

Switching on
the digital
revolution

DENTM
DEN Networks Limited



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Corporate Information

Board of Directors

- 1 **Mr. Sameer Manchanda**, Non Executive, Chairman
- 2 **Mr. Raghav Bahl**, Non Executive, Director
- 3 **Mr. Shahzaad Siraj Dalal**, Nominee Director
- 4 **Mr. Krishna Kumar P. T. Gangadharan**, Alternate Director to Mr. Shahzaad Siraj Dalal
- 5 **Mr. Ajaya Chand**, Non Executive, Independent Director
- 6 **Mr. Robindra Sharma**, Non Executive, Independent Director
- 7 **Mr. Atul Sharma**, Non Executive, Independent Director

Chief Financial Officer

Mr. Rajesh Kaushal

Company Secretary

Mr. Jatin Mahajan

Auditors

Deloitte Haskins & Sells
Chartered Accountants

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

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Website: www.dennetworks.com



Accelerating the market's evolution towards the full digital revolution

Led by India's strong economic growth, the last few years have seen the television set and cable television services, once viewed as a luxury, become a necessity for all Indians across income groups and geographies. There are more cable & DTH subscribers in India today than even in a large and mature market like the United States.

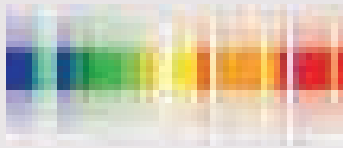
Cable TV services in India, which have grown spectacularly over the last two decades, started seeing the winds of change a few years back. DEN was born and that began an era of transformation.

DEN, led by a team of the Indian cable and TV distribution industry's veteran professionals, believed in consolidation as a driver of that transformation, which would benefit the various stakeholders of the industry. Today, the Indian cable industry has caught on to this theme and is moving towards greater consolidation.

Digitalisation is the next revolution which has just started unfolding. Digital TV delivers not just better services to the discerning Indian consumer, but also greater choice to satisfy their growing demand for more channels and richer content. DEN's digital cable service, with its easy to use interactive features and feature-rich set of applications delivers the kind of television viewing experience that India's aspiring consumers want.

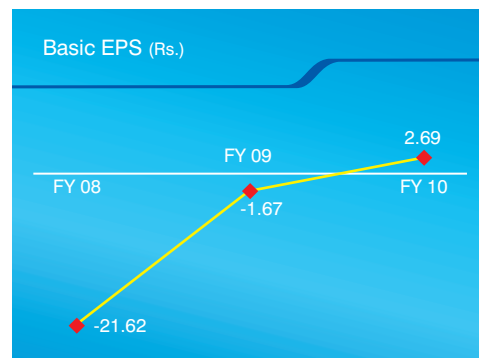
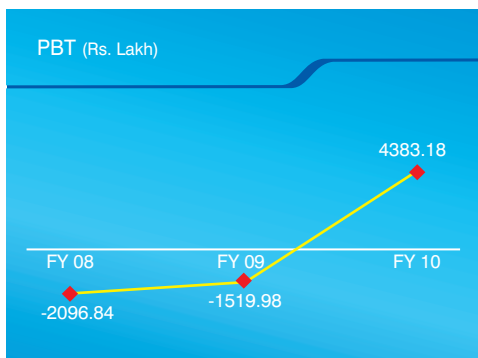
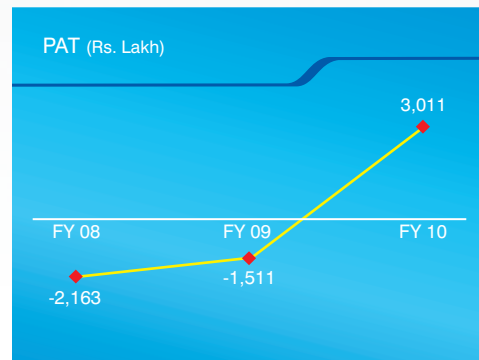
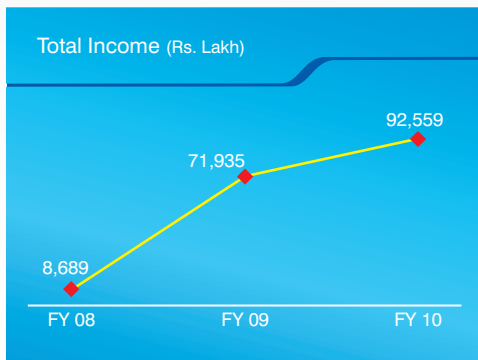
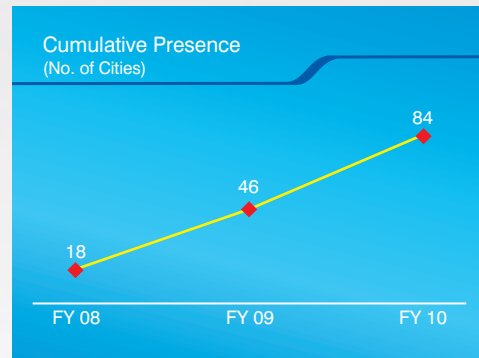
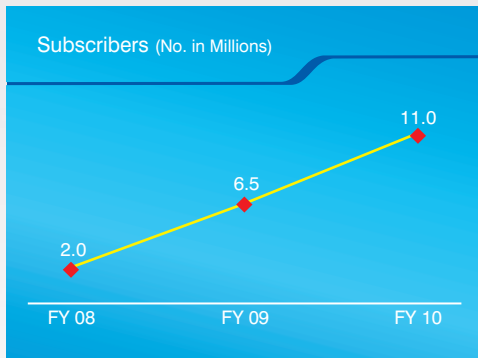
Innovation – a way of life at DEN – has seen the emergence of such features as 'blog.telly', India's first micro blogging service on television and a multi-genre, multi-channel digital music offering.

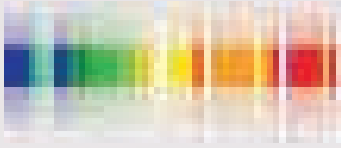
This is just the beginning of our journey. The road ahead holds the promise of exciting new possibilities as we grow, mature and transform everything that we step into and in the process, create consumers' and stakeholders' delight.



Key Financial Data

Particulars	FY 10	FY 09	FY 08
Total Operating Income (Rs. Lakh)	92,559	71,935	8,689
EBITDA from Operations (Rs. Lakh)	10,619	1,263	-1,918
Profit before Tax (Rs. Lakh)	4383.18	-1519.98	-2096.84
EPS (basic)(Rs.)	2.69	-1.67	-21.62
Share Capital (Rs. Lakh)	13,049	2,212	2,132
Reserves & Surplus (Rs. Lakh)	61,053	23,220	19,380
Loan Funds (Rs. Lakh)	17,501	11,908	2,026
Net Block (Rs. Lakh)	24,141	18,147	5,307
Net Current Assets (Rs. Lakh)	34,146	4,900	1,746
Return on Average Net Worth (%)	9.76%	-7.49%	-11.14%
Debt Equity Ratio (x)	0.24	0.54	0.10
Current Ratio (x)	2	1.2	1.2





Paving the Way Forward for the Indian Cable Industry

Consolidation and digitalisation are transforming the Indian TV distribution industry. Players who are able to seize today's opportunities will stand out as tomorrow's winners. DEN's growth rides on these twin waves of consolidation and digitalisation, even as it looks out for innovative opportunities that can deliver further growth and value.

DEN's growth has been driven by a surge of consolidation over the last few years. DEN's affiliate count has grown to 83 and its presence, to 84 cities, and it serves approximately 11 million households – all this in less than 3 years since its birth.

Digitalisation, a steadily growing phenomenon in India since the emergence of DTH, has been given a concerted regulatory thrust with the TRAI's recommendations on staged conversion of the entire Indian television market to digital by 2013. Such a move is likely to take the pace of digitalisation to the next level and revolutionise how Indians view their television experience. DEN, with a growing base of digital cable subscribers, will be one of the leading drivers of this revolution.

However, we have travelled only a part of this journey. There is still a long way to go before the industry is truly transformed, but with the best team and the best technology partners, we are well positioned to make the most of the opportunities as they come.



What is driving consolidation?

The entry of Direct to Home (DTH) a few years back and growing awareness of the digital viewing experience picked up momentum and indicated to cable market participants that the time for consolidation of this highly fragmented industry had arrived. Without the access to large pools of funding required to build a digital service and transition to the next level, most cable operators were facing an uncertain future. Consolidating with large, professional companies that had the technological expertise and the capability of raising large amounts of funding became a logical choice for most of these companies.

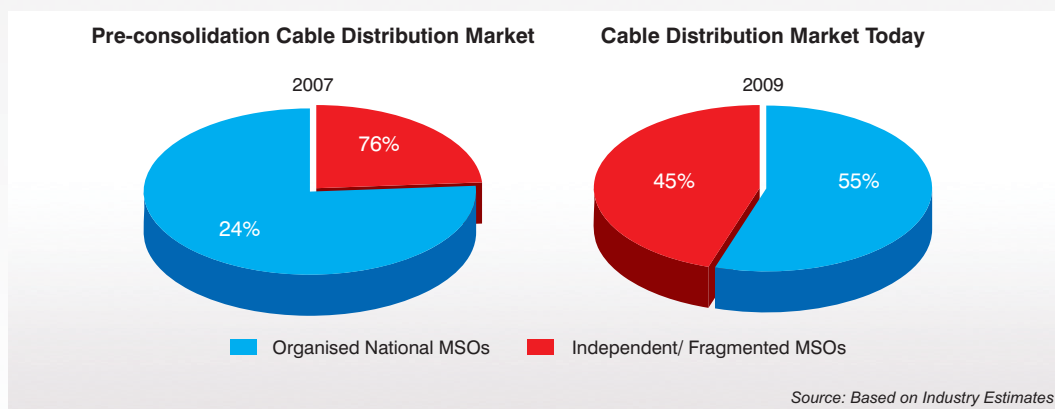
Moreover, the government and regulators have been leaning towards digitalisation for some time. Any policy move, like the recent TRAI recommendations, will further accelerate the conversion to digital.

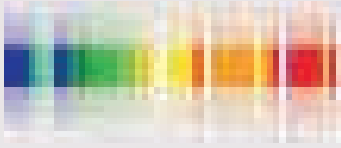
Leading the Next Big Wave of the Indian Cable Industry

The Indian television broadcasting market has grown several times with the entry of new channels spanning mass and niche genres. Today, there are an estimated 500 channels being beamed in India, even though most cannot reach consumers due to the capacity constraints of analogue cable.

The preceding telecom wave had led to the extensive networking of the length and breadth of the country with optical fibre. A vast percentage of this capacity was available for the transmission of digital TV signals.

Digital cable provided the possibility of carrying as many as 1,000 channels. This can open up the market to new themes and ideas such as niche and special interest channels. With the added potential of two-way communications, such a network could also bring true interactivity to end consumers and perhaps in the future, introduce triple play offerings that combine video, data and voice over the same connection.





Letter to Shareholders

Dear Shareholders,

The year gone by was a remarkable year for DEN Networks Limited, as it went from strength to strength and solidified its position as India's leading Company in the cable television distribution industry.

Your Company was formed less than three years ago with the vision to transform India's cable TV distribution industry and offer the latest and best in consumer offerings. Your Company has always held the belief that consolidation of India's highly fragmented cable distribution industry is the way forward.

Since its formation, your Company has led a wave of consolidation and has become a leading player in each of its markets. In less than three years, DEN has become India's one of the largest cable distribution company, currently estimated to be serving approximately 11 million cable homes across India.

The entry and rise of DTH was a landmark event in the Indian TV distribution industry. While cable TV served India's towns and cities, the entry of DTH further expanded the reach of television by expanding its reach to cable dark areas such as vast swaths of rural India and hill stations (locations cable TV connections cannot easily reach). Yet, over this same period, cable subscribers grew significantly, expanding to a base of over 85 million households. Cable remains the dominant TV distribution platform in the country and most estimates indicate that it will remain so in the years ahead.

Your Company also established itself as a leading player in the TV distribution segment through Star DEN, its pioneering 50-50 joint-venture with the Star TV Group. Star DEN is the leading TV distribution Company in India and houses several of India's top channels across genres.

Your Company has also changed the perception of the industry by bringing in the best management team, introducing global best practices and implementing high standards of corporate governance. When your Company was formed, it assembled what is widely regarded as the best team of cable TV distribution professionals. This has enabled your Company to effectively pursue its growth strategy on several fronts.

Even as we reflect on our achievements till date, we realize that we are standing at an inflexion point in our industry's evolution. Over the past few years, digitalisation has caught on as the most prominent emerging theme in our industry. Digital platforms offer consumers a high quality of service, greater choice of channels and several value added services. Digitalisation is also expected to drive greater addressability within the cable distribution system. The process of converting India's predominantly analogue market to digital is expected to accelerate rapidly over the next few years, driven both by consumer demand and a fillip from regulators.

Your Company is well positioned to champion the growth of digital cable. Since its formation, it has partnered with the world's best technology partners and has invested in superior infrastructure which can support not just an expanding market, but also the demands of digitalisation. Your Company's digital cable offering is widely regarded as one of the best with its easy and interactive user interface (EPG), host of feature rich services like digital music spanning 10 genres and pioneering applications like blog.telly, India's first live micro blogging service on TV.

Your Company received the award of 'The Best Indian Cable TV MSO' at the Indian Telly Awards, 2010.

Building scale, pursuing digitalisation and seeking strategic opportunities that deliver ever greater value shall remain the centerpieces of your Company's future growth strategy. To bolster its resources and drive its ambitious growth agenda, your Company launched its initial public offering during FY 10, the first ever by an Indian cable distribution company.

As we gear up for an even more interesting period in your Company's journey, I take this opportunity to express my gratitude to all our stakeholders - investors, partners, customers, bankers, employees and others - and look forward to your continued support and encouragement in all our endeavours.

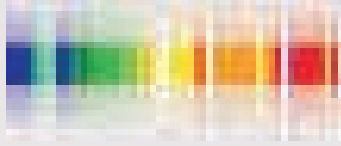
Sameer Manchanda

Chairman



“ *Building scale, pursuing digitalisation and seeking strategic opportunities that deliver ever greater value shall remain the centerpieces of your Company’s future growth strategy* ”





Management Discussion & Analysis

ECONOMIC OVERVIEW

Global Economy

2009 proved to be a year of consolidation and recovery for most of the global economies. More and more countries recorded a trend of positive quarterly growth in their gross domestic product. A notable recovery in international trade and global industrial production was also observed during the year. The World Economic Outlook, released in April 2010 by International Monetary Fund estimated the world output to rise by about 4.25% in 2010.

The pace of the recovery, though, was varied – while it was moderate in most of the advanced economies, emerging economies like China and India witnessed far higher growth rates. Money markets reflected a trend of stabilisation and equity markets across the world rebounded strongly. Access to credit, however, still remains difficult for small & medium-size enterprises. Rising public deficits and borrowings in some of the global economies might lead to sovereign defaults, which, in turn, may impact the ongoing emergence from the economic recession.

Indian Economy

Having successfully arrested the impact of the global downturn in the previous year, India's economy continued on the path of growth and

consolidation. This growth was fueled primarily by the Government's stimulus spending and easing of liquidity by the monetary authority in the first half. H2 of FY 10 saw a rise in private demand and the coinciding acceleration in industrial output. The deficient monsoon led to considerable pressure on farm output and this was reflected in food inflation touching record highs during FY 10.

Consolidating faster, India again emerged as the second fastest growing major economy of the world. The revised estimates of Central Statistical Office (CSO) indicated India's GDP growth at 7.4% for FY 10. In the backdrop of earlier estimates predicting a contraction, the agriculture sector managed to achieve a marginal growth of 0.2%. The manufacturing, construction, and 'trade, hotel, transport & communication' sectors contributed more than 50% to the GDP. Importantly, all these sectors showed a sustained growth trend quarter over quarter. This encouraging trend, together with the prediction of a favourable south-west monsoon and accelerated spending on infrastructure development, is likely to help Indian economy return back to the GDP growth range of 8.5-9.0% in FY 11.

INDIAN MEDIA & ENTERTAINMENT SECTOR

Similar to the Indian economy, 2009 was a year of consolidation for the Indian Media & Entertainment (M&E) Industry too. The global financial crisis had brought about a period of slowdown in the industry. The



industry, as a whole, registered a moderate growth of 1.4% in 2009 to reach Rs 58,700 crores from Rs 57,900 crores in 2008.

Advertising contributes to more than one third of the industry's revenue and this is where the impact of the slowdown was most severe. The much required setting off on revenue erosion came from the subscription revenues, which not only sustained its natural growth but scaled accelerated growth in tough times, for the industry as a whole. In the backdrop of testing times, industry continued with their cost rationalisation measures and resorted to innovation to protect the pressures on bottom line.

In the evolving mix of a diverse M&E industry, the impact of slowdown varied from segment to segment. Films, Radio and Out of Home segments de-grew during 2009. Print showed a flat trend while music grew moderately. New age media like Online, Gaming and Animation continued to lead the growth chart, albeit on their smaller base and recorded a double digit growth in 2009. Television – the largest segment of the industry – led from the front in recording a healthy growth of approximately 6.6% in 2009.

The encouraging signs of revival started to emerge in the second half of 2009 and the industry posted smart recovery in Q3 (October-December) FY 10. The current spend on media in India, at 0.41% of the GDP, is almost half of the world average of 0.80% and significantly lower compared to the developed countries. With India slated to chart higher GDP growth on a sustained basis over the coming decade, spending on media is expected to align with the global benchmarks, going forward. Despite a testing phase of two consecutive years of recessionary pressures, the industry's CAGR from 2006 to 2009 at 10% outpaced that of the economy. The industry is expected to grow at a rate of 13% over the next five years.

Indian Television Industry

Television is the largest segment of the Indian M&E industry – in terms of revenue and even reach. It has been spearheading the growth of the industry by clocking accelerated revenues and expanding reach. The industry is undergoing a paradigm shift in terms of content, serving and also adopting next generation technologies in distribution. The Indian television sector defied the moderate growth trend of the Indian



M&E industry in 2009 in growing its size to Rs 25,700 crores from Rs 24,100 crores in 2008. In the process, it contributed 44% to the overall revenues of the industry.

Riding on its inherent strength of breaking through the literacy barrier, television is not only entertaining Indians but also enhancing their lives by becoming their window to the world. Genres – news, sports, music, movies, kids, infotainment, lifestyle, spirituality and many more – are ever expanding. Increasing regionalisation has helped the market expand further.

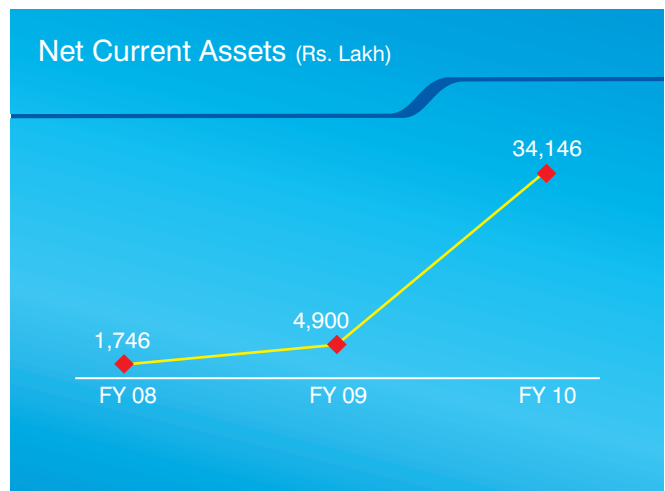
While 2009 proved to be an eventful year on many counts for the TV industry, the most significant happening of the year was the awareness of digitalisation. Digital platforms gained further momentum and added over 6 million subscriber homes.

Television Distribution

The number of TV households grew considerably to reach 129 million in 2009. Cable & satellite households clocked a much faster growth of 10% in 2009 and expanded to 95 million. Overall, television's reach has



Source: Based on Industry Estimates



strengthened considerably with 500 million viewers and penetration of 58% of all households in India. This indicates that there is still a huge gap in households without TV, a massive potential growth opportunity for the sector. The penetration of cable and satellite increased to 74% of TV households in 2009 from 70% a year ago. Projections suggest that the cable & satellite market will grow to 149 million households by in 2014.

Digitalisation is proving to be the next wave of growth for the Indian television industry. Besides delivering a better viewing experience with enhanced picture and sound quality, it holds tremendous apparent and latent possibilities – across the triple play platform of video, voice and data. While DTH has had the initial taste of success with Indian households, the next level of revolution is waiting to unfold in form of digital cable distribution across the length and breadth of the country. The number of digital cable subscribers is estimated at 4 million approximately in 2009. India is the world's second largest cable & satellite market, larger than the US and second only to China. While a majority of homes continue to receive signals, digitalisation – through DTH and digital cable – is poised to become the future of the industry – both on account of a pull from consumers and a push from the nation's regulators. Recommendations on full digitalisation by the industry's regulator, the TRAI, could see the Indian market become fully digitalised by the end of 2013.

Broadband Internet

The Indian broadband internet subscriber market comprised approximately 5.52 million subscribers in 2008 as compared with 46,000 subscribers in 2003. It is estimated that the number of broadband internet households will increase to approximately 13.93 million by 2013. As a percentage of total households, broadband internet subscription has a relatively low penetration, with only 0.5% of total households in India accessing the internet. This percentage is projected to grow to 1.2% of total Indian households by 2013.

Internet broadband provided through cable connection in India ranges between 1 mbps to up to 20 mbps, which is normally faster than ADSL or dial-up internet. Cable broadband internet is generally considered as the most consistent and reliable of internet connections, resulting from transmission through optical fibres rather than ordinary copper



wires. Additionally, there is often a cost saving for cable broadband internet subscribers as cable broadband can be tied into television and telephone deals as part of a bundled service from a cable service provider. It is estimated that these benefits of cable broadband internet will drive its growth in India.

(Source: FICCI-KPMG Indian Media & Entertainment Industry Report 2010)

COMPANY OVERVIEW

Den Networks Ltd ("DEN") is one of the largest national cable television companies in India engaged in the distribution of analogue and digital cable television services.

In less than three years of operations, DEN has crossed the landmark of approximately 11 million subscribers. It has led the consolidation wave in the Indian television distribution industry. Through aggressive acquisitions, it has emerged as the largest national level MSO (Multi System Operator) in India.

The Company has expanded its analogue cable services to 84 cities across India. Its digital cable television services were launched in February 2008 and have since expanded to a majority of the cities in which it is present. DEN currently provides cable television services in the National Capital Region of Delhi and the states of Uttar Pradesh, Rajasthan, Maharashtra, Gujarat, Karnataka, Haryana, Madhya Pradesh and Kerala.

