
- 4,019,606 fully paid up equity shares of ` 10 each at premium of ` 185 were issued in 2009-10 against consideration payable towards investments made in subsidiary companies
- Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31.03.2013		As at 31.03.2012	
	No. of Shares	% Holding	No. of Shares	% Holding
Sameer Manchanda	46,654,550	34.81%	46,654,550	35.75%
Lucid Systems Private Limited	16,000,000	11.94%	16,000,000	12.26%
Total	62,654,550	46.75%	62,654,550	48.01%

- Details of movement in shareholding of the Company is as follows:

Particulars	As at 31.03.2013		As at 31.03.2012	
	No. of Shares	Amount	No. of Shares	Amount
Opening balance	130,489,975	1,304.90	130,489,975	1,304.90
Add : Allotment under ESOP Scheme during the year	3,534,126	35.34		
Closing Balance	134,024,101	1,340.24	130,489,975	1,304.90

		As at 31.03.2013 (` in million)	As at 31.03.2012 (` in million)
4. RESERVES AND SURPLUS			
a. Securities premium			
i. Opening balance		6,105.32	6,105.32
ii. Add : Premium on shares issued during the year		70.68	-
iii. Less : Amount recoverable from DNL Employee Welfare Trust (1,252,776 number of shares issued to trust @ 20 per share)		25.05	-
iv. Closing balance	(A)	6,150.95	6,105.32
b. Share options outstanding account			
Employees stock option outstanding		202.86	202.86
Less: Deferred stock compensation expense		-	40.21
Less: Transferred to General Reserve		202.86	-
	(B)	-	162.65
c. General reserve			
i. Opening balance		-	-
ii. Add : Transferred from share options outstanding account		202.86	-
iii. Closing balance	(C)	202.86	-
d. Surplus / (Deficit) in Statement of Profit and Loss			
i. Opening balance		(1.75)	(80.42)
ii. Add: Profit for the year		449.62	78.67
iii. Closing balance	(D)	447.87	(1.75)
	(A+B+C+D)	6,801.68	6,266.22

	As at 31.03.2013 (` in million)	As at 31.03.2012 (` in million)
5. LONG-TERM BORROWINGS		
a. Term loans from banks		
Secured (see foot note i & ii)	2,373.51	1,892.44
b. Long-term maturities of finance lease obligations		
(Secured by hypothecation of assets purchase under finance lease agreement and payable in equal monthly installments)	1,622.13	-
c. Other loans		
Vehicle Loans	3.54	2.15
(Secured by hypothecation of vehicles and payable in equal monthly installments)		
Unsecured (see foot note iii)	7.67	-
	4,006.85	1,894.59

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

	As at 31.03.2013 (` in million)	As at 31.03.2012 (` in million)
Foot notes		
Secured		
i. Term loan from banks		
This Term loan from bank is secured by first pari passu charge on fixed assets of the Company (existing and proposed) & second pari passu charge on all current assets of the Company. This Term loan has been repaid during the year.	-	21.59
This Term loan from bank is secured by first pari passu charge on fixed assets of the Company (existing and proposed) & second pari passu charge on all current assets of the Company. The loan is repayable in 5 quarterly installments ending in June-2015. Applicable rate of interest is 14.50%.	137.51	68.38
This Term loan from bank is secured by First pari passu charge on fixed assets of the Company (existing and proposed) & second pari passu charge on all current assets of the Company. This loan is further guaranteed by the Mr. Sameer Manchanda (Chairman and Managing Director of the Company). The loan is repayable in 8 quarterly installments ending in Jan-2016. Applicable rate of interest is 13.00%.	369.75	247.45
This Term loan from bank is secured by First pari passu charge on fixed assets of the Company (existing and proposed) & second pari passu charge on all current assets of the Company. his loan is further guaranteed by the Mr. Sameer Manchanda (Chairman and Managing Director of the Company). The loan is repayable in 13 quarterly installments ending in Apr-2017. Applicable rate of interest is 13.00%.	211.27	555.02
This Term loan from bank is secured by first pari passu charge on fixed assets of the Company (existing and proposed) & second pari passu charge on all current assets of the Company. The loan is repayable in 17 quarterly installments ending in May-2018. Applicable rate of interest is 12.75%.	54.98 773.51	- 892.44
ii. Term loan from financial institution		
This Term loan from bank is secured by First pari passu charge on fixed assets of the Company (existing and proposed) & first pari passu charge on all current assets of the Company. Pledge of shares held by the Company in its Subsidiaries and Joint Ventures, both present and future. The loan is repayable in 16 quarterly installments ending in Mar-2018. Applicable rate of interest is 12.75% to 12.85%.	1,600.00	1,000.00
	2,373.51	1,892.44
Unsecured		
iii. Long-term maturities of other loans		
This unsecured loan from Cisco Systems Capital India Private Limited is payable in 44 monthly installments ending in Nov-2017.	7.67	-
	7.67	-

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

	As at 31.03.2013 (` in million)	As at 31.03.2012 (` in million)
6. OTHER LONG-TERM LIABILITIES		
a. Security deposits received	0.31	4.28
	0.31	4.28
7. LONG-TERM PROVISIONS		
a. Provision for employee benefits [see note 34 (B) (I)]		
i. Gratuity	26.24	20.32
ii. Leave encashment	20.11	18.53
	46.35	38.85
8. SHORT-TERM BORROWINGS (Secured)		
a. Loan repayable on demand from banks*	349.48	188.41
b. Buyers credit on imports**	1,579.71	-
	1,929.19	188.41
* secured by first pari passu charge on current assets of the Company both existing and future & second pari passu charge on all fixed assets of the Company both existing and future.		
** a. "Under arrangement from Kotak Mahindra Bank is secured by first pari passu charge on fixed assets of the Company (existing and proposed) & second pari passu charge on all current assets of the Company."	599.40	-
b. Under arrangement from Syndicate Bank is secured by first pari passu charge on fixed assets of the Company (existing and proposed) & second pari passu charge on all current assets of the Company and is further guaranteed by Mr. Sameer Manchanda (Chairman and Managing Director of the Company).	980.31	-
	1,579.71	-
9. TRADE PAYABLES		
a. Micro and small enterprises (see note 33)	-	-
b. Others	1,227.77	887.71
	1,227.77	887.71
10. OTHER CURRENT LIABILITIES		
a. Current maturities of secured term loans*	832.36	472.34
b. Current maturities of finance lease obligations*	352.30	-
c. Current maturities of other secured loans*	4.17	3.41
d. Current maturities of other unsecured loans	2.59	11.48
e. Balance consideration payable on investments	36.74	26.38
f. Interest accrued and not due on borrowings	35.93	9.69
g. Advance billings	178.46	146.80
h. Other payables		
i. Statutory remittances	143.64	48.69
ii. Payables on purchase of fixed assets	526.87	197.49
iii. Security deposits received	4.00	-
iv. Book overdraft	340.57	-
v. Advances from customers	112.47	7.67
	2,570.10	923.95
* see note 5 (Long-term borrowings) for details of security and guarantee		
11. SHORT-TERM PROVISIONS		
a. Provision for employee benefits [see note 34 (B) (I)]		
i. Gratuity	1.15	0.06
ii. Leave encashment	0.80	0.45
	1.95	0.51
b. Provision - others		
i. Wealth tax [net of advance tax of ` 0.43 million (Previous year ` 0.33 million)]	0.14	0.08
	2.09	0.59

12. FIXED ASSETS (at cost)*

(in million)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	Asat 1 April, 2012	Additions	Sales/ Adjust- ments	Asat 31 March, 2013	Asat 1 April, 2012	Additions	Sales/ Adjust- ments	Asat 31 March, 2013	Asat 31 March, 2013	Asat 131 March, 2012
A. Tangible assets										
a. Leasehold improvements	93.28 (95.33)	4.69 (4.72)	2.59 (6.77)	95.38 (93.28)	88.84 (90.92)	3.22 (4.68)	2.60 (6.76)	89.46 (88.84)	5.92 (4.44)	4.44 (4.41)
b. Plant and machinery										
i. Headend and distribution equipment - owned	995.18 (899.01)	161.78 (105.83)	37.91 (9.66)	1,119.05 (995.18)	306.85 (211.39)	110.19 (98.59)	14.52 (3.13)	402.52 (306.85)	716.53 (688.33)	688.33 (687.62)
-taken under finance lease (see note 31)	- (-)	51.37 (-)	- (-)	51.37 (-)	- (-)	2.06 (-)	- (-)	2.06 (-)	49.31 (-)	- (-)
ii. Set top boxes- owned -taken under finance lease (see note 31)	1,441.33 (902.12)	2,059.14 (539.21)	227.74 (-)	3,272.73 (1,441.33)	317.23 (178.30)	284.77 (138.93)	36.17 (-)	565.83 (317.23)	2,706.90 (1,124.10)	1,124.10 (723.82)
iii. Computers	34.56 (31.99)	8.27 (3.79)	0.87 (1.22)	41.96 (34.56)	18.51 (13.70)	6.24 (5.50)	0.52 (0.69)	24.23 (18.51)	17.73 (16.05)	16.05 (18.29)
iv. Office and other equipment	104.30 (98.07)	9.48 (11.18)	2.44 (4.95)	111.34 (104.30)	36.99 (26.90)	11.21 (10.47)	0.89 (0.38)	47.31 (36.99)	64.03 (67.31)	67.31 (71.17)
c. Furniture and fixtures	8.69 (8.24)	0.74 (0.45)	0.06 (-)	9.37 (8.69)	6.11 (4.85)	1.53 (1.26)	0.04 (-)	7.60 (6.11)	1.77 (2.58)	2.58 (3.39)
d. Vehicles	22.89 (21.69)	11.34 (1.70)	1.56 (0.50)	32.67 (22.89)	9.10 (5.63)	5.03 (3.80)	1.40 (0.33)	12.73 (9.10)	19.94 (13.79)	13.79 (16.06)
Total (A)	2,700.23 (2,056.45)	3,735.41 (666.88)	343.27 (23.10)	6,092.37 (2,700.23)	783.63 (531.69)	453.82 (263.23)	57.76 (11.29)	1,179.69 (783.63)	4,912.68 (1,916.60)	1,916.60 (1,524.76)
B. Intangible assets										
a. Goodwill	4.13 (4.13)	- (-)	- (-)	4.13 (4.13)	3.73 (3.06)	0.38 (0.67)	- (-)	4.11 (3.73)	0.02 (0.40)	0.40 (1.07)
b. Distribution network rights	199.26 (163.26)	- (36.00)	- (-)	199.26 (199.26)	82.63 (44.55)	38.19 (38.08)	- (-)	120.82 (82.63)	78.44 (116.63)	116.63 (118.71)
c. Software	16.75 (16.64)	5.14 (0.11)	- (-)	21.89 (16.75)	10.10 (6.76)	3.66 (3.34)	- (-)	13.76 (10.10)	8.13 (6.65)	6.65 (9.88)
d. Licence fee for internet service	2.00 (2.00)	- (-)	- (-)	2.00 (2.00)	1.00 (0.91)	0.10 (0.09)	- (-)	1.10 (1.00)	0.90 (1.00)	1.00 (1.09)
Total (B)	222.14 (186.03)	5.14 (36.11)	- (-)	227.28 (222.14)	97.46 (55.28)	42.33 (42.18)	- (-)	139.79 (97.46)	87.49 (124.68)	124.68 (130.75)
Grand Total (A+B)	2,922.37 (2,242.48)	3,740.55 (702.99)	343.27 (23.10)	6,319.65 (2,922.37)	881.09 (586.97)	496.15 (305.41)	57.76 (11.29)	1,319.48 (881.09)	5,000.17 (2,041.28)	2,041.28 (2,041.28)

* Figures in bracket relates to previous year

	As at 31.03.2013 (` in million)	As at 31.03.2012 (` in million)
13. NON-CURRENT INVESTMENTS (at cost)		
a. Trade and unquoted - long term in equity shares - at cost of subsidiaries		
1 860,028 (Previous year 860,028) equity shares of ` 10 each, fully paid up in Den Futuristic Cable Networks Pvt. Ltd.	85.10	85.10
2 7,237,200 (Previous year 7,237,200) equity shares of ` 10 each, fully paid up in Den Entertainment Network Pvt. Ltd.	357.94	357.94
3 590,000 (Previous year 590,000) equity shares of ` 10 each, fully paid up in Aster Entertainment Pvt. Ltd.	54.50	54.50
4 200,000 (Previous year 200,000) equity shares of ` 10 each, fully paid up in Den Digital Entertainment Gujarat Pvt. Ltd.	8.00	8.00
5 250,000 (Previous year 250,000) equity shares of ` 10 each, fully paid up in Shine Cable Network Pvt. Ltd.	12.50	12.50
6 34,484 (Previous year 46,825) equity shares of ` 10 each, fully paid up in Mahavir Den Entertainment Pvt. Ltd.	0.34	0.47
7 135,334 (Previous year 135,334) equity shares of ` 10 each, fully paid up in Matrix Cable Network Pvt. Ltd.	6.90	6.90
8 31,224 (Previous year 31,224) equity shares of ` 10 each, fully paid up in Den Ambey Cable Networks Pvt. Ltd.	13.17	13.17
9 2,550 (Previous year 2,550) equity shares of ` 100 each, fully paid up in DEN Manoranjan Satellite Pvt. Ltd.	127.81	127.81
10 40,500 (Previous year 40,500) equity shares of ` 10 each, fully paid up in Dew Shree Network Pvt. Ltd.	121.75	121.75
11 51,000 (Previous year 51,000) equity shares of ` 10 each, fully paid up in Meerut Cable Network Pvt. Ltd.	83.41	83.41
12 25,935 (Previous year 25,935) equity shares of ` 10 each, fully paid up in Den Krishna Cable TV Network Pvt. Ltd.	28.07	28.07
13 25,500 (Previous year 25,500) equity shares of ` 10 each, fully paid up in Shree Siddhivinayak Cable Network Pvt. Ltd.	25.77	25.77
14 26,315 (Previous year 26,315) equity shares of ` 10 each, fully paid up in Den Pawan Cable Network Pvt. Ltd.	28.05	28.05
15 122,400 (Previous year 122,400) equity shares of ` 10 each, fully paid up in Mahadev Den Network Pvt. Ltd.	28.89	28.89
16 45,899 (Previous year 45,899) equity shares of ` 10 each, fully paid up in Mahadev Den Cable Network Pvt. Ltd.	28.03	28.03
17 26,300 (Previous year 26,300) equity shares of ` 10 each, fully paid up in Den Mod Max Cable Network Pvt. Ltd.	12.27	12.27
18 27,380 (Previous year 27,380) equity shares of ` 10 each, fully paid up in DEN BCN Suncity Network Pvt. Ltd.	10.02	10.02
19 29,150 (Previous year 29,150) equity shares of ` 10 each, fully paid up in Den Crystal Vision Network Pvt. Ltd.	8.18	8.18
20 45,900 (Previous year 45,900) equity shares of ` 10 each, fully paid up in Den Patel Entertainment Network Pvt. Ltd. (formerly known as Mahadev Den Cable Net Pvt. Ltd.)	14.55	14.55
21 25,501 (Previous year 25,501) equity shares of ` 10 each, fully paid up in Den Kashi Cable Network Pvt. Ltd.	5.01	5.01
22 27,565 (Previous year 27,565) equity shares of ` 10 each, fully paid up in Den Harsh Mann Cable Network Pvt. Ltd.	3.32	3.32

		As at 31.03.2013 (` in million)	As at 31.03.2012 (` in million)
23	33,300 (Previous year 33,300) equity shares of ` 10 each, fully paid up in Den Mahendra Satellite Pvt. Ltd.	3.01	3.01
	Less : Provision for diminution in value of DEN Mahendra Satellite Pvt. Ltd.	(0.50)	(0.50)
24	27,384 (Previous year 27,384) equity shares of ` 10 each, fully paid up in Den Prince Network Pvt. Ltd.	3.00	3.00
25	30,416 (Previous year 30,416) equity shares of ` 10 each, fully paid up in Den Varun Cable Network Pvt. Ltd.	2.22	2.22
26	25,501 (Previous year 25,501) equity shares of ` 10 each, fully paid up in Den Prayag Cable Networks Pvt. Ltd.	2.04	2.04
27	27,160 (Previous year 27,160) equity shares of ` 10 each, fully paid up in Den Pradeep Cable Network Pvt. Ltd.	1.86	1.86
28	29,223 (Previous year 29,223) equity shares of ` 10 each, fully paid up in DEN Ashu Cable Pvt. Ltd.	12.31	12.31
29	26,841 (Previous year 26,841) equity shares of ` 10 each, fully paid up in DEN Bindra Network Pvt. Ltd.	5.11	5.11
30	29,685 (Previous year 29,685) equity shares of ` 10 each, fully paid up in Den Classic Cable TV Services Pvt. Ltd.	2.65	2.65
31	30,140 (Previous year 30,140) equity shares of ` 10 each, fully paid up in DEN Digital Cable Network Pvt. Ltd.	132.83	132.83
32	355,980 (Previous year 355,980) equity shares of ` 10 each, fully paid up in Den Enjoy Cable Networks Pvt. Ltd.	36.59	36.59
33	27,675 (Previous year 27,675) equity shares of ` 10 each, fully paid up in Den F K Cable TV Network Pvt. Ltd.	25.55	25.55
34	25,624 (Previous year 25,624) equity shares of ` 10 each, fully paid up in DEN Jai Ambey Vision Cable Pvt. Ltd.	2.10	2.10
35	31,230 (Previous year 31,230) equity shares of ` 10 each, fully paid up in Den Maa Sharda Vision Cable Networks Pvt. Ltd.	6.00	6.00
36	56,059 (Previous year 56,059) equity shares of ` 10 each, fully paid up in DEN MCN Cable Network Pvt. Ltd.	33.97	33.97
37	339,500 (Previous year 339,500) equity shares of ` 10 each, fully paid up in Den Mewar Rajdev Cable Network Pvt. Ltd.	37.88	37.88
38	26,117 (Previous year 26,117) equity shares of ` 10 each, fully paid up in DEN Montooshah Network Pvt. Ltd.	20.45	20.45
39	35,140 (Previous year 35,140) equity shares of ` 10 each, fully paid up in Den Radiant Satelite Cable Network Pvt. Ltd.	1.95	1.95
40	269,920 (Previous year 269,920) equity shares of ` 10 each, fully paid up in DEN RIS Cable Network Pvt. Ltd.	7.53	7.53
	Less : Provision for diminution in value of DEN RIS Cable Network Pvt. Ltd.	-	(4.50)
41	31,265 (Previous year 31,265) equity shares of ` 10 each, fully paid up in Den Satellite Cable TV Network Pvt. Ltd.	5.33	5.33
42	25,500 (Previous year 25,500) equity shares of ` 10 each, fully paid up in Den Shiva Cable Network Pvt. Ltd.	0.82	0.82
43	1,328,600 (Previous year 91,000) equity shares of ` 10 each, fully paid up in DEN Sky Media Network Pvt. Ltd.	284.72	123.83
44	30,452 (Previous year 30,452) equity shares of ` 10 each, fully paid up in DEN Supreme Satellite Vision Pvt. Ltd.	25.56	25.56
45	27,325 (Previous year 27,325) equity shares of ` 10 each, fully paid up in Drashti Cable Network Pvt. Ltd.	23.00	23.00

		As at 31.03.2013 (` in million)	As at 31.03.2012 (` in million)
46	25,500 (Previous year 25,500) equity shares of ` 10 each, fully paid up in DEN Fateh Marketing Pvt. Ltd.	10.23	10.23
47	25,500 (Previous year 25,500) equity shares of ` 10 each, fully paid up in DEN Nashik City Cable Network Pvt. Ltd.	73.59	73.59
48	76,500 (Previous year 76,500) equity shares of ` 10 each, fully paid up in Radiant Satellite (India) Pvt. Ltd.	46.01	46.01
49	30,529 (Previous year 30,529) equity shares of ` 10 each, fully paid up in DEN Aman Entertainment Pvt. Ltd.	4.12	4.12
50	37,113 (Previous year 37,113) equity shares of ` 10 each, fully paid up in Den Budaun Cable Network Pvt. Ltd.	2.00	2.00
51	1,450,750 (Previous year 44,814) equity shares of ` 10 each, fully paid up in Den Narmada Network Pvt. Ltd.	72.30	2.00
52	28,928 (Previous year 28,928) equity shares of ` 10 each, fully paid up in DEN Bellary City Cable Pvt. Ltd.	36.84	36.84
53	571,996 (Previous year 571,996) equity shares of ` 10 each, fully paid up in Den Malayalam Telenet Pvt. Ltd.	52.05	52.05
54	57,252 (Previous year 57,252) equity shares of ` 10 each, fully paid up in DEN ELGEE CABLE VISION Pvt. Ltd.	6.38	6.38
55	5,100 (Previous year 5,100) equity shares of ` 10 each, fully paid up in DEN RAJKOT CITY COMMUNICATION PVT. LTD. (formerly known as RAJKOT CITY COMMUNICATION PVT. LTD)	98.43	98.43
56	30,633 (Previous year 30,633) equity shares of ` 10 each, fully paid up in DEN MALABAR CABLE VISION PVT. LTD.	26.89	26.89
57	27,882 (Previous year 27,882) equity shares of ` 10 each, fully paid up in DEN Infoking Channel Entertainers Pvt. Ltd.	60.12	60.12
58	3,167 (Previous year 3,167) equity shares of ` 100 each, fully paid up in Den UCN Network India Pvt. Ltd.	23.09	23.09
59	51,000 (Previous year 51,000) equity shares of ` 10 each, fully paid up in Fortune (Baroda) Network Pvt. Ltd.	36.46	36.46
60	25,500 (Previous year 25,500) equity shares of ` 10 each, fully paid up in Galaxy Den Media & Entertainment Pvt. Ltd.	43.35	43.35
61	27,300 (Previous year 27,300) equity shares of ` 10 each, fully paid up in Bali Den Cable Network Pvt. Ltd.	50.65	50.65
62	32,941 (Previous year 32,941) equity shares of ` 10 each, fully paid up in Den Citi Channel Pvt. Ltd.	17.13	17.13
63	29,227 (Previous year 29,227) equity shares of ` 10 each, fully paid up in Fab Den Network Pvt. Ltd.	41.47	41.47
64	50,295 (Previous year 50,295) equity shares of ` 10 each, fully paid up in Den Satellite Network Pvt. Ltd.	461.58	461.58
65	102,039 (Previous year 102,039) equity shares of ` 100 each, fully paid up in Cab-i-Net Communications Pvt. Ltd.	30.04	30.04
66	25,500 (Previous year 25,500) equity shares of ` 10 each, fully paid up in Den Krishna Vision Pvt. Ltd.	3.68	3.68
67	45,900 (Previous year 45,900) equity shares of ` 10 each, fully paid up in Shri Ram DEN Network Pvt. Ltd.	31.20	31.20
	Less : Provision for diminution in value of Shri Ram DEN Network Pvt. Ltd.	(31.20)	-
68	25,500 (Previous year 25,500) equity shares of ` 10 each, fully paid up in United Cable Network (Digital) Pvt. Ltd.	4.60	4.60
69	282,678 (Previous year 13,678) equity shares of ` 10 each, fully paid up in Amogh Broad Band Services Pvt. Ltd.	938.80	829.80