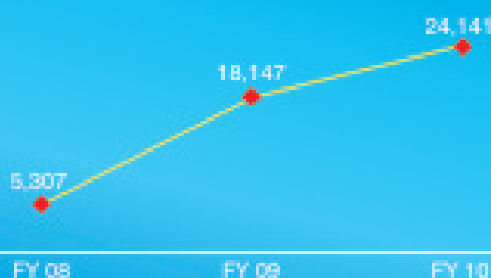
DEN was awarded "The Best Indian Cable TV MSO" at the Indian Telly Awards Function held by Indiantelevison.com in June 2010. DEN has also featured in the Business Standard BS 1000 annual ranking of Indian companies in Feb 2010 and was ranked among the Top 500 companies by revenues. DEN conducted the first IPO of the Indian cable sector and listed on the NSE & BSE in November 2009.

Competitive Strengths

One of the largest cable TV service providers

Driven by aggressive acquisition of MSOs and LCOs, DEN has rapidly grown to become one of the largest national cable television companies serving approximately 11 million subscribers in India. DEN

Net Block (Rs. Lakh)



has a dominant presence in all of its territories. It has acquired majority interests in MSOs that are located in states which it believes have significant television viewership, potential for increased digital cable penetration and significant revenue potential. The DEN group owns 112 Analogue and 17 Digital Head Ends and has access to a vast hybrid fibre co-axial (“HFC”) cable network, both owned and leased.

Strong execution and performance track record

DEN has successfully identified, acquired and integrated 76 established MSOs since its inception. Within two years of operations, its consolidated revenues have reached Rs 920 crores. Not only has DEN been the fastest growing MSO in terms of revenues, it is also the fastest to turn profitable in India. In its first full year of operations in FY 09, DEN reported a positive EBITDA and with a Profit After Tax of Rs 3,011 lacs in FY 10, DEN is India’s only profitable national MSO.

Strong Management Team

DEN’s management team includes professionals with extensive experience in cable television distribution, entertainment and media operations, finance and engineering. To accomplish its vision of creating a truly world class enterprise, it has put together what is widely regarded as the best team of cable TV distribution professionals.

Initial Public Offering & Listed Track Record

To further its vision of providing next generation TV services and to

capitalize on the growth opportunities, DEN came out with its Rs. 365 crore maiden IPO in November 2009 and became the first distribution company in the industry to get listed through a public offering. Amidst a volatile stock market, wherein IPOs of peers and of players from other industries were generating negative returns, DEN not only got successfully listed on both NSE and BSE but was also generating positive returns as at end of FY 10.

Bouquet of Services

Analogue Cable

DEN’s analogue cable services involve the distribution of video signals in analogue mode on its HFC network. This technology has been traditionally prevalent in delivering cable TV services to subscribers and still caters to a dominating majority of the total subscribers. DEN’s analogue infrastructure comprises of 112 analogue head ends in 84 cities and its analogue packages presently offer approximately 100 channels, including local and regional programming.

DEN’s Analogue Services deliver:

- wide choice of channels
- upgraded infrastructure for better viewing quality
- local cable channels



BENEFITS OF DIGITELLY

Electronic Programme screenGuide (EPG)

Arguably the best in the industry, Digitelly’s EPG puts the power in viewers’ hands. The on-guide allows a subscriber to navigate, select and discover content by time, title, channel or genre helping him to zero-in on what he wants to watch.

blog.telly

Available for the first time on an Indian cable TV network, blog.telly enables digital subscribers to share their viewpoint on interesting topics capturing the nation’s mind space. Subscribers can blog and comment on TV through SMS or on the Digitelly website.

Music Audio Channels

To give subscribers experience of “real time interactivity” which by far no DTH or any Cable Service Provider has offered, DEN has launched a round-the-clock interactive music application, enabling music lovers to choose from a wide range of genres like New Hindi Movie Hits, Old Classics, and Latest English to Old English Classics. To make the experience complete, regional content is also added to assure local flavor. Further more, details on each song, singer name, album and music director are also provided.

Interactive Games

A feature that enables subscribers to play games on the set-top box using their remote control. Subscribers can choose from an interesting mix of popular games like Sudoku, Solitaire etc.

Programme Reservations

Allows a subscriber to programme his or her set-top box in advance to automatically switch to a channel of his choice at his chosen time.

On-Screen Reminders

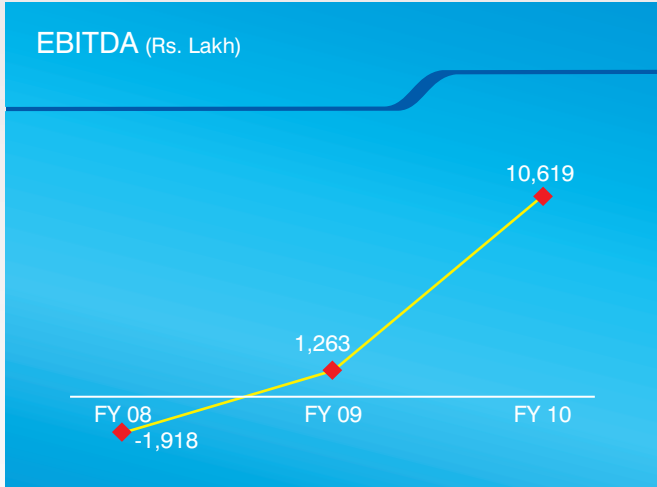
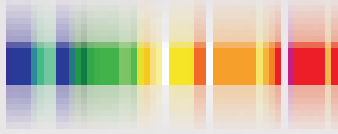
Intimates a subscriber in advance when his chosen programme is about to be aired.

Parental Control

Enables parents to block their children’s access to any particular channel.

“Red Button” Initiatives

Interactive television features that a subscriber can access using the red and other colored buttons on his or her remote control. The interactive features available vary time to time.



Digital Cable

DEN launched its digital cable television services in February 2008. The service is driven with the vision to redefine and deliver complete TV entertainment. DEN has empowered its subscribers through a focused customer value proposition which includes offering more channels and content suited to local requirements. The Company has expanded its digital services to a majority of the cities where it is present and plans to roll out digital cable television in all of the remaining cities of its operations. DEN currently offers up to 180 channels through its digital cable television service.

Besides offering high-quality audio and video, DEN's digital cable platform offer various value-added features and engaging interactive applications that enhance the level of TV entertainment in India.

Exclusive Content Distribution

In a path breaking move, in January 2008, DEN signed up a 50:50 joint venture with Rupert Murdoch's STAR group. Star DEN – the JV – has exclusive rights to distribute all Star and channels from other leading

broadcasting houses across various distribution platforms like cable, DTH, IPTV, etc. STAR DEN is the largest content aggregator by revenues and with 25+ channels in its bouquet, has exclusive distribution rights for some of the most premium content in the country today.

Broadband Services

Globally, broadband is a key revenue driver for the cable industry. Of the total 62 million cable subscribers in USA, 42 million subscribe to the high-speed internet and broadband services. Comcast, the largest cable operator in the country, is also the largest broadband player.

DEN has obtained an all-India ISP license and is exploring opportunities to tap the tremendous potential of the broadband space.

FINANCIAL OVERVIEW

FY 10 proved to be a year of significant gains on key financial indicators. Key highlights of operations (on the basis of consolidated accounts) were:

- Total income grew by 29% to reach Rs 925 crores from Rs 719 crores in FY 09
- The Company reported for the first time a positive Profit before Tax. Profit before Tax reached Rs 44 crores as compared with the Loss figure of Rs 15 crores in the previous year.
- The Profit after Tax and Minority Interest reached Rs 30 crores as compared with a loss of Rs 15 crores in FY 09.
- Basic EPS for the year reached Rs 2.69 as compared with a negative EPS of Rs 1.67 in the previous year.

RISKS & CONCERNS

Television distribution and cable are heavily regulated spaces and changes in regulations or a failure to obtain necessary approvals could affect the Company's ability to operate smoothly and move fast to tap new opportunities.

Moreover, there is the possibility of an increase in competitive pressures either among existing players or with the entry of new players.



DEN™ DEN Networks Limited **Many Firsts in Indian Cable Industry**

- First national MSO to enter into exclusive content distribution through Star DEN JV
- First national MSO to list on stock exchange through IPO
- First national MSO to turn operationally profitable in its first full year of operations
- First national MSO to turn profitable and that too within 2 years of operations

Lastly, cable distribution is a technology intensive business and requires the importing of several types of equipment. This exposes the company to the risk of foreign currency fluctuations with respect to overseas equipment purchases.

HUMAN RESOURCE MANAGEMENT

In a knowledge economy, it is the human talent that makes all the difference. People who bring with them various assets - world views, skills, knowledge, working styles and cultures – and thus forming responsive winning teams to come up with innovative solutions.

Diverse people working together make a workplace exciting and engaging. Mutual respect, bursts of creativity and congruence of vision and values become the order of the day, increasing effectiveness and productivity.

DEN regards its team as it's most important and valuable asset. India is a land of diversity and as a national player, its ability to understand, embrace & operate in a multi-cultural, multi-lingual nation – both in marketplace & in workplace – is critical to its continued success.



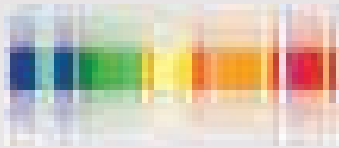
Awards & Accolades

DEN was awarded "The Best Indian Cable TV MSO" at the Indian Telly Awards Function held by Indiantelevision.com in June 2010

DEN featured in the Business Standard BS 1000 annual ranking of Indian companies in Feb 2010 and was ranked among the Top 500 companies as per revenues.

Our promoter Mr. Sameer Manchanda was recognized as one of the top 10 Indian media executives consecutively for year 2008 and 2009 by the portal Indiantelevision.com





Recruitment

DEN's status of being a market leader can primarily be attributed to the diverse and highly talented people in its team. This robust pool of talent has been built by a committed effort to attract, transform and retain the finest talent in the industry.

DEN has been building up its human resources for implementation and execution of its ambitious expansion and diversification plans. It is now a family of over 500 professionals (along with its JVs, it is a combined strength of over 1,400 professionals), hailing from diverse fields of technology, operations, finance and other support functions. Highly competent & professional teams have been put in place at the Corporate as well as at the Head End/ground levels. To build up this talent pool, DEN conducts campus recruitment for junior level openings. A need based hiring of middle & senior management is done through lateral hiring. It relies on a rigorous and exhaustive selection process that involves various rounds of testing & interviews to identify the best candidates.

Training & Development

One of the core differentiators for DEN has been the availability of a robust leadership talent pool. The Company continues to invest in

deepening the leadership pool through various interventions including talent identification and development, providing its employees with challenging opportunities at an early stage of their careers and exposing such employees to world-class leadership.

DEN continues its endeavour to enhance its human resources capability and invest in skill development and training of its employees along with initiatives to enhance employee engagement. Developing appropriate skill sets for our customer facing employees has been a key focus area. Skill enhancement of technical team has also been our prime focus. DEN also provides functional training to its employees through various simulations & game-based modules and has achieved considerable success in this regard.

Recognition & Reward

DEN has a comprehensive Remuneration Policy which fosters competitiveness and rewards good performance. The policy ensures equity, fairness and consistency in rewarding the employees on the basis of performance against set objectives.

The Company has in place Performance Focused Management System which aims at focusing and aligning the performance of the individual employees to the organisational objectives. The process



includes different stages such as goal setting, performance reviews, ratings and rewards. It ensures that all employees know what is expected of them in their job, and are able to measure their performance. It provides a framework which assists employees to develop their capabilities.

The Company has a monthly Recognition & Reward program in place which applauds the achievements of the employees on a monthly basis.

INTERNAL CONTROL SYSTEM

The Company's philosophy towards control systems is mindful of leveraging resources towards optimisation while ensuring the protection of its assets. The Company deploys a robust system of internal controls that facilitates the accurate and timely compilation of financial statements and management reports; ensures the regulatory and statutory compliance; and safeguards investors' interest by ensuring highest level of governance and periodical communication with investors. The Audit Committee reviews the effectiveness of the internal control system in the Company and also invites the senior management / functional directors to provide an update on their functions from time to time. A CEO and CFO Certificate forming part of the Corporate Governance Report confirm the existence of effective internal control systems and procedures in the Company.



FUTURE OUTLOOK

DEN charter for future growth is guided by the forces of consolidation expanding which it aims to continue by making strategic acquisitions.

The Company intends to acquire majority stakes in established MSOs in order to consolidate its position in the states in which it already has a presence and to expand into other Indian states that have significant market potential for increased digital cable penetration and high revenue growth.

Digitalisation, with government mandated sunset dates, is likely to be the overarching theme for the next few years. DEN will continue to aggressively digitalise its subscriber base and introduce value-added services.

Having established our digital platform which enables us to offer content with DVD quality picture and sound, we plan to roll-out revenue enhancing value-added services, such as, PVRs (high personal video recorders), HD or high definition and several interactive features and services among others.

Cautionary Statement

Certain statements in this Annual Report may be forward-looking statements. Such forward looking statements are subjected to certain risks and uncertainties like regulatory changes, local political or economic development, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. DEN Networks Ltd. will not, be in any way, responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are delighted to present the 3rd Annual Report on the business and operations of the Company together with the audited accounts for the financial year ended March 31, 2010.

FINANCIAL PERFORMANCE

The key financial figures on standalone and consolidated basis of your Company for the year ended March 31, 2010 are as follows:

(Rs. in lakhs)

Particulars	Consolidated		Standalone	
	Financial year ended March 31, 2010	Financial year ended March 31, 2009	Financial year ended March 31, 2010	Financial year ended March 31, 2009
Net Revenue	92,559.33	71,934.61	33,477.73	27,111.82
Operating profit/(loss) before interest and depreciation interest	9,615.77	1,081.61	6,125.18	896.07
Interest	1,944.25	998.81	1,930.39	991.91
Depreciation	3,288.34	1,602.78	2,186.30	1,055.15
Net Profit/(loss) before Tax	4,383.18	(1,519.98)	2,008.49	(1,150.99)
Provision for taxes/deferred tax	740.80	200.59	(71.68)	224.89
Profit/(loss) after tax and Minority Interest	3,011.14	(1,511.28)	2,080.17	(1,375.88)

RESULT OF OPERATIONS

The year under review was a transformational year for the Company. This was a landmark year for the Company for its operating performance. During the FY 10 your Company, on a consolidated basis, has generated over Rs. 925.59 Crores of revenues and post tax profit of Rs. 36.42 Crores. The corresponding figures for FY 09 were revenue of Rs 719.34 Crores and post tax loss of Rs. 17.21 Crores.

CONSOLIDATED FINANCIAL STATEMENTS

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

REVIEW OF YEAR GONE BY

The FY 10 will go as a landmark year in the history of our company. Various independent estimates suggested DEN to emerge as the largest cable TV distributor in India with an estimated reach of 110 lakhs subscribers. The Company became the first national MSO to successfully complete its IPO and get listed on the two leading stock exchanges of India. During the year, the Company expanded its analogue cable services to 84 cities and digital cable services to a majority of cities where it present and plans to roll out digital cable television in all of the remaining cities of its operations across the country. The Company acquired majority stake in the business of 76 MSOs and took its affiliates count to 83. From becoming the first national MSO to turn EBITDA positive last year, DEN recorded a positive PAT (After Minority Interest) of Rs. 3,011.14 lacs in FY 10 and became the first national MSO to turn profitable.

INITIAL PUBLIC OFFER

During the FY 10, the Company issued and allotted 18,567,240 Equity Shares of face value of Rs. 10/- each, pursuant to the Initial Public Offer (IPO), which were admitted for listing and trading on Bombay Stock

Exchange (BSE) and National Stock Exchange (NSE) with effect from November 24, 2009.

MANPOWER

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

DIVIDEND

Your Directors do not recommend any Dividend for the financial year ended March 31, 2010.

TRANSFER TO RESERVES

Your Company has not made any transfer to the Reserves during the FY 10.

PUBLIC DEPOSITS

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

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

DIRECTORS

Mr. Ajaya Chand and Mr. Atul Sharma, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves 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:

- that in the preparation of the annual accounts for the financial year

ended March 31, 2010, 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, 2010 on a 'going concern' basis.

CHANGES IN CAPITAL STRUCTURE

During the year ended March 31, 2010, the Authorized Share Capital of the Company increased from Rs. 30,00,00,000 (Rupees Thirty Crores) to Rs. 1,65,00,00,000 (Rupees One Hundred Sixty Five Crores) and issued & paid up Equity Share Capital of the Company increased from Rs. 18,11,88,800 (Rupees Eighteen Crores Eleven Lacs Eighty Eight Thousand and Eight Hundred Only) to Rs. 1,30,48,99,750 (Rupees One Hundred Thirty Crores Forty Eight Lacs Ninety Nine Thousand and Seven Hundred Fifty).

SUBSIDIARY COMPANIES

Ministry of Corporate Affairs, Government of India has granted approval that the requirement to attach various documents in respect of subsidiary companies, as set out in sub-section (1) of Section 212 of the Companies Act, 1956, shall not apply to the Company. Accordingly, the Balance Sheet, Profit & Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. Financial information of the subsidiary companies, as required by the said approval, is disclosed in the Annual Report. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the registered office of the Company and that of the respective subsidiary companies. The consolidated financial statements presented by the Company include financial results of its subsidiary companies.

AUDITORS & AUDITOR'S REPORT

The term of M/s. Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of your Company, expires at the ensuing Annual General Meeting. The Company has received a certificate from them to the effect that their appointment, if made, would be within the prescribed limit as mentioned under Section 224 (1B) of the Companies Act, 1956.

Your Board has duly examined the Report issued by the Statutory Auditor's of the Company on the Accounts for the financial year ended March 31, 2010. The notes on Accounts, as presented in this Annual

Report, are self-explanatory in this regard and hence do not call for any further clarification

CORPORATE GOVERNANCE

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

PARTICULARS OF EMPLOYEES

The names and other particulars of employees as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 forms part of this Directors' Report and the same is attached as Annexure - A.

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 working areas of the Company.

B. Technology absorption

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

C. Foreign Exchange Earnings and Outgo

Disclosure of foreign exchange earnings and outgo as required under Rule 2(C) is given in Schedule No. 15 "Notes on Accounts" forming part of the Audited Annual Accounts.

Foreign Exchange Earnings	: Nil
Foreign Exchange Outgo	: Rs. 1.69 Crore

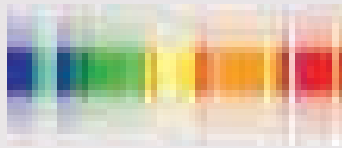
ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their deep appreciation for the continuous support extended by all the Employees, Shareholders of the Company, various Government Departments and Bankers towards conducting the operations of Company efficiently.

For and on behalf of the Board of Directors

Place: New Delhi
Date: August 10, 2010

Sd/-
Chairman



Annexure to the Directors' Report

Information as per Section 217 (2A) of the Companies Act, 1956, read with the companies Particulars of Employee rules, 1975, as amended and forming part of the Directors' Report for the year ended March 31, 2010.

Name of the Employee	Designation	Qualification	Date of Joining	Age	Exp.	Gross Remuneration (In Lacs)	Previous Employment	Nature of Employment	Nature of Duties
Shailender Nath Sharma	President	BE, MBA	1-Sep-07	49	23	514.80	Hathway Cable Datacom Pvt. Ltd.	Permanent	Overall Management And Head of Finance & all Divisions.
Anuj Gandhi	Chief Executive Officer	MBA	1-Sep-07	42	17	190.00	SET Discovery Pvt. Ltd.	Permanent	Overall Management and as Directed by the Board from time to time
Rajesh Kaushal	Chief Financial Officer	CA, CWA	7-Sep-07	39	13	60.00	Tekelec Inc.	Permanent	Head of Finance & Accounts Division.
Sunil Punj	Vice President-Operations	BE	1-Aug-07	39	14	80.00	Hathway Cable Datacom Pvt. Ltd.	Permanent	Looking After Operations-Delhi NCR
Mohit Kumar Jain	Vice President-Technical	Three years diploma	1-Aug-07	44	14	60.04	Hathway Cable Datacom Pvt. Ltd.	Permanent	Head of Technical Department
Yogesh Sharma	Vice President-Operations	BE	7-Sep-07	40	14	80.00	Hathway Cable Datacom Pvt. Ltd.	Permanent	Looking After Operations-U.P.
Vikas Bali	President- Digital Services & Corporate Strategy	BE, MBA	2-Jan-08	39	15	110.00	Tata Sky	Permanent	Head Digital Services & Corporate Strategy Dept.
Devendra Upendra Naik	Vice President-Operations	BE	18-Oct-07	44	18	32.00	Hathway Cable Datacom Pvt. Ltd.	Permanent	Looking After Operations -Mumbai
Navroj Phiroz Behramfram	Chief Technical Officer	MBA	01-Dec-07	49	25	55.40	Tata Sky	Permanent	Digital Services
Akhil Mathur	Sr. VP- VAS Networks	Post Graduate	10-Dec-07	52	26	75.00	Teleste Corporation	Permanent	Digital Services (resigned during the year)
Mohd. Ghulam Azhar	President Business Development & Strategy	Master in Finance Control	01-Nov-07	40	15	84.00	Access Financial Services	Permanent	Looking after Finance & Business Strategy
Chetan Navalkar	Assistant Vice President-Technical	Diploma in Electronics	01-Feb-08	43	18	35.00	Hathway Cable Datacom Pvt. Ltd.	Permanent	Looking After Operations-Mumbai
Shankar Devarajan	AVP- Finance	CA	01-Mar-08	49	24	29.00	Reliance Retail	Permanent	Accounts head-South & West
Aditya Pratap Tripathi	Sr. VP- Business Development	MBA from IIM Ahmedabad	12-May-08	41	15	75.00	Set Discovery Pvt. Ltd.	Permanent	Business Development (resigned during the year)
Vivek Nanda	DGM-Operations	Graduate	14-Oct-07	43	18	34.95	Hathway Cable Datacom Pvt. Ltd.	Permanent	Looking after Operations U.P.
Amit Vijh	AVP Finance	CA	02-Jun-08	34	12	35.00	Nortel Networks India Pvt. Ltd.	Permanent	Account & Finance- North
Rajeev Puri	General Manager	Graduate	22-Feb-08	43	23	25.20	HCL Infosystems Ltd.	Permanent	Looking after Purchase of Set up Boxes

Notes :

1. Remuneration includes basic salary, contribution to provident fund and other benefits/perquisites as per the Company's rules.
2. Particulars regarding percentage of equity shares held by the employee either by himself or along with spouse and dependent children, not less than two percent of the equity shares of the Company is not applicable.
3. None of the above employees is relative of any Director of the Company.

Corporate Governance Report

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance is most often viewed as both the structure and the relationships which determine corporate direction and performance. The corporate governance framework also depends on the legal, regulatory, institutional and ethical environment of the community. Enlightened goal setting, effective decision-making and efficient monitoring forms the base for a system of good corporate governance.

At DEN we have made sincere and continuous efforts to institutionalize the best Corporate Government Practices and firmly believe that it will go beyond complying with the regulatory framework. As a listed company we are in compliance with all the applicable provisions of the Listing Agreements pertaining to corporate governance, including appointment of Independent Directors and constitution of Committees. The Board firmly believes in achieving the highest standards of transparency in all facets of its working, prompt and adequate disclosures of all the material Information, fixing the accountability,

ensuring the compliance of all the applicable laws, rules and regulations, conducting the affairs of the Company in an ethical manner and thereby ensuring the increase in the value of all the stakeholders.

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

BOARD OF DIRECTORS

Composition

The size and composition of the Board of Directors confirms the requirement of Listing Agreement. Presently the Board comprises six members, all of whom are Non-Executive Directors. The Chairman of the Board of Directors is a Non-Executive Director and One-half of the total number 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, 2010 are set out in the table below:-

S. No.	Name of Director	Category of Directorship	No. of outside Directorships Held	No. of Chairmanships / Memberships of other Board Committees	
				Chairmanship	Membership
1	Mr. Sameer Manchanda	Non Executive Chairman	5	1	1
2	Mr. Raghav Bahl	Non Executive Director	13	1	0
3	Mr. Shahzaad Siraj Dalal	Nominee Director	14	3	4
4	Mr. Krishna Kumar P. T. Gangadharan	Alternate Director to Mr. Shahzaad Siraj Dalal	4	1	3
5	Mr. Ajaya Chand	Non Executive, Independent Director	0	0	0
6	Mr. Robindra Sharma	Non Executive, Independent Director	0	0	0
7	Mr. Atul Sharma	Non Executive, Independent Director	1	0	0

- Additionally, Mr. Hemant Narang is a Manager of our Company pursuant to Section 269 of The Companies Act, 1956.
- 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, 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 the Company strives hard to achieve the goals of the organization. The Board consists of professionals and learned executives having in-depth knowledge of their fields to oversee the overall functioning of the Company and to take strategic decisions in the best interest of the stakeholders.

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

Company Secretary arranges to provide the detailed information to all the Board members, on the matters to be considered at the Board meeting along with the Agenda thereof, in advance before the Board Meeting. The members of the Board have complete freedom to express their views on the matters discussed and thereafter the

decisions are taken on the basis of consensus arrived at after the discussion on each agenda item. Minutes of the proceedings of every Board meeting are recorded and are discussed before approval by the members of Board at successive Board meeting before entering the same into minutes book. Implementation status of various decisions taken at the Board Meeting is reviewed at the successive meetings of the Board.

Attendance at Board Meetings and Annual General Meeting:

A total of 18 (eighteen) meetings were held during the financial year 2009-10 on May 2, 2009, May 26, 2009, June 18, 2009, June 26, 2009, July 6, 2009, July 7, 2009, July 27, 2009, July 29, 2009, August 4, 2009, August 6, 2009, August 7, 2009, September 23, 2009, October 15, 2009, October 16, 2009, November 4, 2009, November 5, 2009, November 14, 2009 and January 28, 2010. Maximum time gap between any two Board meetings was not more than four months.

The Second Annual General Meeting of the Company was held on August 3, 2009.

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

S. No.	Name of Director	No. of Board meetings attended	Attended last Annual General Meeting
1	Mr. Sameer Manchanda	16	Yes
2	Mr. Raghav Bahl	Nil	No
3	Mr. Shahzaad Siraj Dalal	1	No
4	Mr. Krishna Kumar P. T. Gangadharan (Alternate Director for Mr. Shahzaad Siraj Dalal)	11	No
5	Mr. Ajaya Chand	15	Yes
6	Mr. Robindra Sharma*	13	Yes
7	Mr. Atul Sharma*	13	Yes
8	Mr. Hemant Narang**	4	Yes

*Appointed as additional directors w.e.f. July 06, 2009.

**Resigned from directorship w.e.f. July 06, 2009.

Director's Profile

Brief description of the Directors, whose candidatures are 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. Atul Sharma- Independent Director

Mr. Atul Sharma holds a Bachelor's degree in economics and Master's degree in law from Delhi University. Mr. Sharma has been the consultant and legal advisor to various Indian and multinational companies. He is the founding partner of Link Legal, a law firm located in New Delhi. He has over 29 years of experience in the legal profession.

Mr. Atul Sharma is associated with the Company since July 6, 2009 and member of Compensation Committee and Shareholders' Transfer/Investors' Grievances Committee of the Board. The details of his Directorships and Committee memberships in other Public Limited Companies are as under:

S.No.	Name of Company	Position on the Board and Committee thereof
1	Spicejet Limited	Director

Mr. Ajaya Chand- Independent Director

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

Mr. Ajaya Chand is associated with the Company since September 20, 2008 and member of Shareholders' Transfer/ Investors' Grievance Committee, Compensation Committee, Audit Committee, Finance

Committee and IPO Committee of the Board. He is not associated with any other Public Limited Company neither as director nor as committee member.

Compensation to the members of Board

During the FY 10, Company has not paid remuneration to any Director. Non-Executive & Independent members of the Board are paid sitting fees for attending the Meetings of Board and few committees thereof, within the ceiling as provided under the Companies Act, 1956. Besides this, Non-Executive directors do not have any other pecuniary relationship or transaction with the Company. The Company has no policy of advancing any loans to Directors.

Shareholding of Directors

Shareholding of the Directors of the Company as on March 31, 2010 is as under:

S. No.	Name of Director	No. of shares held (face value Rs. 10/- each)
1	Mr. Sameer Manchanda	34.84%
2	Mr. Raghav Bahl	NIL
3	Mr. Shahzaad Siraj Dalal	NIL
4	Mr. Krishna Kumar P. T. Gangadharan	NIL
5	Mr. Ajaya Chand	NIL
6	Mr. Robindra Sharma	NIL
7	Mr. Atul Sharma	NIL

COMMITTEE (S) OF BOARD

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

1. AUDIT COMMITTEE

(a) Brief description of terms of reference

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

The Audit Committee reviews the reports of the Internal Auditors, meets Statutory and Internal Auditors as and when required & 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 following three Directors out of whom

two third are Independent Directors. The composition of the Audit Committee is as follows:

S. No.	Name	Category of Directorship	Position
1	Mr. Ajaya Chand	Non-Executive Independent Director	Chairman
2	Mr. Robindra Sharma	Non Executive Independent Director	Member
3	Mr. Shahzaad Siraj Dalal	Non Executive Director	Member

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

(c) Number of meetings & attendance

During the year under review five meetings of the Audit Committee were convened on May 02, 2009, July 06, 2009, September 23, 2009, October 15, 2009 and on January 28, 2010. The details of attendance of members at the Committee Meetings are as under:

S. No.	Name	No. of meetings attended
1	Mr. Ajaya Chand	5
2	Mr. Shahzaad Siraj Dalal	1
3	Mr. Hemant Narang*	2
4	Mr. Sameer Manchanda*	2
5	Mr. Robindra Sharma**	3

* Resigned from membership of Audit Committee pursuant to re-constitution of Audit Committee w.e.f. July 6, 2009.

** appointed as member of the Audit Committee w.e.f. July 6, 2009

2. SHAREHOLDERS' TRANSFER/INVESTORS' GRIEVANCE COMMITTEE

(a) Composition

The Committee comprises following three Directors:

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

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

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

(c) Number of Committee meetings & attendance

The Committee met one time during the year viz. on January 29, 2010. The Committee discussed about the complaints received by the Company and steps taken for their redressal. The details of attendance of members at the Committee Meetings are as under:

S. No.	Name	No. of meetings attended
1	Mr. Sameer Manchanda	1
2	Mr. Ajaya Chand	1
3	Mr. Atul Sharma	-

(d) Investors' correspondence/complaints & their redressal

The Company received 39 (Thirty Nine) correspondence(s)/ complaints from the Shareholders during the period from April 1, 2009 to March 31, 2010 which were general in nature. All complaints were redressed / attended to the satisfaction of the shareholders effectively within the statutory time limit and no complaint was pending at the end of financial year March 31, 2010.

3. COMPENSATION COMMITTEE

(a) Composition

The Compensation Committee of the Board comprises following four Directors:

S. No.	Name	Category of Directorship	Position
1	Mr. Ajaya Chand	Non-Executive Independent Director	Chairman
2	Mr. Sameer Manchanda	Non-Executive Director	Member
3	Mr. Robindra Sharma	Non Executive Independent Director	Member
4	Mr. Atul Sharma	Non Executive Independent 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 subsidiaries Companies, if any.

(c) Number of Committee meetings & attendance

The committee met only once during the period under review on September 23, 2009. The details of attendance of members at the Committee Meeting is as under:

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

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

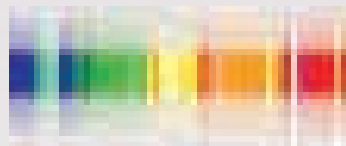
- 1 Finance Committee
- 2 IPO Committee

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 website of the Company www.dennetworks.com. All the Board Members and Senior Management Personnel(s) to whom this Code of Conduct is applicable have affirmed compliance with the Code and a declaration of this affirmation from Joint Managing Director of the Company forms a part of this report as Annexure – 'B'.

CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING

The Company has also adopted the Code of Conduct for Prohibition of Insider Trading of shares of the Company as provided under 'The Securities and Exchange Board of India (Prohibition of Insider Trading)



Regulations, 1992' as amended from time to time. This Code has also been posted on the website of the Company www.dennetworks.com.

DISCLOSURES

- None of the transactions with any of the related parties were in conflict with the 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 elsewhere in this Annual Report.
- In preparation of the financial statements, the Company has followed the Accounting Standards as issued by 'The Institute of the Chartered Accountants of India', to the extent applicable.
- Business Risk Evaluation and Management is an ongoing process within the Company. The objective of the Company's risk management is to identify the potential areas that may affect the affairs of the Company and then ensuring the reasonable assurances to avoid any possible damage to the assets and properties of the Company.
- Chief Executive Officer 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, 2010, which forms part of this report as Annexure – 'C'.

GENERAL BODY MEETINGS

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

Meeting	1 st AGM	2 nd AGM
Date	September 19, 2008	August 3, 2009
Time	1:30 P.M.	10:00 A.M.
Venue	At the registered office of the Company at 236, Okhla Industrial Estate, Phase-III, New Delhi-110020	At the registered office of the Company at 236, Okhla Industrial Estate, Phase-III, New Delhi-110020
Special Resolution(s)	Nil	Nil

*The Company was incorporated on July 10, 2007 and in compliance with applicable laws only two Annual General have been held.

Four Extra Ordinary General Meetings of the members of the Company were convened and held during the year under review on May 26, 2009, June 25, 2009, July 22, 2009 and July 29, 2009.

MEANS OF COMMUNICATION

- Financial results at the end of every quarter and audited annual financial results are published regularly within the prescribed time

limit in 'Business Standard' (English Newspaper) and 'Business Standard' (Hindi Newspaper).

- In compliance with the Listing Agreement, the Company promptly submits the financial results and other business updates to the Stock Exchange(s) to enable them to display these on their websites.
- The Financial results and other shareholders' information(s) are also displayed on the website of the Company - www.dennetworks.com

POSTAL BALLOT

There was no resolution passed through postal ballots during the year under review.

GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting

Day & Date	Friday, September 10, 2010
Time	11:30 A.M.
Venue	Kamani Auditorium, 1 Copernicus Marg, Near Mandi House, New Delhi - 110001

Financial Calendar: [Tentative and subject to change]

Financial Reporting for the 1st Quarter ending June 30, 2010.	Within first 15 days of August, 2010.
Financial Reporting for the 2nd Quarter ending September 30, 2010.	Within first 15 days of October, 2010.
Financial Reporting for the 3rd Quarter ending December 31, 2010.	Within first 15 days of February, 2011.
Financial Reporting for the last Quarter ending March 31, 2011.	Within first 15 days of April, 2011.

Date of Book Closure

Friday, the September 3, 2010 to Friday, the September 10, 2010 (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 2010-11 has been paid to the aforesaid Stock Exchange(s) within the stipulated time period.

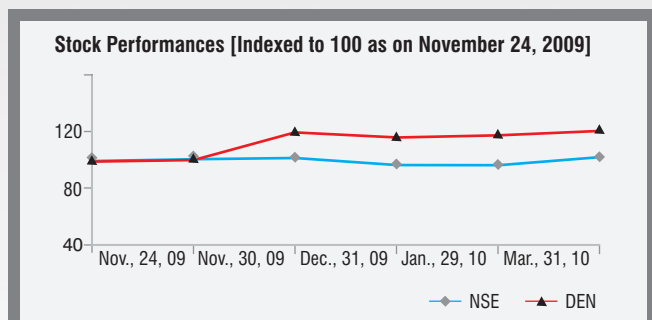
The International Securities Identification Number (ISIN) allotted to the Company's share under the Depository System is INE947J01015.

Market Price Data

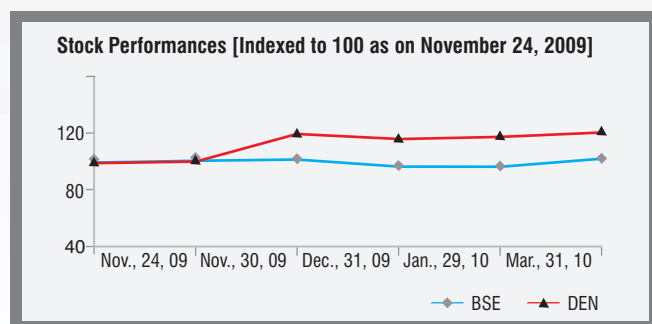
Equity Shares of the Company are listed and traded on BSE and NSE and the High Low rates of the shares of the Company during the year ended March 31, 2010 are as follows:

Month	High		Low	
	NSE	BSE	NSE	BSE
November 2009	199.80	197.00	150.10	149.50
December 2009	207.70	208.00	157.10	157.00
January 2010	198.50	198.05	174.15	178.00
February 2010	201.45	201.90	170.50	170.30
March 2010	199.50	199.70	177.50	186.00

Stock Performance in Comparison with NSE Nifty



Stock Performance in Comparison with BSE SENSEX



Address of the Registrar & Share Transfer Agent:

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

Name and designation of Compliance Officer

Jatin Mahajan
 Compliance Officer & Company Secretary
 Ph : (+91 11) 4052 2242
 Fax : (+91 11) 4052 2204
 Email : jatin.mahajan@denonline.in

Share Transfer System

M/s Karvy Computershare Private Limited is appointed as the Registrar & Share Transfer Agent of the Company. The transfer of shares is approved at the meetings of Share Transfer Committee which met 1 time during the year 2009-10.

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

Total No. of shares transferred during 2009-2010 : 213

Number of Shares pending for Transfer as on March 31, 2010 : NIL

Redressal of Investors' Complaints

The philosophy of the Company is to give utmost importance to the redressal of investors' grievances. In terms of Clause 47(f) of the

Listing Agreement, the Company has designated a separate e-mail address as mentioned hereunder, for investors to lodge their complaints: investorsgrievance@denonline.in

Dematerialization of shares and Liquidity

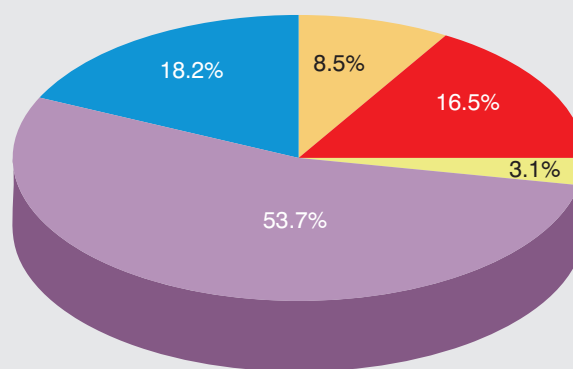
The shares of the Company are compulsorily traded in dematerialized mode and are registered for trading with both the depository participants i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The status of holding in dematerialized and physical mode, as on March 31, 2010 is as under:

S. No.	Mode of Holding	No. of shares	% of total share capital
1	Demat	71,277,214	54.62
2	Physical	59,212,761	45.38
	Total	130,489,975	100

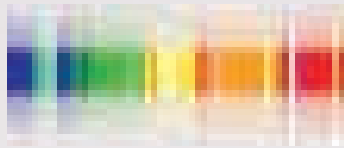
Distribution of Shareholding as on March 31, 2010

S. No.	Category	No. of Shareholders	No. of Shares	% of Shareholding
1	Indian Public	2,662	11,100,524	8.51
2	Bodies – Corporates	144	21,538,496	16.51
3	IFIs / Mutual Funds / UTI / Banks	2	3,995,460	3.06
4	Indian Promoters / Person Acting in Concert	6	70,116,720	53.73
5	NRIs / OCBs / FIIs / FN	48	23,738,775	18.19
	Total	2,862	130,489,975	100

Graphic representation of the Shareholding Pattern as on March 31, 2010



Indian Public
 Bodies Corporates
 IFIs / Mutual Funds / UTI / Banks
 Indian Promoters / Person Acting in Concert
 NRIs / OCBs / FIIs / FN



Distribution Schedule as on March 31, 2010

S. No.	Amount (Rs.)	No. of Shareholders	% of Shareholders	Amount of Shares (Rs.)	% of Shareholding
1	1 - 5,000	2,583	90.25	2,188,580	0.17
2	5,001 - 10,000	48	1.68	352,940	0.03
3	10,001 - 20,000	49	1.71	670,250	0.05
4	20,001 - 30,000	35	1.22	859,060	0.07
5	30,001 - 40,000	24	0.84	866,830	0.07
6	40,001 - 50,000	10	0.35	465,020	0.04
7	50,001 - 100,000	20	0.70	1,459,510	0.11
8	100,001 & Above	93	3.25	1,298,037,560	99.46
	Total	2,862	100.00	1,304,899,750	100.00

Plant Locations

Not applicable

Outstanding GDRs/ADRs/Warrants/Convertible Instruments/ESOPs

The Company has not issued any ADRs/GDRs/Convertible instruments/ESOPs 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

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

To,

The Members

DEN Networks Limited,

236, Okhla Industrial Estate, Phase-III

New Delhi-110020

1. We have reviewed the implementation of the Corporate Governance procedures by **DEN Networks Limited** (the Company) during the year ended March 31st, 2010, with the relevant records and documents maintained by the Company, furnished to us for our review and report on Corporate Governance, as approved by the Board of Directors.
2. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.
3. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. On the basis of our review and according to the best of our information and according to the explanations given to us, the Company has been complying with the conditions of Corporate Governance, as stipulated in the Clause 49 of the Listing Agreement with the Stock Exchange(s), as in force.

For RMG & Associate,
Company Secretaries

Sd/-

Manish Gupta

Partner

Membership No. FCS 5123
Certificate of Practice No. 4095

Place : New Delhi

Date : August 5, 2010

Annexure 'B'

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

To,

The 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 2009-10 and there has been no instances of violation of the Code.

For DEN Networks Limited

Sd/-

Sameer Manchanda

Chairman

Place: New Delhi

Date : May 28, 2010



Annexure 'C'

CEO AND CFO CERTIFICATION

To,

The Dear Members,

DEN Networks Limited,

We, Anuj Gandhi, Chief Executive Officer and Rajesh Kaushall, Chief Financial Officer, responsible for the finance function and the compliance of the Code of Conduct of the Company certify that:

1. We have reviewed financial statements and the cash flow statement for the year and to the best of my knowledge and belief:
 - i) These statements do not contain any material untrue statement or omit any material fact or contains statements that might be misleading.
 - ii) These statements together represent a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's Code of Conduct.
3. We accept the responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we were aware and the steps we have taken or propose to take to rectify these deficiencies.
4. During the year there were no –
 - (i) Changes in internal control.
 - (ii) Changes in accounting policies; and
 - (iii) Instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For DEN Networks Limited

Sd/-
Anuj Gandhi
CEO

Sd/-
Rajesh Kaushall
CFO

Place : New Delhi

Date : May 28, 2010

Auditors' Report


TO THE MEMBERS OF DEN NETWORKS LIMITED

1. We have audited the attached Balance Sheet of **DEN Networks Limited**, ('the Company') as at 31 March, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section 3C of Section 211 of the Companies Act, 1956;
 - e. in our opinion and to the best of our information and according to the explanations given to us, the said accounts, together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - ii. in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of written representations received from the Directors as on 31 March, 2010 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

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

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

New Delhi
May 28, 2010



Annexure to the Auditors' Report (Referred to in paragraph 3 of our report of even date)

- i. Having regard to the nature of the Company's business, clauses ii, viii, xii, xiii, xiv, xv, xviii and xix of Companies (Auditor's Report) Order, 2003 are not applicable.
- ii. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified by the management in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - c. The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- iii.
 - a. The Company has not granted any loans, secured or unsecured to parties listed in the register maintained under Section 301 of the Companies Act, 1956.
 - b. The Company has taken interest free unsecured loan from one party listed in the register maintained under Section 301 of the Companies Act, 1956. The year end balance of the loan aggregates to Rs. 21,952,000 and the maximum amount outstanding during the year was Rs. 55,002,000.
 - c. The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interest of the Company.
 - d. The payment of principal amount in respect of such loan is regular/as per stipulations.
- iv. In our opinion and according to the information and explanations given to us and having regard to the explanations that some capital items for which the procurement decision was taken based on operational requirements and some the fixed assets purchased are of specialized nature and, therefore, suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and sale of goods and services. The operations of the Company do not give rise to purchase of inventory.
- v. To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that:
 - a. The particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section; and
 - b. According to information and explanations given to us, having regard to the explanation that some of the services purchased and sold are of a specialised nature for which there are no alternate sources of supply to enable comparison of prices, transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5 lakhs in respect of any party during the year have been made at prices which are reasonable to prevailing market prices at the relevant time.
- vi. According to the information and explanations given to us, 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 Company has an adequate internal audit system commensurate with the size of the Company and nature of its business.
- viii. According to the information and explanations given to us in respect of statutory dues:
 - a. The Company has been generally regular in depositing its undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Value added Tax, Wealth Tax, Service tax, Customs Duty, Work Contract Tax, Cess and other material statutory dues within the prescribed time with the appropriate authorities during the year. There are no undisputed amounts payable in respect of these dues which have remained outstanding as at 31 March, 2010 for a period of more than six months from the date they became payable.

We are informed that the Company's operations did not give rise to any Excise Duty and Investor Education and Protection Fund.
 - b. According to the information and explanations given to us, there are no amount of Income Tax, Sales Tax, Value added Tax, Wealth Tax, Service tax, Customs Duty, Work Contract Tax and Cess which have not been deposited on account of any disputes.

- ix. Clause 4(x) of the Companies (Auditor's Report) Order, 2003 regarding accumulated losses of the Company at the end of the financial year exceeding fifty percent of its net worth is not applicable to the Company since the Company has been registered for a period of less than five years.
- x. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions. The Company has not issued any debentures.
- xi. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
- xii. In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet, we report that funds raised on short term basis have not been used during the year for long term investment.
- xiii. The Company has raised money by way of initial public offering of equity share during the year. The Management has disclosed the end use of money raised by public issue in note 20 of schedule 15 and we have verified the same.
- xiv. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and fraud on the Company has been noticed or reported during the year.