		As at 31.03.2013 (` in million)	As at 31.03.2012 (` in million)
70	34,285 (Previous year 34,285) equity shares of ` 10 each, fully paid up in Den Sariga Communication Pvt. Ltd.	9.06	9.06
71	25,500 (Previous year 25,500) equity shares of ` 10 each, fully paid up in Den Sahyog Cable Network Pvt. Ltd.	1.58	1.58
72	2,099,000 (Previous year 2,099,000) equity shares of ` 10 each, fully paid up in IME Networks Pvt. Ltd.	20.99	20.99
73	48,931 (Previous year 48,931) equity shares of ` 10 each, fully paid up in Den A.F. Communication Pvt. Ltd.	0.49	0.49
74	50,775 (Previous year 50,775) equity shares of ` 10 each, fully paid up in Den Kattakada Telecasting and Cable Services Pvt. Ltd.	16.41	16.41
75	30,620 (Previous year 30,620) equity shares of ` 10 each, fully paid up in Big Den Entertainment Pvt. Ltd.	12.22	12.22
76	5,100 (Previous year 5,100) equity shares of ` 10 each, fully paid up in Sree Gokulam Starnet Communication Pvt. Ltd.	11.53	11.53
77	32,786 (Previous year 32,786) equity shares of ` 10 each, fully paid up in Ambika Den Cable Network Pvt. Ltd.	1.84	1.84
78	30,682 (Previous year 30,682) equity shares of ` 10 each, fully paid up in Den Steel City Cable Network Pvt. Ltd.	8.62	8.62
79	28,172 (Previous year 28,172) equity shares of ` 10 each, fully paid up in Sanmati Den Cable TV Network Pvt. Ltd.	9.02	9.02
80	28,334 (Previous year 28,334) equity shares of ` 10 each, fully paid up in Multi Channel Cable Network Pvt. Ltd.	9.73	9.73
81	51,000 (Previous year 51,000) equity shares of ` 10 each, fully paid up in Victor Cable TV Network Pvt. Ltd.	3.42	3.42
82	51,000 (Previous year 51,000) equity shares of ` 10 each, fully paid up in Gemini Cable Network Pvt. Ltd.	5.87	5.87
83	29,147 (Previous year 29,147) equity shares of ` 10 each, fully paid up in Antique Communications Pvt. Ltd.	1.79	1.79
84	30,721 (Previous year 30,721) equity shares of ` 10 each, fully paid up in Sanmati Entertainment Pvt. Ltd.	3.01	3.01
85	25,500 (Previous year 25,500) equity shares of ` 10 each, fully paid up in VM Magic Entertainment Pvt. Ltd.	12.53	12.53
86	25,500 (Previous year 6,145) equity shares of ` 10 each, fully paid up in Crystal Vision Media Pvt. Ltd.	149.08	149.08
87	34,170 (Previous year 34,170) equity shares of ` 10 each, fully paid up in Multi Star Cable Network Pvt. Ltd.	1.02	1.02
88	32,510 (Previous year 32,510) equity shares of ` 10 each, fully paid up in Disk Cable Network Pvt. Ltd.	1.66	1.66
89	51,000 (Previous year 51,000) equity shares of ` 10 each, fully paid up in Shaakumabari Den Media Pvt. Ltd.	0.51	0.51
90	38,250 (Previous year 38,250) equity shares of ` 10 each, fully paid up in Silverline Television Network Pvt. Ltd.	15.32	15.32
91	36,746 (Previous year Nil) equity shares of ` 10 each, fully paid up in Eminent Cable Network Pvt. Ltd.	1.50	-
92	27,418 (Previous year Nil) equity shares of ` 10 each, fully paid up in Ekta Entertainment Network Pvt. Ltd.	3.01	-
93	2,040,000 (Previous year Nil) equity shares of ` 10 each, fully paid up in CCN DEN Network Pvt. Ltd.	20.40	-

		As at 31.03.2013 (` in million)	As at 31.03.2012 (` in million)
94	27,190 (Previous year Nil) equity shares of ` 10 each, fully paid up in Devine Cable Network Pvt. Ltd.	1.17	-
95	1,530,000 (Previous year Nil) equity shares of ` 10 each, fully paid up in DEN ADN Network Pvt. Ltd.	15.30	-
96	30,312 (Previous year Nil) equity shares of ` 10 each, fully paid up in Necter Entertainment Pvt. Ltd.	1.35	-
97	25,500 (Previous year Nil) equity shares of ` 10 each, fully paid up in Trident Entertainment Pvt. Ltd.	2.52	-
98	25,500 (Previous year Nil) equity shares of ` 10 each, fully paid up in Adhunik Cable Network Pvt. Ltd.	1.58	-
99	5,100 (Previous year Nil) equity shares of ` 10 each, fully paid up in Glimpse Communications Pvt. Ltd.	3.34	-
100	25,500 (Previous year Nil) equity shares of ` 10 each, fully paid up in Indradhanush Cable Network Pvt. Ltd.	4.27	-
101	25,500 (Previous year Nil) equity shares of ` 10 each, fully paid up in Blossom Entertainment Pvt. Ltd.	1.55	-
102	14,256 (Previous year Nil) equity shares of ` 100 each, fully paid up in Multitrack Cable Network Pvt. Ltd.	9.88	-
103	153,000 (Previous year Nil) equity shares of ` 10 each, fully paid up in Rose Entertainment Pvt. Ltd.	11.50	-
104	25,500 (Previous year Nil) equity shares of ` 10 each, fully paid up in Libra Cable Networks Pvt. Ltd.	0.26	-
105	11,859 (Previous year Nil) equity shares of ` 100 each, fully paid up in Pee Cee Cable Network Pvt. Ltd.	1.19	-
		4,253.89	3,861.71
ii. Of joint venture			
1	2,500,000 (Previous year 2,500,000) equity shares of ` 10 each, fully paid up in Star Den Media Services Pvt. Ltd.	25.00	25.00
Aggregate of unquoted - long term trade investments in equity shares (i+ii)		25.00	25.00
		(I) 4,278.89	3,886.71
b. Trade and unquoted - long term in preference shares - at cost of subsidiaries			
1	3% 5 years 750,000 (Previous year 750,000) non cumulative preference shares of ` 10 each in Den Kashi Cable Network Pvt. Ltd.	37.50	37.50
2	13.5% 7 years 707,500 (Previous year 707,500) non cumulative preference shares of ` 10 each in Den Citi Channel Pvt. Ltd.	7.08	7.08
3	13.5% 3 years 1,900,000 (Previous year Nil) non cumulative preference shares of ` 10 each in Gemini Cable Network Pvt. Ltd.	19.00	-
4	13.5% 7 years 2,500,000 (Previous year Nil) non cumulative redeemable preference shares of ` 10 each in Meerut Cable Network Pvt. Ltd.	25.00	-
		(II) 88.58	44.58
Total (I+II)		4,367.47	3,931.29

Note :

- "Of the above 15,049,820 (Previous year 14,532,038) equity shares amounting to ` 3,655.72 million (Previous year ` 3,596.57 million) worth of investments in subsidiaries are pledged with IDFC Limited against loans taken by the Company (see note 5)"
- Of the above 10,035,476 (Previous year 3,630,327) equity shares amounting to ` 623.17 million (Previous year ` 290.14 million) worth of investments in subsidiaries and joint venture Company are yet to be pledged with IDFC Limited against loans taken by the Company.
- Of the above 5,857,500 (Previous year 1,457,500) preference shares amounting to ` 88.58 million (Previous year ` 44.58 million) worth of investments in subsidiaries are yet to be pledged with IDFC Limited against loans taken by the Company.

	As at 31.03.2013 (` in million)	As at 31.03.2012 (` in million)
14. LONG-TERM LOANS AND ADVANCES (Unsecured)		
i. Considered good		
a. Capital advances	17.74	8.35
b. Advance for investments	14.46	94.21
c. Security deposits	43.12	43.04
d. Loans to employees	-	2.86
e. Loans to subsidiaries	-	29.70
f. Prepaid expenses	30.37	-
g. Advance tax [including tax deducted at source ` 534.72 million Previous year ` 256.40 million (Net of provision ` 180.94 million (Previous year ` 42.32 million))]	354.70	214.99
h. MAT credit entitlement [Net of provision ` 27.64 million (Previous year Nil)]	-	35.21
ii. Considered doubtful		
a. Advance for investments	54.15	35.05
	514.54	463.41
Less: Provision for doubtful advances	54.15	35.05
	460.39	428.36
15. OTHER NON-CURRENT ASSETS		
a. Deposits with banks with more than 12 months maturity*	275.85	97.54
b. Receivable on sale under finance lease (see note 32)	471.30	-
	747.15	97.54
* i. Under lien as securities with :		
- Financial Institutions as Debt Service Reserve Account ` Nil (Previous year ` 97.46 million)		
- Tax authorities for statutory registrations - Nil (Previous year ` 0.08 million)		
ii. Under lien as margin money with bank for letters of credit ` 275.85 million (Previous year Nil)		
16. CURRENT INVESTMENTS (at cost)**		
a. Unquoted - Current investments in units of mutual funds (at lower of cost or fair value)(other than trade)		
1 Nil (Previous year 576,675) units of ` 13.01 each in Kotak Flexi Debt Scheme Institutional Growth	-	7.502
2 Nil (Previous year 7,362,421) units of ` 14.25 in DWS Cash opportunities Fund - Regular Plan Growth	-	104.90
3 Nil (Previous year 18,974) units of ` 1,096.59 each in Pramerica Short Term Income Fund-Growth Option	-	20.80
4 Nil (Previous year 3,103,154) units of ` 16.14 each in Reliance Liquidity Fund Growth Option	-	50.09
5 2,163,179 (Previous year 2,307,626) units of ` 19.37 in Birla Sun Life Dynamic Bond Fund Retail Growth	41.89	40.00
6 344,369 (Previous year Nil) units of ` 29.04 in SBI Magnum Income Fund	10.00	-
7 953,865 (Previous year Nil) units of ` 52.42 in Birla Sun Life Income Plus Growth Regular Plan	50.00	-
8 652,392 (Previous year Nil) units of ` 187.70 in Birla Sunlife Cash Plus Growth Regular Plan	122.45	-
9 720,538 (Previous year Nil) units of ` 139.15 in Birla Sunlife Floating rate fund Long term Growth Regular Plan	100.26	-

	As at 31.03.2013 (` in million)	As at 31.03.2012 (` in million)
10 4,982,809 (Previous year Nil) units of ` 10.03 in DWS Banking & PSU Debt Fund Growth	50.00	-
11 17,963 (Previous year Nil) units of ` 1,113.37 in Pramerica Dynamic Bond Fund Growth Option	20.00	-
12 288,204 (Previous year Nil) units of ` 1,409.43 in IDFC Cash Fund Growth*	406.20	-
13 2,140,778 (Previous year Nil) units of ` 14.01 in IDFC Dynamic Bond Fund Plan Growth	30.00	-
14 1,059,722 (Previous year Nil) units of ` 28.31 in IDFC Super Saver Income Fund Investment Plan Growth Regular Plan	30.00	-
15 1,019,987 (Previous year Nil) units of ` 19.61 in IDFC Super Saver Income Fund Medium Term Plan Growth Regular Plan	20.00	-
16 6,163,563 (Previous year Nil) units of ` 16.28 in IDFC Ultra Short term Growth Regular Plan	100.32	-
17 12,620 (Previous year Nil) units of ` 1,676.98 in DSP Black Rock liquidity Fund Institutional Plan Growth	21.16	-
18 14,986 (Previous year Nil) units of ` 1,919.99 in Kotak Floater Short term Growth	28.77	-
19 1,991,133 (Previous year Nil) units of ` 15.26 in Reliance Dynamic Bond Fund Growth Plan Growth Option	30.39	-
20 776,591 (Previous year Nil) units of ` 38.63 in Reliance Income Fund Growth Plan Growth Option	30.00	-
21 89,161 (Previous year Nil) units of ` 1,601.55 in Reliance Money Manager fund Growth Option	142.80	-
22 2,542,351 (Previous year Nil) units of ` 11.80 in ICICI Prudential Ultra Short Term Regular Plan Growth	30.00	-
23 3,742,935 (Previous year Nil) units of ` 13.36 in BNP Paribas Money Plus Fund Growth	50.00	-
Aggregate of unquoted - current investment in units of mutual funds	1,314.24	223.29
* 232,437 units are under lien with IDFC		
** Having total NAV of ` 1,323.31 million (Previous year ` 225.25 million)		
17. TRADE RECEIVABLES (Unsecured)		
a. Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
i. Considered good	429.71	335.45
ii. Considered doubtful	100.50	9.55
	530.21	345.00
Less: Provision for doubtful debts	100.50	9.55
	429.71	335.45
b. Others (considered good)	1,140.73	859.15
	1,570.44	1,194.60
18. CASH AND BANK BALANCES		
A. Cash and cash equivalents		
a. Cash on hand	15.42	1.10
b. Cheques on hand	51.28	120.09
c. Balance with scheduled banks		
i. in current accounts	1,109.79	730.36

	As at 31.03.2013 (` in million)		As at 31.03.2012 (` in million)	
ii. in deposit accounts				
- original maturity of 3 months or less		14.24		292.01
		1,190.73		1,143.56
B. Other bank balances				
i. in deposit accounts				
- original maturity more than 3 months*		497.12		836.72
- original maturity of 3 months or less**		230.85		-
		727.97		836.72
		1,918.70		1,980.28
* a. Under lien as securities with:				
- Tax authorities for statutory registrations - ` 0.15 million (Previous year ` 0.14 million)				
- Bank to issue performance guarantee to Bombay Stock Exchange ` Nil (Previous year ` 22.83 million)				
- Financial Institution to secure term loan to a subsidiary ` 50.00 million (Previous year Nil)				
b. Deposit accounts include fixed deposits having original maturity more than 12 months - ` 129.29 million (Previous year Nil)				
c. ` 290.55 million (Previous year ` 33.21 million) under lien as margin money with bank for letters of credit/ bank guarantees.				
** a. Under lien as securities with:				
- Tax authorities for statutory registrations - ` 0.08 million (Previous year Nil)				
- Financial Institutions as Debt Service Reserve Account ` 30.96 million (Previous year Nil)				
b. ` 199.81 million (Previous year Nil) under lien as margin money with bank for letters of credit/ bank guarantees.				
19. SHORT-TERM LOANS AND ADVANCES (Unsecured, considered good)				
a. Loans and advances to related parties				
i. Advances recoverable		29.15		17.69
ii. Loans to Subsidiaries		411.08		357.93
iii. Share application money paid pending allotment		201.23	641.46	130.37
				505.99
b. Security deposits			10.48	25.97
c. Loans to employees			4.12	28.63
d. Prepaid expenses			56.22	33.83
e. Balance with government authorities				
i. CENVAT credit receivable		176.09		53.86
ii. VAT credit receivable		0.19		0.14
iii. Service tax credit receivable		81.62	257.90	33.36
				87.36
f. Others			52.38	18.71
		1,022.56		700.49
20. OTHER CURRENT ASSETS (Unsecured, Considered good)				
a. Unbilled Revenue		87.69		31.77
b. Interest accrued but not due on fixed deposits		25.22		29.08
c. Interest accrued and due on others		88.43		82.77
d. Others				
i. Receivable on sale of fixed assets		551.31		28.43
ii. Receivable on sale under finance lease (see note 32)		221.18		-
iii. Insurance claims		-		0.05
iv. Others		17.68		-
		991.51		172.10

	Year ended 31.03.2013 (` in million)	Year ended 31.03.2012 (` in million)
21. REVENUE FROM OPERATIONS		
a. Operating revenue	5,747.61	4,222.95
b. Other operating revenue		
i. Sale of equipment	1,203.66	44.88
ii. Commission income	0.18	34.31
	1,203.84	79.19
	6,951.45	4,302.14
22. OTHER INCOME		
a. Interest income		
i. on fixed deposits [including tax deducted at source ` 8.37 million (Previous year ` 7.31 million)]	111.65	78.24
ii. on loans to subsidiaries [including tax deducted at source ` 2.52 million (Previous year ` 3.27 million)]	68.05	70.46
iii. on loans to others	-	7.61
iv. on income tax refund	3.69	2.31
v. on sale of assets under finance lease [including tax deducted at source ` 0.24 million (Previous year Nil)]	8.81	-
b. Gain on sale of current investments (other than trade and unquoted)	35.87	21.26
c. Dividend income from current investments	0.35	-
d. Dividend income from long term investment in joint venture	25.00	-
e. Net gain on foreign currency transactions & translation	31.00	-
f. Other non-operating income		
i. Profit on sale of fixed assets	7.95	0.28
ii. Liabilities/ excess provisions written back	21.84	18.94
iii. Miscellaneous income	2.50	22.14
	316.71	221.24
23. OPERATIONAL, ADMINISTRATIVE AND OTHER COSTS		
a. Content cost	913.69	775.44
b. Placement fees	1,908.38	1,597.30
c. Cost of traded items	1,187.35	40.50
d. Distributor commission/ incentive	97.10	56.68
e. Rent and hire charges (see note 30)	104.14	95.96
f. Repairs and maintenance		
i. Plant and machinery	87.08	68.92
ii. Others	61.39	54.89
g. Power and fuel	40.69	33.66
h. Director's sitting fees	0.36	0.38
i. Consultancy, professional and legal charges*	181.43	225.63
j. Brokerage/ commission	10.07	7.39
k. Contract service charges	72.75	3.36
l. Printing and stationery	10.38	5.56
m. Travelling and conveyance	92.26	79.10
n. Advertisement, publicity and business promotion	65.24	81.07
o. Communication expenses	18.78	12.76
p. Leaseline expenses	109.80	109.43
q. Security charges	14.82	12.02
r. Freight and labour charges	15.19	2.87
s. Insurance	7.47	9.67
t. Rates and taxes	30.62	2.70
u. Provision for doubtful debts/ advances	75.14	8.51
v. Bad debts/ advances written off	37.43	42.01

	Year ended 31.03.2013 (` in million)	Year ended 31.03.2012 (` in million)
w. Provision for Impairment	31.20	-
x. Fixed assets/ capital work in progress written off	1.03	2.12
y. Loss on sale/ disposal of fixed assets	41.14	-
z. Loss on sale of investment	-	2.71
aa. Miscellaneous expenses	16.25	19.34
ab. Net loss on foreign currency transactions and translation	-	2.60
	5,231.18	3,352.58
*Consultancy, professional and legal charges includes Auditor's remuneration as under :		
Statutory audit fees	8.05	6.75
Others	0.08	0.61
	8.13	7.36
24. EMPLOYEE BENEFITS EXPENSE		
a. Salaries and allowances	371.67	325.25
b. Contribution to provident and other funds	19.73	17.63
c. Gratuity expense [see note 34 (B) (ii)]	7.22	6.40
d. Expense on employee stock option (ESOP) scheme [see note 36]	40.21	160.71
e. Staff welfare expenses	17.42	13.75
	456.25	523.74
25. FINANCE COSTS		
a. Interest on loans from banks	404.82	239.17
b. Other borrowing costs	42.02	16.71
	446.84	255.88

	As at 31.03.2013 (` in million)	As at 31.03.2012 (` in million)
26. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES		
a. Capital commitments		
Estimated amount of contracts remaining to be executed on tangible capital account (net of advances) ` 3,116.61 million [Previous year ` 278.21 million].		
b. Contingent liabilities		
Claims against the Company not acknowledged as debts		
a) Bank guarantee issued	22.10	44.90
b) Corporate guarantee issued by the Company	250.00	250.00
b) Outstanding letter of credits	401.88	370.83
c) Demand raised by UP Commercial Tax Department for payment of VAT on transfer of STB's	51.03	-

27. 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.