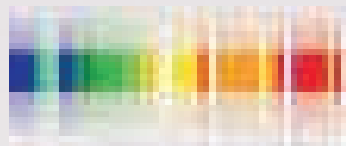
For DELOITTE HASKINS & SELLS

Chartered Accountants
(Registration No. 015125N)

Sd/-

JITENDRA AGARWAL
Partner
(Membership No. 87104)

New Delhi
May 28, 2010



Balance Sheet as at 31 March, 2010

(Rs. in '000)

	Schedule Reference	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
a. Share capital	1	1,304,900	221,182
b. Reserves and surplus	2	6,105,323	2,322,018
LOAN FUNDS			
a. Secured loans	3	1,607,748	1,153,997
b. Unsecured loans	4	21,952	55,002
DEFERRED TAX LIABILITY (NET)		9,722	16,993
		9,049,645	3,769,192
APPLICATION OF FUNDS			
FIXED ASSETS			
	5		
a. Gross block		1,839,929	1,317,878
b. Less: Depreciation		330,584	114,979
c. Net block		1,509,345	1,202,899
d. Capital work in progress		194,318	253,949
		1,703,663	1,456,848
INVESTMENTS	6	3,185,578	1,368,994
CURRENT ASSETS, LOANS & ADVANCES			
a. Sundry debtors	7	1,010,144	597,172
b. Unbilled revenues		133,725	65,047
c. Cash and bank balances	8	2,053,281	319,621
d. Loans and advances	9	2,008,926	914,922
		5,206,076	1,896,762
LESS: CURRENT LIABILITIES AND PROVISIONS			
	10		
a. Current liabilities		1,174,278	1,298,248
b. Provisions		21,386	13,172
		1,195,664	1,311,420
NET CURRENT ASSETS (6-7)		4,010,412	585,342
PROFIT AND LOSS ACCOUNT (DEBIT BALANCE)		149,992	358,008
		9,049,645	3,769,192
Notes forming part of the accounts	15		
The above schedules form an integral part of the balance sheet			

As per our report of even date attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

Sd/-
JITENDRA AGARWAL
Partner
Membership No. 87104

New Delhi
May 28, 2010

For and on behalf of the Board

Sd/-
ROBINDRA SHARMA
Director

Sd/-
RAJESH KAUSHALL
Chief Financial Officer

Sd/-
AJAYA CHAND
Director

Sd/-
JATIN MAHAJAN
Company Secretary

Profit & Loss Account for the year ended 31 March, 2010

(Rs. in '000)

	Schedule Reference	Year ended 31.03.2010	Year ended 31.03.2009
INCOME			
a. Income from operations		3,214,834	2,627,023
b. Sale of equipment		4,773	19,583
c. Other income	11	109,235	64,576
d. Gain on foreign exchange fluctuation		18,931	-
		3,347,773	2,711,182
EXPENDITURE			
a. Operational, administrative and other costs	12	2,402,932	2,270,480
b. Personnel cost	13	327,430	283,708
c. Cost of traded items		4,893	19,583
d. Loss on foreign exchange fluctuation		-	47,804
e. Finance costs	14	193,039	99,191
f. Depreciation and amortisation	5	218,630	105,515
		3,146,924	2,826,281
PROFIT/ (LOSS) BEFORE TAX		200,849	(115,099)
PROVISION FOR TAXES			
a. Income Tax		15,080	-
b. Fringe benefit tax		-	5,376
c. Wealth tax		103	70
d. Deferred tax		(7,271)	17,043
e. Minimum alternate tax (MAT) credit entitlement		(15,080)	-
		(7,168)	22,489
PROFIT/(LOSS) AFTER TAX		208,017	(137,588)
PROFIT/(LOSS) BROUGHT FORWARD		(358,008)	(220,419)
APPROPRIATION			
Dividend on cumulative convertible preference shares (See note 12)		1	1
PROFIT/(LOSS) AFTER TAX CARRIED TO BALANCE SHEET		(149,992)	(358,008)
Earnings per equity share (See note 21)			
(Face value of Rs. 10 per share)			
Basic		1.86	(1.52)
Diluted		1.79	(1.52)
Notes forming part of the accounts	15		
The above schedules form an integral part of the profit & loss account			

As per our report of even date attached

For DELOITTE HASKINS & SELLS

Chartered Accountants

Sd/-

JITENDRA AGARWAL

Partner

Membership No. 87104

New Delhi
May 28, 2010**For and on behalf of the Board**

Sd/-

ROBINDRA SHARMA

Director

Sd/-

RAJESH KAUSHALL

Chief Financial Officer

Sd/-

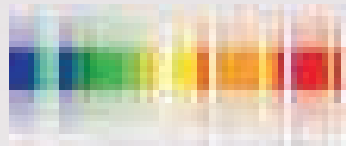
AJAYA CHAND

Director

Sd/-

JATIN MAHAJAN

Company Secretary



Cash Flow Statement for the year ended 31 March, 2010

(Rs. in '000)

	Year ended 31.03.2010	Year ended 31.03.2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (loss) before tax	200,849	(115,099)
Adjustments for :		
Depreciation and amortisation	218,630	105,515
Non cash acquisition consultancy cost	17,617	-
Interest and other financial expenses	193,039	99,191
Provision for employee benefits	10,053	10,177
Loss/ (gain) on exchange rate fluctuation - unrealized	(3,636)	6,470
Doubtful debts and advances written off/provided	9,211	7,877
Fixed assets/ capital work in progress written off	991	5,914
Interest income	(17,247)	(12,364)
Dividend received on current investment	(135)	(2,764)
Profit from sale of current investment	(47,774)	(9,843)
Liabilities written back	(42,980)	(30,935)
Operating profit before working capital changes	538,618	64,139
Adjustments for :		
Decrease/(Increase) in current assets	(513,408)	(641,121)
Increase/(Decrease) in current liabilities and provisions	125,834	598,928
Cash generated from/ (used in) operations	151,044	21,946
Tax on operational income (including fringe benefit tax)	(59,938)	(113,860)
Net cash from/ (used in) operating activities	91,106	(91,914)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investments purchased:		
- in subsidiaries (including share application money)	(1,153,955)	(787,079)
- in mutual funds	(15,525,969)	(403,449)
Loan repaid by/(to) body corporate (net)	-	102,000
Loan repaid by/(to) subsidiaries (net)	(52,544)	(29,976)
Advance given for investment	(135,883)	(300,782)
Interest income received	18,051	9,920
Dividend received on current investment	135	2,764
Sale of mutual fund investment	14,656,665	1,395,149
Purchase of fixed assets (including capital advances)	(494,904)	(1,016,630)
Net cash from/ (used in) investing activities	(2,688,404)	(1,028,083)

Cash Flow Statement for the year ended 31 March, 2010

(Rs. in '000)

	Year ended 31.03.2010	Year ended 31.03.2009
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	4,394,562	2
Proceeds from issue of preference share capital	-	399,998
Share Issue Expenses	(291,264)	(8,000)
Proceeds/ (repayment) from short term borrowings from a subsidiary company	(33,050)	9,400
Proceeds/ (repayment) of short term borrowings from a director	-	(50,000)
Proceeds from working capital loan from bank	(122,808)	330,531
Proceeds from term loan from bank	578,669	719,134
Repayment of finance lease obligation	(2,110)	(2,093)
Dividend paid on preference shares	(2)	-
Interest Paid	(193,039)	(101,938)
Net cash from/ (used in) financing activities	4,330,958	1,297,034
Net increase/ (decrease) in cash and cash equivalents	1,733,660	177,037
Cash and cash equivalents as at the beginning of the year	319,621	142,584
Cash and cash equivalents as at the end of the year	2,053,281	319,621

Notes:

- The above Cash flow statement has been prepared under the indirect method set out in AS-3 prescribed in Companies (Accounting Standards) Rules, 2006.
- Figures in brackets indicate cash outflow.
- Cash and cash equivalents include Rs. '(000) 83,450 (Previous year Rs. '(000) 21,672) under lien with banks.

As per our report of even date attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

Sd/-
JITENDRA AGARWAL
Partner
Membership No. 87104

New Delhi
May 28, 2010

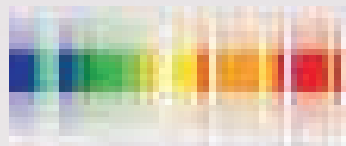
For and on behalf of the Board

Sd/-
ROBINDRA SHARMA
Director

Sd/-
RAJESH KAUSHALL
Chief Financial Officer

Sd/-
AJAYA CHAND
Director

Sd/-
JATIN MAHAJAN
Company Secretary



Schedules forming part of the Accounts

	(Rs. in '000)	
	As at 31.03.2010	As at 31.03.2009
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED		
165,000,000 (Previous year 25,000,000) equity shares of Rs. 10 each	1,650,000	250,000
Nil (Previous year 5,000,000) .001% cumulative convertible preference shares of Rs. 10 each	-	50,000
	1,650,000	300,000
ISSUED, SUBSCRIBED AND PAID UP		
130,489,975 (Previous year 18,118,880) equity shares of Rs. 10 each fully paid up	1,304,900	181,189
Nil (Previous year 3,999,300) .001% cumulative convertible preference shares of Rs. 10 each fully paid up	-	39,993
	1,304,900	221,182
Of the above:		
a. 72,475,520 (Previous year Nil) equity shares of Rs. 10 each were issued as bonus shares in the ratio of 4:1 (Previous year Nil) equity shares for every one equity share by capitalisation of securities premium.		
b. 39,993,000 (Previous year Nil) .001% cumulative convertible preference shares of Rs. 10 each were issued as bonus shares in the ratio of 10:1 (Previous year Nil) for every one .001% cumulative convertible preference share by capitalisation of securities premium. The above 43,992,300 .001% cumulative convertible preference shares were converted into 13,361,361 fully paid equity shares of Rs. 10 each during the year		
c. 4,019,606 (Previous year Nil) fully paid equity shares of Rs. 10/- were issued towards balance consideration payable on Investments		
SCHEDULE 2		
RESERVES AND SURPLUS		
Securities premium		
a. Opening balance	2,322,018	1,938,018
b. Amount received pursuant to issue of equity and preference shares	5,199,254	392,000
c. Less:		
i. Utilisation for issue of bonus shares	1,124,685	-
ii. Share issue expenses	291,264	8,000
	6,105,323	2,322,018
SCHEDULE 3		
SECURED LOANS (from banks)		
(See note 3)		
a. Term loans	1,376,619	797,950
b. Cash credit	230,345	353,153
c. Other loans	784	2,894
	1,607,748	1,153,997
*Term loans repayable within one year	443,784	157,252
SCHEDULE 4		
UNSECURED LOAN		
Short term loans		
i. from subsidiary	21,952	55,002
	21,952	55,002

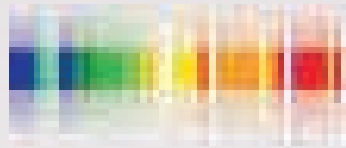
Schedules forming part of the Accounts

SCHEDULE : 5

FIXED ASSETS (at Cost)

(Rs. in '000)

PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK	
	As at 01.04.2009	Additions	Sales/ Adjustments	As at 01.04.2009	Additions	Sales/ Adjustments	As at 31.03.2010	As at 01.04.2009
Tangible assets								
Leasehold improvements	86,403	13,936	3,484	23,201	39,327	1,961	36,288	63,202
Plant and machinery								
- Headend and distribution equipment	648,478	157,590	4,893	44,243	77,914	651	679,669	604,235
- Set top boxes	421,791	234,054	-	21,346	64,771	-	569,728	400,445
- Computers	28,333	1,763	73	3,860	4,785	24	21,402	24,473
- Office & other equipment	73,734	20,157	34	7,887	9,259	34	17,112	65,847
Furniture and fixtures	7,382	405	46	2,498	1,142	18	4,119	4,884
Vehicles	15,893	2,438	1,086	3,201	2,749	337	11,632	12,692
Intangible assets								
Goodwill	4,128	-	-	1,726	667	-	1,735	2,402
Distribution network rights	20,263	95,000	-	5,595	15,088	-	94,580	14,668
Software	9,473	6,324	-	1,002	2,528	-	12,267	8,471
Licence fee for internet service	2,000	-	-	420	400	-	1,180	1,580
Total	1,317,878	531,667	9,616	114,979	218,630	3,025	1,509,345	1,202,899
Previous year	114,707	1,205,063	1,892	9,666	105,515	202	1,202,899	-
Capital work-in-progress [including capital advance Rs. '(000) 25,347 (Previous year Rs. '(000) 38,206)]							194,318	253,949
Grand total							1,703,663	1,456,848



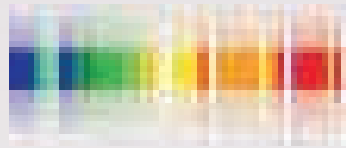
Schedules forming part of the Accounts

(Rs. in '000)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 6		
INVESTMENTS		
(See note 11)		
a. Trade and unquoted - long term in equity shares - at cost		
i. of wholly owned subsidiary companies		
714,950 (Previous year 714,950) equity shares of Rs. 10 each, fully paid up in Den Futuristic Cable Networks Private Limited	70,595	70,595
87,200 (Previous year 87,200) equity shares of Rs. 10 each, fully paid up in Den Entertainment Network Private Limited	436	436
50,000 (Previous year 10,000) equity shares of Rs. 10 each, fully paid up in Den Digital Entertainment Bangalore Private Limited	500	100
50,000 (Previous year 10,000) equity shares of Rs. 10 each, fully paid up in Den Digital Entertainment Gujarat Private Limited	500	100
50,000 (Previous year 50,000) equity shares of Rs. 10 each, fully paid up in Shine Cable Network Private Limited	500	500
	72,531	71,731
ii. of other companies		
31,224 (Previous year 31,224) equity shares of Rs. 10 each, fully paid up in Den Ambey Cable Networks Private Limited	13,167	13,167
2,550 (Previous year 2,550) equity shares of Rs. 100 each, fully paid up in DEN Manoranjan Satellite Private Limited	127,813	127,813
40,500 (Previous year 40,500) equity shares of Rs. 10 each, fully paid up in Dew Shree Network Private Limited	121,748	111,748
51,000 (Previous year 51,000) equity shares of Rs. 10 each, fully paid up in Meerut Cable Network Private Limited	83,408	83,408
25,935 (Previous year 25,935) equity shares of Rs. 10 each, fully paid up in Den Krishna Cable TV Network Private Limited	28,068	28,068
25,500 (Previous year 5,100) equity shares of Rs. 10 each, fully paid up in Shree Siddhivinayak Cable Network Private Limited	25,768	25,564
26,315 (Previous year 26,315) equity shares of Rs. 10 each, fully paid up in Den Pawan Cable Network Private Limited	28,054	28,054
122,400 (Previous year 122,400) equity shares of Rs. 10 each, fully paid up in Mahadev Den Network Private Limited	28,893	26,834
45,863 (Previous year 45,863) equity shares of Rs. 10 each, fully paid up in Mahadev Den Cable Network Private Limited	28,031	26,033
26,300 (Previous year 26,300) equity shares of Rs. 10 each, fully paid up in Den Mod Max Cable Network Private Limited	12,269	12,269
27,380 (Previous year 27,380) equity shares of Rs. 10 each, fully paid up in DEN BCN Suncity Network Private Limited	10,024	10,024
29,150 (Previous year 29,150) equity shares of Rs. 10 each, fully paid up in Den Crystal Vision Network Private Limited	8,175	8,175
45,900 (Previous year 45,900) equity shares of Rs. 10 each, fully paid up in Mahadev Den Cable Net Private Limited	14,555	13,517
25,501 (Previous year 6,408) equity shares of Rs. 10 each, fully paid up in Den Kashi Cable Network Private Limited (Formerly known as Den Icos Cable Network Private Limited)	5,008	5,008
27,565 (Previous year 27,565) equity shares of Rs. 10 each, fully paid up in Den Harsh Mann Cable Network Private Limited	3,322	3,322
33,300 (Previous year 33,300) equity shares of Rs. 10 each, fully paid up in Den Mahendra Satellite Private Limited	3,006	3,006
27,384 (Previous year 27,384) equity shares of Rs. 10 each, fully paid up in Den Prince Network Private Limited	3,004	3,004
30,416 (Previous year 30,416) equity shares of Rs. 10 each, fully paid up in Den Varun Cable Network Private Limited	2,216	2,216

Schedules forming part of the Accounts

	(Rs. in '000)	
	As at 31.03.2010	As at 31.03.2009
25,501 (Previous year 25,501) equity shares of Rs. 10 each, fully paid up in Den Prayag Cable Networks Private Limited	2,043	2,043
25,628 (Previous year 25,628) equity shares of Rs. 10 each, fully paid up in Den Pradeep Cable Network Private Limited	1,502	1,502
29,223 (Previous year 29,223) equity shares of Rs. 10 each, fully paid up in DEN Ashu Cable Private Limited	12,314	12,314
26,841 (Previous year 26,841) equity shares of Rs. 10 each, fully paid up in DEN Bindra Network Private Limited	5,112	5,112
29,685 (Previous year 29,685) equity shares of Rs. 10 each, fully paid up in Den Classic Cable TV Services Private Limited	2,649	2,649
30,140 (Previous year 30,140) equity shares of Rs. 10 each, fully paid up in DEN Digital Cable Network Private Limited	132,832	132,832
355,980 (Previous year 355,980) equity shares of Rs. 10 each, fully paid up in Den Enjoy Cable Networks Private Limited	36,588	36,588
27,675 (Previous year 27,675) equity shares of Rs. 10 each, fully paid up in Den F K Cable TV Network Private Limited	25,554	25,554
25,624 (Previous year 25,624) equity shares of Rs. 10 each, fully paid up in DEN Jai Ambey Vision Cable Private Limited	2,103	2,103
31,230 (Previous year 31,230) equity shares of Rs. 10 each, fully paid up in Den Maa Sharda Vision Cable Networks Private Limited	6,000	6,000
56,059 (Previous year 56,059) equity shares of Rs. 10 each, fully paid up in DEN MCN Cable Network Private Limited	33,970	33,970
33,950 (Previous year 33,950) equity shares of Rs. 10 each, fully paid up in Den Mewar Rajdev Cable Network Private Limited	19,546	19,546
26,117 (Previous year 26,117) equity shares of Rs. 10 each, fully paid up in DEN Montooshah Network Private Limited	20,449	20,449
38,914 (Previous year 38,914) equity shares of Rs. 10 each, fully paid up in DEN P.S.C Network Private Limited	9,142	9,142
35,140 (Previous year 35,140) equity shares of Rs. 10 each, fully paid up in Den Radiant Satellite Cable Network Private Limited	1,953	1,953
48,256 (Previous year 48,256) equity shares of Rs. 10 each, fully paid up in DEN RIS Cable Network Private Limited	5,408	5,408
31,265 (Previous year 31,265) equity shares of Rs. 10 each, fully paid up in Den Satellite Cable TV Network Private Limited	5,335	5,335
25,500 (Previous year 25,500) equity shares of Rs. 10 each, fully paid up in Den Shiva Cable Network Private Limited	817	817
91,000 (Previous year 51,000) equity shares of Rs. 10 each, fully paid up in DEN Sky Media Network Private Limited	123,832	90,100
30,452 (Previous year 30,452) equity shares of Rs. 10 each, fully paid up in DEN Supreme Satellite Vision Private Limited	25,555	25,555
27,325 (Previous year 27,325) equity shares of Rs. 10 each, fully paid up in Drashti Cable Network Private Limited	23,000	23,000
25,500 (Previous year 25,500) equity shares of Rs. 10 each, fully paid up in DEN Fateh Marketing Private Limited	10,229	10,229
25,500 (Previous year 25,500) equity shares of Rs. 10 each, fully paid up in DEN Nashik City Cable Network Private Limited	73,595	73,595
76,500 (Previous year 97,500) equity shares of Rs. 10 each, fully paid up in Radiant Satellite (India) Private Limited	46,015	58,646
30,529 (Previous year 30,529) equity shares of Rs. 10 each, fully paid up in DEN Aman Entertainment Private Limited	4,122	4,122
37,113 (Previous year 37,113) equity shares of Rs. 10 each, fully paid up in Den Budaun Cable Network Private Limited	2,002	2,002
44,814 (Previous year 44,814) equity shares of Rs. 10 each, fully paid up in Den Narmada Network Private Limited	2,001	2,001
28,928 (Previous year 28,928) equity shares of Rs. 10 each, fully paid up in DEN Bellary City Cable Private Limited	36,841	36,841



Schedules forming part of the Accounts

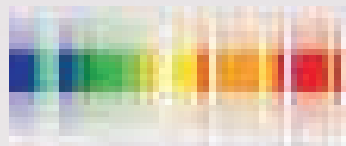
(Rs. in '000)

	As at 31.03.2010	As at 31.03.2009
550,800 (Previous year 550,800) equity shares of Rs. 10 each, fully paid up in Malayalam Telenet Private Limited	50,125	50,125
47,052 (Previous year Nil) equity shares of Rs. 10 each, fully paid up in DEN ELGEE CABLE VISION PRIVATE LIMITED	4,376	-
5,100 (Previous year Nil) equity shares of Rs. 10 each, fully paid up in RAJKOT CITY COMMUNICATION PRIVATE LIMITED	98,430	-
30,633 (Previous year Nil) equity shares of Rs. 10 each, fully paid up in DEN MALABAR CABLE VISION PRIVATE LIMITED	26,894	-
27,882 (Previous year Nil) equity shares of Rs. 10 each, fully paid up in DEN Infoking Channel Entertainers Pvt. Ltd.	60,125	-
2,998 (Previous year Nil) equity shares of Rs. 10 each, fully paid up in Den UCN Network India Pvt. Ltd.	21,936	-
51,000 (Previous year Nil) equity shares of Rs. 10 each, fully paid up in Fortune (Baroda) Network Pvt. Ltd.	36,456	-
25,500 (Previous year Nil) equity shares of Rs. 10 each, fully paid up in Galaxy Den Entertainment Pvt. Ltd.	43,353	-
27,300 (Previous year Nil) equity shares of Rs. 10 each, fully paid up in Bali Den Cable Network Pvt. Ltd.	50,651	-
25,502 (Previous year Nil) equity shares of Rs. 10 each, fully paid up in Mahavir Den Entertainment Pvt. Ltd.	30,075	-
32,941 (Previous year Nil) equity shares of Rs. 10 each, fully paid up in Den Citi Channel Pvt. Ltd.	24,205	-
29,227 (Previous year Nil) equity shares of Rs. 10 each, fully paid up in Fab Den Network Pvt. Ltd.	41,472	-
46,233 (Previous year Nil) equity shares of Rs. 10 each, fully paid up in Den Satellite Network Pvt. Ltd.	424,332	-
	2,129,468	1,230,763
ii. in joint venture		
2,500,000 (Previous year 2,500,000) equity shares of Rs. 10 each, fully paid up in Star Den Media Services Private Limited	25,000	25,000
	25,000	25,000
Aggregate of unquoted - long term trade investments in equity shares	2,226,999	1,327,494
b. Trade and unquoted - long term in preference shares - at cost		
3% 5 years 750,000 (Previous year 750,000) non cumulative preference shares of Rs. 10 each in Den Kashi Cable Network Private Limited	37,500	37,500
	37,500	37,500
c. Trade and unquoted - long term in capital of partnership firm - at cost		
99% (Previous year 99%) interest in the capital of Creative Cable Network	4,000	4,000
	4,000	4,000
d. Unquoted - Current investments in units of mutual funds (at lower of cost or fair value) (other than trade)		
(See note 11)		
28,789,123 (Previous year Nil) units of Rs. 13.90 each in NLFSG Canara Robeco Treasury Advantage Super Instt Growth Fund	400,055	-
9,509,161 (Previous year Nil) units of Rs. 10.54 each in Baroda Pioneer Liquid Fund-Institutional Growth Plan's	100,208	-
12,668,250 (Previous year Nil) units of Rs. 15.79 each in B332G Birla Sun Life Floating Rate Fund Retail Long Term Growth	200,000	-
6,074,841 (Previous year Nil) units of Rs. 17.48 each in B332G Birla Sun Life Saving Fund Instl. Growth	106,192	-
89,437 (Previous year Nil) units of Rs. 1,237 each in UTI Treasury Advantage Fund Institutional Plan	110,624	-
Aggregate of unquoted - current investment in units of mutual funds	917,079	-
	3,185,578	1,368,994

Schedules forming part of the Accounts

(Rs. in '000)

	As at 31.03.2010	As at 31.03.2009	
SCHEDULE 7			
SUNDRY DEBTORS (Unsecured)*			
(See note 8)			
a. Debts outstanding for more than 6 months			
i. Considered good	192,890	139,629	
ii. Considered doubtful	9,905	4,162	
b. Others			
i. Considered good	817,254	457,543	
ii. Considered doubtful	-	2,543	
	1,020,049	603,877	
c. Less: Provision for doubtful debts	9,905	6,705	
	1,010,144	597,172	
* Sundry debtors include Rs. '(000) 387,939 (Previous year Rs. '(000) 234,644) and Rs. '(000) 148,656 (Previous year Rs. '(000) 77,954) recoverable from subsidiaries and jointly controlled entity of the Company, respectively.			
SCHEDULE 8			
CASH AND BANK BALANCES			
a. Cash in hand	299	963	
b. Cheques in hand	266,850	126,772	
c. Balances with scheduled banks:			
i. in current accounts	648,487	168,634	
ii. in deposit accounts*	1,107,465	4,180	
iii. as margin money**	30,180	19,072	
	2,053,281	319,621	
* Pledged as securities with:			
- Government authorities for internet service license - Rs. '(000) 2,670 (Previous year Rs. '(000) 2,500)			
- Tax authorities for statutory registrations - Rs. '(000) 100 (Previous year Rs. '(000) 100)			
- Banks as DSRA Rs. '(000) 30,000 (Previous year Rs. '(000) Nil)			
- Banks to issue performance guarantee to BSE Rs. '(000) 20,500 (Previous year Rs. '(000) Nil)			
** Pledged as security with bank for letters of credit			
SCHEDULE 9			
LOANS AND ADVANCES (Unsecured)			
a. Advances recoverable in cash or in kind or for value to be received			
i. Considered good*	364,305	300,981	
ii. Considered doubtful	13,786	13,786	
	378,091	314,767	
b. Less: Provision for doubtful advances	13,786	13,786	300,981
c. Loans to			
i. Subsidiaries (See note 7)	93,046	40,502	
ii. Others	-	3,000	43,502
d. Advance for investments (See note 11)	978,548	391,315	
e. Balance with government authorities	36,936	57,618	
f. Share application money paid pending allotment	342,876	2,500	
g. Advance tax [including tax deducted at source Rs. '(000) 191,859 Previous year Rs. '(000) 119,006 (Net of Provision Rs. '(000) 16,241 Previous year Rs. Nil)]	177,674	119,006	
h. Fringe benefit tax [net of provision of Rs. '(000) 6,707 (Previous year Nil)]	461	-	
i. MAT credit entitlement	15,080	-	
	2,008,926	914,922	
* Includes Rs. '(000) 42,522 (Previous year Rs. '(000) 25,632) and Rs. '(000) 5 (Previous year Rs. 5) recoverable from the subsidiaries and jointly controlled entity of the Company, respectively. (See note 7)			



Schedules forming part of the Accounts

(Rs. in '000)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 10		
CURRENT LIABILITIES AND PROVISIONS		
a. Current liabilities		
i. Sundry Creditors		
- Micro and small enterprises (See note 13)	-	-
- Balance consideration payable on investments (See note 11)	84,978	299,310
- Others	881,588	692,449
ii. Security deposits received	3,399	793
iii. Book overdraft	-	129,661
iv. Advances from customers	3,506	3,781
v. Advance billings	121,517	121,648
vi. Other liabilities	79,290	50,606
	1,174,278	1,298,248
b. Provisions		
i. Fringe benefit tax [net of advance tax of Rs. '(000) Nil (Previous year Rs. 5,511)]	-	1,196
ii. Wealth tax [net of advance tax of Rs. '(000) 133 (Previous year 60)]	99	70
iii. Dividend on cumulative preference shares [including corporate dividend tax payable Rs. '(000) Nil (Previous year Rs. 0.09)] (See note 12)	-	1
iv. Employee benefits (See note 18)		
- Gratuity	9,725	5,261
- Compensated absences/ leave encashment	11,562	6,644
	21,386	13,172
	1,195,664	1,311,420

Schedules forming part of Profit & Loss Account

(Rs. in '000)

	Year ended 31.03.2010	Year ended 31.03.2009
SCHEDULE 11		
OTHER INCOME		
a. Profit on sale of current investments (other than trade and unquoted)	47,774	9,843
b. Dividend on current investments (other than trade and unquoted)	135	2,764
c. Interest income		
i. on fixed deposits [including tax deducted at source Rs. '(000) 696 (Previous year Rs. '(000) 1,583)]	6,208	6,968
ii. on loans to subsidiaries [including tax deducted at source Rs. '(000) 908 (Previous year Rs. '(000) 26)]	10,869	4,095
iii. on loans to others [including tax deducted at source Rs. '(000) Nil (Previous year Rs. 234)]	170	1,301
e. Excess provisions written back	38,940	30,935
f. Miscellaneous income	5,139	8,670
	109,235	64,576

Schedules forming part of Profit & Loss Account

	(Rs. in '000)	
	Year ended 31.03.2010	Year ended 31.03.2009
SCHEDULE 12		
OPERATIONAL, ADMINISTRATIVE AND OTHER COSTS		
a. Content cost	503,232	582,961
b. Placement fees	1,100,267	979,508
c. Distributor commission/ incentive	33,208	99,945
d. Cable Laying Expenses - UG	19,650	
e. Rent and hire charges (See note 10 a)	90,895	90,657
f. Repairs and maintenance		
i. Plant and machinery	51,826	45,712
ii. Others	25,931	8,231
g. Power and fuel	29,867	23,607
h. Director's sitting fees	80	-
i. Consultancy, professional & legal charges	285,141	210,551
j. Travelling and conveyance	70,979	64,055
k. Advertisement, publicity and business promotion	28,050	48,213
l. Communication expenses	86,899	58,596
m. Security charges	9,499	8,875
n. Insurance	9,656	6,979
o. Rates & taxes	21,586	2,692
p. Provision for doubtful debts/ advances	3,200	4,436
q. Bad debts/ advances written off	6,011	3,441
r. Fixed assets/ capital work in progress written off	991	5,914
s. Miscellaneous expenses	25,964	26,107
	2,402,932	2,270,480
SCHEDULE 13		
PERSONNEL COST		
a. Salaries, allowances and bonus	290,580	250,635
b. Contribution to provident fund and other funds	14,663	13,018
c. Employee benefits (See note 18)	10,053	10,177
d. Staff welfare expenses	12,134	9,878
	327,430	283,708
SCHEDULE 14		
FINANCE COSTS		
a. Interest on loans from banks	180,129	88,240
b. Interest on finance lease obligations (vehicles)	233	508
c. Bank charges and other costs	12,677	10,443
	193,039	99,191



Schedules forming part of the Accounts

SCHEDULE 15

NOTES FORMING PART OF THE ACCOUNTS

1. Background

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

DEN is engaged in distribution of television channels through analog and digital cable distribution network and provision of internet services.

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

During the financial year 2009-10, the Company issued and allotted 1,85,67,240 Equity Shares of face value of Rs. 10/- each, pursuant to the Initial Public Offer (IPO), which were admitted for listing and trading on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) with effect from November 24, 2009.

2. Significant accounting policies

a. Basis of preparation

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

b. Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the results of operations during the reporting period. Examples of such estimates include estimates of income taxes, future obligations under employment retirement benefit plans, provision for doubtful debts and advances and estimated useful life of tangible and intangible assets. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

c. Revenue recognition

i. Income from operations

- Service revenue comprises income from subscription, placement of channels, advertisement revenue and other services. It also comprises fees for rendering management, technical and consultancy services. Income from services is recognised upon completion of services as per the terms of contracts with the customers. Period based services are accrued and recognised pro-rata over the contractual period.
- Activation Fees on Set Top Boxes (STB) is recognized as revenue at the end of the month of activation of boxes, on issue of STBs to the customers.
- Revenue billed but not recognised at the end of the year has been disclosed as deferred revenue under current liabilities.

ii. Sale of equipment

Revenue is recognized when the significant risks and rewards of ownership of the equipments have been passed to the buyer. The time of transfer of and the amount is determined based on the arrangement between the parties involved.

In case of VAT collected on sales, exclusive method is followed, where sales and expenditure will not include VAT, VAT collected is disclosed under current liabilities and not routed through profit and loss account as mentioned in Guidance Note of State Value Added Tax by ICAI.

iii. Others

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

d. Barter transactions

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

e. Fixed assets

i. Tangible assets

- Fixed assets are stated at the cost of acquisition less accumulated depreciation. The actual cost capitalized includes purchase price, and all other attributable costs of bringing the assets to working condition for intended use.
- Assets are capitalised on the date when they are ready for intended use. Set top boxes are capitalized at the end of the month of activation.
- Fixed assets under construction, advances paid towards acquisition of fixed assets and cost of assets not ready for intended use at the balance sheet date, are disclosed as capital work in progress.

ii. Intangible assets

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

f. Depreciation and amortisation

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

Schedules forming part of the Accounts

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

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

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

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

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

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

g. Impairment of assets

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

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

h. Leases

i. Finance leases

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

ii. Operating leases

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

i. Borrowing costs

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

j. Investments

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

k. Foreign exchange transactions

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

l. Taxation

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

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

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

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

m. Employee benefits

i. Short term employee benefits

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

ii. Long term employee benefits

• Provident fund and other state plans

The Company's contributions towards recognised Provident Fund, Employee State Insurance Fund and Employees Pension Scheme under defined contribution



Schedules forming part of the Accounts

plans are recognised in the profit and loss account during the period in which the employee renders the related service.

• **Gratuity**

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

• **Compensated absences**

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

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

n. **Earnings per share**

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

o. **Segment information**

i. **Business segments**

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

ii. **Geographical segments**

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

p. **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.

3. **Secured loans**

a. **Cash credit facilities of Rs. '(000) 230,345** [Previous year figures Rs. '(000) 353,153] **are secured by:**

- First pari passu charge on current and future book debts of the Company.
- Second pari passu charge on all movable and immovable fixed assets of the Company.

b. **The term loan of Rs. '(000) 1,376,619** [Previous year figures Rs. '(000) 797,950] **from bank is secured by:**

- First pari passu charge on all movable and immovable properties of the Company both present and future;
- Second pari passu charge on all current assets of the Company;

c. **Other loans from banks amounting to Rs. '(000) 784** [Previous year figures Rs. '(000) 2,894] **are secured by hypothecation of vehicles financed by them.**

d. **Further, the entire amount under cash credit and term loan facilities is secured by personal guarantee of Mr. Sameer Manchanda.**

4. **Capital commitments and contingent liabilities**

a. **Capital commitments**

Estimated amount of contracts remaining to be executed on capital account (net of advances) Rs. '(000) 71,503 [Previous year Rs. '(000) 121,009].

b. **Contingent liabilities**

- Guarantees issued by bankers outstanding as at the end of the year amounting to Rs. '(000) 41,725 [Previous year Rs. '(000) 21,359] on account of license for internet use issued by the Department of Telecommunications.
- Outstanding letters of credit as at the end of the year Rs. '(000) 140,887 [Previous year Rs. '(000) 89,461].

5. **Segment reporting**

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

6. **Related Party Disclosures**

I. **List of related parties**

a. **Related parties where control exists**

i. **Subsidiaries held directly**

- Den Mahendra Satellite Private Limited (w.e.f. 27-Dec-07)
- Den Mod Max Cable Network Private Limited (w.e.f. 27-Dec-07)

Schedules forming part of the Accounts

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. DEN P.S.C. Network Private Limited (w.e.f. 11-Aug-08)
 12. Dew Shree Network Private Limited (w.e.f. 26-Sep-07)
 13. Shree Siddhivinayak Cable Network Private Limited (w.e.f. 1-Dec-07)
 14. Drashti Cable Network Private Limited (w.e.f. 1-Apr-08)
 15. DEN MCN Cable Network Private Limited (w.e.f. 8-Apr-08)
 16. Mahadev Den Network Private Limited (w.e.f. 1-Feb-08)
 17. Mahadev Den Cable Network Private Limited (w.e.f. 1-Feb-08)
 18. Mahadev Den Cable Net Private Limited (w.e.f. 1-Feb-08)
 19. DEN Digital Cable Network Private Limited (w.e.f. 1-May-08)
 20. Malayalam Telenet Private Limited (w.e.f. 22-Aug-08)
 21. DEN Bellary City Cable Private Limited (w.e.f. 1-Jan-09)
 22. DEN-Manoranjan Satellite Private Limited (w.e.f. 1-Mar-08)
 23. DEN Supreme Satellite Vision Private Limited (w.e.f. 30-May-08)
 24. DEN Nashik City Cable Network Private Limited (w.e.f. 26-Jun-08)
 25. Radiant Satellite (India) Private Limited (w.e.f. 2-Apr-08)
 26. Den Radiant Satellite Cable Network Private Limited (w.e.f. 2-Apr-08)
 27. Den Mewar Rajdev Cable Network Private Limited (w.e.f. 2-Apr-08)
 28. DEN RIS Cable Network Private Limited (w.e.f. 1-Jun-08)
 29. DEN Sky Media Network Private Limited (w.e.f. 31-May-08)
 30. Den Prince Network Private Limited (w.e.f. 1-Feb-08)
 31. Den Varun Cable Network Private Limited (w.e.f. 7-Jan-08)
 32. Den Crystal Vision Network Private Limited (w.e.f. 27-Dec-07)
 33. Meerut Cable Network Private Limited (w.e.f. 1-Dec-07)
 34. DEN Jai Ambey Vision Cable Private Limited (w.e.f. 5-Apr-08)
 35. DEN Fateh Marketing Private Limited (w.e.f. 9-Apr-08)
 36. Den Prayag Cable Networks Private Limited (w.e.f. 1-Feb-08)
 37. Den Enjoy Cable Networks Private Limited (w.e.f. 2-Apr-08)
 38. Den Maa Sharda Vision Cable Networks Private Limited (w.e.f. 1-Apr-08)
 39. Den F K Cable TV Network Private Limited (w.e.f. 1-May-08)
 40. Den Shiva Cable Network Private Limited (w.e.f. 1-May-08)
 41. Den Pradeep Cable Network Private Limited (w.e.f. 1-Feb-08)
 42. Den Satellite Cable TV Network Private Limited (w.e.f. 1-Apr-08)
 43. Den Narmada Network Private Limited (w.e.f. 1-Sep-08)
 44. Den Ambey Cable Networks Private Limited (w.e.f. 11-Sep-07)
 45. Den Budaun Cable Network Private Limited (w.e.f. 1-Oct-08)
 46. DEN Aman Entertainment Private Limited (w.e.f. 1-Oct-08)
 47. Den Kashi Cable Network Private Limited (w.e.f. 1-Mar-08)
 48. Den Futuristic Cable Networks Private Limited (w.e.f. 9-Oct-07)
 49. Den Digital Entertainment Gujarat Private Limited (w.e.f. 31-May-08)
 50. Den Digital Entertainment Bangalore Private Limited (changed to Aster Entertainment Private Limited w.e.f. 13-May-2010) (w.e.f. 31-May-08)
 51. Den Entertainment Network Private Limited (w.e.f. 1-Sep-07)
 52. Shine Cable Network Private Limited (w.e.f. 1-Dec-08)
 53. Creative Cable Network (partnership firm) (w.e.f. 12-Oct-07)
 54. Rajkot City Communication Private Limited (w.e.f. 10-Apr-09)
 55. Den Elgee Cable Vision Private Limited (w.e.f. 3-Jun-09)
 56. Den Malabar Cable Vision Private Limited (w.e.f. 30-Apr-09)
 57. Amogh Broadband Services Private Limited (w.e.f. 29-Jul-09)
 58. Galaxy Den Media & Entertainment Private Limited (w.e.f. 15-Jul-09)
 59. Den UCN Network India Private Limited (w.e.f. 25-Jul-09)
 60. Bali Den Cable Network Private Limited (w.e.f. 1-Sep-09)
 61. Mahavir Den Entertainment Private Limited (w.e.f. 1-Sep-09)
 62. Den Citi Channel Private Limited (w.e.f. 16-Nov-09)
 63. Den Satellite Network Private Limited (w.e.f. 15-Jan-10)
 64. Fab Den Network Private Limited (w.e.f. 1-Jan-10)
 65. Fortune (Baroda) Network Private Limited (w.e.f. 31-Jul-09)
 66. Den Infoking Channel Entertainers Private Limited (w.e.f. 1-Aug-09)
- 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)
- b. Jointly controlled entity**
1. Star Den Media Services Private Limited
- c. Entities under significant influence**
1. Lucid Systems Private Limited
 2. Setpro 18 Distribution Limited
- d. Key managerial personnel**
1. Mr. Sameer Manchanda
 2. Mr. Hemant Narang

Schedules forming part of the Accounts

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

Rs in '(000)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Key management personnel	Grand total
a. Transactions during the year						
i. Income from operations						
Setpro 18 Distribution Ltd	-	-	-	364,866	-	364,866
	-	-	-	(333,398)	-	(333,398)
Star Den Media Services Private Limited	-	-	493,965	-	-	493,965
	-	-	(357,387)	-	-	(357,387)
Others	473,152	19,552	-	-	-	492,704
	(389,976)	(13,411)	-	-	-	(403,387)
Total	473,152	19,552	493,965	364,866	-	1,351,535
	(389,976)	(13,411)	(357,387)	(333,398)	-	(1,094,172)
ii. Sale of equipments						
Den Ambey Cable Networks Private Limited	2,318	-	-	-	-	2,318
	(575)	-	-	-	-	(575)
Den Sky Media Network Private Limited	1,517	-	-	-	-	1,517
	-	-	-	-	-	-
Malayalam Telenet Private Limited	1,084	-	-	-	-	1,084
	-	-	-	-	-	-
Others	622	-	-	-	-	622
	(15,825)	(79)	-	-	-	(15,904)
Total	5,541	-	-	-	-	5,541
	(16,400)	(79)	-	-	-	(16,479)
iii. Purchase of services						
Den Enjoy Cable Networks Private Limited	139,839	-	-	-	-	139,839
	(142,284)	-	-	-	-	(142,284)
Star Den Media Services Private Limited	-	-	139,194	-	-	139,194
	-	-	(178,572)	-	-	(178,572)
Amogh Broad Band Service Private Limited	91,099	-	-	-	-	91,099
	-	-	-	-	-	-
Others	518,425	46,545	-	2	4,272	569,244
	(375,203)	(26,056)	-	-	(2,884)	(404,143)
Total	749,363	46,545	139,194	2	4,272	939,376
	(517,487)	(26,056)	(178,655)	-	(2,884)	(725,082)
iv. Purchase of Fixed Assets						
Den Sky Media Network Private Limited	508	-	-	-	-	508
	-	-	-	-	-	-
Others	-	-	-	-	-	-
	(2,278)	-	-	-	-	(2,278)
Total	508	-	-	-	-	508
	(2,278)	-	-	-	-	(2,278)
v. Reimbursement of expenses (received)						
Den Digital Entertainment Bangalore Private Limited	2,652	-	-	-	-	2,652
	(1)	-	-	-	-	(1)
Others	3,142	837	-	-	-	3,979
	(82,318)	(2,455)	(541)	(3)	-	(85,317)
Total	5,794	837	-	-	-	6,631
	(82,319)	(2,455)	(541)	(3)	-	(85,318)

Schedules forming part of the Accounts

Rs in '(000)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Key management personnel	Grand total
vi. Reimbursement of expenses (paid)						
Den-Manoranjan Satellite Private Limited	1,538	-	-	-	-	1,538
	(1,260)	-	-	-	-	(1,260)
Den Ambey Cable Networks Private Limited	658	-	-	-	-	658
	(2,541)	-	-	-	-	(2,541)
Den Satellite Network Private Limited	482	-	-	-	-	482
	-	-	-	-	-	-
Others	31	-	-	-	210	241
	(8,636)	-	(799)	-	-	(9,435)
Total	2,709	-	-	-	210	2,919
	(12,437)	-	(799)	-	-	(13,236)
vii. Interest income						
Amogh Broad Band Service Private Limited	2,461	-	-	-	-	2,461
	-	-	-	-	-	-
Den Sky Media Network Private Limited	2,157	-	-	-	-	2,157
	(188)	-	-	-	-	(188)
Den Kashi Cable Network Private Limited	1,777	-	-	-	-	1,777
	(2,040)	-	-	-	-	(2,040)
Den Mewar Rajdev Cable Network Private Limited	1,514	-	-	-	-	1,514
	(518)	-	-	-	-	(518)
Den Narmada Network Private Limited	1,076	-	-	-	-	1,076
	(158)	-	-	-	-	(158)
Others	1,634	250	-	-	-	1,884
	(1,077)	(114)	-	-	-	(1,191)
Total	10,619	250	-	-	-	10,869
	(3,981)	(114)	-	-	-	(4,095)
viii. Investments						
Den Satellite Network Private Limited	297,750	-	-	-	-	297,750
	-	-	-	-	-	-
Others	72,523	-	-	-	-	72,523
	(121,062)	-	-	-	-	(121,062)
Total	370,273	-	-	-	-	370,273
	(121,062)	-	-	-	-	(121,062)
ix. Loans given during the year						
Den Sky Media Network Private Limited	49,111	-	-	-	-	49,111
	(2,480)	-	-	-	-	(2,480)
Amogh Broad Band Services Private Limited	31,800	-	-	-	-	31,800
	-	-	-	-	-	-
Den Mewar Rajdev Cable Network Private Limited	15,404	-	-	-	-	15,404
	(5,150)	-	-	-	-	(5,150)
Den Narmada Network Private Limited	13,075	-	-	-	-	13,075
	(3,645)	-	-	-	-	(3,645)
Others	12,241	1000	-	-	-	13,241
	(27,575)	(1,169)	-	-	-	(28,744)
Total	121,631	1000	-	-	-	122,631
	(38,850)	(1,169)	-	-	-	(40,019)