28. RELATED PARTY DISCLOSURES

I. List of related parties

a. Related parties where control exists

i. Subsidiaries held directl

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)
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. Dew 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. Den Patel Entertainment Network Private Limited (formerly known as 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. Den 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 Satellite 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)
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. Den Rajkot City Communication Private Limited (formerly known as Rajkot City Communication Private Limited) (w.e.f. 10-Apr-09)
53. Den Elgee Cable Vision Private Limited (w.e.f. 3-Jun-09)
54. Den Malabar Cable Vision Private Limited (w.e.f. 30-Apr-09)
55. Amogh Broad Band Services Private Limited (w.e.f. 29-Jul-09)
56. Galaxy Den Media & Entertainment Private Limited (w.e.f. 15-Jul-09)
57. Den UCN Network India Private Limited (w.e.f. 25-Jul-09)
58. Bali Den Cable Network Private Limited (w.e.f. 1-Sep-09)
59. Mahavir Den Entertainment Private Limited (w.e.f. 1-Sep-09)
60. Den Citi Channel Private Limited (w.e.f. 16-Nov-09)
61. Den Satellite Network Private Limited (w.e.f. 15-Jan-10)
62. Fab Den Network Private Limited (w.e.f. 1-Jan-10)
63. Fortune (Baroda) Network Private Limited (w.e.f. 31-Jul-09)
64. Den Infoking Channel Entertainers Private Limited (w.e.f. 1-Aug-09)
65. United Cable Network (Digital) Private Limited (w.e.f. 1-Apr-10)
66. Shri Ram Den Network Private Limited (w.e.f. 1-Apr-10)
67. Den Krishna Vision Private Limited (w.e.f. 1-Apr-10)
68. CAB-I-NET Communications Private Limited (w.e.f. 1-May-10)
69. Den Sahyog Cable Network Private Limited (w.e.f. 1-Jul-10)
70. Den Sariga Communications Private Limited (w.e.f. 1-Aug-10)
71. IME Networks Private Limited (w.e.f. 27-Sep-10)
72. Den Kattakada Telecasting and Cable Services Private Limited (w.e.f. 1-Oct-10)
73. Den A.F. Communication Private Limited (w.e.f. 1-Dec-10)
74. Sree Gokulam Starnet Communication Private Limited (w.e.f. 24-Jan-11)
75. Big Den Entertainment Private Limited (w.e.f. 1-Feb-11)
76. Ambika Den Cable Network Private Limited (w.e.f. 1-Jul-11)
77. Den Steel City Cable Network Private Limited (w.e.f. 1-Jul-11)
78. Crystal Vision Media Private Limited (w.e.f. 12-Jul-11)
79. Victor Cable TV Network Private Limited (w.e.f. 13-Jul-11)
80. Sanmati Den Cable TV Network Private Limited (w.e.f. 25-Aug-11)
81. Multi Channel Cable Network Private Limited (w.e.f. 1-Sep-11)
82. Gemini Cable Network Private Limited (w.e.f. 1-Oct-11)
83. Multi Star Cable Network Private Limited (w.e.f. 1-Oct-11)
84. VM Magic Entertainment Private Limited (w.e.f. 1-Oct-11)
85. Matrix Cable Network Private Limited (w.e.f. 1-Oct-11)
86. Antique Communications Private Limited (w.e.f. 5-Dec-11)
87. Sanmati Entertainment Private Limited (w.e.f. 26-Dec-11)
88. Disk Cable Network Private Limited (w.e.f. 6-Jan-12)
89. Shaakumbari Den Media Private Limited (w.e.f. 1-Feb-12)
90. Silverline Television Network Private Limited (w.e.f. 29-Mar-12)
91. Ekta Entertainment Network Private Limited (w.e.f. 15-Jun-12)
92. Libra Cable Network Private Limited (w.e.f. 1-Feb-13)
93. DEN ADN Network Private Limited (w.e.f. 27-Jul-12)
94. CCN DEN Network Private Limited (w.e.f. 27-Jul-12)

95. Devine Cable Network Private Limited (w.e.f. 1-Sep-12)
 96. Nectar Entertainment Private Limited (w.e.f. 1-Sep-12)
 97. Pee Cee Cable Network Private Limited (w.e.f. 11-Feb-13)
 98. Multitrack Cable Network Private Limited (w.e.f. 1-Nov-12)
 99. Glimpse Communications Private Limited (w.e.f. 16-Nov-12)
 100. Indradhanush Cable Network Private Limited (w.e.f. 22-Dec-12)
 101. Adhunik Cable Network Private Limited (w.e.f. 16-Nov-12)
 102. Blossom Entertainment Private Limited (w.e.f. 31-Mar-12)
 103. Rose Entertainment Private Limited (w.e.f. 31-Mar-12)
 104. Trident Entertainment Private Limited (w.e.f. 31-Mar-12)
 105. Eminent Cable Network Private Limited (w.e.f. 31-Mar-12)
- ii. Subsidiaries held indirectly**
1. Den Nanak Communication Private Limited (w.e.f. 1-Mar-08)
 2. DEN Saya Channel Network Private Limited (w.e.f. 30-Jun-08)
 3. Den Ambey Citi Cable Network Private Limited (w.e.f. 1-Feb-08)
 4. Den Enjoy Navaratan Network Private Limited (w.e.f. 2-Apr-08)
 5. Den Ambey Jhansi Cable Network Private Limited (w.e.f. 1-Mar-09)
 6. Den Deva Cable Network Private Limited (w.e.f. 1-Apr-08)
 7. DEN Faction Communication System Private Limited (w.e.f. 1-Oct-08)
 8. Den Ambey Farukabad Cable Network Private Limited (w.e.f. 1-Mar-09)
 9. Star Channel Den Network Private Limited (w.e.f. 1-Aug-09)
 10. Kishna Den Cable Networks Private Limited (w.e.f. 1-Nov-09)
11. Divya Drishti Den Cable Network Private Limited (w.e.f. 1-Apr-10)
 12. DEN New Broad Communication Private Limited (w.e.f. 1-Jul-10)
 13. Astron Media Networks Private Limited (w.e.f. 27-Sep-10)
 14. Fun Cable Network Private Limited (w.e.f. 15-Feb-11)
 15. Rajasthan Entertainment Private Limited (w.e.f. 23-Feb-11)
 16. Kerela Entertainment Private Limited (w.e.f. 9-Dec-10)
 17. Uttar Pradesh Digital Cable Network Private Limited (w.e.f. 4-Apr-11)
 18. Saturn Digital Cable Private Limited (w.e.f. 1-Jul-11)
 19. Den Enjoy SBNM Cable Network Private Limited (w.e.f. 11-Apr-11)
 20. Capital Entertainment Private Limited (w.e.f. 30-Dec-11)
 21. Bhadohi DEN Entertainment Private Limited (w.e.f. 5-Dec-11)
 22. DEN STN Television Network Private Limited (w.e.f. 1-Aug-12)
 23. Platinum Cable TV Network Private Limited (w.e.f. 1-Jan-13)
 24. Maitri Cable Network Private Limited (w.e.f. 25-Mar-13)
 25. Melody Cable Network Private Limited (w.e.f. 25-Mar-13)
 26. Mountain Cable Network Private Limited (w.e.f. 25-Mar-13)
 27. Portrait Cable Network Private Limited (w.e.f. 25-Mar-13)
- b. Jointly controlled entities**
1. Star Den Media Services Private Limited
 2. Media Pro Enterprise India Private Limited
- c. Entities under significant influence**
1. Setpro 18 Distribution Limited
- d. Key managerial personnel**
1. Mr. Sameer Manchanda

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

(Figures in bracket relates to previous year)

in milliomm

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. Operating revenue							
Den Satellite Network Private Limited	320.74	-	-	-	-	-	320.74
Other	(43.83)	(-)	(-)	(-)	(-)	(-)	(43.83)
	527.91	55.47	5.38	60.88	-	-	649.64
	(521.22)	(60.10)	(503.22)	(249.98)	(-)	(-)	(1,334.52)
Total	848.65	55.47	5.38	60.88	-	-	970.38
	(565.05)	(60.10)	(503.22)	(249.98)	(-)	(-)	(1,378.35)
ii. Other operating revenue							
a. Sale of equipment							
Den Ambey Cable Networks Private Limited	214.43	-	-	-	-	-	214.43
CCN DEN Network Private Limited	(0.31)	(-)	(-)	(-)	(-)	(-)	(0.31)
Den Enjoy Cable Networks Private Limited	170.75	-	-	-	-	-	170.75
Others	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	202.80	-	-	-	-	-	202.80
	(3.35)	(-)	(-)	(-)	(-)	(-)	(3.35)
	459.51	-	-	-	-	-	459.51
	(7.76)	(0.30)	(-)	(-)	(-)	(-)	(8.06)
Total	1,047.49	-	-	-	-	-	1,047.49
	(11.42)	(0.30)	(-)	(-)	(-)	(-)	(11.72)
b. Commission income							
Media Pro Enterprise India Private Limited	-	-	0.18	-	-	-	0.18
	(-)	(-)	(34.31)	(-)	(-)	(-)	(34.31)
Total	-	-	0.18	-	-	-	0.18
	(-)	(-)	(34.31)	(-)	(-)	(-)	(34.31)
iii. Other income							
a. Interest income							
Meerut Cable Network Private Limited	7.60	-	-	-	-	-	7.60
Den Sky Media Network Private Limited	(14.71)	(-)	(-)	(-)	(-)	(-)	(14.71)
Shine Cable Network Private Limited	15.59	-	-	-	-	-	15.59
Den Entertainment Network Private Limited	(16.17)	(-)	(-)	(-)	(-)	(-)	(16.17)
Others	8.18	-	-	-	-	-	8.18
	(1.49)	(-)	(-)	(-)	(-)	(-)	(1.49)
	8.09	-	-	-	-	-	8.09
	(4.66)	(-)	(-)	(-)	(-)	(-)	(4.66)
	32.47	1.96	-	-	-	-	34.43
	(34.07)	(1.43)	(-)	(-)	(-)	(-)	(35.50)
Total	71.93	1.96	-	-	-	-	73.89
	(71.10)	(1.43)	(-)	(-)	(-)	(-)	(72.53)
b. Dividend income							
Star Den Media Services Private Limited	-	-	25.00	-	-	-	25.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total	-	-	25.00	-	-	-	25.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
c. Liabilities/excess provisions written back							

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand total
Others	0.92 (13.34)	- (-)	- (-)	- (-)	- (-)	- (-)	0.92 (13.34)
Total	0.92	-	-	-	-	-	0.92
iv. Purchase of services	(13.34)	(-)	(-)	(-)	(-)	(-)	(13.34)
Den Enjoy Cable Networks Private Limited	244.46 (191.68)	- (-)	- (-)	- (-)	- (-)	- (-)	244.46 (191.68)
Den Ambey Cable Networks Private Limited	229.48 (155.29)	- (-)	- (-)	- (-)	- (-)	- (-)	229.48 (155.29)
Media Pro Enterprise India Private Limited	- (-)	- (-)	269.35 (169.79)	- (-)	- (-)	- (-)	269.35 (169.79)
Others	1,140.78 (881.02)	123.75 (92.76)	- (34.33)	- (-)	- (-)	20.32 (18.00)	1,284.85 (1,026.11)
Total	1,614.72	123.75	269.35	-	-	20.32	2,028.14
v. Purchase of fixed assets	(1,227.99)	(92.76)	(204.12)	(-)	(-)	(18.00)	(1,542.87)
Crystal Vision Media Private Limited	0.81 (2.48)	- (-)	- (-)	- (-)	- (-)	- (-)	0.81 (2.48)
Total	0.81	-	-	-	-	-	0.81
vi. Sale of fixed assets	(2.48)	(-)	(-)	(-)	(-)	(-)	(2.48)
Den Ambey Cable Networks Private Limited	98.62 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	98.62 (-)
CCN DEN Network Private Limited	26.85 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	26.85 (-)
Others	53.58 (-)	- (0.11)	- (-)	- (-)	- (-)	- (-)	53.58 (0.11)
Total	179.05	-	-	-	-	-	179.05
vii. Reimbursement of expenses (received)	(-)	(0.11)	(-)	(-)	(-)	(-)	(0.11)
Den Ambey Cable Networks Private Limited	5.05 (1.36)	- (-)	- (-)	- (-)	- (-)	- (-)	5.05 (1.36)
Den Krishna Cable Tv Network Private Limited	4.22 (0.84)	- (-)	- (-)	- (-)	- (-)	- (-)	4.22 (0.84)
Den Pawan Cable Network Private Limited	4.17 (0.03)	- (-)	- (-)	- (-)	- (-)	- (-)	4.17 (0.03)
Others	20.20 (109.55)	2.34 (2.06)	- (-)	- (-)	- (-)	0.38 (0.36)	22.92 (111.97)
Total	33.64	2.34	-	-	-	0.38	36.36
viii. Reimbursement of expenses (paid)	(111.78)	(2.06)	(-)	(-)	(-)	(0.36)	(114.20)
Others	- (1.18)	- (-)	- (-)	- (-)	- (-)	- (-)	- (1.18)
Total	-	-	-	-	-	-	-
ix. Investments made during the year	(1.18)	(-)	(-)	(-)	(-)	(-)	(1.18)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand total
Den Sky Media Network Private Limited	160.89	-	-	-	-	-	160.89
Amogh Broad Band Service Private Limited	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Den Narmada Network Private Limited	109.00	-	-	-	-	-	109.00
Others	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	70.30	-	-	-	-	-	70.30
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	81.79	-	-	-	-	-	81.79
	(104.52)	(-)	(-)	(-)	(-)	(-)	(104.52)
Total	421.98	-	-	-	-	-	421.98
x. Loans given during the year	(104.52)	(-)	(-)	(-)	(-)	(-)	(104.52)
Den Sky Media Network Private Limited	128.03	-	-	-	-	-	128.03
Aster Entertainment Private Limited	(112.53)	(-)	(-)	(-)	(-)	(-)	(112.53)
Shine Cable Network Private Limited	55.07	-	-	-	-	-	55.07
Den Futuristic Cable Networks Private Limited	(127.50)	(-)	(-)	(-)	(-)	(-)	(127.50)
Others	105.00	-	-	-	-	-	105.00
	(2.00)	(-)	(-)	(-)	(-)	(-)	(2.00)
	75.00	-	-	-	-	-	75.00
	(1.71)	(-)	(-)	(-)	(-)	(-)	(1.71)
	113.41	3.40	-	-	-	-	116.81
	(227.98)	(1.00)	(-)	(-)	(-)	(-)	(228.98)
Total	476.51	3.40	-	-	-	-	479.91
xi. Loans received back during the year	(471.72)	(1.00)	(-)	(-)	(-)	(-)	(472.72)
Den Sky Media Network Private Limited	157.42	-	-	-	-	-	157.42
Aster Entertainment Private Limited	(87.70)	(-)	(-)	(-)	(-)	(-)	(87.70)
Den Narmada Network Private Limited	68.57	-	-	-	-	-	68.57
Meerut Cable Network Private Limited	(82.46)	(-)	(-)	(-)	(-)	(-)	(82.46)
Others	67.46	-	-	-	-	-	67.46
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	100.00	-	-	-	-	-	100.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	63.01	-	-	-	-	-	63.01
	(76.33)	(1.00)	(-)	(-)	(-)	(-)	(77.33)
Total	456.46	-	-	-	-	-	456.46
B. Outstanding balances at year end	(246.49)	(1.00)	(-)	(-)	(-)	(-)	(247.49)
i. Trade payables							
Others	646.43	52.42	33.48	-	-	-	732.33
	(460.01)	(47.32)	(10.28)	(-)	(-)	(-)	(517.61)
Total	646.43	52.42	33.48	-	-	-	732.33
ii. Advance billing	(460.01)	(47.32)	(10.28)	(-)	(-)	(-)	(517.61)
Mahavir Den Entertainment Private Limited	5.33	-	-	-	-	-	5.33
Den Satellite Network Private Limited	(0.31)	(-)	(-)	(-)	(-)	(-)	(0.31)
Others	4.81	-	-	-	-	-	4.81
	(-)	(-)	(-)	(-)	(-)	(-)	(-)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand total
Others	17.37 (19.46)	1.83 (5.26)	- (-)	- (22.13)	- (-)	- (-)	19.20 (46.85)
Total	27.51	1.83	-	-	-	-	29.34
iii. Security deposits received	(19.77)	(5.26)	(-)	(22.13)	(-)	(-)	(47.16)
DEN Mahendra Satellite Private Limited	0.12 (0.12)	- (-)	- (-)	- (-)	- (-)	- (-)	0.12 (0.12)
Den Prayag Cable Networks Private Limited	0.02 (0.02)	- (-)	- (-)	- (-)	- (-)	- (-)	0.02 (0.02)
Total	0.14	-	-	-	-	-	0.14
iv. Advance from customers	(0.14)	(-)	(-)	(-)	(-)	(-)	(0.14)
Mahavir Den Entertainment Private Limited	24.36 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	24.36 (-)
Den Enjoy Cable Networks Private Limited	81.55 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	81.55 (-)
Others	1.46 (0.82)	1.37 (4.00)	- (-)	- (-)	- (-)	- (-)	2.83 (4.82)
Total	107.37	1.37	-	-	-	-	108.74
v. Investments	(0.82)	(4.00)	(-)	(-)	(-)	(-)	(4.82)
Amogh Broad Band Services Private Limited	938.80 (829.80)	- (-)	- (-)	- (-)	- (-)	- (-)	938.80 (829.80)
Den Satellite Network Private Limited	461.58 (461.58)	- (-)	- (-)	- (-)	- (-)	- (-)	461.58 (461.58)
Others	2,973.79 (2,619.91)	- (-)	25.00 (25.00)	- (-)	- (-)	- (-)	2,998.79 (2,644.91)
Total	4,374.17	-	25.00	-	-	-	4,399.17
vi. Capital advances	(3,911.29)	-	(25.00)	(-)	(-)	(-)	(3,936.29)
Crystal Vision Media Private Limited	1.75 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1.75 (-)
Total	1.75	-	-	-	-	-	1.75
vii. Security deposits paid	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Media Pro Enterprise India Private Limited	- (-)	- (-)	2.85 (1.63)	- (-)	- (-)	- (-)	2.85 (1.63)
Others	0.10 (-)	- (-)	0.05 (-)	- (-)	- (-)	- (-)	0.15 (-)
Total	0.10	-	2.90	-	-	-	3.00
viii. Receivable on sale under finance lease	(-)	(-)	(1.63)	(-)	(-)	(-)	(1.63)
Den Enjoy Cable Networks Private Limited	122.60 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	122.60 (-)
Den Ambey Cable Networks Private Limited	121.87 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	121.87 (-)
Den Rajkot City Communication Pvt. Ltd. (formerly known as							

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand total
Rajkot City Communication Private Limited)	102.57	-	-	-	-	-	102.57
Den-Manoranjan Satellite Private Limited	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Others	88.42	-	-	-	-	-	88.42
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	27.30	-	-	-	-	-	27.30
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total	462.76	-	-	-	-	-	462.76
ix. Trade Receivables	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Den Satellite Network Private Limited	126.66	-	-	-	-	-	126.66
Others	(13.12)	(-)	(-)	(-)	(-)	(-)	(13.12)
	530.70	26.62	6.22	11.06	-	-	574.60
	(343.42)	(28.02)	(51.52)	(68.10)	(-)	(-)	(491.06)
Total	657.36	26.62	6.22	11.06	-	-	701.26
x. Advance recoverable	(356.54)	(28.02)	(51.52)	(68.10)	(-)	(-)	(504.18)
Den Krishna Cable TV Network Private Limited	4.22	-	-	-	-	-	4.22
Den Pawan Cable Network Private Limited	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Den Ashu Cable Private Limited	4.17	-	-	-	-	-	4.17
Others	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	2.99	-	-	-	-	-	2.99
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	15.55	2.21	0.01	-	-	-	17.77
	(15.31)	(2.31)	(0.01)	(-)	(-)	(0.06)	(17.69)
Total	26.93	2.21	0.01	-	-	-	29.15
xi. Loans to subsidiaries	(15.31)	(2.31)	(0.01)	(-)	(-)	(0.06)	(17.69)
Den Entertainment Network Private Limited	52.10	-	-	-	-	-	52.10
Shine Cable Network Private Limited	(50.00)	(-)	(-)	(-)	(-)	(-)	(50.00)
Den Futuristic Cable Networks Private Limited	105.00	-	-	-	-	-	105.00
Others	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	76.71	-	-	-	-	-	76.71
	(1.71)	(-)	(-)	(-)	(-)	(-)	(1.71)
	164.16	13.11	-	-	-	-	177.27
	(326.21)	(9.71)	(-)	(-)	(-)	(-)	(335.92)
Total	397.97	13.11	-	-	-	-	411.08
xii. Share application money paid pending allotment	(377.92)	(9.71)	(-)	(-)	(-)	(-)	(387.63)
Den Futuristic Cable Networks Private Limited	30.00	-	-	-	-	-	30.00
Den Enjoy Cable Networks Private Limited	(30.00)	(-)	(-)	(-)	(-)	(-)	(30.00)
Den Digital Entertainment Gujarat Private Limited	53.40	-	-	-	-	-	53.40
Others	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	50.00	-	-	-	-	-	50.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	67.83	-	-	-	-	-	67.83
	(100.37)	(-)	(-)	(-)	(-)	(-)	(100.37)
Total	201.23	-	-	-	-	-	201.23
	(130.37)	(-)	(-)	(-)	(-)	(-)	(130.37)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand total
xiii. Prepaid expenses							
Den Rajkot City Communication Private Limited (formerly known as Rajkot City Communication Private Limited)	0.02 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	0.02 (-)
Den Satellite Network Private Limited	0.05 (0.01)	- (-)	- (-)	- (-)	- (-)	- (-)	0.05 (0.01)
Den-Manoranjan Satellite Private Limited	0.02 (0.23)	- (-)	- (-)	- (-)	- (-)	- (-)	0.02 (0.23)
Den Digital Entertainment Gujarat Private Limited	0.03 (1.08)	- (-)	- (-)	- (-)	- (-)	- (-)	0.03 (1.08)
Others	- (0.12)	0.01 (-)	- (-)	- (-)	- (-)	- (-)	0.01 (0.12)
Total	0.12	0.01	-	-	-	-	0.13
xiv. Advance to suppliers	(1.44)	(-)	(-)	(-)	(-)	(-)	(1.44)
Den Kattakada Telecasting and Cable Services Private Limited	2.60 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	2.60 (-)
Den Faction Communication System Private Limited	- (-)	2.70 (-)	- (-)	- (-)	- (-)	- (-)	2.70 (-)
Sree Gokulam Starnet Communication Private Limited	1.86 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1.86 (-)
Amogh Broad Band Services Private Limited	2.06 (2.06)	- (-)	- (-)	- (-)	- (-)	- (-)	2.06 (2.06)
Others	3.08 (5.39)	0.18 (-)	- (-)	- (-)	- (-)	- (-)	3.26 (5.39)
Total	9.60	2.88	-	-	-	-	12.48
xv. Unbilled revenue	(7.45)	(-)	(-)	(-)	(-)	(-)	(7.45)
Den Satellite Network Private Limited	1.02 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1.02 (-)
Den Digital Entertainment Gujarat Private Limited	0.85 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	0.85 (-)
Others	0.18 (0.02)	- (-)	- (11.50)	- (-)	- (-)	- (-)	0.18 (11.52)
Total	2.05	-	-	-	-	-	2.05
xvi. Interest accrued on others	(0.02)	(-)	(11.50)	(-)	(-)	(-)	(11.52)
Meerut Cable Network Private Limited	23.66 (16.14)	- (-)	- (-)	- (-)	- (-)	- (-)	23.66 (16.14)
Aster Entertainment Private Limited	17.21 (9.97)	- (-)	- (-)	- (-)	- (-)	- (-)	17.21 (9.97)
Shine Cable Network Private Limited	10.10 (2.60)	- (-)	- (-)	- (-)	- (-)	- (-)	10.10 (2.60)
Others	29.87	3.60	-	-	-	-	33.47