Schedules forming part of the Accounts

Rs in '(000)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Key management personnel	Grand total
x. Loans taken during the year						
Den Entertainment Network Private Limited	-	-	-	-	-	-
	(16,900)	-	-	-	-	(16,900)
Total	-	-	-	-	-	-
	(16,900)	-	-	-	-	(16,900)
xi. Loans received back during the year						
Den Sky Media Network Private Limited	51,018	-	-	-	-	51,018
	-	-	-	-	-	-
Den Kashi Cable Network Private Limited	9,000	-	-	-	-	9,000
	-	-	-	-	-	-
Others	10,069	-	-	-	-	10,069
	(10,043)	-	-	-	-	(10,043)
Total	70,087	-	-	-	-	70,087
	(10,043)	-	-	-	-	(10,043)
xii. Loans repaid during the year						
Den Entertainment Network Private Limited	33,050	-	-	-	-	33,050
	(7,500)	-	-	-	-	(7,500)
Others	-	-	-	-	-	-
	-	-	-	-	(50,000)	(50,000)
Total	33,050	-	-	-	-	33,050
	(7,500)	-	-	-	(50,000)	(57,500)

b. Outstanding balances at year end

Rs in '(000)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Key management personnel	Grand total
i. Debtors						
Star Den Media Services Private Limited	-	-	148,656	-	-	148,656
	-	-	(77,954)	-	-	(77,954)
Setpro 18 Distribution Ltd	-	-	-	91,431	-	91,431
	-	-	-	(35,645)	-	(35,645)
Others	372,434	15,505	-	-	-	387,939
	(223,777)	(10,867)	-	-	-	(234,643)
Total	372,434	15,505	148,656	91,431	-	628,026
	(223,777)	(10,867)	(77,954)	(35,645)	-	(348,243)
ii. Unbilled revenue						
Star Den Media Services Private Limited	-	-	97,929	-	-	97,929
	-	-	(55,304)	-	-	(55,304)
Setpro 18 Distribution Ltd	-	-	-	22,640	-	22,640
	-	-	-	-	-	-
Others	5,100	-	-	-	-	5,100
	(4,298)	-	-	-	-	(4,298)
Total	5,100	-	97,929	22,640	-	125,669
	(4,298)	-	(55,304)	-	-	(59,602)

Schedules forming part of the Accounts

Particulars	Rs in '(000)					
	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Key management personnel	Grand total
iii. Creditors						
Den Enjoy Cable Network Pvt Ltd	33,098	-	-	-	-	33,098
	(47,279)	-	-	-	-	(47,279)
Star Den Media Services Private Limited	-	-	28,824	-	-	28,824
	-	-	(44,816)	-	-	(44,816)
Others	109,500	16,749	-	-	186	126,435
	(90,441)	(11,125)	-	-	-	(101,566)
Total	142,598	16,749	28,824	-	186	188,357
	(137,720)	(11,125)	(44,816)	-	-	(193,661)
iv. Investment						
Den Satellite Network Private Limited	424,332	-	-	-	-	424,332
	-	-	-	-	-	-
Others	1,819,167	-	25,000	-	-	1,844,167
	(1,343,994)	-	(25,000)	-	-	(1,368,994)
Total	2,243,499	-	25,000	-	-	2,268,499
	(1,343,994)	-	(25,000)	-	-	(1,368,994)
v. Loans taken						
Den Entertainment Network Pvt Ltd	21,952	-	-	-	-	21,952
	(55,002)	-	-	-	-	(55,002)
Total	21,952	-	-	-	-	21,952
	(55,002)	-	-	-	-	(55,002)
vi. Loans given						
Amogh Broad Band Services Private Limited	31,800	-	-	-	-	31,800
	-	-	-	-	-	-
Den Mewar Rajdev Cable Network Private Limited	20,554	-	-	-	-	20,554
	(5,150)	-	-	-	-	(5,150)
Den Narmada Network Private Limited	16,720	-	-	-	-	16,720
	(3,645)	-	-	-	-	(3,645)
Others	21,891	2,081	-	-	-	23,972
	(30,626)	(1,081)	-	-	-	(31,707)
Total	90,965	2,081	-	-	-	93,046
	(39,421)	(1,081)	-	-	-	(40,502)
vii. Share application						
Den Entertainment Network Private Limited	200,000	-	-	-	-	200,000
	-	-	-	-	-	-
Meerut Cable Network Private Limited	100,000	-	-	-	-	100,000
	-	-	-	-	-	-
Others	32,876	-	-	-	-	32,876
	(2,500)	-	-	-	-	(2,500)
Total	332,876	-	-	-	-	332,876
	(2,500)	-	-	-	-	(2,500)
viii. Advance given						
Amogh Broad Band Services Private Limited	13,393	-	-	-	-	13,393
	-	-	-	-	-	-
Others	18,614	2,157	5	-	-	20,776
	(18,219)	(1,191)	(5)	-	-	(19,415)
Total	32,007	2,157	5	-	-	34,169
	(18,219)	(1,191)	(5)	-	-	(19,415)

Schedules forming part of the Accounts

Rs in '(000)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Key management personnel	Grand total
ix. Security deposits received						
Den Mahendra Satellite Private Limited	120	-	-	-	-	120
	(120)	-	-	-	-	(120)
Den BCN Suncity Network Private Limited	100	-	-	-	-	100
	(100)	-	-	-	-	(100)
Den Mod Max Cable Network Private Limited	100	-	-	-	-	100
	(100)	-	-	-	-	(100)
Others	24	-	-	-	-	24
	(24)	-	-	-	-	(24)
Total	344	-	-	-	-	344
	(344)	-	-	-	-	(344)
x. Accrued expenses						
Star Den Media Services Private Limited	-	-	26,255	-	-	26,255
	-	-	(4,731)	-	-	(4,731)
Others	3,594	52	-	-	-	3,646
	(833)	-	-	-	-	(833)
Total	3,594	52	26,255	-	-	29,901
	(833)	-	(4,731)	-	-	(5,564)
xi. Prepaid expenses						
Amogh Broad Band Services Private Limited	8,358	-	-	-	-	8,358
	(5,026)	-	-	-	-	(5,026)
Others	-	-	-	-	-	-
	(1,196)	-	-	-	-	(1,196)
Total	8,358	-	-	-	-	8,358
	(6,222)	-	-	-	-	(6,222)

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

a. In the nature of loan

Rs. in '(000)

S. No.	Name of the Company	Balance as at		Maximum amount outstanding during the year	
		31.03.2010	31.03.2009	31.03.2010	31.03.2009
1	Amogh Broad Band Services Private Limited	31,800	-	31,800	-
2	Den Ambey Cable Networks Private Limited	500	-	500	-
3	Den Ambey Jhansi Cable Network Private Limited	1,000	-	1,000	-
4	Den Enjoy Cable Networks Private Limited	-	2,550	2,550	2,550
5	Den Fateh Marketing Private Limited	-	1,900	1,900	1,900
6	Den Infoking Channel Entertainers Private Limited	1,000	-	1,000	-
7	Den Kashi Cable Network Private Limited	7,944	16,944	16,944	16,944
8	Den Mewar Rajdev Cable Network Private Limited	20,554	5,150	20,554	5,150
9	Den Mod Max Cable Network Private Limited	-	843	990	843
10	Den Nanak Communication Private Limited	1,081	1,081	1,081	1,081
11	Den Narmada Network Private Limited	16,720	3,645	16,720	3,645
12	Den Pradeep Cable Network Private Limited	541	541	541	541
13	Den Prayag Cable Networks Private Limited	-	2,130	2,130	2,130
14	Den Prince Network Private Limited	808	808	808	808
15	Den Radiant Satellite Cable Network Private Limited	725	725	725	725
16	Den RIS Cable Network Private Limited	950	280	950	280
17	Den Shiva Cable Network Private Limited	1,425	1,425	1,425	1,425
18	Den Sky Media Network Private Limited	573	2,480	51,591	2,480
19	Mahadev Den Network Private Limited	2,500	-	3,000	-
20	Radiant Satellite (India) Private Limited	4,925	-	4,925	-
Total		93,046	40,502	161,134	40,502

Schedules forming part of the Accounts

b. In the nature of advances		Rs. in '(000)			
S. No.	Name of the Company	Balance as at		Maximum amount outstanding during the year	
		31.03.2010	31.03.2009	31.03.2010	31.03.2009
Subsidiaries					
1	Amogh Broad Band Services Private Limited	21,751	5,026	39,004	5,026
2	Bali Den Cable Network Private Limited	15	-	15	-
3	Creative Cable Network	-	200	200	200
4	Den Aman Entertainment Private Limited	2	7	281	7
5	Den Ambey Citi Cable Network Private Limited	7	102	106	158
6	Den Ambey Farukabad Cable Network Private Limited	5	-	5	-
7	Den Ambey Jhansi Cable Network Private Limited	107	2	367	2
8	Den Ashu Cable Private Limited	57	-	57	48
9	Den BCN Suncity Network Private Limited	2	48	50	115
10	Den Bellary City Cable Private Limited	10	3	10	4
11	Den Bindra Network Private Limited	0	34	54	37
12	Den Budaun Cable Network Private Limited	125	3	382	14
13	Den Citi Channel Private Limited	9	-	9	-
14	Den Classic Cable TV Services Private Limited	81	53	81	741
15	Den Crystal Vision Network Private Limited	55	237	414	237
16	Den Deva Cable Network Private Limited	17	14	17	14
17	Den Digital Cable Network Private Limited	42	3	42	15
18	Den Digital Entertainment Bangalore Private Limited	2,369	117	2,369	117
19	Den Digital Entertainment Gujarat Private Limited	34	17	430	17
20	Den Elgee Cable Vision Private Limited	8	-	8	-
21	Den Enjoy Cable Networks Private Limited	82	907	2,407	907
22	Den Enjoy Navaratan Network Private Limited	17	614	851	614
23	Den Entertainment Network Private Limited	107	96	107	96
24	Den Faction Communication System Private Limited	175	4	262	4
25	Den F K Cable TV Network Private Limited	4	830	361	2,132
26	Den Fateh Marketing Private Limited	57	26	57	26
27	Den Futuristic Cable Networks Private Limited	570	185	570	462
28	Den Harsh Mann Cable Network Private Limited	54	-	54	15
29	Den Infoking Channel Entertainers Private Limited	106	1,068	106	1,068
30	Den Jai Ambey Vision Cable Private Limited	1	-	63	-
31	Den Kashi Cable Network Private Limited	2,308	2,542	2,330	16,709
32	Den Krishna Cable TV Network Private Limited	110	-	110	-
33	Den Maa Sharda Vision Cable Networks Private Limited	9	206	206	206
34	Den Mahendra Satellite Private Limited	54	8	54	18
35	Den Malabar Cable Vision Private Limited	15	-	15	-
36	Den Mcn Cable Network Private Limited	47	1,541	47	1,541
37	Den Mewar Rajdev Cable Network Private Limited	2,044	785	2,044	6,575
38	Den Mod Max Cable Network Private Limited	121	443	405	443
39	Den Montooshah Network Private Limited	0	1,014	11	4,211
40	Den Nanak Communication Private Limited	1,165	794	1,165	852
41	Den Narmada Network Private Limited	1,211	292	1,211	4,007
42	Den Nashik City Cable Network Private Limited	14	-	14	-
43	Den P.S.C. Network Private Limited	31	22	47	22
44	Den Pawan Cable Network Private Limited	52	109	52	400
45	Den Pradeep Cable Network Private Limited	114	89	114	774
46	Den Prayag Cable Networks Private Limited	561	377	561	2,210
47	Den Prince Network Private Limited	151	85	151	-
48	Den Radiant Satellite Cable Network Private Limited	158	82	158	449
49	Den RIS Cable Network Private Limited	413	37	413	37
50	Den Satellite Cable TV Network Private Limited	122	1,635	3,179	1,884
51	Den Saya Channel Network Private Limited	1	8	32	8

Schedules forming part of the Accounts

Rs. in '(000)

S. No.	Name of the Company	Balance as at		Maximum amount outstanding during the year	
		31.03.2010	31.03.2009	31.03.2010	31.03.2009
52	Den Shiva Cable Network Private Limited	230	96	230	548
53	Den Sky Media Network Private Limited	2,117	188	2,117	2,545
54	Den Supreme Satellite Vision Private Limited	4	-	4	-
55	Den Ucn Network India Private Limited	6	-	6	-
56	Den Varun Cable Network Private Limited	2	-	183	-
57	Dew Shree Network Private Limited	1,893	1,885	1,893	1,885
58	Drashti Cable Network Private Limited	9	3	9	3
59	Fab Den Network Private Limited	5	-	5	-
60	Fortune (Baroda) Network Private Limited	1	-	1	-
61	Galaxy Den Media & Entertainment Private Limited	1	-	1	-
62	Kisna Den Cable Network Private Limited	379	-	379	-
63	Mahadev Den Cable Net Private Limited	13	9	13	9
64	Mahadev Den Cable Network Private Limited	301	420	301	808
65	Mahadev Den Network Private Limited	48	390	48	809
66	Mahavir Den Entertainment Private Limited	2,476	-	6,965	-
67	Malayalam Telenet Private Limited	33	43	33	43
68	Meerut Cable Network Private Limited	3	87	10	87
69	Radiant Satellite (India) Private Limited	144	997	144	997
70	Rajkot City Communication Private Limited	1	-	1	-
71	Shree Siddhivinayak Cable Network Private Limited	7	1,849	7	1,849
72	Star Channel Den Network Private Limited	284	-	284	-
	Sub Total (A)	42,522	25,632	73,687	62,005
	Jointly Controlled Entity				
73	Star Den Media Services Private Limited	5	5	5	5
	Sub Total (B)	5	5	5	5
	Total (A+B)	42,527	25,637	73,692	62,010

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

Rs in '(000)

Name of Company	As at 31.03.2010	As at 31.03.2009
Subsidiaries		
1	Kisna Den Cable Network Private Limited	2
2	Den Satellite Network Private Limited	38,995
3	Den Ambey Cable Networks Private Limited	27,657
4	Den Nashik City Cable Network Private Limited	25,239
5	Den-Manoranjan Satellite Private Limited	24,171
6	Dew Shree Network Private Limited	21,172
7	Rajkot City Communication Pvt Ltd	19,850
8	Den Mcn Cable Network Private Limited	16,139
9	Den Digital Entertainment Bangalore Private Limited	13,401
10	Den Enjoy Cable Networks Private Limited	12,955
11	Den Sky Media Network Private Limited	10,270
12	Meerut Cable Network Private Limited	8,362
13	Den Supreme Satellite Vision Private Limited	8,264
14	Den Digital Cable Network Private Limited	8,252
15	Den Prayag Cable Networks Private Limited	7,299
16	Galaxy Den Media & Entertainment Private Limited	10,525
17	Shree Siddhivinayak Cable Network Private Limited	7,140
18	Drashti Cable Network Private Limited	6,525
19	Den Montooshah Network Private Limited	6,343
20	Den F K Cable TV Network Private Limited	6,070
21	Den Fateh Mareketing Private Limited	5,681

Schedules forming part of the Accounts

		Rs in '(000)	
Name of Company	As at 31.03.2010	As at 31.03.2009	
22	Fab Den Network Private Limited	5,580	-
23	Den Futuristic Cable Networks Private Limited	5,372	4,420
24	Den Mewar Rajdev Cable Network Private Limited	3,301	2,497
25	Den Mod Max Cable Network Private Limited	4,557	4,870
26	Den Saya Channel Network Private Limited	4,654	4,480
27	Fortune (Baroda) Network Private Limited	4,406	-
28	Den Enjoy Navaratan Network Private Limited	4,327	1,858
29	Den Kashi Cable Network Private Limited	1,690	159
30	Den Bellary City Cable Private Limited	3,969	1,361
31	Den Varun Cable Network Private Limited	3,816	2,935
32	Mahadev Den Network Private Limited	3,585	2,492
33	Den Crystal Vision Network Private Limited	3,599	4,136
34	Amogh Broad Band Services Private Limited	1,800	-
35	Den Krishna Cable TV Network Private Limited	3,093	7,003
36	Den Mahendra Satellite Private Limited	3,085	2,533
37	Mahadev Den Cable Network Private Limited	2,508	2,490
38	Den Digital Entertainment Gujarat Private Limited	2,019	-
39	Den Pawan Cable Network Private Limited	2,468	3,451
40	Den Classic Cable TV Services Private Limited	2,368	890
41	Radiant Satellite (India) Private Limited	2,204	2,243
42	Bali Den Cable Network Private Limited	2,299	-
43	Den Bcn Suncity Network Private Limited	2,231	2,071
44	Den Maa Sharda Vision Cable Networks Private Limited	2,003	4,329
45	Den Narmada Network Private Limited	852	348
46	Den Aman Entertainment Private Limited	1,917	1,787
47	Den Faction Communication System Private Limited	1,806	2,459
48	Den Ambey Farukabad Cable Network Private Limited	1,701	-
49	Den Jai Ambey Vision Cable Private Limited	1,607	1,833
50	Mahadev Den Cable Net Private Limited	1,577	2,302
51	Den Prince Network Private Limited	1,358	914
52	Mahavir Den Entertainment Private Limited	1,507	-
53	Den Pradeep Cable Network Private Limited	1,297	1,763
54	Den Budaun Cable Network Private Limited	1,391	1,157
55	Den Radiant Satelite Cable Network Private Limited	1,257	597
56	Den P.S.C. Network Private Limited	1,300	660
57	Den Shiva Cable Network Private Limited	1,029	589
58	Den Ris Cable Network Private Limited	1,171	497
59	Malayalam Telenet Private Limited	1,214	54
60	Den Harsh Mann Cable Network Private Limited	1,177	835
61	Den Ambey Jhansi Cable Network Private Limited	963	195
62	Den Deva Cable Network Private Limited	1,018	597
63	Den Bindra Network Private Limited	1,005	953
64	Den Ucn Network India Private Limited	629	-
65	Den Nanak Communication Private Limited	380	772
66	Den Ashu Cable Private Limited	492	1,167
67	Den Malabar Cable Vision Private Limited	371	-
68	Den Ambey Citi Cable Network Private Limited	383	506
69	Den Elgee Cable Vision Private Limited	342	-
70	Den Citi Channel Private Limited	363	-
71	Den Satellite Cable TV Network Private Limited	315	1,793
72	Star Channel Den Network Private Limited	271	-
	Sub Total (A)	387,939	234,644
	Jointly Controlled Entity		
73	Star Den Media Services Private Limited	148,656	77,954
	Sub Total (B)	148,656	77,954
	Total (A+B)	536,595	312,598

Schedules forming part of the Accounts

9. Deferred tax

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

	Opening balance	Credited/ (charged) to P&L account	Closing balance
Rs. in '(000)			
Deferred tax liability			
Depreciation	(23,324)	(6,989)	(30,313)
Others	(142)	142	-
Total	(23,466)	(6,847)	(30,313)
Deferred tax assets			
Employee benefits	4,047	3,025	7,072
Provision for doubtful debts	2,426	864	3,290
Brought forward unabsorbed depreciation	-	10,226	10,226
Others	-	3	3
Total	6,473	14,118	20,590
Deferred tax liability (Net)	(16,993)	7,271	(9,722)

10. Lease commitments

a. Operating lease

The Company has taken office premises and accommodation for its employee under cancellable operating lease agreements. The lease rental expense recognised in the profit and loss account for the year is Rs. '(000) 86,578 [Previous year Rs. '(000) 85,066].

b. Finance lease

The Company has acquired vehicles on finance leases. The total minimum lease payments and maturity profile of finance leases, the element of interest included in such payments, and the present value of the minimum lease payments as at the balance sheet date are as follows:

Particulars	Rs. in '(000)			Total
	Not later than one year	Later than one year and not Later than five years	Later than five years	
Total minimum lease payments outstanding	805	-	-	805
	(2,351)	(803)	(-)	(3,154)
Interest included in minimum lease payments	22	-	-	22
	(239)	(21)	(-)	(260)
Present value of minimum lease payments	784	-	-	784
	(2,112)	(782)	(-)	(2,894)

11. Investments

a. Subsidiary companies

During the period, the Company has acquired majority control in certain companies through share subscription and share purchase agreements for a total consideration of Rs. '(000) 1,520,084 [Previous year Rs. '(000) 779,705]. Out of this, consideration payable on account of share purchase agreements to the erstwhile shareholder at the year-end amounting to Rs. '(000) 84,978 [Previous year Rs. '(000) 299,310] has been disclosed under sundry creditors. Out of such balance consideration, Rs. '(000) Nil [Previous year Rs. '(000) 234,225] were to be discharged by way of subscription to shares of the Company in the event of an initial public offering by the Company.

Schedules forming part of the Accounts

The Company has also advanced Rs. '(000) 978,548 [Previous year Rs. '(000) 391,315] to acquire majority control in companies, the agreements for which have not been concluded prior to the year-end. Such balances have been disclosed under loans and advances. Balance commitments on account of such agreements concluded / to be concluded after the year end amount to Rs. '(000) 670,688 [Previous year Rs. '(000) 1,465,377].

The following is the detail of purchase of shares and bonus shares received from subsidiary companies during the year:

Rs. in '(000)

S. No.	Name of company	No of shares purchased /(sold)	Amount Paid / (Received)	Bonus shares
i. Investment in equity shares				
1	Radiant Satellite (India) Pvt. Ltd.	(21,000)	(12,631)	-
2	DEN Sky Media Network Pvt. Ltd.	40,000	33,732	-
3	Shree Siddhivinayak Cable Network Pvt. Ltd.	20,400	204	-
4	DEN Digital Entertainment Gujarat Pvt. Ltd.	40,000	400	-
5	Den Kashi Cable Network Pvt. Ltd.	-	-	19,093
6	DEN Digital Entertainment Bangalore Pvt. Ltd.	40,000	400	-
7	Den Elgee Cable Vision Pvt. Ltd.	47,052	4,376	-
8	Rajkot City Communication Pvt. Ltd.	5,100	98,430	-
9	Den Malabar Cable Vision Pvt. Ltd.	30,633	26,894	-
10	Dew Shree Network Pvt. Ltd.	-	10,000	-
11	DEN Infoking Channel Entertainers Pvt. Ltd.	27,882	60,125	-
12	Den UCN Network India Pvt. Ltd.	2,998	21,936	-
13	Fortune (Baroda) Network Pvt. Ltd.	51,000	36,456	-
14	Galaxy Den Entertainment Pvt. Ltd.	25,500	43,353	-
15	Mahadev Den Cable Net Pvt. Ltd.	-	1,038	-
16	Bali Den Cable Network Pvt. Ltd.	27,300	50,651	-
17	Mahavir Den Entertainment Pvt. Ltd.	25,502	30,075	-
18	Mahadev Den Network Pvt. Ltd.	-	2,059	-
19	Den Citi Channel Pvt. Ltd.	32,941	24,205	-
20	Fab Den Network Pvt. Ltd.	29,227	41,472	-
21	Mahadev Den Cable Network Pvt. Ltd.	-	1,998	-
22	Den Satellite Network Pvt. Ltd.	46,233	424,332	-
Total		470,768	899,505	19,093

b. Business purchase acquisitions

The Company has acquired the cable network business of certain multi system operators for a consideration amounting to Rs. '(000) Nil [Previous Year Rs. '(000) 8,050].