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand total
	(38.59)	(1.68)	(-)	(-)	(-)	(-)	(40.27)
Total	80.84	3.60	-	-	-	-	84.44
xvii. Receivable on sale of fixed assets	(67.30)	(1.68)	(-)	(-)	(-)	(-)	(68.98)
CCN DEN Network Private Limited	194.92	-	-	-	-	-	194.92
Den Ambey Cable Networks Private Limited	(-)	(-)	(-)	(-)	(-)	(-)	(-)
DEN ADN Network Private Limited	131.03	-	-	-	-	-	131.03
Others	(0.39)	(-)	(-)	(-)	(-)	(-)	(0.39)
	79.11	-	-	-	-	-	79.11
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	145.41	-	-	-	-	-	145.41
	(27.10)	(-)	(-)	(-)	(-)	(-)	(27.10)
Total	550.47	-	-	-	-	-	550.47
	(27.49)	(-)	(-)	(-)	(-)	(-)	(27.49)

xviii. Guarantee given by the Company for a term loan taken from bank by a subsidiary Company outstanding as at the end of the year amounting to ₹ 250.00 million [Previous year ₹ 250.00 million].

xix. Term loan of ₹ 814.77 million (Previous year ₹ 1,097.47 million) taken from Syndicate Bank is guaranteed by Mr. Sameer Manchanda, Chairman and Managing Director of the Company.

29. Deferred tax

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

(₹ in million)

Particulars	Opening balance	Credited/ (charged) to P&L account	Closing balance
Deferred tax liability			
Depreciation	(36.14)	(33.20)	(69.34)
Others	-	(24.71)	(24.71)
Total	(36.14)	(57.91)	(94.05)
Deferred tax assets			
Employee benefits	12.75	3.67	16.42
Provision for doubtful debts/ advances/ impairment	3.10	60.24	63.34
Brought forward unabsorbed depreciation	20.29	(20.29)	-
Total	36.14	43.62	79.76
Deferred tax liability (Net)	-	(14.29)	(14.29)

30. Operating Lease

The Company has taken office premises and accommodation for its employee under cancellable operating lease agreements. The lease rental expenses recognised in the Statement of Profit and Loss for the year is ₹ 99.04 million [Previous year ₹ 90.55 million].

31. Finance lease as lessee

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

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

(` in million)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Future minimum lease payments:		
• Not later than one year	507.79	-
• Later than one year and not later than five years	1,897.99	-
	2,405.78	-
Less : Unmatured finance charges	431.31	-
	1,974.47	-
Present value of minimum lease payments payable:		
• Not later than one year	352.32	-
• Later than one year and not later than five years	1,622.15	-
	1,974.47	-

32. Finance lease as lessor

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

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

(` in million)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Future minimum lease payments:		
• Not later than one year	285.79	-
• Later than one year and not later than five years	553.28	-
	839.07	-
Less : Unearned finance income	146.59	-
	692.48	-
Present value of minimum lease payments receivable:		
• Not later than one year	221.18	-
• Later than one year and not later than five years	471.30	-
	692.48	-

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

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

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

A. Defined contribution plans and state plans

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

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

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

(` in million)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
a Employer's contribution to EPF	17.16	15.26
b Employer's contribution to ESI	1.00	0.98

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

B. Defined benefit plan

Gratuity plan

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

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

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

i. Change in benefit obligations:

(₹ in million)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Present value of obligations* at the beginning of the year	20.38	13.99
Current service cost	6.08	5.33
Interest cost	1.88	1.33
Past Service Cost	-	1.30
Actuarial (gain)/loss on obligation	(0.74)	(1.57)
Benefits paid	(0.21)	-
Present value of obligations* at the year end	27.39	20.38

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

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

(₹ in million)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Current Service cost	6.08	5.34
Interest cost	1.88	1.33
Past Service Cost	-	1.30
Actuarial (gain)/loss recognised during the year	(0.74)	(1.57)
Net cost	7.22	6.40
Experience adjustments on plan liabilities (gain)/loss	0.74	1.57

iii. Principal actuarial assumptions:

Particulars	see note below	Year ended 31.03.2013	Year ended 31.03.2012
(A) Economic assumptions			
a. Discount rate (per annum)	1	8.00%	8.00%
b. Estimated salary escalation rate (per annum)	2	8.00%	8.00%
(B) Demographic Assumptions			
a. Retirement age (years)		58	58
b. Mortality Table		LIC 1994-96 (duly modified)	
c. Withdrawal Rates			
Ages		Withdrawal Rate (%)	
Upto 30 years		3.00	
From 31 years to 44 years		2.00	
Above 44 years		1.00	

iv. Experience adjustment:

(₹ in million)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
On plan liabilities	0.74	1.57	1.41	0.50	0.01
On plan assets	-	-	-	-	-
Present value of benefit obligation	27.39	20.38	13.99	9.73	5.26

The expected contribution is based on the same assumptions used to measure the Company's gratuity obligations as of March 31, 2013. The Company is expected to contribute ₹ 8.99 million to gratuity funds for the year ended March 31, 2013.

Notes:

- 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.
- The salary growth rate takes account of inflation, seniority, promotion and other relevant factors on a long term basis.

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

Particulars	Year ended 31.03.2013 (in million)		Year ended 31.03.2012 (in million)	
	In INR	In USD	In INR	In USD
Payables on purchase of fixed assets	483.84	8.90	170.72	3.34
Buyer's credit on imports	1,579.71	29.04	-	-

36. Employee Stock Option Plan 2010 ("ESOP 2010")

- 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. During the year, Nil (Previous year 1,465,874) options have been surrendered by eligible employees and directors of the subsidiary companies
- There shall be a minimum period of one year between the grant of options and vesting of options. The vesting period may extend up to three years. The vesting shall happen in one or more tranches as may be decided by the Compensation/Remuneration Committee. The exercise period of the options is a period of one year after the vesting of the options. Each option is exercisable for one equity share of ₹ 10 each fully paid up on payment of exercise price (as determined by the remuneration/ compensation committee) of share determined with respect to the date of grant. All ESOP options have been vested upto 31st March 2013.
- The movement in the scheme is set out as under:

Particulars	ESOP 2010		ESOP 2010	
	Year ended 31.03.13		Year ended 31.03.12	
	Option (Numbers)	Weighted Average Price (₹)	Option (Numbers)	Weighted Average Price (₹)
a. Outstanding at the beginning of the year	3,534,126	30.00	5,000,000	30.00
b. Granted during the year	-	-	-	-
c. Exercised during the year	2,281,350	30.00	-	-
d. Vested during the year	1,300,313	30.00	3,534,126	-
e. Surrendered/ forfeited during the year	-	-	1,465,874	-
f. Expired during the year	-	-	-	-
g. Outstanding at the end of the year	1,252,776	30.00	3,534,126	30.00
h. Exercisable at the end of the year	1,252,776	30.00	2,233,813	30.00
i. Number of equity shares of ₹ 10 each fully paid up during the year to be issued on exercise of option	1,252,776	30.00	3,534,126	30.00
j. Weighted average share price at the date of exercise	156.29	NA	NA	NA
k. Weighted average remaining contractual life (years)	0.30	NA	1.46	NA

d. Proforma 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 earnings per share as reported would have reduced to the pro forma amounts as indicated:

Particulars	Year ended 31.03.2013 (` in million)	Year ended 31.03.2012 (` in million)
Net Profit/ (Loss) as reported (a)	449.62	78.67
Add: Stock based employee compensation expense debited to Profit and Loss account (i)	40.21	160.71
Less: Stock based employee compensation expense based on fair value (ii)	18.80	1.45
Difference between (i) and (ii)	21.41	159.26
Adjusted pro forma Profit/(Loss) (b)	471.03	237.93
Difference between (a) and (b)	21.41	159.26
Basic earnings per share as reported	3.38	0.60
Pro forma basic earnings per share	3.54	1.82
Diluted earnings per share as reported	3.38	0.59
Pro forma diluted earnings per share	3.54	1.78

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

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

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

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

Particulars	Year ended 31.03.2013 (` in million)	Year ended 31.03.2012 (` in million)
Total options granted	3,534,126	3,534,126
Weighted average exercise price (in `)	30.00	30.00
Weighted average fair value (in `)	62.74	62.74

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

a. Expenditure in foreign currency

(` in million)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Repairs and maintenance (Others)	20.50	32.42
Travelling and conveyance	0.36	0.49
Consultancy, professional and legal charges	-	16.65
Total	20.86	49.56
b. Value of imports (calculated on a CIF basis)		
Capital goods	4,198.72	829.95

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

(` in million)

Class of goods	Purchases		Sales	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
a. Cable/wire	0.26	0.73	0.26	0.73
b. Headend equipment	5.53	5.43	5.52	5.43
c. Distribution equipments	0.76	0.49	0.74	0.49
d. Set top boxes	1,180.80	33.85	1,197.14	38.23
Total	1,187.35	40.50	1,203.66	44.88

38. 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 :

Particulars	(` in million)	
	Projected	Actual
Amount Received from IPO		3,644.56
Utilisation of funds upto March 31, 2013		
a. Investment in the development of cable television infrastructure and services*	2,389.00	2,389.00
b. Investment in the development of cable broadband infrastructure and services*	10.00	10.00
c. Investment in acquisition of content and broadcasting rights*	51.00	51.00
d. Repayment of loans	400.00	400.00
e. Fund expenditure for general corporate purposes	525.81	525.81
f. Share Issue Expenses	268.75	268.75
	3,644.56	3,644.56

*As per change in IPO Utilization vide share holder approval dated 28 February, 2013

39. Earnings per equity share (EPS)*

(` in million)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
a. Net Profit / (loss) attributable to equity shareholders	449.62	78.67
b. Weighted average number of equity shares outstanding used in computation of basic EPS	133,104,166	130,489,975
c. Basic Earnings/ (Loss) per equity share of ` 10 each (in `)	3.38	0.60
d. Weighted average number of equity shares and equity equivalent shares outstanding used in computing diluted EPS	133,104,166	134,024,101
e. Diluted Earnings/ (Loss) per equity share of ` 10 each (in `)	3.38	0.59

*There are no potential equity shares as at 31 March, 2013.

40. Interest in Jointly Controlled entity:

The Company has 50% interest in the assets, liabilities, expense and income of Star Den Media Services Private Limited (Star DEN), incorporated in India, which is involved in the business of distribution of television channels. The Company's share in assets, liabilities, income and expense of the jointly controlled entity, based on the audited financial statements for the year ended 31st March, 2013 is as follows:-

(` in million)

Particulars	31st March, 2013
a. Current assets	185.66
b. Non-current assets*	318.95
c. Current liabilities	(126.11)
d. Non-current liabilities	(0.54)
e. Equity	(25.00)
f. Revenue	184.37
g. Cost of Distribution Rights	(7.41)
h. Employee benefits expense	(37.39)
i. Depreciation and amortization expense	(0.59)
j. Other expenses	(60.52)
k. Profit before tax	78.46
l. Tax expenses	(37.12)
m. Profit for the year after tax	41.34

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

* Includes ₹ 12.50 million on account of investment in a jointly controlled entity by Star Den, namely Media Pro Enterprise India Private Limited (Media Pro). The interest of Star DEN in Media Pro is 50% and its share of the assets, liabilities, income and expense of the jointly controlled entity, based on the audited financial statements for year ended 31st March, 2013 is as follows:-

Particulars	(₹ in million)	
	31st March, 2013	
a. Current assets	3,022.49	
b. Non-current assets	659.74	
c. Current liabilities	(3,609.51)	
d. Non-current liabilities	(1.30)	
e. Equity	(25.00)	
f. Revenue*	626.78	
g. Employee benefits expense	(245.84)	
h. Depreciation and amortization expense	(8.31)	
i. Other expenses	(319.58)	
j. Profit before tax	53.05	
k. Tax expenses	(14.44)	
l. Profit for the year after tax	38.61	

* With effect from April 1, 2012, Media Pro Enterprise India Private Limited in its standalone financial results, is reporting its revenues net of cost of distribution rights. As a result of such regrouping, revenues and distribution costs are lower by ₹ 10,911.31 million for the year ending March 31, 2013.

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

41. The Company has total investments of ₹ 43,674.70 lakhs in subsidiary companies and a joint venture company. Of these, the Company has investment of ₹ 4,176.58 lakhs and has balances of loans/advances of ₹ 604.75 lakhs in various subsidiary companies whose Net Worth as at March 31, 2013 (as per management certified accounts) has fully/substantially eroded. Of these, companies with investments aggregating to ₹ 982.17 lakhs and with balances of loans/advances of ₹ 1.00 lakhs, whose net worth is fully/substantially eroded have (as per management certified accounts), earned profits for the year ended March 31, 2013. The management of the Company expects that these subsidiary companies will have positive cash flows to adequately sustain its operations in the foreseeable future. Having regard to the long term investment and strategic involvement no provision for diminution of these investments has been considered necessary.
42. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

**For and on behalf of the Board of Directors
DEN NETWORKS LIMITED**

SAMEER MANCHANDA
Chairman and
Managing Director

AJAYA CHAND
Director

RAJESH KAUSHALL
Chief Financial Officer

JATIN MAHAJAN
Company Secretary

New Delhi
30 May, 2013

Financial Information of Subsidiary Companies

(in million)

S. No.	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 Pvt. Ltd.	97.37	286.15	443.41	59.89	-	8.53	(0.82)	0.04	(0.86)	-
2	Den Digital Entertainment Gujarat Pvt. Ltd.	2.00	22.54	199.08	174.54	-	142.79	2.48	0.77	1.71	-
3	Aster Entertainment Pvt. Ltd.	5.90	135.38	205.21	63.93	-	80.01	(0.47)	(0.04)	(0.43)	-
4	Shine Cable Network Pvt. Ltd.	2.50	7.24	127.51	115.77	-	8.46	0.21	0.07	0.14	-
5	DEN Krishna Cable TV Network Pvt. Ltd.	0.51	5.98	34.33	27.84	-	37.10	0.07	0.02	0.05	-
6	Den Mahendra Satellite Pvt. Ltd.	0.56	(2.34)	2.46	4.25	-	3.90	0.06	(1.06)	1.12	-
7	DEN Pawan Cable Network Pvt. Ltd.	0.52	2.87	18.44	15.06	-	36.63	(1.87)	(0.43)	(1.45)	-
8	DEN Harsh Mann Cable Network Pvt. Ltd.	0.54	(2.11)	7.19	8.75	-	10.23	(4.81)	(1.49)	(3.32)	-
9	Den Classic Cable TV Services Pvt. Ltd.	0.58	0.72	2.31	1.01	-	5.55	0.46	0.14	0.32	-
10	Den Montooshah Network Pvt. Ltd.	0.51	5.44	6.75	0.80	-	17.56	(0.63)	(0.18)	(0.44)	-
11	Den Bindra Network Pvt. Ltd.	0.53	0.20	2.06	1.33	-	3.41	0.12	0.23	(0.11)	-
12	Den Ashu Cable Pvt. Ltd.	0.57	5.86	15.94	9.51	-	22.96	(0.65)	(0.20)	(0.45)	-
13	Den Nanak Communication Pvt. Ltd.	0.61	(6.07)	0.12	5.58	-	-	(0.22)	-	(0.22)	-
14	Den Futuristic Cable Networks Pvt. Ltd.	8.60	70.79	189.58	80.19	-	0.02	(5.16)	(2.73)	(2.43)	-
15	Den Digital Cable Network Pvt. Ltd.	0.59	16.34	28.05	11.12	-	76.63	(10.79)	(3.22)	(7.57)	-
16	Den Saya Channel Network Pvt. Ltd.	2.50	8.29	37.44	26.65	-	65.24	(0.01)	-	(0.02)	-
17	Den Faction Communication System Pvt. Ltd.	0.58	(19.21)	18.37	36.00	-	18.33	(13.09)	(7.16)	(5.93)	-
18	Radiant Satellite (India) Pvt. Ltd.	1.50	(14.28)	56.56	69.34	-	82.70	(14.40)	(2.70)	(11.69)	-
19	Den Mewar Rajdev Cable Network Pvt. Ltd.	3.59	6.49	48.20	35.72	-	52.70	4.52	1.86	2.66	-
20	Den Radiant Satellite Cable Network Pvt. Ltd.	0.54	3.46	5.86	1.86	-	5.47	1.05	0.27	0.78	-
21	Den RIS Cable Network Pvt. Ltd.	2.70	0.95	7.66	4.02	-	7.21	4.60	(0.09)	4.70	-
22	Den Sky Media Network Pvt. Ltd.	13.38	198.88	252.36	25.10	-	237.07	(5.26)	(10.55)	5.29	-
23	Meerut Cable Network Pvt. Ltd.	26.00	17.37	146.04	102.68	-	153.10	4.51	1.53	2.98	-
24	DEN Crystal Vision Network Pvt. Ltd.	0.57	1.32	10.42	8.53	-	14.20	(0.75)	(0.23)	(0.51)	-
25	Den Mod Max Cable Network Pvt. Ltd.	0.52	(0.14)	15.35	14.97	-	13.63	(0.49)	(1.61)	1.12	-
26	DEN BCN Suncity Network Pvt. Ltd.	0.54	1.66	14.16	11.96	-	12.84	1.14	0.33	0.81	-
27	Den Pradeep Cable Network Pvt. Ltd.	0.53	0.11	5.47	4.83	-	10.87	0.02	(0.08)	0.10	-
28	Den Prince Network Pvt. Ltd.	0.54	(0.52)	3.38	3.36	-	8.36	0.03	(0.34)	0.37	-
29	Den Jai Ambey Vision Cable Pvt. Ltd.	0.50	(0.15)	5.08	4.73	-	10.23	0.30	(0.30)	0.60	-
30	DEN Varun Cable Network Pvt. Ltd.	0.60	2.82	16.01	12.60	-	30.45	1.98	0.67	1.30	-

Financial Information of Subsidiary Companies

S. No.	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
31	DEN Aman Entertainment Pvt. Ltd.	0.60	3.63	14.68	10.46	-	14.59	1.97	0.65	1.32	-
32	Den Satellite Cable TV Network Pvt. Ltd.	0.61	(3.05)	11.39	13.83	-	21.26	(0.93)	(0.28)	(0.65)	-
33	Den F K Cable Tv Network Pvt. Ltd.	0.54	13.48	28.13	14.11	-	49.41	6.50	2.02	4.49	-
34	Den Budaun Cable Network Pvt. Ltd.	0.73	1.74	5.82	3.35	-	10.82	1.10	0.31	0.79	-
35	DEN Ambey Cable Networks Pvt. Ltd.	0.61	127.96	558.35	429.78	-	361.94	118.57	38.67	79.89	-
36	Den Ambey Citi Cable Network Pvt. Ltd.	0.50	1.71	3.62	1.41	-	8.07	0.74	0.23	0.51	-
37	Den Ambey Jhansi Cable Network Pvt. Ltd.	0.60	3.53	8.07	3.94	-	33.14	1.26	0.26	1.00	-
38	Den Ambey Farukabad Cable Network Pvt. Ltd.	0.50	10.16	17.24	6.58	-	32.47	6.42	1.98	4.44	-
39	Den Kashi Cable Network Pvt. Ltd.	8.00	31.10	90.10	51.00	-	98.11	(0.85)	(0.21)	(0.64)	-
40	Den Enjoy Cable Networks Pvt. Ltd.	6.98	123.96	464.10	305.14	-	312.84	86.79	29.22	57.56	-
41	DEN Prayag Cable Networks Pvt. Ltd.	0.50	11.63	28.83	16.70	-	53.91	7.34	2.92	4.42	-
42	Den Deva Cable Network Pvt. Ltd.	0.50	(0.55)	0.68	0.73	-	1.70	0.03	(0.21)	0.24	-
43	Den Maa Sharda Vision Cable Networks Pvt. Ltd.	0.61	6.97	18.24	10.66	-	38.06	5.33	1.79	3.54	-
44	Den Fateh Marketing Pvt. Ltd.	0.50	9.09	30.57	20.98	0.01	108.29	3.13	1.03	2.10	-
45	Den Enjoy Navaratan Network Pvt. Ltd.	0.61	10.70	23.33	12.03	-	67.00	4.99	1.55	3.43	-
46	Den Shiva Cable Network Pvt. Ltd.	0.50	(3.75)	4.30	7.55	-	4.72	(1.92)	(0.59)	(1.33)	-
47	Den Narmada Network Pvt. Ltd.	14.94	7.40	14.61	(7.73)	-	11.89	2.70	(16.85)	19.56	-
48	Dewshree Network Pvt. Ltd.	0.79	35.78	87.64	51.07	-	73.01	28.23	10.39	17.83	-
49	Shree Siddhivinayak Cable Network Pvt. Ltd.	0.50	(1.95)	19.87	21.31	-	18.31	(0.15)	0.17	(0.32)	-
50	Mahadev Den Network Pvt. Ltd.	2.40	(13.18)	47.52	58.30	-	4.41	(3.90)	(0.02)	(3.88)	-
51	Mahadev Den Cable Net Pvt. Ltd.	0.90	2.04	18.36	15.42	-	16.11	0.13	0.05	0.09	-
52	Mahadev Den Cable Network Pvt. Ltd.	0.90	(19.59)	15.87	34.56	-	2.57	(0.22)	-	(0.22)	-
53	Den MCN Cable Network Pvt. Ltd.	1.10	12.50	77.83	64.23	-	25.07	3.14	1.07	2.07	-
54	Drashiti Cable Network Pvt. Ltd.	0.54	5.14	29.59	23.92	-	8.07	0.46	0.16	0.30	-
55	Den-Manoranjan Satellite Pvt. Ltd.	0.50	52.48	251.09	198.11	-	230.57	36.95	11.32	25.64	-
56	Den Nashik City Cable Network Pvt. Ltd.	0.50	32.51	135.62	102.61	-	199.29	7.96	4.14	3.82	-
57	Den Supreme Satellite Vision Pvt. Ltd.	0.60	25.42	59.53	33.51	-	88.98	7.47	5.33	2.14	-
58	Den Bellary City Cable Pvt. Ltd.	0.57	7.35	31.48	23.57	-	46.23	(2.21)	(0.86)	(1.36)	-
59	Den Malayalam Telenet Pvt. Ltd.	11.22	(1.30)	22.03	8.57	-	27.93	-	-	-	-
60	Den Malabar Cable Vision Pvt. Ltd.	0.60	6.87	15.65	8.19	-	15.35	(0.62)	-	(0.62)	-

(in million)

(in million)

S. No.	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 Pvt. Ltd.	1.12	4.71	12.10	6.27	-	13.36	(0.38)	-	(0.38)	-
62	Rajkot City Communication Pvt. Ltd.	0.10	13.99	201.76	187.68	-	117.72	7.20	2.72	4.49	-
63	Den Infoking Channel Entertainers Pvt. Ltd.	0.55	3.65	51.21	47.01	-	49.98	0.60	1.06	(0.46)	-
64	Den Unj Network India Pvt. Ltd.	0.62	4.38	13.07	8.07	-	40.85	0.28	0.19	0.09	-
65	Fortune (Baroda) Network Pvt. Ltd.	1.00	(1.06)	18.58	18.64	-	20.36	(0.84)	(0.26)	(0.59)	-
66	Galaxy Den Media & Entertainment Pvt. Ltd.	0.50	14.69	40.89	25.70	-	23.75	(1.37)	0.71	(2.08)	-
67	Bali Den Cable Network Pvt. Ltd.	0.53	9.82	34.42	24.07	-	37.04	2.39	0.74	1.65	-
68	Mahavir Den Entertainment Pvt. Ltd.	0.50	8.97	83.66	64.20	-	62.02	1.20	0.37	0.83	-
69	Den Citi Channel Pvt. Ltd.	0.65	7.93	21.07	5.43	-	17.18	(0.91)	-	(0.91)	-
70	Amogh Broad Band Services Pvt. Ltd.	5.55	322.22	400.16	72.39	-	209.39	(46.07)	(49.74)	3.66	-
71	Star Channel Den Network Pvt. Ltd.	0.70	1.17	3.19	1.31	-	6.18	0.27	0.17	0.09	-
72	Kishna DEN Cable Network Pvt. Ltd.	0.57	0.21	2.24	1.46	-	6.39	0.07	(0.08)	0.14	-
73	Fab Den Network Pvt. Ltd.	0.57	7.20	30.18	22.41	-	43.20	(6.24)	(1.92)	(4.32)	-
74	Den Satellite Network Pvt. Ltd.	1.01	518.39	1,092.26	572.87	0.05	905.33	118.75	43.46	75.28	-
75	United Cable Network (Digital) Pvt. Ltd.	0.50	-	2.09	1.59	-	3.42	0.01	(0.04)	0.05	-
76	Shree Ram Den Network Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-
77	Den Krishna Vision Pvt. Ltd.	0.50	(1.61)	0.71	1.82	-	2.98	0.01	-	0.01	-
78	Cab-i-Net Communications Pvt. Ltd.	20.00	(3.30)	33.12	16.42	-	38.92	(1.38)	0.15	(1.53)	-
79	Divya Drishtii Den Network Pvt. Ltd.	0.74	0.43	3.34	2.17	-	4.64	0.19	(0.05)	0.24	-
80	Den Sahyog Cable Network Pvt. Ltd.	0.50	0.92	9.76	8.34	-	11.30	0.35	0.08	0.27	-
81	Den Sariga Communications Pvt. Ltd.	0.67	2.60	6.20	1.52	-	4.27	(1.01)	-	(1.01)	-
82	DEN New Broad Communication Pvt. Ltd.	0.72	44.80	112.28	66.76	-	177.96	(5.26)	(1.27)	(3.99)	-
83	IME Networks Pvt. Ltd.	21.19	(0.55)	20.67	0.03	-	-	(0.04)	-	(0.04)	-
84	Astron Media Networks Pvt. Ltd.	15.50	1.33	19.57	0.04	-	1.44	1.40	0.45	0.96	-
85	Den Kattakada Teecasing and Cable Services Pvt. Ltd.	1.00	9.93	21.22	10.30	-	28.90	(4.86)	-	(4.86)	-
86	Kerala Entertainment Pvt. Ltd.	1.18	34.35	36.92	1.39	-	12.57	(4.12)	-	(4.12)	-
87	Den A.F. Communication Pvt. Ltd.	0.96	0.31	5.89	4.62	-	7.63	2.28	0.87	1.41	-
88	Big Den Entertainment Pvt. Ltd.	0.60	5.87	13.34	6.87	-	19.53	2.16	0.67	1.49	-
89	Sree Gokulam Starnet Communication Pvt. Ltd.	0.10	(4.41)	9.53	13.83	-	8.45	(0.75)	0.03	(0.78)	-
90	Rajasthan Entertainment Pvt. Ltd.	0.84	8.33	9.39	0.22	-	2.70	(0.05)	0.08	(0.13)	-

(in million)

S. No.	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
91	Fun Cable Network Pvt. Ltd.	0.50	(1.75)	5.86	7.01	-	11.04	0.28	0.09	0.19	-
92	Uttar Pradesh Digital Cable Network Pvt. Ltd.	2.98	11.18	14.33	0.17	-	0.97	0.04	-	0.04	-
93	Den Steel City Cable Network Pvt. Ltd.	0.60	2.70	13.08	9.79	-	17.64	1.30	0.40	0.90	-
94	Sanmati DEN Cable TV Network Pvt. Ltd.	0.55	2.37	7.92	5.00	-	12.83	1.11	0.34	0.77	-
95	Crystal Vision Media Pvt. Ltd.	0.50	52.69	115.46	62.27	-	81.55	2.40	(6.91)	9.31	-
96	Multi Channel Cable Network Pvt. Ltd.	0.56	(0.92)	7.85	7.77	-	16.92	(4.96)	(1.53)	(3.43)	-
97	Victor Cable TV Network Pvt. Ltd.	1.00	(4.03)	4.51	7.54	-	10.75	(8.56)	(2.64)	(5.92)	-
98	Gemini Cable Network Pvt. Ltd.	20.00	11.95	89.71	57.77	-	28.64	5.67	1.97	3.70	-
99	Matrix Cable Network Pvt. Ltd.	1.35	(4.24)	15.16	16.89	-	35.28	(13.17)	(3.27)	(9.90)	-
100	DEN Enjoy SBNM Cable Network Pvt. Ltd.	1.35	0.76	6.65	4.53	-	6.11	0.89	0.11	0.78	-
101	Ambika DEN Cable Network Pvt. Ltd.	0.64	1.78	5.15	2.73	-	6.40	0.79	0.25	0.54	-
102	Saturn Digital Cable Pvt. Ltd.	0.60	1.17	3.69	1.92	-	7.37	0.58	0.18	0.40	-
103	Multi Star Cable Network Pvt. Ltd.	0.67	(0.66)	1.86	1.85	-	2.04	(1.04)	(0.32)	(0.72)	-
104	VM Magic Entertainment Pvt. Ltd.	0.50	9.55	46.25	36.20	-	45.33	9.70	3.49	6.22	-
105	Antique Communications Pvt. Ltd.	0.57	0.45	2.89	1.87	-	4.74	(0.09)	(0.03)	(0.07)	-
106	DEN Badhoji Cable Network Pvt. Ltd.	0.67	0.50	2.52	1.35	-	3.49	0.63	0.20	0.43	-
107	Sanmati Entertainment Pvt. Ltd.	0.60	0.95	4.31	2.76	-	6.58	0.22	0.07	0.15	-
108	Capital Entertainment Pvt. Ltd.	0.50	(0.04)	0.54	0.08	-	-	(0.03)	-	(0.03)	-
109	Disk Cable Network Pvt. Ltd.	0.64	2.52	7.38	4.22	-	0.01	(0.02)	-	(0.02)	-
110	Shaakumbari Den Media Pvt. Ltd.	1.00	(2.10)	1.26	2.36	-	8.80	(2.78)	(0.84)	(1.94)	-
111	Silverline Television Network Pvt. Ltd.	0.75	(10.48)	53.39	55.62	-	44.37	(26.10)	(8.15)	(17.95)	-
112	Eminent Cable Network Pvt. Ltd.	0.72	0.59	68.92	66.40	-	2.27	(0.10)	(0.02)	(0.08)	-
113	Trident Entertainment Pvt. Ltd.	0.50	(0.18)	2.86	2.54	-	8.88	(0.25)	(0.08)	(0.17)	-
114	Rose Entertainment Pvt. Ltd.	3.00	(0.28)	8.36	5.64	-	1.30	(0.38)	(0.11)	(0.27)	-
115	Blossom Entertainment Pvt. Ltd.	0.50	0.17	1.68	1.01	-	1.87	0.24	0.07	0.17	-
116	Ekta Entertainment Network Pvt. Ltd.	0.54	1.80	3.80	1.47	-	5.67	2.13	0.66	1.48	-
117	DENADN Network Pvt. Ltd.	30.00	5.58	281.79	246.21	-	52.89	9.39	2.76	6.63	-
118	CCN DEN Network Pvt. Ltd.	40.00	13.12	500.34	447.22	-	130.06	22.50	6.08	16.42	-
119	Devine Cable Network Pvt. Ltd.	0.53	0.10	0.95	0.32	-	0.86	0.14	0.04	0.10	-
120	Nectar Entertainment Pvt. Ltd.	0.59	0.55	2.18	1.03	-	3.06	0.80	0.25	0.55	-

(in million)

S. No.	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
121	DEN STN Television Network Pvt. Ltd.	1.80	0.74	5.70	3.15	-	13.00	1.09	0.35	0.74	-
122	Multitrack Cable Network Pvt. Ltd.	2.80	0.17	6.08	3.12	-	4.22	0.26	0.09	0.17	-
123	Glimpse Communications Pvt. Ltd.	0.10	0.35	1.64	1.18	-	1.72	0.54	0.18	0.35	-
124	Indradhanush Cable Network Pvt. Ltd.	0.50	0.44	2.87	1.93	-	5.47	0.64	0.20	0.44	-
125	Adhunik Cable Network Pvt. Ltd.	0.50	0.05	1.72	1.17	-	1.92	0.08	0.02	0.05	-
126	Pee Cee Cable Network Pvt. Ltd.	2.33	(0.33)	5.51	3.52	-	6.51	(0.48)	(0.15)	(0.33)	-
127	Libra Cable Network Pvt. Ltd.	0.50	4.17	87.37	67.20	-	20.54	6.03	1.86	4.17	-
128	Platinum Cable TV Network Pvt. Ltd.	0.50	(0.01)	0.61	0.12	-	-	(0.01)	-	(0.01)	-
129	Maitri Cable Network Pvt. Ltd.	0.50	(0.01)	0.57	0.08	-	-	(0.01)	-	(0.01)	-
130	Melody Cable Network Pvt. Ltd.	0.50	(0.01)	0.57	0.08	-	-	(0.01)	-	(0.01)	-
131	Mountain Cable Network Pvt. Ltd.	0.50	(0.01)	0.57	0.08	-	-	(0.01)	-	(0.01)	-
132	Portrait Cable Network Pvt. Ltd.	0.50	(0.01)	0.57	0.08	-	-	(0.01)	-	(0.01)	-

Independent Auditors' Report

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of DEN NETWORKS LIMITED (the "Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31 March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and jointly controlled entities referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

We draw attention to Note 2.2.3 (ix) to the consolidated financial statements whereby it is stated that the financial statements of a subsidiary company have not been consolidated due to non-availability of the audited financial statements/management certified accounts of that subsidiary. We are unable to comment on the impact of adjustments if any, on the Consolidated Financial Statements had the financial statements of the subsidiary company been consolidated.

Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit the financial statements of certain subsidiaries and jointly controlled entities, whose financial statements reflect total assets (net) of ₹ 8,742.06 million as at 31 March, 2013, total revenues of ₹ 3,057.00 million and net cash outflows amounting to ₹ 420.61 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

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

JITENDRA AGARWAL
Partner
(Membership No. 87104)

New Delhi
30 May, 2013

Consolidated Balance Sheet

As at 31 March, 2013

	Note No.	As at 31.03.2013 (` in million)	As at 31.03.2012 (` in million)
A. Equity and Liabilities			
1. SHAREHOLDERS' FUNDS			
a. Share capital	3	1,327.71	1,304.90
b. Reserves and surplus	4	7,424.46	6,715.61
		8,752.17	8,020.51
2. SHARE APPLICATION MONEY PENDING ALLOTMENT	26	57.28	32.50
3. PREFERENCE SHARES ISSUED BY SUBSIDIARY COMPANY OUTSIDE THE GROUP	27	25.00	25.00
4. MINORITY INTEREST	39	910.11	616.00
5. NON-CURRENT LIABILITIES			
a. Long-term borrowings	5	4,009.61	1,901.75
b. Deferred tax liabilities (net)	31 (b)	47.77	26.18
c. Other long-term liabilities	6	21.22	15.07
d. Long-term provisions	7	70.32	52.40
		4,148.92	1,995.40
6. CURRENT LIABILITIES			
a. Short-term borrowings	8	2,273.69	193.03
b. Trade payables	9	3,492.50	2,709.17
c. Other current liabilities	10	3,138.69	1,639.39
d. Short-term provisions	11	11.92	7.70
		8,916.80	4,549.29
TOTAL		22,810.28	15,238.70
B. Assets			
1. NON-CURRENT ASSETS			
a. Fixed assets			
i. Tangible assets	12	7,323.40	2,565.98
ii. Intangible assets	12	182.78	267.39
iii. Capital work-in-progress		662.45	754.82
		8,168.63	3,588.19
b. Goodwill on consolidation	35 (a)	2,953.44	2,931.58
c. Non-current investments	13	0.01	0.02
d. Deferred tax assets (net)	31(c)	307.28	227.94
e. Long-term loans and advances	14	1,657.90	1,373.91
f. Other non-current assets	15	429.31	102.77
		13,516.57	8,224.41
2. CURRENT ASSETS			
a. Current investments	16	1,314.31	223.33
b. Trade receivables	17	3,256.15	2,819.45
c. Cash and bank balances	18	3,363.81	3,006.29
d. Short-term loans and advances	19q	892.38	638.08
e. Other current assets	20	467.06	327.14
		9,293.71	7,014.29
TOTAL		22,810.28	15,238.70

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants

JITENDRA AGARWAL

Partner

New Delhi
30 May, 2013

For and on behalf of the Board of Directors

DEN NETWORKS LIMITED

SAMEER MANCHANDA

Chairman and
Managing Director

RAJESH KAUSHALL

Chief Financial Officer

New Delhi
30 May, 2013

AJAYA CHAND

Director

JATIN MAHAJAN

Company Secretary

Consolidated Statement of Profit & Loss

For The Year Ended 31 March, 2013

	Note No.	Year ended 31.03.2013 (` in million)	Year ended 31.03.2012 (` in million)
1. Revenue			
a. Revenue from operations	21	8,965.17	11,295.19
b. Other income	22	381.27	270.76
TOTAL REVENUE		9,346.44	11,565.95
2. Expenses			
a. Operational, administrative and other costs	23	6,002.49	9,541.29
b. Employee benefit expense	24	988.26	931.49
c. Finance costs	25	470.88	269.24
d. Depreciation and amortisation expense	12	811.22	538.11
TOTAL EXPENSES		8,272.85	11,280.13
3. Profit Before Tax		1,073.59	285.82
4. Tax Expense/ (benefit)			
a. Current tax expense [includes ` 24.17 million (previous year ` 34.87 million) related to jointly controlled entities]		368.55	180.13
b. Less : MAT credit [includes ` 19.89 million (previous year ` Nil) related to jointly controlled entities]		(27.79)	(9.32)
c. Short provision for tax relating to prior years		3.59	-
d. Reversal of excess MAT credit taken in prior years		7.58	-
e. Net current tax expense		351.93	170.81
f. Deferred tax	31	(57.69)	(70.61)
NET TAX EXPENSE		294.24	100.20
5. Profit After Tax Before Share of Profit of Associate and Minority Interest		779.35	185.62
6. Share in Profit of Associate		-	2.53
7. Minority Interest	39	156.34	45.35
8. Profit For The Year		623.01	142.80
Earnings per equity share (Face value of ` 10 per share)	40		
Basic		4.68	1.09
Diluted		4.68	1.07

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

JITENDRA AGARWAL
Partner

New Delhi
30 May, 2013

For and on behalf of the Board of Directors
DEN NETWORKS LIMITED

SAMEER MANCHANDA
Chairman and
Managing Director

RAJESH KAUSHALL
Chief Financial Officer

New Delhi
30 May, 2013

AJAYA CHAND
Director

JATIN MAHAJAN
Company Secretary

Cash Flow Statement

For The Year Ended 31 March, 2013

	Year ended 31.03.2013 (` in million)	Year ended 31.03.2012 (` in million)
A. Cash Flow From Operating Activities		
Profit before tax	1,073.59	285.82
Adjustments for :		
Depreciation and amortisation expense	811.22	538.11
Interest and other financial expenses	470.88	269.24
Employee stock compensation expenses	40.21	160.71
Provision for impairment	31.20	0.20
Provision for employee benefits	26.14	5.81
Net (gain)/ loss on foreign currency transactions and translation	(33.73)	7.92
Doubtful debts and advances written off/provided	353.18	219.38
Fixed assets/ capital work in progress written off	46.20	0.18
Interest income	(165.24)	(127.61)
Gain on sale of current investment	(35.87)	(21.26)
Profit from sale of fixed assets	(7.98)	(2.61)
Liabilities written back	(90.98)	(44.39)
Operating profit before working capital changes	2,518.82	1,291.50
Adjustments for :		
Decrease/(increase) in current assets	(1,195.86)	(198.62)
Decrease/(increase) in non current assets	(223.48)	(100.59)
Increase/(decrease) in current liabilities and provisions	170.18	214.95
Increase/(decrease) in non current liabilities and provisions	1,247.22	103.21
Cash generated from/ (used in) operations	2,516.88	1,310.45
Direct taxes paid (net of refunds)	(764.11)	(450.78)
Net cash from/ (used in) operating activities	1,752.77	859.67
B. Cash Flow From Investing Activities		
Increase in goodwill on consolidation	(24.40)	(99.73)
Purchase of mutual fund investment	(5,307.77)	(2,798.88)
Sale of investment in subsidiary	-	1.29
Sale of mutual fund investment	4,252.66	2,788.47
Loan repaid by/(to) employees/body corporate (net)	22.29	(12.47)
Advance recovered/ (given) for investment	167.05	(5.08)
Interest income received	176.24	154.04
Purchase of fixed assets (including capital advances)	(5,311.86)	(1,413.97)
Proceeds from sale of fixed assets	252.58	87.21
Bank balances not considered as Cash and cash equivalents	(904.04)	(30.18)
Net cash from/ (used in) investing activities	(6,677.25)	(1,329.30)
C. Cash Flow From Financing Activities		
Proceeds from issue of equity shares	68.44	
Proceeds from short term borrowings	8,343.05	3,997.02
Repayment of short term borrowings	(6,237.56)	(4,101.97)
Proceeds from long term borrowings	2,795.59	1,617.78
Repayment of long term borrowings	16.46	(511.53)
Interest paid	(434.94)	(269.24)
Net cash from/ (used in) financing activities	4,551.04	732.06

	Year ended 31.03.2013 (` in million)	Year ended 31.03.2012 (` in million)
Net increase/ (decrease) in cash and cash equivalents	(373.44)	262.43
Cash and cash equivalents as at the beginning of the year	2,976.11	2,713.68
Cash and cash equivalents as at the end of the year (see note 18)*	2,602.67	2,976.11
*Comprises:		
a. Cash on hand	167.25	52.06
b. Cheques on hand	472.39	262.05
c. Balance with scheduled banks		
i. in current accounts	1,810.03	1,269.55
ii. in deposit accounts		
-original maturity of 3 months or less	153.00	1,392.45
	2,602.67	2,976.11

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

JITENDRA AGARWAL
Partner

New Delhi
30 May, 2013

For and on behalf of the Board of Directors
DEN NETWORKS LIMITED

SAMEER MANCHANDA
Chairman and
Managing Director

RAJESH KAUSHALL
Chief Financial Officer

New Delhi
30 May, 2013

AJAYA CHAND
Director

JATIN MAHAJAN
Company Secretary

Notes Forming Part of the Consolidated Financial Statement

1. Background

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

The Company changed its status from a Pvt. Ltd. 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 ₹ 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, joint ventures and an associate. These subsidiaries are mainly engaged in the business of cable television distribution, internet and other related business. The joint ventures are 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

2.1 Basis of preparation

The consolidated financial statements of the Company and its subsidiaries, jointly controlled entities and an associate (together the 'Group') have been 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 Group.