The consideration has been apportioned on fair value basis as determined and reported by expert valuer. The details are as follows:

Rs. in '(000)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
a. Tangible fixed assets	Nil	2,183
b. Distribution network rights	Nil	5,255
c. Goodwill	Nil	612
Total	Nil	8,050

Schedules forming part of the Accounts

c. Mutual funds

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

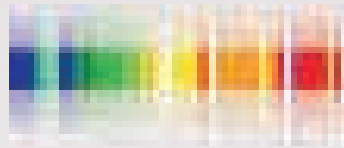
Rs. in '(000)

S.No.	Mutual fund	Purchase*		Sales	
		No. of units	Value	No. of units	Value
1	Canara Robeco Liquid Super Instt Growth Fund	18,143,223 (-)	200,000 (-)	14,630,886 (-)	200,022 (-)
2	Canara Robeco Treasury Advantage Super Instt Growth Fund	14,630,886 (-)	200,022 (-)	14,630,886 (-)	200,270 (-)
3	NLFSG Canara Robeco Liquid Super Instt Growth Fund	35,770,177 (-)	400,000 (-)	35,770,177 (-)	400,054 (-)
4	NLFSG Canara Robeco Treasury Advantage Super Instt Growth Fund	28,789,123 (-)	400,054 (-)	- (-)	- (-)
5	Baroda Pioneer Liquid Fund-Institutional Growth Plan	9,507,963 (-)	100,000 (-)	9,507,963 (-)	100,011 (-)
6	Baroda Pioneer Treasury Advantage Fund-Institutional Growth Plan	9,660,605 (-)	100,011 (-)	9,660,605 (-)	100,208 (-)
7	Baroda Pioneer Liquid Fund-Institutional Growth Plan's	9,509,161 (-)	100,208 (-)	- (-)	- (-)
8	B304 BSI Medium Term Plan Instl Growth	99,352,098 (-)	1,002,385 (-)	99,352,098 (-)	1,008,351 (-)
9	B304WD BSL Medium term Plan Instl-Weekly Dividend Reinvestment	19,959,923 (-)	200,116 (-)	19,959,923 (-)	200,230 (-)
10	B331G Birla Sun Life Saving Fund Growth	12,016,521 (-)	200,023 (-)	12,016,521 (-)	201,167 (-)
11	B332 G BSL Saving Fund-Instl Growth	17,486,206 (-)	302,043 (-)	17,486,206 (-)	302,097 (-)
12	B332G Birla Sun Life Floating Rate Fund Retail Long Term Growth	12,668,250 (-)	200,000 (-)	- (-)	- (-)
13	B332G Birla Sun Life Saving Fund Instl. Growth	6,074,841 (10,463,974)	106,192 (160,531)	- (10,463,974)	- (160,531)
14	B501G Birla Sun Life Cash Plus-Growth	8,361,309 (-)	200,000 (-)	8,361,309 (-)	200,023 (-)
15	Birla Sun Life Cash Plus-Instl. Premium Growth	34,457,569 (-)	500,000 (-)	34,457,569 (-)	500,059 (-)
16	Birla Sun Life Cash Plus-Retail Growth	847,092 (-)	20,000 (-)	847,092 (-)	20,003 (-)
17	Birla Sun Life Saving Fund-Retail Growth	1,219,447 (-)	20,003 (-)	1,219,447 (-)	20,109 (-)
18	LICMF Income Plus Fund Growth Plan	17,315,847 (1,715,017)	210,009 (20,004)	17,315,847 (1,715,017)	210,160 (20,004)
19	LICMF Liquid Fund Growth Plan	108,994,887 (1,253,023)	1,815,212 (20,000)	108,994,887 (1,253,023)	1,815,432 (20,000)
20	LICMK Saving Plus Fund Growth Plan	139,082,247 (-)	2,005,521 (-)	139,082,247 (-)	2,022,249 (-)
21	DSP Blackrock Cash Manager Fund Institutional Plan Growth	735,730 (-)	851,910 (-)	735,730 (-)	851,977 (-)
22	DSP Blackrock Floating Rate Fund Institutional Plan Growth	613,299 (-)	801,970 (-)	613,299 (-)	805,461 (-)
23	DSP Blackrock Liquidity Fund-Regular Plan Growth	473,133 (954,394)	10,000 (20,000)	473,133 (954,394)	10,011 (20,000)
24	DSP Blackrock Money Manager Fund-Inst Plan Growth	40,334 (16,555)	50,006 (20,003)	40,334 (16,555)	50,189 (20,003)
25	Kotak Floater Long Term Growth	32,050,850 (7,980,327)	461,060 (110,016)	32,050,850 (7,980,327)	464,385 (110,016)

Schedules forming part of the Accounts

Rs. in '(000)

S.No.	Mutual fund	Purchase*		Sales	
		No. of units	Value	No. of units	Value
26.	Kotak Liquid (Institutional Premium)-Growth	10,884,452	201,010	10,884,452	201,036
		(-)	(-)	(-)	(-)
27	Kotak Liquid (Institutional)-Growth	11,448,412	210,000	11,448,412	210,024
		(1,720,825)	(30,000)	(1,720,825)	(30,000)
28	TFLG Tata Floater Fund Growth	3,807,129	50,007	3,807,129	50,396
		(5,418,408)	(70,000)	(5,418,408)	(70,000)
29	TLSG01 Tata Liquid Super High Inv. Fund Appreciation	30,633	50,000	30,633	50,007
		(-)	(-)	(-)	(-)
30	M17G Fortis money Plus Institutional Growth	3,021,963	40,006	3,021,963	40,201
		(-)	(-)	(-)	(-)
31	M43 Fortis Overnight Institutional Growth	2,977,586	40,000	2,977,586	40,006
		(-)	(-)	(-)	(-)
32	Reliance Liquid Fund - Growth Option	14,639,574	200,000	14,639,574	200,023
		(-)	(-)	(-)	(-)
33	Reliance Liquid Fund -Treasury Plan Retail Option Growth Option-Growth Plan	9,190,584	200,992	9,190,584	201,013
		(-)	(-)	(-)	(-)
34	Reliance Money manager Fund Intuitional Option-Daily Dividend Plan	199,922	200,149	199,944	200,171
		(51,230)	(51,288)	(51,230)	(51,288)
35	Reliance Money manager Fund Intuitional Option-Growth Plans	486,161	601,207	486,161	604,260
		(-)	(-)	(-)	(-)
36	ICICI Prudential Institutional Liquid Plan- Super Institutional Growth	1,492,326	200,978	1,492,326	201,002
		(-)	(-)	(-)	(-)
37	ICICI Prudential Flexible Income Plan Premium	2,374,562	401,002	2,374,562	403,115
		(-)	(-)	(-)	(-)
38	UTI Floating Rate Fund Short Term Plan Institutional Growth Option	106,914	110,012	106,914	110,624
		(-)	(-)	(-)	(-)
39	UTI Liquid Cash Plan Institutional Growth Plan	73,105	110,000	73,105	110,012
		(-)	(-)	(-)	(-)
40	UTI Treasury Advantage Fund Institutional Plan	89,437	110,624	-	-
		(-)	(-)	(-)	(-)
41	2024/HDFC Floating Rate Income Fund-short Term Plan Wholesale Option Growth	73,283,246	1,121,742	73,283,246	1,130,423
		(-)	(-)	(-)	(-)
42	2032/HDFC Cash Management Fund-Treasury Advantage Plan Wholesale Growth	3,617,663	70,007	3,617,663	70,398
		(17,277,055)	(312,633)	(17,277,055)	(312,633)
43	3004/HDFC LIQUID FUND GROWTH	64,371,574	1,151,485	64,371,574	1,151,619
		(-)	(-)	(-)	(-)
44	Reliance Liquid Plus Fund-Institutional Option - Growth Plan	-	-	-	-
		(93,622)	(103,745)	(93,622)	(103,745)
45	Reliance Monthly Interval Fund - Series I -Institutional Dividend Plan	-	-	-	-
		-	-	(5,114,253)	(51,185)
46	Reliance Monthly Interval fund - Series II -Institutional Dividend plan	-	-	-	-
		(117,991)	(1,181)	(10,240,449)	(102,457)
47	HSBC Liquid Plus-Institutional Plus-Growth	-	-	-	-
		(22,428,738)	(253,048)	(22,428,738)	(253,048)
48	HSBC Liquid Plus-Institutional Plus-Daily Dividend	-	-	-	-
		(15,751)	(158)	(25,272,930)	(253,048)
49	DSP Merrill Lynch Liquid Plus Institutional Plan Growth	-	-	-	-
		(46,142)	(52,852)	(46,142)	(52,852)
50	DSP Merrill Lynch FMP - 3M-Series 3 -Institutional Plan Growth	-	-	-	-
		(-)	(-)	(5,000,000)	(50,000)
51	DSP Merrill Lynch Liquid Plus Institutional Plan - Daily Dividend	-	-	-	-
		(-)	(-)	(1,608)	(1,609)



Schedules forming part of the Accounts

Rs. in '(000)

S.No.	Mutual fund	Purchase*		Sales	
		No. of units	Value	No. of units	Value
52	2031 / HDFC Cash Management Fund - Savings Plus Plan - Wholesale - Daily Dividend , Option : Reinvest	- (12,679)	- (127)	- (20,197,291)	- (202,609)
53	B8861D BSL Interval Income - Instl-Monthly - Series 2 -Dividend -Payout	- (-)	- (-)	- (15,000,000)	- (150,000)
54	B8861G BSL Interval Income-Instl-Monthly - Series 2-Growth	- (14,554,628)	- (150,000)	- (14,554,628)	- (150,000)
55	B878G BSL Interval Income-Instl-Monthly - Series 1-Growth	- (956,297)	- (10,000)	- (956,297)	- (10,000)
56	3005 / HDFC Cash Management Fund - Savings Plan – Growth	- (3,298,849)	- (60,000)	- (3,298,849)	- (60,000)
57	Kotak Floater Short Term – Growth	- (1,391,692)	- (20,000)	- (1,391,692)	- (20,000)
58	DSP Black Rock Money Manager Fund - Institutional Plan – Growth	- (87,365)	- (102,852)	- (87,365)	- (102,852)
59	Kotak Flexi Debt Scheme – Growth	- (13,634,526)	- (172,518)	- (13,634,526)	- (172,518)
60	Kotak Flexi Debt Scheme - Daily Dividend	- (10,188)	- (102)	- (17,198,280)	- (172,517)

*Purchases include reinvestment of dividend units

12. Dividend on cumulative preference shares

Dividend on 0.001% cumulative preference shares amounts to Rs. '(000) 1.49 (Previous year 0.6).

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

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

14. Auditors' remuneration*

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

Rs. in '(000)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Statutory audit	5,200	3,500
Other Services**	5,000	-
Total	10,200	3,500

*Exclusive of service tax

** Pertaining to IPO related services adjusted from Securities Premium Account

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

Rs. in '(000)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Capital goods	278,811	681,597

16. Expenditure in foreign currency (on cash basis)

Rs. in '(000)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Travelling and conveyance expenses	529	507
Membership and subscription	-	108
Repairs and maintenance	10,834	4,841
License Fee	5,625	-
Total	16,988	5,456

Schedules forming part of the Accounts

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

Rs. in '(000)

Class of goods	Units	Purchases		Sales	
		Qty.	Value	Qty.	Value
a. Cable/wire	Meter	152,960 (345,001)	2,796 (5,136)	152,960 (345,001)	2,796 (5,136)
b. Headend equipment	Nos.	2,416 (11,135)	1,858 (10,715)	2,416 (11,135)	1,739 (10,715)
c. Distribution equipments	Nos.	2,332 (2,510)	233 (1,239)	2,332 (2,510)	233 (1,239)
d. Tools & equipment	Nos.	- (1,537)	- (2,226)	- (1,537)	- (2,226)
e. Others	Nos.	3 (70)	5 (267)	3 (70)	5 (267)
Total			4,893 (19,583)		4,773 (19,583)

Notes:

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

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

A. Defined contribution plans and state plans

The Company makes contribution towards the following defined contribution for qualifying employees:

- Employees' Provident Fund (EPF)
- Employees' State Insurance (ESI)
- Employees' Pension Scheme (EPS)

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

Rs. in '(000)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
a. Employer's contribution to EPF	10,130	9,035
b. Employer's contribution to ESI	512	397
c. Employer's contribution to EPS	2,833	2,535

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

B. Defined benefit plan

Gratuity plan

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

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

The following tables set out the status of the gratuity plan and amounts recognised in the Company's financial statements as at March 31, 2010.

i. Change in benefit obligations:

Rs. in '(000)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Present value of obligations* at the beginning of the year	5,261	704
Current service cost	4,597	4,174
Interest cost	368	49
Past Service Cost	762	-
Actuarial (gain)/loss on obligation	(1,263)	334
Benefits paid	-	-
Present value of obligations* at the year end	9,725	5,261

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

Schedules forming part of the Accounts

ii. Expenses recognised in the profit and loss account:

Particulars	Rs. in '(000)	
	Year ended 31.03.2010	Year ended 31.03.2009
Current Service cost	4,597	4,174
Interest cost	368	49
Past Service Cost	762	-
Actuarial (gain)/loss recognized during the year	(1,263)	334
Net cost	4,464	4,557
Experience adjustments on plan liabilities (gain)/ loss	(501)	(12)

iii. Principal actuarial assumptions:

Particulars	Refer note below	Year ended 31.03.2010	Year ended 31.03.2009
A Economic Assumptions			
a. Discount rate (per annum)	1	7.00%	7.00%
b. Estimated salary escalation rate (per annum)	2	7.00%	7.00%
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:

Particulars	Rs. in '(000)		
	Year ended 31.03.2010	Year ended 31.03.2009	Year ended 31.03.2008
On plan liabilities	501	12	-
On plan assets	-	-	-
Present value of benefit obligation	9,725	5,261	704
Fair value of plan assets	-	-	-
Excess of (obligation over plan assets)/plan assets over obligation	(9,725)	(5,261)	(704)

The expected contribution is based on the same assumptions used to measure the Company's gratuity obligations as of March 31, 2010.

The Company is expected to contribute Rs. '(000) 5,549 to gratuity funds for the year ended March 31, 2011.

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.

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

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

Particulars	Rs in '(000)			
	Year ended 31.03.2010		Year ended 31.03.2009	
	In INR	In USD	In INR	In USD
Payables	101,263	2,243	83,999	1,649

Schedules forming part of the Accounts

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

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

Particulars	Rs. in '(000)	
Amount Received from IPO	3,644,560	
Utilisation of funds upto March 31, 2010	Projected	Actual
• Investment in the development of cable television infrastructure and services	2,100,000	111,003
• Investment in the development of cable broadband infrastructure and services	250,000	8,987
• Investment in acquisition of content and broadcasting rights	100,000	5,560
• Repayment of loans	400,000	214,418
• Fund expenditure for general corporate purposes	525,810	480,719
• Share Issue Expenses	268,750	149,239
	3,644,560	969,926
Balance Unutilised	2,674,634	
Unutilised Balance has been invested as follows		
• Mutual Funds		917,000
• Fixed Deposit		1,050,000
• Bank Balance		707,634
Total	2,674,634	

21. Earnings per equity share (EPS)

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

Particulars	Rs. in '(000)	
	Year ended 31.03.2010	Year ended 31.03.2009
a. Net Profit / (loss) attributable to equity shareholders	208,016	(137,589)
b. Weighted average number of equity shares outstanding used in computation of basic EPS	112,062,269	90,593,518
c. Dilutive effect of preference shares outstanding	1	1
d. Weighted average number of equity shares and equity equivalent shares outstanding used in computing diluted EPS	116,345,226	101,597,599
e. Basic/ Earnings/ (Loss) per equity share of Rs. 10 each (in Rs.)	1.86	(1.52)
f. Diluted Earnings/ (Loss) per equity share of Rs. 10 each (in Rs.)	1.79	(1.52)

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

For and on behalf of the Board

Sd/-
ROBINDRA SHARMA
Director

Sd/-
AJAYA CHAND
Director

Sd/-
RAJESH KAUSHALL
Chief Financial Officer

Sd/-
JATIN MAHAJAN
Company Secretary

New Delhi
May 28, 2010

Balance Sheet Abstract & Company's General Business Profile

I. Registration Details

Registration No. : U92490DL2007PLC16573 State Code : 55
Balance Sheet Date : 31.03.2010

II. Capital raised during the year

(All Amounts in Rs. Thousands)

Public Issue : 185,672.40 Right Issue : NIL
Bonus Issue* : 724,755.00 Private Placement : NIL
Preferential Allotment : 213,283.35 Others : NIL

III. Position of Mobilisation and Deployment of Funds

(All Amounts in Rs. Thousands)

Total Liabilities : 10,245,309 Total Assets : 10,245,309
(Including Shareholders' Funds)

Sources of Funds

Paid up Capital : 1,304,900 Reserve & Surplus : 5,955,331
Secured Loans : 1,607,748 Unsecured Loan : 21,952
Deferred Tax Liability : 9,722 Equity Warrants : NIL

Application of Funds

Net Fixed Assets : 1,703,663 Investments : 3,185,578
(Including Capital work-in-Progress)
Net Current Assets : 4,010,412 Miscellaneous Expenditure : NIL

IV. Performance of Company

(All amounts in Rs. Thousand except per share data)

Turnover : 3,347,773 Total Expenditure : 3,146,924
(Including Other Income)
Profit/ Loss Before Tax - : 200,849 Profit/Loss After Tax - : 208,017
(Please tick appropriate box + for profit, - for loss)
Earning per Share (in Rs.) : 1.86 Dividend Rate % : NIL
- Annualised (in Rs.) - : 1.86
(Please tick appropriate box + for positive, - for Negative)

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

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

- *1. During the year under review 72,475,520 Equity Shares of Rs. 10/- each were issued as bonus shares in the ration of 4:1 by capitalisation of Securities Premium.
- *2. 39,993,000 .001% Cumulative Preference Shares of Rs. 10/- each were issued as Bonus Shares in the ration of 10:1 by capitalisation of Securities Premium. The above 43,992,300 .001% Cumulative Preference Shares were converted into 1,33,61,361 fully paid up Equity Shares of Rs. 10/- each during the year.

For and on behalf of the Board

Sd/-
ROBINDRA SHARMA
Director

Sd/-
AJAYA CHAND
Director

Sd/-
RAJESH KAUSHALL
Chief Financial Officer

Sd/-
JATIN MAHAJAN
Company Secretary

New Delhi
May 28, 2010

Financial Information of Subsidiary Companies

S. Company No.	Company Name	Capital	Reserves	Total Assets	Total Liabilities	Investments (Except Investment in Subsidiaries)	Turnover/ Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
1	Den Entertainment Network Pvt. Ltd.	25,872	(2,388)	225,994	225,994	-	-	(265)	-	(265)	-
2	Den Digital Entertainment Gujarat Pvt. Ltd.	500	566	13,605	13,605	-	11,844	877	292	586	-
3	Den Digital Entertainment Bangalore Pvt. Ltd. (Changed to Aster Entertainment Pvt. Ltd. w.e.f., 13-05-2010)	500	83	23,408	23,408	-	39,833	367	315	52	-
4	Shine Cable Network Pvt. Ltd.	500	(833)	2,003	2,003	-	260	(272)	3	(275)	-
5	DEN Krishna Cable TV Network Pvt. Ltd.	509	1,321	9,847	9,847	-	24,697	2,452	758	1,694	-
6	Den Mahendra Satellite Pvt. Ltd.	555	(2,799)	4,160	4,160	-	3,435	(1,092)	538	(1,630)	-
7	DEN Pawan Cable Network Pvt. Ltd.	516	1,918	7,193	7,193	-	26,186	(234)	(72)	(162)	-
8	DEN Harsh Mann Cable Network Pvt. Ltd.	541	121	3,164	3,164	-	7,706	405	125	280	-
9	Den Classic Cable TV Services Pvt. Ltd.	582	(18)	4,337	4,337	-	6,881	820	261	559	-
10	Den Montoo Shah Network Pvt. Ltd.	512	117	12,295	12,295	-	27,080	1,357	409	948	-
11	Den Bindra Network Pvt. Ltd.	526	(15)	2,606	2,606	-	4,330	357	111	246	-
12	Den Ashu Cable Pvt. Ltd.	573	3,127	5,207	5,207	-	12,890	975	302	673	-
13	Den PSC Network Pvt. Ltd.	512	40	3,146	3,146	-	5,768	(175)	(54)	(121)	-
14	Den Nanak Communication Pvt. Ltd.	609	(4,693)	6,306	6,306	-	437	(18)	-	(18)	-
15	Den Futuristic Cable Networks Pvt. Ltd.	7,150	38,442	97,361	97,361	-	17,554	(12,515)	3,848	(16,364)	-
16	Den Digital Cable Network Pvt. Ltd.	591	35,882	59,227	59,227	-	71,962	(2,254)	(697)	(1,558)	-
17	Den Saya Channel Network Pvt. Ltd.	2,500	2,418	19,900	19,900	-	55,851	3,664	1,132	2,533	-
18	Den Faction Communication System Pvt. Ltd.	578	(4,073)	17,934	17,934	-	30,949	(4,527)	599	(5,126)	-
19	Radiant Satellite (India) Pvt. Ltd.	1,500	(410)	57,205	57,205	-	72,544	(7,124)	977	(8,101)	-
20	Den Mewar Rajdev Cable Network Pvt. Ltd.	522	(9,208)	36,862	36,862	-	33,814	(4,105)	(1,268)	(2,837)	-
21	Den Radiant Satellite Cable Network Pvt. Ltd.	541	288	4,698	4,698	-	3,683	130	40	91	-
22	Den RIS Cable Network Pvt. Ltd.	603	(2,223)	7,299	7,299	-	3,495	(3,059)	286	(3,345)	-
23	Den Sky Media Cable Network Pvt. Ltd.	1,000	4,654	223,523	223,523	-	105,412	(69,124)	3,808	(72,933)	-
24	Meerut Cable Network Pvt. Ltd.	1,000	8,113	130,316	130,316	-	107,596	4,600	1,462	3,137	-
25	DEN Crystal Vision Network Pvt. Ltd.	572	438	7,217	7,217	-	11,147	78	24	54	-
26	Den Mod Max Cable Network Pvt. Ltd.	516	(513)	7,510	7,510	-	9,396	724	224	500	-
27	DEN BCN Suncity Network Pvt. Ltd.	537	605	4,922	4,922	-	9,946	(105)	(20)	(85)	-
28	Den Pradeep Cable Network Pvt. Ltd.	502	(354)	4,566	4,566	-	7,679	(187)	(58)	(129)	-
29	Den Prince Network Pvt. Ltd.	537	(946)	5,517	5,517	-	5,798	(600)	430	(1,030)	-
30	Den Jai Ambey Vision Cable Pvt. Ltd.	502	196	4,235	4,235	-	8,297	112	35	77	-
31	DEN Varun Cable Network Pvt. Ltd.	596	285	10,136	10,136	-	23,474	(319)	(99)	(220)	-
32	DEN Aman Entertainment Pvt. Ltd.	599	1,164	6,439	6,439	-	9,377	8	2	5	-
33	Den Satellite Cable TV Network Pvt. Ltd.	613	756	10,388	10,388	-	16,236	(569)	(176)	(393)	-
34	Den F K Cable TV Network Pvt. Ltd.	543	4,513	15,684	15,684	-	29,763	1,876	579	1,297	-
35	DEN Badaun Cable Network Pvt. Ltd.	728	963	3,873	3,873	-	7,882	94	31	62	-
36	DEN Ambey Cable Networks Pvt. Ltd.	612	18,473	70,079	70,079	-	124,556	7,684	2,359	5,275	-
37	Den Ambey Citi Cable Network Pvt. Ltd.	500	119	2,273	2,273	-	5,705	(120)	(37)	(83)	-