2.2 Basis of accounting and preparation of consolidated financial statements

These consolidated financial statements are prepared in accordance with the principles

and procedures prescribed by Accounting Standard (AS 21) Consolidated Financial Statements, 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.

2.3 Principles of consolidation

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

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

order to arrive at the income attributable to shareholders of the Company.

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

I. Wholly owned subsidiaries

S. No. Name of the Company

- | | |
|---|---|
| 1 | Aster Entertainment Pvt. Ltd. |
| 2 | Den Digital Entertainment Gujarat Pvt. Ltd. |
| 3 | Den Entertainment Network Pvt. Ltd. |
| 4 | Den Futuristic Cable Networks Pvt. Ltd. |
| 5 | Den RIS Cable Network Pvt. Ltd. |
| 6 | Shine Cable Network Pvt. Ltd. |
| 7 | Matrix Cable Network Pvt. Ltd. |

ii. Subsidiaries with 51% shareholding

S. No. Name of the Company

- | | |
|---|-------------------------------------|
| 1 | Amogh Broad Band Services Pvt. Ltd. |
| 2 | Bali Den Cable Network Pvt. Ltd. |
| 3 | Big Den Entertainment Pvt. Ltd. |
| 4 | Cab-i-Net Communications Pvt. Ltd. |
| 5 | Den A.F. Communication Pvt. Ltd. |

- | | |
|----|--|
| 6 | Den Aman Entertainment Pvt. Ltd. |
| 7 | DEN Ambey Cable Networks Pvt. Ltd. |
| 8 | Den Ashu Cable Pvt. Ltd. |
| 9 | DEN BCN Suncity Network Pvt. Ltd. |
| 10 | Den Bellary City Cable Pvt. Ltd. |
| 11 | Den Bindra Network Pvt. Ltd. |
| 12 | Den Budaun Cable Network Pvt. Ltd. |
| 13 | Den Citi Channel Pvt. Ltd. |
| 14 | Den Classic Cable TV Services Pvt. Ltd. |
| 15 | DEN Crystal Vision Network Pvt. Ltd. |
| 16 | Den Digital Cable Network Pvt. Ltd. |
| 17 | Den Elgee Cable Vision Pvt. Ltd. |
| 18 | Den Enjoy Cable Networks Pvt. Ltd. |
| 19 | Den F K Cable Tv Network Pvt. Ltd. |
| 20 | Den Fateh Mareketing Pvt. Ltd. |
| 21 | DEN Harsh Mann Cable Network Pvt. Ltd. |
| 22 | Den Infoking Channel Entertainers Pvt. Ltd. |
| 23 | Den Jai Ambey Vision Cable Pvt. Ltd. |
| 24 | Den Kashi Cable Network Pvt. Ltd. |
| 25 | Den Kattakada Telecasting and Cable Services Pvt. Ltd. |
| 26 | DEN Krishna Cable TV Network Pvt. Ltd. |
| 27 | Den Krishna Vision Pvt. Ltd. |
| 28 | Den Maa Sharda Vision Cable Networks Pvt. Ltd. |
| 29 | Den Malabar Cable Vision Pvt. Ltd. |
| 30 | Den MCN Cable Network Pvt. Ltd. |
| 31 | Den Mod Max Cable Network Pvt. Ltd. |
| 32 | Den Montooshah Network Pvt. Ltd. |
| 33 | Den Nashik City Cable Network Pvt. Ltd. |
| 34 | DEN Pawan Cable Network Pvt. Ltd. |
| 35 | Den Pradeep Cable Network Pvt. Ltd. |
| 36 | DEN Prayag Cable Networks Pvt. Ltd. |
| 37 | Den Prince Network Pvt. Ltd. |
| 38 | Den Sahyog Cable Network Pvt. Ltd. |

39	Den Sariga Communications Pvt. Ltd.	64	Den Steel City Cable Network Pvt. Ltd.
40	Den Satellite Cable TV Network Pvt. Ltd.	65	Sanmati Den Cable TV Network Pvt. Ltd.
41	Den Shiva Cable Network Pvt. Ltd.	66	Multi Channel Cable Network Pvt. Ltd.
42	Den Supreme Satellite Vision Pvt. Ltd.	67	Victor Cable TV Network Pvt. Ltd.
43	Den Ucn Network India Pvt. Ltd.	68	Gemini Cable Network Pvt. Ltd.
44	DEN Varun Cable Network Pvt. Ltd.	69	Antique Communications Pvt. Ltd.
45	Den-Manoranjan Satellite Pvt. Ltd.	70	Sanmati Entertainment Pvt. Ltd.
46	Dewshree Network Pvt. Ltd.	71	VM Magic Entertainment Pvt. Ltd.
47	Drashti Cable Network Pvt. Ltd.	72	Multi Star Cable Network Pvt. Ltd.
48	Fab Den Network Pvt. Ltd.	73	Disk Cable Network Pvt. Ltd.
49	Fortune (Baroda) Network Pvt. Ltd.	74	Shaakumbari Den Media Pvt. Ltd.
50	Galaxy Den Media & Entertainment Pvt. Ltd.	75	Silverline Television Network Pvt. Ltd.
51	"Den Patel Entertainment Network Pvt. Ltd. (formerly known as Mahadev Den Cable Net Pvt. Ltd.)"	76	Eminent Cable Network Pvt. Ltd.*
52	Mahadev Den Cable Network Pvt. Ltd.	77	Trident Entertainment Pvt. Ltd.*
53	Mahadev Den Network Pvt. Ltd.	78	Rose Entertainment Pvt. Ltd.*
54	DEN Malayalam Telenet Pvt. Ltd.	79	Blossom Entertainment Pvt. Ltd.*
55	Meerut Cable Network Pvt. Ltd.	80	Ekta Entertainment Network Pvt. Ltd.
56	Radiant Satellite (India) Pvt. Ltd.	81	Devine Cable Network Pvt. Ltd.
57	"Den Rajkot City Communication Pvt. Ltd. (formerly known as Rajkot City Communication Pvt. Ltd.)"	82	Nectar Entertainment Pvt. Ltd.
58	Shree Ram Den Network Pvt. Ltd.	83	CCN DEN Network Pvt. Ltd.
59	Shree Siddhivinayak Cable Network Pvt. Ltd.	84	DEN ADN Network Pvt. Ltd.
60	Sree Gokulam Starnet Communication Pvt. Ltd.	85	Indradhanush Cable Network Pvt. Ltd.
61	United Cable Network (Digital) Pvt. Ltd.	86	Adhunik Cable Network Pvt. Ltd.
62	Crystal Vision Media Pvt. Ltd.	87	Glimpse Communication Pvt. Ltd.
63	Ambika Den Cable Network Pvt. Ltd.	88	Multitrack Cable Network Pvt. Ltd.
		89	Pee Cee Cable Network Pvt. Ltd.
		90	Libra Cable Network Pvt. Ltd.

* Wholly owned subsidiaries of DEN Entertainment Network Pvt. Ltd. in previous year.

iii. Other subsidiaries

S. No.	Name of the Company	31.03.2013	31.03.2012
1	Den Sky Media Network Private Limited	99%	91%
2	IME Networks Private Limited	99%	99%
3	Den Narmada Network Private Limited	97%	51%
4	Den Mewar Rajdev Cable Network Private Limited	95%	65%
5	Mahavir Den Entertainment Private Limited	69%	69%
6	Den Radiant Satelite Cable Network Private Limited	65%	65%
7	Den Mahendra Satellite Private Limited	60%	60%
8	Den Satellite Network Private Limited	50%	50%

iv Step down subsidiaries

S. No.	Name of the Company	S. No.	Step down subsidiaries	31.03.2013	31.03.2012
1.	Den Futuristic Cable Networks Pvt. Ltd.	i.	Den Faction Communication System Pvt. Ltd.	51%	51%
		ii.	Den Nanak Communication Pvt. Ltd.	51%	51%
		iii.	Den Saya Channel Network Pvt. Ltd.	51%	51%
		iv.	Fun Cable Network Pvt. Ltd.	51%	51%
2.	Den Ambey Cable Networks Pvt. Ltd.	i.	Den Ambey Farukabad Cable Network Pvt. Ltd.	100%	100%
		ii.	Den Ambey Jhansi Cable Network Pvt. Ltd.	100%	100%
3.	Den Enjoy Cable Networks Pvt. Ltd.	iii.	Den Ambey Citi Cable Network Pvt. Ltd.	51%	51%
		iv.	Den Deva Cable Network Pvt. Ltd.	51%	51%
		v.	Star Channel Den Network Pvt. Ltd.	51%	51%
		vi.	Saturn Digital Cable Pvt. Ltd.	51%	51%
4.	Den Kashi Cable Network Pvt. Ltd.	i.	Den Enjoy Navaratan Network Pvt. Ltd.	51%	51%
		ii.	DEN Enjoy SBNM Cable Network Pvt. Ltd.*	51%	100%
5.	Den Satellite Network Pvt. Ltd.	i.	Divya Drishti Den Network Pvt. Ltd.	51%	51%
		ii.	Kishna Den Cable Networks Pvt. Ltd.	51%	51%
		iii.	Bhadohi DEN Entertainment Pvt. Ltd.	51%	51%
6.	IME Networks Pvt. Ltd.	i.	DEN New Broad Communications Pvt. Ltd.	51%	51%
7.	Den Entertainment Network Pvt. Ltd.	i.	Astron Media Networks Pvt. Ltd.	99%	99%
		ii.	Kerela Entertainment Pvt. Ltd.	100%	100%
		iii.	Rajasthan Entertainment Pvt. Ltd.	100%	100%
		iv.	Uttar Pradesh Digital Cable Network Pvt. Ltd.	100%	100%
		v.	Capital Entertainment Pvt. Ltd.	100%	100%
8.	Shine Cable Network Pvt. Ltd.	vi.	Platinum Cable Tv Network Pvt. Ltd.	100%	0%
		i.	Maitri Cable Network Pvt. Ltd.	100%	0%
		ii.	Melody Cable Network Pvt. Ltd.	100%	0%
		iii.	Mountain Cable Network Pvt. Ltd.	100%	0%
9.	Disk Cable Network Pvt. Ltd.	iv.	Portrait Cable Network Pvt. Ltd.	100%	0%
		i.	Den STN Television Network Pvt. Ltd.	51%	0%

* Wholly owned subsidiaries of DEN Entertainment Network Pvt. Ltd. in previous year.

v. Joint venture

S. No.	Name of the Company	31.03.2013	31.03.2012
1	Star Den Media Services Private Limited	50%	50%
2	Media Pro Enterprise India Private Limited *		

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

All the entities are located in India.

ix. The Company has not consolidated the financial statements of one subsidiary company due to non availability of the audited financial statements/management certified accounts. In the opinion of the management, the financial statements of this subsidiary are not significant to the consolidated position as at the year end and the financial results for the year.

2.4 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities 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 provision for income tax, future obligations under employment retirement benefit plans, provision for doubtful debts and advances and estimated useful life of tangible and intangible assets. Actual results could

differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

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

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

2.6 Cash flow statement

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

2.7 Depreciation and amortisation

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

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

- n. Fixed assets acquired through business purchase (5 years as estimated by an approved valuer)

2.8 Revenue recognition

i. Income from operations

1. Service revenue comprises 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 STBs is recognized on activation of boxes once issued to customers.
3. Amounts billed for services in accordance with contractual terms but where revenue is not recognised, have been classified as advance billing and disclosed under current liabilities.

ii. Sale of equipment

Revenue for sale of equipments is recognized on delivery to customers which coincide with transfer of 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 consolidated statement of profit and loss as mentioned in Guidance Note of State Value Added Tax by ICAI.

2.9 Other income

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

2.10 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. Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.11 Intangible assets

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

2.12 Foreign currency transactions and translations

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Realised gains and losses on foreign exchange transactions settled during the year are recognised in the consolidated statement of profit and loss.

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 consolidated statement of profit and loss.

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

2.13 Investments

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

fair value is done separately in respect of each category of investments.

2.14 Employee benefits

1. Short term employee benefits

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

2. Long term employee benefits

a. Provident fund and other state plan

Contributions towards recognised Provident Fund, Employee State Insurance Fund and Employees Pension Scheme under defined contribution plans by the entities in the Group are recognised in the consolidated statement of profit and loss during the period in which the employee renders the related service.

b. 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.

c. Compensated absences

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

Liability with regard to compensated absences and gratuity is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. Actuarial

valuation is carried out using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation is based on the market yields on government securities as at the balance sheet date. Actuarial gains/losses are recognised immediately in the consolidated statement of profit and loss as income or expense.

2.15 Employee Stock Option Scheme (ESOS)

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

2.16 Borrowing costs

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

2.17 Segment information

1. Business segments

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

2. Geographical segments

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

2.18 Leases

1. Finance leases

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases.

Assets taken on finance lease are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

2. Operating leases

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

2.19 Earnings per share

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.

2.20 Taxation

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

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

Minimum alternate tax (MAT) paid in accordance with Income Tax Act, 1961, which gives rise to future economic benefit in the form of adjustment from income tax liability, is recognised when it is certain that the company

will be able to set off the same and adjusted from the current tax charge for that year.

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

2.21 Jointly controlled operations

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

2.22 Impairment of assets

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

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

2.23 Provisions and contingencies

A provision is recognised when there is a present obligation as a result of a past event, it

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

2.24 Share issue expenses

Share issue expenses and redemption premium are adjusted against the Securities premium account as permissible under Section 78(2) of the Companies Act, 1956, to the extent balance is available for utilisation in the Securities Premium Account. The balance of share issue expenses is carried as an asset and is amortised over a period of 5 years from the date of the issue of shares.

2.25 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.26 Service tax input credit

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

2.27 Operating Cycle

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

	As at 31.03.2013 (` in million)	As at 31.03.2012 (` in million)
3. SHARE CAPITAL		
A. AUTHORISED 200,000,000 (Previous year 200,000,000) equity shares of ` 10 each with voting rights	2,000.00	2,000.00
B. ISSUED, SUBSCRIBED AND PAID UP 134,024,101 (Previous year 130,489,975) equity shares of ` 10 each fully paid up with voting rights	1,340.24	1,304.90
Less : Amount recoverable from DNL Employee Welfare Trust (1,252,776 number of shares issued to trust @ ` 10 per share)	12.53	-
	1,327.71	1,304.90

Of the above:

- 72,475,520 equity shares of ` 10 each were issued in 2009-10 as bonus shares in the ratio of 4:1 for every one equity share by utilisation of securities premium.
- In 2009-10, the Company issued bonus shares for 39,993,000.001% cumulative convertible preference shares of ` 10 each in the ratio of one share for every ten .001% cumulative convertible preference shares held by its shareholders by utilisation from the securities premium account resulting into total of 43,992,300.001% cumulative convertible preference shares. These shares were subsequently converted into 13,361,361 fully paid up equity shares of ` 10 each in 2009-10.
- 4,019,606 fully paid up equity shares of ` 10 each at premium of ` 185 were issued in 2009-10 against consideration payable towards investments made in subsidiary companies.
- Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31.03.2013		As at 31.03.2012	
	No. of Shares	% Holding	No. of Shares	% Holding
Sameer Manchanda	46,654,550	34.81%	46,654,550	35.75%
Lucid Systems Private Limited	16,000,000	11.94%	16,000,000	12.26%
Total	62,654,550	46.75%	62,654,550	48.01%

- Details of movement in shareholding of the Company is as follows:

Particulars	As at 31.03.2013		As at 31.03.2012	
	No. of Shares	Amount	No. of Shares	Amount
Opening balance	130,489,975	1,304.90	130,489,975	1,304.90
Add : Allotment under ESOP Scheme during the year	3,534,126	35.34	-	-
Closing Balance	134,024,101	1,340.24	130,489,975	1,304.90

	As at 31.03.2013 (` in million)	As at 31.03.2012 (` in million)
4. RESERVES AND SURPLUS		
a. Securities premium account		
i. Opening balance	6,105.32	6,105.32
ii. Add: Premium on shares issued during the year	70.68	-
iii. Less: Amount recoverable from DNL Employee Welfare Trust (1,252,776 number of shares issued to trust @ 20 per share)	25.05	-
iv. Closing balance (A)	6,150.95	6,105.32
b. Share options outstanding account		
i. Employees stock option outstanding	202.86	202.86
ii. Less: Deferred stock compensation expense	-	40.21
iii. Less: Transferred to General reserve	202.86	-
(B)	-	162.65
c. General reserve		
i. Opening balance	4.03	-
ii. Add: Transfer from share options outstanding account	202.86	-
iii. Add: Transfer from Surplus in Consolidated Statement of Profit and Loss	1.80	4.03
iv. Closing balance (C)	208.69	4.03
d. Surplus in Consolidated Statement of Profit and Loss		
i. Opening balance	443.61	308.90
ii. Add: Profit for the year	623.01	142.80
	1,066.62	451.70
iii. Less: Appropriations		
a. Tax on proposed equity dividend by a jointly controlled entity	-	4.06
b. Transfer to General reserve	1.80	4.03
	1.80	8.09
iv. Closing balance (D)	1,064.82	443.61
(A+B+C+D)	7,424.46	6,715.61
Share of jointly controlled entities	376.17	340.53

	As at 31.03.2013 (` in million)	As at 31.03.2012 (` in million)
5. LONG-TERM BORROWINGS		
a. Term loans from banks and financial institution Secured (see footnotes i & ii)	2,373.51	1,892.44
b. Long-term maturities of finance lease obligations (Secured by hypothecation of assets purchase under finance lease agreement and payable in equal monthly installments)	1,622.13	-
c. Loans from related parties		
Unsecured	2.76	7.16
- Vehicle Loans (Secured by hypothecation of vehicles and payable in equal monthly installments)	3.54	2.15
-Unsecured (see footnote iii)	7.67	-
Total	4,009.61	1,901.75
Share of jointly controlled entities	-	-

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

	As at 31.03.2013 (` in million)	As at 31.03.2012 (` in million)
Footnotes		
Secured		
i. Term loan from banks		
This Term loan is secured by first pari passu charge on fixed assets of the Company (existing and proposed) & second pari passu charge on all current assets of the Company. This Term loan has been repaid during the year.		21.59
This Term loan is secured by first pari passu charge on fixed assets of the Company (existing and proposed) & second pari passu charge on all current assets of the Company. The loan is repayable in 5 quarterly installments ending in June-2015. Applicable rate of interest is 14.50%.	137.51	68.38
This Term loan is secured by First pari passu charge on fixed assets of the Company (existing and proposed) & second pari passu charge on all current assets of the Company. This loan is further guaranteed by the Mr. Sameer Manchanda (Chairman & Managing Director of the Company). The loan is repayable in 8 quarterly installments ending in Jan-2016. Applicable rate of interest is 13.00%.	369.75	247.45
This Term loan is secured by First pari passu charge on fixed assets of the Company (existing and proposed) & second pari passu charge on all current assets of the Company. his loan is further guaranteed by the Mr. Sameer Manchanda (Chairman & Managing Director of the Company). The loan is repayable in 13 quarterly installments ending in Apr-2017. Applicable rate of interest is 13.00%.	211.27	555.02
This Term loan is secured by first pari passu charge on fixed assets of the Company (existing and proposed) & second pari passu charge on all current assets of the Company. The loan is repayable in 17 quarterly installments ending in May-2018. Applicable rate of interest is 12.75%.	54.98	-
	773.51	892.44
ii. Term loan from financial institution		
This Term loan is secured by First pari passu charge on fixed assets of the Company (existing and proposed) & first pari passu charge on all current assets of the Company. Pledge of shares held by the Company in its Subsidiaries and Joint Ventures, both present and future. The loan is repayable in 16 quarterly installments ending in Mar-2018. Applicable rate of interest is 12.75% to 12.85%.	1,600.00	1,000.00
	2,373.51	1,892.44
Unsecured		
iii. Long-term maturities of other loans		
This unsecured loan is payable in 44 monthly installments ending in Nov-2017.	7.67	-
	7.67	-

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

	As at 31.03.2013 (` in million)	As at 31.03.2012 (` in million)
6. OTHER LONG TERM LIABILITIES		
a. Security deposits received	8.06	4.33
b. Others	13.16	10.74
	21.22	15.07
Share of jointly controlled entities	0.10	0.13
7. LONG-TERM PROVISIONS		
a. Provision for Employee benefits		
i. Gratuity [see note 36 (B) (I)]	50.15	33.87
ii. Leave Encashment	20.17	18.53
	70.32	52.40
Share of jointly controlled entities	1.09	0.36

	As at 31.03.2013 (` in million)	As at 31.03.2012 (` in million)
8. SHORT-TERM BORROWINGS		
a. Loans repayable on demand from banks Secured*	349.48	188.44
b. Buyers credit on imports Secured**	1,730.48	-
c. Loans from related parties Unsecured	172.39	0.41
d. Other Loans Unsecured	21.34	4.18
	2,273.69	193.03
Share of jointly controlled entities	-	-
* Secured by first pari passu charge on current and future book debts of the Company & second pari passu charge on all fixed assets of the Company.		
** i. Under arrangement from a bank and is secured by first pari passu charge on fixed assets of the Company (existing and proposed) & second pari passu charge on all current assets of the Company.	599.40	-
ii. Under arrangement from a bank and is secured by first pari passu charge on fixed assets of the Company (existing and proposed) & second pari passu charge on all current assets of the Company and is further guaranteed by Mr. Sameer Manchanda (Chairman and Managing Director of the Company).	980.31	-
iii. Under arrangement from a bank and is secured by first pari passu charge on fixed assets of the Company (existing and proposed) & against personal guarantee of directors of the subsidiary company.	150.77	-
	1,730.48	-
9. TRADE PAYABLES	3,492.50	2,709.17
Share of jointly controlled entities	1,691.15	1,478.75
10. OTHER CURRENT LIABILITIES		
a. Current maturities of secured term loans*	832.36	472.34
b. Current maturities of finance lease obligations*	352.30	-
c. Current maturities of other secured loans*	4.17	3.41
d. Current maturities of other unsecured loans	2.59	11.48
e. Balance consideration payable on investments	47.41	26.85
f. Interest accrued and not due on borrowings	45.63	9.69
g. Advance billings	161.87	156.01
h. Application money received for allotment of securities in excess of authorised share capital	30.80	-
i. Other payables		
i. Statutory remittances	420.71	255.67
ii. Payables on purchase of fixed assets	571.70	210.00
iii. Security deposits received	19.59	9.58
iv. Book Overdraft	381.76	303.14
v. Advances from customers	266.98	181.22
vi. Others	0.82	-
	3,138.69	1,639.39
* Refer note 5 (Long-term borrowings) for details of security and guarantee		
Share of jointly controlled entities	179.96	236.94
11. SHORT-TERM PROVISIONS		
a. Provision for Employee benefits		
i. Gratuity [see note 36 (B) (I)]	5.70	1.48
ii. Leave Encashment	6.08	2.08
	11.78	3.56
b. Provision - others		
i. Provision for Wealth Tax [net of advance tax of ` 0.43 millions (Previous year ` 0.33 millions)]	0.14	0.08
ii. Provision for tax on proposed equity dividend	-	4.06
	0.14	4.14
	11.92	7.70
Share of jointly controlled entities	7.50	6.35

12. FIXED ASSETS (at Cost)*

Particulars	GROSS BLOCK		DEPRECIATION/AMORTISATION		NET BLOCK		
	As at 1 April, 2012	Additions	Deletion/ Adjustments	As at 31 March, 2013	As at 1 April, 2012	As at 31 March, 2013	As at 31 March, 2012
A. Tangible assets							
a. Buildings	30.83 (31.34)	3.29	- (0.51)	34.12 (30.83)	0.57 (0.43)	0.72 (0.57)	30.26 (30.91)
b. Leasehold improvements	104.91 (106.25)	3.20 (9.78)	5.27 (11.12)	102.84 (104.91)	93.45 (96.45)	94.13 (93.45)	11.46 (9.80)
c. Plant and machinery							
i. Headend and distribution equipment	1,869.88 (1,537.10)	738.87 (350.18)	50.48 (17.40)	2,558.27 (1,869.88)	595.90 (383.90)	834.28 (595.90)	1,273.98 (1,153.20)
- owned							
- taken under finance lease (see note 33)	- (-)	51.37 (-)	- (-)	51.37 (-)	- (-)	2.06 (-)	- (-)
ii. Settop boxes							
- owned	1,484.51 (911.20)	3,015.35 (573.31)	227.74	4,272.12 (1,484.51)	321.37 (179.16)	627.15 (321.37)	1,163.14 (732.04)
- taken under finance lease (see note 33)	- (-)	1,858.96 (-)	70.10 (-)	1,788.86 (-)	- (-)	30.91 (-)	- (-)
iii. Computers	52.67 (52.45)	17.95 (6.21)	0.87 (5.99)	69.75 (52.67)	26.76 (20.86)	36.99 (26.76)	25.91 (31.59)
iv. Office & other equipment	52.84 (113.49)	11.31 (7.95)	0.67 (68.60)	63.48 (52.84)	27.22 (23.73)	34.24 (27.22)	25.62 (89.76)
d. Furniture and fixtures	32.68 (30.48)	9.31 (2.81)	0.42 (0.61)	41.57 (32.68)	15.72 (10.80)	22.98 (15.72)	16.96 (19.68)
e. Vehicles	31.83 (28.85)	12.70 (3.62)	1.61 (0.64)	42.92 (31.83)	13.18 (8.24)	18.44 (13.18)	18.65 (20.61)
Total (A)	3,660.15	5,722.31	357.16	9,025.30	1,094.17	1,701.90	2,565.98
Previous year (B)	(2,811.16)	(953.86)	(104.87)	(3,660.15)	(723.57)	(1,094.17)	(2,087.59)
B. Intangible assets							
a. Goodwill	36.49 (25.28)	19.67 (11.21)	- -	56.16 (36.49)	20.68 (13.47)	24.32 (20.68)	15.81 (11.81)
b. Distribution network rights	570.71 (497.92)	25.98 (72.79)	- -	596.69 (570.71)	331.71 (195.83)	458.89 (331.71)	239.00 (302.09)
c. Software	21.97 (17.21)	6.87 (4.76)	- -	28.84 (21.97)	10.96 (6.97)	16.91 (10.96)	11.01 (10.24)
d. License fee for internet service	2.01 (2.06)	- -	- (0.05)	2.01 (2.01)	1.01 (0.92)	1.10 (1.01)	1.00 (1.14)
e. Non Compete Fees	2.00 (2.00)	- -	- -	2.00 (2.00)	1.43 (1.03)	1.70 (1.43)	0.57 (0.97)
Total (C)	633.18	52.52	-	685.70	365.79	502.92	267.39
Previous year (D)	(544.47)	(88.76)	(0.05)	(633.18)	(218.22)	(365.79)	(326.25)
Grand Total (A+C)	4,293.33	5,774.83	357.16	9,711.00	1,459.96	2,204.82	2,833.37
Previous year (B+D)	(3,355.63)	(1,042.62)	(104.92)	(4,293.33)	(941.79)	(1,459.96)	(2,413.84)
Share of jointly controlled entities	11.40 (14.78)	2.22 (8.81)	0.47 (12.18)	13.15 (11.41)	2.01 (6.97)	6.50 (2.02)	9.39 (7.81)

* Figures in bracket relates to previous year

	As at 31.03.2013 (` in million)	As at 31.03.2012 (` in million)
13. NON-CURRENT INVESTMENTS (at cost)		
A. Trade and unquoted - long term in equity shares - at cost of subsidiary		
45,900 (Previous year 45,900) equity shares of `10 each, fully paid up in Shri Ram DEN Network Pvt.	31.20	-
Less: Provision for diminution in value of Shri Ram DEN Network Pvt.	(31.20)	-
	(A) -	-
B. Other non-current investments	0.01	0.02
	(B) 0.01	0.02
	(A+B) 0.01	0.02
Share of jointly controlled entities	-	-
14. LONG-TERM LOANS AND ADVANCES (Unsecured)		
a. Capital advances		
i. Considered good	35.92	42.05
ii. Considered doubtful	-	0.10
	35.92	42.15
Less: Provision for doubtful advances	-	0.10
	35.92	42.05
b. Advance for investments		
i. Considered good	440.73	637.46
ii. Considered doubtful	54.16	35.67
	494.89	673.13
Less: Provision for doubtful advances	54.16	35.67
	440.73	637.46
c. Security deposits (Considered good)	86.85	69.34
d. Loans and advances to employees (Considered good)	1.27	3.27
e. Prepaid expenses (Considered good)	31.46	-
f. Advance tax (Considered good) [including tax deducted at source `888.84 million (Previous year `449.23 million) (Net of Provision `745.57 million (Previous year `685.98 million)]	975.09	583.12
g. MAT credit entitlement (Considered good)	58.88	38.67
h. Other loans and advances		
i. Considered good	27.70	-
ii. Considered doubtful	0.57	0.48
	28.27	0.48
Less: Provision for doubtful advances	0.57	-
	27.70	0.48
	1,657.90	1,373.91
Share of jointly controlled entities	554.65	299.93
15. OTHER NON-CURRENT ASSETS		
a. Deposits with banks with more than 12 months maturity*	275.85	102.77
b. Receivables on sale under finance lease (see note 34)	152.46	-
c. Others	1.00	-
	429.31	102.77
Share of jointly controlled entities	-	-
* i. Under lien as securities with :		
- Financial Institutions as Debt Service Reserve Account ` Nil (Previous year `97.46 million)		
- Tax authorities for statutory registrations - Nil (Previous year `0.08 million)		
ii. Under lien as margin money with bank for letters of credit `275.85 million (Previous year Nil)		

	As at 31.03.2013 (` in million)	As at 31.03.2012 (` in million)
16. CURRENT INVESTMENTS		
a. Unquoted - Current investments in units of mutual funds (at lower of cost or fair value) (other than trade)**		
1. Nil (Previous year 576,675) units of ` 13.01 each in Kotak Flexi Debt Scheme Institutional Growth	-	7.50
2. Nil (Previous year 7,362,421) units of ` 14.25 in DWS Cash opportunities Fund - Regular Plan Growth (Previous year 7,362,421) units of ` 14.25 in DWS Cash opportunities Fund - Regular Plan Growth	-	104.90
3. Nil (Previous year 18,974) units of ` 1,096.59 each in Pramerica Short Term Income Fund-Growth Option (Previous year 18,974) units of ` 1,096.59 each in Pramerica Short Term Income Fund-Growth Option	-	20.80
4. Nil (Previous year 3,103,154) units of ` 16.14 each in Reliance Liquidity Fund Growth Option	-	50.09
5. 2,163,179 (Previous year 2,307,626) units of ` 19.37 in Birla Sun Life Dynamic Bond Fund Retail Growth	41.89	40.00
6. 344,369 (Previous year Nil) units of ` 29.04 in SBI Magnum Income Fund	10.00	-
7. 953,865 (Previous year Nil) units of ` 52.42 in Birla Sun Life Income Plus Growth Regular Plan	50.00	-
8. 652,392 (Previous year Nil) units of ` 187.70 in Birla Sunlife Cash Plus Growth Regular Plan	122.45	-
9. 720,538 (Previous year Nil) units of ` 139.15 in Birla Sun life Floating rate fund Long term Growth Regular Plan	100.26	-
10. 4,982,809 (Previous year Nil) units of ` 10.03 in DWS Banking & PSU Debt Fund Growth	50.00	-
11. 17,963 (Previous year Nil) units of ` 1,113.37 in Pramerica Dynamic Bond Fund Growth Option	20.00	-
12. 288,204 (Previous year Nil) units of ` 1,409.43 in IDFC Cash Fund Growth*	406.20	-
13. 2,140,778 (Previous year Nil) units of ` 14.01 in IDFC Dynamic Bond Fund Plan Growth	30.00	-
14. 1,059,722 (Previous year Nil) units of ` 28.31 in IDFC Super Saver Income Fund Investement Plan Growth Regular Plan	30.00	-
15. 1,019,987 (Previous year Nil) units of ` 19.61 in IDFC Super Saver Income Fund Medium Term Plan Growth Regular Plan	20.00	-
16. 163,563 (Previous year Nil) units of ` 16.28 in IDFC Ultra Short term Growth Regular Plan	100.32	-
17. 12,620 (Previous year Nil) units of ` 1,676.98 in DSP Black Rock liquidity Fund Institutional Plan Growth	21.16	-
18. 14,986 (Previous year Nil) units of ` 1,919.99 in Kotak Floater Short term Growth	28.77	-
19. 1,991,133 (Previous year Nil) units of ` 15.26 in Reliance Dynamic Bond Fund Growth Plan Growth Option	30.39	-
20. 776,591 (Previous year Nil) units of ` 38.63 in Reliance Income Fund Growth Plan Growth Option	30.00	-
21. 89,161 (Previous year Nil) units of ` 1,601.55 in Reliance Money Manager fund Growth Option	142.80	-
22. 2,542,351 (Previous year Nil) units of ` 11.80 in ICICI Prudential Ultra Short Term Regular Plan Growth	30.00	-
23. 3,742,935 (Previous year Nil) units of ` 13.36 in BNP Paribas Money Plus Fund Growth	50.00	-
Aggregate of unquoted - current investment in units of mutual funds	(A) 1,314.24	223.29
b. Other investments	(B) 0.07	0.04
	(A+B) 1,314.31	223.33
Share of jointly controlled entities	-	-
* 232,437 units are under lien with IDFC		
** Having total NAV of ` 1,323.31 million (Previous year ` 225.25 million)		

	As at 31.03.2013 (` in million)	As at 31.03.2012 (` in million)
17. TRADE RECEIVABLES (Unsecured)		
a. Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
i. Considered good	868.60	1,107.57
ii. Considered doubtful	327.70	258.94
	1,196.30	1,366.51
Less: Provision for doubtful debts	327.70	258.94
	868.60	1,107.57
b. Others		
i. Considered good	2,387.55	1,711.88
ii. Considered doubtful	26.80	15.88
	2,414.35	1,727.76
Less: Provision for doubtful debts	26.80	15.88
	2,387.55	1,711.88
	3,256.15	2,819.45
Share of jointly controlled entities	704.63	699.54
18. CASH AND BANK BALANCES		
A Cash and cash equivalents		
a. Cash on hand	167.25	52.06
b. Cheques on hand	472.39	262.05
c. Balance with scheduled banks		
i. in current accounts	1,810.03	1,269.55
ii. in deposit accounts		
- original maturity of 3 months or less	153.00	1,392.45
	2,602.67	2,976.11
B. Other bank balances		
i. in deposit accounts		
- original maturity more than 3 months (see footnote 1)	530.29	30.18
- original maturity of 3 months or less (see footnote 2)	230.85	-
	761.14	30.18
	3,363.81	3,006.29
Share of jointly controlled entities	756.34	718.64
Footnotes		
1. a. Pledged as securities with:		
- Tax authorities for statutory registrations - ` 0.15 million (Previous year ` 0.14 million)		
- Bank to issue performance guarantee to Bombay Stock Exchange ` Nil (Previous year ` 22.83 million)		
- Financial Institution to secure term loan to a subsidiary ` 50.00 million (Previous year Nil)		
b. Deposit accounts include fixed deposits having original maturity more than 12 months - ` 129.29 million (Previous year Nil)		
c. ` 290.55 million (Previous year ` 33.21 million) under lien as margin money with bank for letters of credit/ bank guarantees.		
2. a. Under lien as securities with:		
- Tax authorities for statutory registrations - ` 0.08 million (Previous year Nil)		
- Financial Institutions as Debt Service Reserve Account ` 30.96 million (Previous year Nil)		
b. ` 199.81 million (Previous year Nil) under lien as margin money with bank for letters of credit/ bank guarantees.		

	As at 31.03.2013 (` in million)		As at 31.03.2012 (` in million)	
19. SHORT-TERM LOANS AND ADVANCES (Unsecured)				
a. Loans and advances to related parties	24.80		22.50	
Considered good				
Doubtful	2.50		-	
	27.30		22.50	
Less: Provision for doubtful loans and advances	2.50	24.80	-	22.50
b. Security deposits (Considered good)		12.45		30.29
c. Loans to employees (Considered good)		6.47		31.06
d. Prepaid expenses (Considered good)		63.46		59.36
e. Balances with government authorities				
i. CENVAT credit receivable (Considered good)	365.19		83.00	
ii. VAT credit receivable (Considered good)	54.51		8.52	
iii. Service Tax credit receivable				
- Considered good	238.89		188.68	
- Considered doubtful	19.66		-	
	258.55		188.68	
Less : Provision for doubtful other loans and advances	19.66		-	
	238.89		188.68	
iv. Others (Considered good)	1.86	660.45	13.34	293.54
f. Other loans and advances (Considered good)		124.75		201.33
		892.38		638.08
Share of jointly controlled entities		62.46		76.43
20. OTHER CURRENT ASSETS (Unsecured, Considered good)				
a. Unbilled revenue		325.37		242.62
b. Interest accrued but not due on fixed deposits		26.21		30.47
c. Interest accrued and due on others		12.01		18.75
d. Others				
i. Receivable on sale of fixed assets		1.95		28.43
ii. Receivable on sale under finance lease (see note 34)		77.27		-
iii. Insurance claim		-		0.05
iv. Others		24.25		6.82
		467.06		327.14
Share of jointly controlled entities		121.22		169.05

	Year ended 31.03.2013 (` in million)		Year ended 31.03.2012 (` in million)	
21. REVENUE FROM OPERATIONS				
a. Operating revenue	8,793.18		11,233.77	
b. Other operating revenue				
i. Sale of equipment	171.38		33.43	
ii. Commission income	0.61		27.99	
	171.99		61.42	
	8,965.17		11,295.19	
Share of jointly controlled entities	406.33		4,733.18	

	Year ended 31.03.2013 (` in million)	Year ended 31.03.2012 (` in million)
22. OTHER INCOME		
a. Interest income		
i. on fixed deposits [including tax deducted at source ` 9.19 million (Previous year ` 7.61 million)]	130.72	92.18
ii. on loans to others [including tax deducted at source ` 0.24 million (Previous year ` 0.04 million)]	10.35	32.42
iii. On sale of assets under finance lease [including tax deducted at source ` 0.15 Million (Previous year ` Nil)]	2.99	-
iv. on income tax refund	21.18	3.01
c. Gain on sale of current investments (other than trade & unquoted)	35.87	21.26
a. Dividend income from current investments	4.89	-
d. Net Gain on foreign currency transactions & translation	29.72	-
e. Other non-operating income		
i. Profit on sale of fixed assets	7.98	2.61
ii. Liabilities/ Excess provisions written back	90.98	44.39
iii. Miscellaneous income	46.59	74.89
	381.27	270.76
Share of jointly controlled entities	91.44	35.33
23. OPERATIONAL, ADMINISTRATIVE AND OTHER COSTS		
a. Content cost	2,987.96	6,618.04
b. Placement fees	425.88	787.91
c. Cost of traded items	157.71	29.05
d. Distributor commission/ incentive	127.17	135.69
e. Rent and hire charges (see note 32)	184.30	143.29
f. Repairs and maintenance		
i. Plant and machinery	251.59	328.00
ii. Others	201.32	89.43
g. Power and fuel	117.42	89.84
h. Director's sitting fees	0.36	0.38
i. Consultancy, professional and legal charges*	260.84	328.83
j. Brokerage/ commission	91.62	49.56
k. Contract service charges	56.65	3.36
l. Printing and stationery	16.97	9.38
m. Travelling and conveyance	158.57	127.27
n. Advertisement, publicity and business promotion	124.44	247.38
o. Communication expenses	63.89	45.71
p. Leaseline expenses	185.09	169.47
q. Security charges	19.04	14.70
r. Freight and labour charges	15.19	2.87
s. Insurance	8.78	10.67
t. Rates and taxes	66.44	22.43
u. Provision for doubtful debts/ advances	193.52	147.79
v. Bad debts/ advances written off	159.66	71.59
w. Provision for impairment of investment	31.20	0.20
x. Fixed assets/ capital work in progress written off	46.20	2.30
y. Net loss on foreign currency transactions and translation	-	2.60
z. Miscellaneous expenses	50.68	63.55
	6,002.49	9,541.29
Share of jointly controlled entities	227.67	4,534.18
* Consultancy, professional and legal charges includes Auditor's remuneration as under :		
Statutory audit fees	8.05	6.75
Others	0.08	0.61
	8.13	7.36

	Year ended 31.03.2013 (` in million)	Year ended 31.03.2012 (` in million)
24. EMPLOYEE BENEFIT EXPENSE		
a. Salaries and allowances	859.98	702.64
b. Contribution to provident and other funds	32.19	29.92
c. Gratuity expense [see note 36 (B) (ii)]	21.18	11.19
d. Expense on employee stock option (ESOP) scheme [see note 38]	40.21	160.71
e. Staff welfare expenses	34.70	27.03
	988.26	931.49
Share of jointly controlled entities	160.31	155.36
25. FINANCE COSTS		
a. Interest on loans from banks	426.63	250.29
b. Bank charges and other borrowing costs	44.25	18.95
	470.88	269.24
Share of jointly controlled entities	0.05	0.04

26. Share application money pending allotment

As at 31 March, 2013, some subsidiary companies have received an amount of ` 57.28 million (Previous year ` 32.50 million) as share application money towards issue of 919,649 equity shares at a premium of ` 39.13 million. The share application money was received pursuant to an invitation to offer shares and in terms of such invitation, these companies have to complete the allotment of these applications by 30 September, 2013. These companies have sufficient authorised capital to cover the allotment of these shares. Estimated amount of unexecuted capital contracts not provided for (net of advances) ` 278.21 million [Previous year ` 541.79 million].

(` in million)

Particulars	As at 31.03.2013	As at 31.03.2012
27. Preference shares issued by a subsidiary outside the group	25.00	25.00
2,500,000 .001% non cumulative 10 years redeemable preference shares (issued on March 30, 2008) of ` 10 each fully paid up issued by Den Entertainment Network Private Limited		

28. Capital commitments and contingent liabilities

a. Capital commitments

Estimated amount of unexecuted capital contracts not provided for (net of advances) ` 3,116.61 million [Previous year ` 278.48 million].

b. Other commitments

The Company has also given advance of ` 494.88 million [Previous year ` 598.21 million] to acquire majority control in companies, the agreements for which have not been concluded prior to the year-end. These have been disclosed under long-term loans and advances. Balance commitments on account of such agreements concluded/to be concluded after the year-end amount to ` 74.96 million [Previous year ` 133.51 million].

(` in million)

Particulars	As at 31.03.2013	As at 31.03.2012
c. Contingent liabilities		
1) Claims against the Company not acknowledged as debts		
a. Income Tax disputes where the Company is in appeal	16.12	10.21
b. Service Tax disputes	106.63	1.12
c. Entertainment Tax disputes	54.93	5.43
d. VAT disputes	51.03	-
	228.71	16.76
2) Bank Guarantee issued	22.10	44.90
3) Corporate guarantee issued by the Company	250.00	250.00
4) Outstanding letter of credits	401.88	370.83
Total	902.69	682.49

29. Segment reporting

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

30. Related Party Disclosures

I. List of related parties

- a. Jointly controlled entities
 1. Star Den Media Services Pvt. Ltd.
 2. Media Pro Enterprise India Pvt. Ltd.
- b. Entities under significant influence
 1. Setpro 18 Distribution Limited
- c. Key managerial personnel
 1. Mr. Sameer Manchanda

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

(Figures in bracket relates to previous year)

(` in milliommn)

Particulars	Key management personnel	Entities under significant influence	Jointly controlled entity	Grand total
a. Transactions during the year				
i. Operating revenue				
Setpro 18 Distribution Limited	-	92.20	-	92.20
	(-)	(354.48)	(-)	(354.48)
Others	-	-	4.77	4.77
	(-)	(-)	(305.34)	(305.34)
Total	-	92.20	4.77	96.97
	(-)	(354.48)	(305.34)	(659.82)
ii. Other income				
a. Dividend income				
Star Den Media Services Pvt. Ltd.	-	-	12.50	12.50
	(-)	(-)	(-)	(-)
	-	-	12.50	12.50
iii. Purchase of services				
Media Pro Enterprise India Pvt. Ltd.	-	-	67.34	67.34
	(-)	(-)	(667.07)	(667.07)
Sameer Manchanda	20.32	-	-	20.32
	(18.00)	(-)	(-)	(18.00)
Others	-	-	0.08	0.08
	(-)	(-)	(76.27)	(76.27)
Total	20.32	-	67.42	87.74
	(18.00)	(-)	(743.34)	(761.34)
iv. Reimbursement of expenses (received)				
Sameer Manchanda	0.38	-	-	0.38
	(0.36)	(-)	(-)	(0.36)
	0.38	-	-	0.38
	(0.36)	(-)	(-)	(0.36)
b. Outstanding balances at year end				
i. Trade payables				
Media Pro Enterprise India Pvt. Ltd.	-	-	55.19	55.19
	(-)	(-)	(62.26)	(62.26)

Particulars	Key management personnel	Entities under significant influence	Jointly controlled entity	Grand total
Others	-	-	2.83	2.83
	(-)	(-)	(15.00)	(15.00)
Total	-	-	58.02	58.02
ii. Advance billing	(-)	(-)	(77.26)	(77.26)
Setpro 18 Distribution Limited	-	-	-	-
	(-)	(25.16)	(-)	(25.16)
	-	-	-	-
iii. Security deposits paid	(-)	(25.16)	(-)	(25.16)
Media Pro Enterprise India Pvt. Ltd.	-	-	0.72	0.72
	(-)	(-)	(1.28)	(1.28)
Others	-	-	0.03	0.03
	(-)	(-)	(0.02)	(0.02)
Total	-	-	0.75	0.75
iv. Trade Receivables	(-)	(-)	(1.30)	(1.30)
Star Den Media Services Pvt. Ltd.	-	-	4.62	4.62
	(-)	(-)	(29.89)	(29.89)
Setpro 18 Distribution Limited	-	30.43	-	30.43
	(-)	(121.52)	(-)	(121.52)
Others	-	-	0.16	0.16
	(-)	(-)	(-)	(-)
Total	-	30.43	4.78	35.21
v. Advance recoverable	(-)	(121.52)	(29.89)	(151.41)
Media Pro Enterprise India Pvt. Ltd.	-	-	0.57	0.57
	(-)	(-)	(5.60)	(5.60)
Star Den Media Services Pvt. Ltd.	-	-	0.50	0.50
	(-)	(-)	(-)	(-)
Others	-	-	-	-
	(0.07)	(-)	(-)	(0.07)
Total	-	-	1.07	1.07
vi. Unbilled revenue	(0.07)	(-)	(5.60)	(5.67)
Others	-	-	-	-
	(-)	(1.88)	(8.63)	(10.51)
	-	-	-	-
	(-)	(1.88)	(8.63)	(10.51)

vii. Guarantee given by the Company for a term loan taken from bank by a subsidiary Company outstanding as at the end of the year amounting to ₹ 250.00 million [Previous year ₹ 250.00 million].

viii. Term loan of ₹ 814.77 million (Previous year ₹ 1,097.47 million) taken from a bank is guaranteed by Mr. Sameer Manchanda, Chairman and Managing Director of the Company.

31. Deferred tax

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

(` in million)

Particulars	Opening balance 01.04.2012	Credited/ (charged) to P&L account	Closing balance 31.03.2013
Deferred tax liability			
Depreciation	(26.41)	(78.09)	(104.50)
Others	(0.27)	(25.15)	(25.42)
Total	(26.68)	(103.24)	(129.92)
Deferred tax assets			
Employee benefits	0.23	17.79	18.02
Provision for doubtful debts	0.15	63.95	64.10
Business losses	0.08	(0.08)	-
Others	0.04	(0.01)	0.03
Total	0.50	81.65	82.15
Deferred tax liability (Net)	(26.18)	(21.59)	(47.77)
c. Break up of deferred tax assets and reconciliation of current year's deferred tax charge is as follows:*			
Deferred tax liability			
Depreciation	(1.62)	1.62	-
Others	(0.20)	(0.58)	(0.78)
Total	(1.82)	1.04	(0.78)
Deferred tax assets			
Depreciation	-	40.68	40.68
Employee benefits	16.47	(10.08)	6.39
Provision for doubtful debts	71.53	(9.52)	62.01
Business losses	75.80	95.56	171.36
Others	65.96	(38.34)	27.62
Total	229.76	78.30	308.06
Deferred tax asset (Net)	227.94	79.34	307.28
*Share of Jointly controlled entities	115.08	(40.06)	75.02

32. Operating Lease

The Company has taken office premises and accommodation for its employee under cancellable operating lease agreements. The lease rental expense recognised in the profit and loss account for the year is ` 184.30 million [Previous year ` 143.29 million].

33. Finance lease as lessee

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

Reconciliation of minimum lease payments

(` in million)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Future minimum lease payments		
• Not later than one year	507.79	-
• Later than one year and not later than five years	1,897.99	-
	2,405.78	-
Less : Unmatured finance charges	431.31	-
	1,974.47	-
Present value of minimum lease payments payable		
• Not later than one year	352.32	-
• Later than one year and not later than five years	1,622.15	-
	1,974.47	-

34. Finance lease as lessor

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

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

(` in million)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Future minimum lease payments		
• Not later than one year	102.37	-
• Later than one year and not later than five years	182.32	-
	284.69	-
Less : Unearned finance income	54.96	-
	229.73	-
Present value of minimum lease payments receivable		
• Not later than one year	77.27	-
• Later than one year and not later than five years	152.46	-
	229.73	-

35. Acquisitions/investments

a. Acquisition of companies

During the year, the Group has acquired majority control in certain companies through share subscription and share purchase agreements for a total consideration of ` 443.57 million [Previous year ` 536.94 million]. The acquisition has resulted in goodwill on consolidation amounting to ` 17.36 million [Previous year ` 214.43 million]. The details are as follows:

(` in million)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Opening Balance of Goodwill	2,931.58	2,717.15
Amounts paid	443.57	536.82
Direct cost relating to acquisition	0.10	0.13
Total purchase consideration paid	443.67	536.95
Value of net asset acquired	(426.31)	(322.52)
Goodwill generated	17.36	214.43
Add : Adjustment for a subsidiary not consolidated	31.20	
Less : Provision for impairment on goodwill	26.70	-
Closing Balance of Goodwill	2,953.44	2,931.58

Balance consideration payable on account of investments at the year-end amounting to ` 47.41 million [Previous year ` 26.85 million] has been disclosed under Other long term liabilities and Other current liabilities.

b. Business purchase acquisition

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

(` in million)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Assets as at the date of acquisition		
Non-current assets	45.14	59.77
Revenue for the period	62.86	74.69
Expenses for the period	57.27	78.23
Profit before tax for the period	5.59	(3.54)
Profit after tax for the period	3.98	(3.38)

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

A. Defined contribution plans and state plans

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

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

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

(` in million)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
a. Employer's contribution to EPF	26.73	24.18
b. Employer's contribution to ESI	3.05	3.42

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

B. Defined benefit plan

Gratuity plan

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

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

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

(` in million)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
i. Change in benefit obligations:		
Present value of obligations* at the beginning of the year	35.35	28.98
Current service cost	15.20	11.57
Interest cost	3.08	1.00
Past Service Cost	-	-
Actuarial (gain)/loss on obligation	2.15	(1.38)
Benefits paid	0.07	(4.82)
Present value of obligations* at the year end	55.85	35.35
<i>*Defined benefit obligations liability as at the balance sheet date is unfunded.</i>		
ii. Expenses recognised in the profit and loss account:		
Current Service cost	15.20	11.57
Interest cost	3.08	1.00
Past Service Cost	-	-
Actuarial (gain)/loss recognised during the year	2.15	(1.38)
Other adjustments	0.75	-
Net cost	21.18	11.19

iii. Principal actuarial assumptions:

Particulars	Refer note below	Year ended 31.03.2013	Year ended 31.03.2012
(A) Economic assumptions			
a. Discount rate (per annum)	1	8.00 - 8.75%	8.00 - 8.75%
b. Estimated salary escalation rate (per annum)	2	5.00 - 10.00%	5.00 - 10.00%
(B) Demographic Assumptions			
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:

(₹ in million)

Particulars	Year ended 1.03.2013	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009
On plan liabilities	0.74	1.57	1.26	0.54	0.01
On plan assets	(0.01)	0.01	0.06	0.07	-
Present value of benefit obligation	30.95	20.07	18.28	11.84	6.37

Notes:

- 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.
- The salary growth rate takes account of inflation, seniority, promotion and other relevant factors on a long term basis.

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

Particulars	Year ended 31.03.2013 (₹ in million)		Year ended 31.03.2012 (₹ in million)	
	In INR	In USD	In INR	In USD
Payables on purchase of fixed assets	545.56	10.03	170.72	3.34
Buyer's credit on imports	1,730.48	31.82	-	-
Receivables	-	-	0.13	-

38. Employee Stock Option Plan 2010 ("ESOP 2010")

- 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. During the financial year 2012-13, Nil (Previous year 1,465,874) options have been surrendered by eligible employees & directors of the subsidiary companies.
- 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. All ESOP options have been vested upto 31st March 2013.
- The movement in the scheme is set out as under:

Particulars	ESOP 2010 31.03.2013 (₹ in million)		ESOP 2010 31.03.2012 (₹ in million)	
	Option (Numbers)	Weighted Average Price (₹)	Option (Numbers)	Weighted Average Price (₹)
a. Outstanding at the beginning of the year	3,534,126	30.00	5,000,000	30.00
b. Granted during the year	-	-	-	-
c. Exercised during the year	2,281,350	30.00	-	-
d. Vested during the year	1,300,313	30.00	3,534,126	-
e. Surrendered/ forfeited during the year	-	-	1,465,874	-
f. Expired during the year	-	-	-	30.00
g. Outstanding at the end of the year	1,252,776	30.00	3,534,126	30.00
h. Exercisable at the end of the year	1,252,776	30.00	2,233,813	30.00
i. Number of equity shares of Rs. 10 each fully paid up during the year to be issued on exercise of option	1,252,776	30.00	3,534,126	30.00
j. Weighted average share price at the date of exercise (₹)	156.29	NA	NA	NA
k. Weighted average remaining contractual life (years)	0.30	NA	1.46	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:

Particulars	Year ended 31.03.2013 (` in million)	Year ended 31.03.2012 (` in million)
Net Profit/(Loss) as reported (a)	449.62	78.67
Add: Stock based employee compensation expense debited to Profit and Loss account (I)	40.21	160.71
Less: Stock based employee compensation expense based on fair value (ii)	18.80	1.45
Difference between (i) and (ii)	21.41	159.26
Adjusted pro forma Profit/(Loss) (b)	471.03	237.93
Difference between (a) and (b)	21.41	159.26
Basic earnings per share as reported	3.38	0.60
Pro forma basic earnings per share	3.54	1.82
Diluted earnings per share as reported	3.38	0.59
Pro forma diluted earnings per share	3.54	1.78

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

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

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

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

Particulars	Year ended 31.03.2013 (` in million)	Year ended 31.03.2012 (` in million)
Total options granted	3,534,126	3,534,126
Weighted average exercise price (in `)	30.00	30.00
Weighted average fair value (in `)	62.74	62.74

39. Minority interest

The break-up of the minority interest balance of ` 910.11 million (Previous Year ` 616.00 million) as at 31 March, 2013 is as follows:

Particulars	Year ended 31.03.2013 (` in million)	Year ended 31.03.2012 (` in million)
Opening balance	616.00	365.03
Add/(less): Minority's share of accumulated profit/(loss)	139.69	205.62
Add/(less): Share in profit/loss	156.34	45.35
Add/(less): Adjustment for Shri Ram Den Network Private Limited	(1.92)	-
Closing balance	910.11	616.00

40. Earnings per equity share (EPS)*

(` in million)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
a. Net Profit / (loss) attributable to equity shareholders	623.00	142.80
b. Weighted average number of equity shares outstanding used in computation of basic EPS	133,104,166	130,489,975
c. Basic Earnings/ (Loss) per equity share of ` 10 each (in `)	4.68	1.09
d. Weighted average number of equity shares and equity equivalent shares outstanding used in computing diluted EPS	133,104,166	134,024,101
e. Diluted Earnings/ (Loss) per equity share of ` 10 each (in `)	4.68	1.07

* There are no potential equity shares as at 31 March, 2013

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

The amount received from Initial Public Offer (IPO) ` 3,644.56 million has been utilised as per objects as stated in the Prospectus dated November 5, 2009 as under :

(` in million)

Particulars	Projected	Actual
Utilisation of funds upto March 31, 2013		
a. Investment in the development of cable television infrastructure & services*	2,389.00	2,389.00
b. Investment in the development of cable broadband infrastructure & services*	10.00	10.00
c. Investment in acquisition of content and broadcasting rights*	51.00	51.00
d. Repayment of loans	400.00	400.00
e. Fund expenditure for general corporate purposes	525.81	525.81
f. Share Issue Expenses	268.75	268.75
	3,644.56	3,644.56

* As per change in IPO Utilization vide share holder approval dated 28 February, 2013

42. Interest in Jointly Controlled entity:

The Company has 50% interest in the assets, liabilities, expense and income of Star Den Media Services Private Limited (Star Den). The Company's share in assets, liabilities, income and expense of the jointly controlled entity, based on the audited financial statements for the year ended 31st March, 2013 is as follows:-

(` in million)

Particulars	As at 31.03.2013	As at 31.03.2012
ASSETS		
1 NON-CURRENT ASSETS		
- Fixed assets	0.90	1.27
- Deferred tax assets (net)	45.90	82.32
- Long-term loans and advances	259.67	242.34
2 CURRENT ASSETS		
- Trade receivables	16.00	203.82
- Cash and bank balances	127.12	92.00
- Short-term loans and advances	34.92	59.12
- Other current assets	3.03	19.50
LIABILITIES		
3 NON-CURRENT LIABILITIES		
- Long-term provisions	0.54	0.36
4 CURRENT LIABILITIES		
- Trade payables	68.06	204.15
- Other current liabilities	51.94	142.46
- Short-term provisions	1.53	5.18
5 SHAREHOLDERS' FUNDS		
- Post-acquisition reserves	352.97	336.61

(` in million)

Particulars	As at 31.03.2013	As at 31.03.2012
6 REVENUE		
- Revenue from operations	113.80	1,370.49
- Other income	70.58	29.69
7 EXPENSES		
- Operational, administrative and other costs	67.93	1,260.75
- Employee benefit expense	37.39	68.07
- Depreciation and amortisation expense	0.59	2.87
Profit before tax	78.47	68.49
Less : Tax expenses	37.12	29.24
Profit for the year after tax	41.35	39.25

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

Interest of Star Den in Media Pro is 50% resulting in 25% interest of the Company in Media Pro. The Company's share of the assets, liabilities, income and expense of Media Pro, based on the audited financial statements for year ended 31st March, 2013 is as follows:-

(` in million)

Particulars	As at 31.03.2013	As at 31.03.2012
ASSETS		
1 NON-CURRENT ASSETS		
- Fixed assets	5.75	8.12
- Deferred tax assets (net)	29.12	32.76
- Long-term loans and advances	294.98	57.59
2 CURRENT ASSETS		
- Trade receivables	688.63	495.72
- Cash and bank balances	629.22	626.64
- Short-term loans and advances	27.54	17.31
- Other current assets	118.19	149.55
LIABILITIES		
3 NON-CURRENT LIABILITIES		
- Other long-term liabilities	0.10	0.13
- Long-term provisions	0.55	-
4 CURRENT LIABILITIES		
- Trade payables	1,623.09	1,274.60
- Other current liabilities	128.02	94.48
- Short-term provisions	5.97	1.17
5 SHAREHOLDERS' FUNDS		
- Post-acquisition reserves	23.20	3.92
6 REVENUE		
- Revenue from operations*	292.53	3,362.69
- Other income	20.86	5.64
- Operational, administrative and other costs*	159.74	3,273.43
- Employee benefit expense	122.92	87.29
- Finance costs	0.05	0.04
- Depreciation and amortisation expense	4.16	0.44
Profit before tax	26.52	7.13
Less : Tax expenses	7.22	2.11
Profit for the year after tax	19.30	5.02

* With effect from April 1, 2012, Media Pro Enterprise India Private Limited in its standalone financial results, is reporting its revenues net of cost of distribution rights. As a result of such regrouping, revenues and distribution costs are lower by ` 10,911.31 million for the year ending March 31, 2013.

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

43. Figures pertaining to the subsidiaries and jointly controlled entities have been regrouped / reclassified wherever necessary to bring them in line with the Group's financial statements.
44. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

**For and on behalf of the Board of Directors
DEN NETWORKS LIMITED**

SAMEER MANCHANDA
Chairman and Managing Director

AJAYA CHAND
Director

RAJESH KAUSHALL
Chief Financial Officer

JATIN MAHAJAN
Company Secretary

New Delhi
30 May, 2013

Notice

Notice is hereby given that the Sixth Annual General Meeting of the members of DEN Networks Limited will be held on Wednesday the 18th Day of September 2013 at 11.30 A.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, 2013 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. Ajaya Chand, 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/

Place : New Delhi
Dated: August 14, 2013

Jatin Mahajan
Company secretary

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. Ajaya Chand, director, retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. Brief resume of the director, nature of his expertise and names of other Public Limited companies in which they hold 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. Ajaya Chand will continue to act as Non Executive Independent Director. The Board of directors recommends his re-appointment.
8. The registers of members will be closed from Thursday the 12th day of September to Wednesday the 18th day of September, 2013, 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: 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.

Name	Registered Folio No.	<input type="text"/>
Address	Client Id No.	<input type="text"/>
.....	DP Id No.	<input type="text"/>
.....	No. of shares held	<input type="text"/>

I/We hereby record my presence at the Sixth Annual General Meeting of the Company being held on Wednesday, 18th day of September 2013 at 11:30 A.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: 236, Okhla Industrial Estate, Phase-III, New Delhi-110020

PROXY FORM

DP Id No.	<input type="text"/>	Client Id No.	<input type="text"/>
Regd. Folio No.*	<input type="text"/>	No. of Shares held	<input type="text"/>

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 him.....of
 in the district of as my/our Proxy to attend and vote for me/us on my/ our
 behalf at the Sixth Annual General Meeting of the Company Scheduled to be held on Wednesday, 18th day of September
 2013 at 11:30 A.M. at Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi -
 110003 or/and at any adjournment there of.

Signed by the Said

* Applicable for investor holding shares in physical form.

Affix the
requisite
Revenue
Stamp

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/she 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.



DEN Networks Ltd.

236, Okhla industrial area, Phase - III, New Delhi - 110020
www.dennetworks.com