(Rs. In '000s)

S. No.	S. Company Name	Capital	Reserves	Total Assets	Total Liabilities	Investments (Except Investment in Subsidiaries)	Turnover/ Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
38	Den Ambey Jhansi Cable Network Pvt. Ltd.	500	(2,833)	10,372	10,372	-	26,274	(1,083)	541	(1,623)	-
39	Den Ambey Farukabad Cable Network Pvt. Ltd.	500	1,238	8,196	8,196	-	17,858	1,925	593	1,332	-
40	Den Kashi Cable Network Pvt. Ltd.	8,000	29,985	68,798	68,798	-	103,812	4,997	1,544	3,453	-
41	Den Enjoy Cable Networks Pvt. Ltd.	6,980	35,857	97,515	97,515	-	176,540	6,847	2,115	4,731	-
42	DEN Prayag Cable Networks Pvt. Ltd.	500	(2,647)	14,491	14,491	-	25,255	(2,497)	260	(2,757)	-
43	Den Deva Cable Network Pvt. Ltd.	500	(697)	1,623	1,623	-	1,420	(287)	122	(409)	-
44	Den Maa Sharda Vision Cable Network Pvt. Ltd.	612	4,861	11,262	11,262	-	23,860	852	263	589	-
45	Den Fateh Marketing Pvt. Ltd.	500	1,517	21,559	21,559	5	67,847	2,847	880	1,967	-
46	Den Enjoy Navratan Network Pvt. Ltd.	608	3,131	15,464	15,464	-	39,632	2,043	646	1,397	-
47	Den Shiva Cable Network Pvt. Ltd.	500	(2,041)	5,185	5,185	-	3,049	(1,328)	219	(1,547)	-
48	Den Narmada Network Pvt. Ltd.	879	(23,358)	32,956	32,956	-	691	(19,963)	1,452	(21,415)	-
49	Dewshree Network Pvt. Ltd.	794	2,016	84,212	84,212	-	55,808	(3,441)	2,874	(6,315)	-
50	Shree Siddhivinayak Cable Network Pvt. Ltd.	500	(3,765)	30,132	30,132	2	32,583	(2,488)	(440)	(2,048)	-
51	Mahadev DEN Network Pvt. Ltd.	2,400	1,677	25,588	25,588	-	23,617	2,604	634	1,970	-
52	Mahadev DEN Cable Net Pvt. Ltd.	900	1,013	8,233	8,233	-	16,094	382	137	245	-
53	Mahadev DEN Cable Network Pvt. Ltd.	900	(5,716)	23,678	23,678	-	22,244	(2,421)	(463)	(1,958)	-
54	Den MCN Cable Network Pvt. Ltd.	1,099	8,686	33,809	33,809	-	47,065	1,445	451	994	-
55	Drashti Cable Network Pvt. Ltd.	536	4,189	16,024	16,024	-	15,662	1,282	406	877	-
56	Den- Manoranjan Satellite Network Pvt. Ltd.	500	(1,542)	64,181	64,181	-	131,816	2,773	5,455	(2,682)	-
57	Den Masik City Cable Network Pvt. Ltd.	500	12,106	61,057	61,057	-	130,399	1,668	568	1,100	-
58	Den Supreme Satellite Vision Pvt. Ltd.	597	10,878	31,788	31,788	-	50,385	2,300	817	1,484	-
59	Den Bellary City Cable Pvt. Ltd.	567	8,565	19,097	19,097	-	36,712	178	249	(70)	-
60	Malayalam Telenet Pvt. Ltd.	10,800	(6,972)	16,050	16,050	-	10,986	(1,105)	(201)	(903)	-
61	Den Malabar Cable Vision Pvt. Ltd.	601	7,673	10,361	10,361	-	9,449	(239)	(57)	(181)	-
62	Den Elgee Cable Vision Pvt. Ltd.	923	3,441	5,320	5,320	-	4,498	(16)	5	(21)	-
63	Rajkot City Communication Pvt Ltd	100	5,579	47,316	47,316	-	70,559	3,173	974	2,199	-
64	Den Infoking Channel Entertainers Pvt. Ltd.	547	(4,179)	25,610	25,610	-	17,668	(4,017)	-	(4,017)	-
65	Den UCN Network Pvt. Ltd.	588	5,384	10,369	10,369	-	22,335	(399)	111	(511)	-
66	Fortune (Baroda) Network Pvt Ltd.	1,000	1,014	17,622	17,622	-	17,039	787	762	24	-
67	Galaxy Den Media & Entertainment Pvt. Ltd.	500	14,540	53,722	53,722	-	19,253	(4,849)	164	(5,013)	-
68	Bali Den Cable Network Pvt. Ltd.	535	3,829	9,126	9,126	-	18,555	(1,057)	77	(1,134)	-
69	Manavir Den Entertainment Pvt. Ltd.	500	(7,316)	26,326	26,326	-	21,577	(1,613)	-	(1,613)	-
70	Den Citi Channel Pvt. Ltd.	646	9,475	11,580	11,580	-	3,963	(57)	94	(150)	-
71	Amogh Broadband Services Pvt. Ltd.	200	(135,610)	481,814	481,814	-	205,100	57,701	(48,465)	106,166	-
72	Star Channel Den Network Pvt. Ltd.	698	(178)	2,594	2,594	-	1,359	(878)	(281)	(597)	-
73	Kishna DEN Cable Networks Pvt. Ltd.	573	93	2,518	2,518	-	1,354	(311)	(8)	(303)	-
74	Fab Den Network Pvt. Ltd.	573	9,619	18,015	18,015	-	9,840	145	45	100	-
75	Den Satellite Network Pvt. Ltd.	925	266,239	535,899	535,899	38	115,816	33,488	11,228	22,260	-
	Total	105,226	351,884	3,089,895	3,089,895	45	2,541,436	(745)	239	(984)	-

Auditors' Report

TO THE BOARD OF DIRECTORS

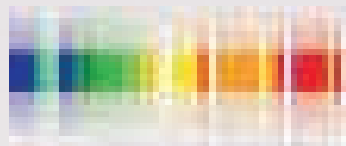
DEN NETWORKS LIMITED

1. We have audited the attached Consolidated Balance Sheet of **DEN Networks Limited**, ("the Company"), its subsidiaries, jointly controlled entity and partnership firm (collectively defined as "the Group") as at 31 March, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries and joint ventures, whose financial statements reflect total assets of Rs. ('000) 3,979,107 as at 31 March, 2010, total revenues of Rs. ('000) 6,602,912 and net cash inflows amounting to Rs. ('000) 182,374 for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts included in respect of these subsidiaries, joint venture and partnership firm is based solely on the reports of the other auditors.
4. Attention is invited to Note 2(c)(vii) of Schedule 16 whereby it is stated that the financial statements of a subsidiary company have been consolidated based on unaudited financial statements as certified by the Company's management. These financial statements reflect total assets of Rs. ('000) 84,761 as at 31 March, 2010, total revenues of Rs. ('000) 55,808 and net cash inflows amounting to Rs. ('000) 5,704 for the year ended on that date as considered in the Consolidated Financial Statements. We are unable to comment on the impact from adjustments if any which may arise from audit of financial statements of the subsidiary on the Consolidated Financial Statements.
5. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) and Accounting Standard 27 'Financial Reporting of Interests in Joint Ventures' as notified under the Companies (Accounting Standards) Rules, 2006.
6. Based on our audit and on consideration of separate audit reports on the individual financial statements of the Company, and the aforesaid subsidiaries and joint ventures, and to the best of our information and according to the explanations given to us, in our opinion, subject to our comments in paragraph 4 above, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March, 2010;
 - ii. in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - iii. in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

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

New Delhi
28 May, 2010



Consolidated Balance Sheet as at 31 March, 2010

(Rs. in '000)

	Schedule Reference	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
a. Share Capital	1	1,304,900	221,182
b. Reserves and Surplus	2	6,105,323	2,322,018
PREFERENCE SHARE CAPITAL ISSUED BY SUBSIDIARY COMPANY			
	3	25,000	25,000
MINORITY INTEREST (See note 12)			
		211,516	143,797
LOAN FUNDS			
a. Secured Loans	4	1,620,635	1,154,932
b. Unsecured Loans	5	129,469	35,845
DEFERRED TAX LIABILITIES (See note 5)			
		72,863	15,085
		9,469,706	3,917,859
APPLICATION OF FUNDS			
FIXED ASSETS			
a. Gross block	6	2,707,841	1,709,520
b. Less: Depreciation		496,896	171,570
c. Net block		2,210,945	1,537,950
d. Capital work in progress		203,134	276,776
		2,414,079	1,814,726
GOODWILL ON CONSOLIDATION (See note 7)			
		2,501,725	1,153,704
INVESTMENTS			
	7	917,124	7
DEFERRED TAX ASSETS (See note 5)			
		155,790	91,927
CURRENT ASSETS, LOANS & ADVANCES			
a. Sundry debtors	8	2,534,587	1,876,090
b. Unbilled revenue		121,446	33,097
c. Cash and bank balances	9	2,432,301	510,564
d. Loans and advances	10	1,802,284	1,115,775
		6,890,618	3,535,526
LESS: CURRENT LIABILITIES AND PROVISIONS			
a. Current liabilities	11	3,439,808	3,023,782
b. Provisions		36,181	21,721
		3,475,989	3,045,503
NET CURRENT ASSETS (10-11)			
		3,414,629	490,023
PROFIT AND LOSS ACCOUNT (DEBIT BALANCE)			
		66,359	367,472
		9,469,706	3,917,859
Notes forming part of the accounts	16		
The above schedules form an integral part of the balance sheet			

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

Sd/-
JITENDRA AGARWAL
Partner
Membership No. 87104

New Delhi
May 28, 2010

For and on behalf of the Board

Sd/-
ROBINDRA SHARMA
Director

Sd/-
RAJESH KAUSHALL
Chief Financial Officer

Sd/-
AJAYA CHAND
Director

Sd/-
JATIN MAHAJAN
Company Secretary

Consolidated Profit & Loss Account for the year ended 31 March, 2010

(Rs. in '000)

	Schedule Reference	Year ended 31.03.2010	Year ended 31.03.2009
INCOME			
a. Income from operations		9,098,670	7,119,359
b. Sale of equipment		4,773	2,540
c. Other income	12	133,559	71,562
d. Gain on foreign exchange fluctuation		18,931	-
		9,255,933	7,193,461
EXPENDITURE			
a. Operational, administrative and other costs	13	7,724,278	6,557,660
b. Personnel cost	14	565,185	477,295
c. Cost of traded items		4,893	2,540
d. Loss on foreign exchange fluctuation		-	47,805
e. Finance costs	15	194,425	99,881
f. Depreciation and amortisation	5	328,834	160,278
		8,817,615	7,345,459
PROFIT/ LOSS BEFORE TAX		438,318	(151,998)
PROVISION FOR TAXES			
a. Fringe benefit tax		-	9,482
b. Income tax (including wealth tax)		163,002	70,668
c. Deferred tax		(73,842)	(60,091)
d. Minimum alternate tax (MAT) credit entitlement		(15,080)	-
		74,080	20,059
PROFIT/ LOSS AFTER TAX AND BEFORE MINORITY INTEREST		364,238	(172,057)
MINORITY INTEREST		63,124	(20,929)
PROFIT/ LOSS AFTER TAX AND MINORITY INTEREST		301,114	(151,128)
PROFIT/ LOSS BROUGHT FORWARD		(367,472)	(216,343)
APPROPRIATIONS			
Dividend on cumulative convertible preference shares (See note 8)		1	1
PROFIT/ LOSS CARRIED TO BALANCE SHEET		(66,359)	(367,472)
Earnings per equity share (see note 11)			
(Face Value of Rs. 10 per share)			
Basic		2.69	(1.67)
Diluted		2.59	(1.67)
Notes forming part of the accounts	16		
The above schedules form an integral part of the profit & loss account			

As per our report of even date attached

For DELOITTE HASKINS & SELLS
 Chartered Accountants

 Sd/-
JITENDRA AGARWAL
 Partner
 Membership No. 87104

 New Delhi
 May 28, 2010

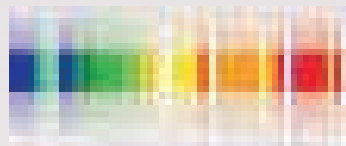
For and on behalf of the Board

 Sd/-
ROBINDRA SHARMA
 Director

 Sd/-
RAJESH KAUSHALL
 Chief Financial Officer

 Sd/-
AJAYA CHAND
 Director

 Sd/-
JATIN MAHAJAN
 Company Secretary



Consolidated Cash Flow Statement for the year ended 31 March, 2010

(Rs. in '000)

	Year ended 31.03.2010	Year ended 31.03.2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (loss) before tax	438,318	(151,998)
Adjustment for :		
Depreciation and amortisation	328,834	160,278
Non cash acquisition consultancy cost	17,617	-
Fixed assets/ capital work in progress written off	1,395	6,757
Interest and finance charges	194,425	99,881
Loss/ (gain) on exchange rate fluctuation - Unrealized	(3,636)	6,470
Provision for employee benefits	14,985	17,379
Doubtful debts and advances written off/provided	120,300	132,501
Interest income	(17,123)	(17,373)
Dividend on current investment	(135)	(2,764)
Profit from Sale of investment	(47,774)	(9,843)
Liabilities written back	(50,371)	(30,935)
Operating profit before working capital changes	996,834	210,353
Adjustments for :		
Decrease/(Increase) in current assets	(901,475)	(1,982,479)
Increase/(Decrease) in current liabilities	935,766	2,025,163
Cash generated from/(used in) operations	1,031,126	253,037
Tax on operational income (including fringe benefit tax)	(347,883)	(175,201)
Net cash from/ (used in) operating activities	683,243	77,836
B. CASH FLOW FROM INVESTING ACTIVITIES		
Increase in goodwill on consolidation	(1,572,352)	(676,536)
Purchase of mutual fund investment	(15,526,009)	(403,449)
Loan repaid by/(to) body corporate (net)	(12,317)	101,773
Advance given for investment	131,397	(303,107)
Interest received	17,551	17,373
Dividend on current investment	135	2,764
Sale of mutual fund investment	14,656,665	1,395,141
Purchase of fixed assets (including capital advances)	(921,447)	(1,319,793)
Net cash from/ (used in) investing activities	(3,226,377)	(1,185,834)

Consolidated Cash Flow Statement for the year ended 31 March, 2010

(Rs. in '000)

	Year ended 31.03.2010	Year ended 31.03.2009
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	4,394,562	2
Proceeds from issue of preference share capital	-	399,998
Share Issue expenses	(291,264)	(8,000)
(Repayment)/Proceeds from short term borrowings from a director	(31,600)	(57,500)
(Repayment)/Proceeds from short term borrowings from others	125,224	(2,470)
(Repayment)/Proceeds from working capital loan from bank	(123,619)	330,999
(Repayment)/Proceeds from term loan from bank	591,327	719,258
Repayment of finance lease obligation	(2,005)	(2,091)
Interest Paid	(197,754)	(99,301)
Net cash from/ (used in) financing activities	4,464,871	1,280,895
Net increase/ (decrease) in cash and cash equivalents	1,921,737	172,897
Cash & Cash Equivalents at the beginning of year	510,564	337,667
Cash and cash equivalents as at the end of the year	2,432,301	510,564

Notes:

- The above Cash flow statement has been prepared under the indirect method set out in AS-3 prescribed in Companies (Accounting Standards) Rules, 2006.
- Figures in brackets indicate cash outflow.
- Cash and cash equivalents includes Rs. 83,820 (Previous year Rs. 21,982) under lien with banks
- Previous period figures have been regrouped and recast wherever necessary to conform to the current period classification.

As per our report of even date attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

Sd/-
JITENDRA AGARWAL
Partner
Membership No. 87104

New Delhi
May 28, 2010

For and on behalf of the Board

Sd/-
ROBINDRA SHARMA
Director

Sd/-
RAJESH KAUSHALL
Chief Financial Officer

Sd/-
AJAYA CHAND
Director

Sd/-
JATIN MAHAJAN
Company Secretary

Schedules forming part of the Consolidated Accounts

(Rs. in '000)

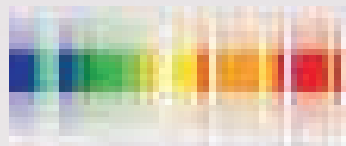
	As at 31.03.2010	As at 31.03.2009
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED		
165,000,000 (Previous year 25,000,000) equity shares of Rs. 10 each	1,650,000	250,000
Nil (Previous year 5,000,000) .001% cumulative convertible preference shares of Rs. 10 each	-	50,000
	1,650,000	300,000
ISSUED, SUBSCRIBED AND PAID UP		
130,489,975 (Previous year 18,118,880) equity shares of Rs. 10 each fully paid up	1,304,900	181,189
Nil (Previous year 3,999,300) .001% cumulative convertible preference shares of Rs. 10 each fully paid up	-	39,993
	1,304,900	221,182
Of the above:		
a. 72,475,520 (Previous year Nil) equity shares of Rs. 10 each were issued as bonus shares in the ratio of 4:1 (Previous year Nil) equity shares for every one equity share by capitalisation of securities premium.		
b. 39,993,000 (Previous year Nil) .001% cumulative convertible preference shares of Rs. 10 each were issued as bonus shares in the ratio of 10:1 (Previous year Nil) for every one .001% cumulative convertible preference share by capitalisation of securities premium. The above 43,992,300 .001% cumulative convertible preference shares were converted into 13,361,361 fully paid equity shares of Rs. 10 each during the year		
c. 4,019,606 (Previous year Nil) fully paid equity shares of Rs. 10/- were issued towards balance consideration payable on Investments		
SCHEDULE 2		
RESERVES AND SURPLUS		
Securities Premium Account		
a. Opening Balance	2,322,018	1,938,018
b. Amount received pursuant to issue of equity and preference shares	5,199,254	392,000
c. Less:		
i. Utilisation for issue of bonus shares	1,124,685	-
ii. Share issue expenses	291,264	8,000
	6,105,323	2,322,018
SCHEDULE 3		
PREFERENCE SHARE CAPITAL ISSUED BY SUBSIDIARY COMPANY		
AUTHORISED		
2,600,000 (Previous year 2,600,000) .001% non cumulative 5 years redeemable preference shares of Rs. 10 each fully paid up	26,000	26,000
ISSUED, SUBSCRIBED AND PAID UP		
2,500,000 (Previous year 2,500,000) .001% non cumulative 5 years redeemable preference shares of Rs. 10 each fully paid up	25,000	25,000
SCHEDULE 4		
SECURED LOANS (from banks)		
(See note 13)		
a. Term loans	1,389,401	798,074
b. Cash credit accounts	230,345	353,964
c. Other loans [See note 6(b)]	889	2,894
	1,620,635	1,154,932
SCHEDULE 5		
UNSECURED LOAN		
Short term loans		
i. from a director	-	31,600
ii. from others	129,469	4,245
	129,469	35,845

Schedules forming part of the Consolidated Accounts

SCHEDULE : 6

FIXED ASSETS (at Cost)

PARTICULARS	GROSS BLOCK						DEPRECIATION/AMORTISATION			NET BLOCK	
	As at 01.04.2009	Additions	Sales/ Adjustments	As at 31.03.2010	As at 01.04.2009	Additions	Sales/ Adjustments	As at 31.03.2010	As at 31.03.2010	As at 01.04.2009	
	(Rs. in '000)										
Tangible assets											
Building	6,830	24,860	950	30,740	189	118	-	307	30,433	6,641	
Leasehold improvements	96,146	14,491	3,484	107,153	24,501	41,379	1,961	63,919	43,234	71,645	
Plant and machinery											
- Headend & distribution equipments	864,954	355,796	8,389	1,212,361	72,156	132,076	1,069	203,163	1,009,198	792,798	
- Set top boxes	421,791	243,131	-	664,922	21,346	65,636	-	86,982	577,940	400,445	
- Computers	38,878	9,375	151	48,102	5,416	7,836	49	13,203	34,899	33,462	
- Office & other equipments	81,607	26,470	52	108,025	9,129	10,569	38	19,660	88,365	72,478	
Furniture and fixtures	15,417	8,291	54	23,654	3,832	3,245	20	7,057	16,597	11,585	
Vehicles	20,581	4,190	1,086	23,685	4,028	3,810	337	7,501	16,184	16,553	
Intangible assets											
Goodwill	13,130	8,693	-	21,823	3,457	6,351	-	9,808	12,015	9,673	
Distribution network rights	136,620	310,508	-	447,128	25,853	54,429	34	80,248	366,880	110,767	
Software	9,508	6,682	-	16,190	1,004	2,585	-	3,589	12,601	8,504	
Licence fee for internet service	2,058	-	-	2,058	427	400	-	827	1,231	1,631	
Non Compete Fees	2,000	-	-	2,000	232	400	-	632	1,368	1,768	
Total	1,709,520	1,012,487	14,166	2,707,841	171,570	328,834	3,508	496,896	2,210,945	1,537,950	
Previous period	174,389	1,542,005	6,874	1,709,520	11,853	160,278	561	171,570	1,537,950	162,536	
Capital work-in-progress (including capital advance Rs. '(000) 25,966 (Previous year Rs. '(000) 40,737)											
Grand total									203,134	276,776	
									2,414,079		



Schedules forming part of the Consolidated Accounts

(Rs. in '000)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 7		
INVESTMENTS		
a. Unquoted - Current investments (at lower of cost or fair value) (other than trade) (See note 7)		
i. Investment in Mutual Funds		
28,789,123 (Previous year Nil) units of Rs. 13.90 each in NLFSG Canara Robeco Treasury Advantage Super Instt Growth Fund	400,055	-
9,509,161 (Previous year Nil) units of Rs. 10.54 each in Baroda Pioneer Liquid Fund-Institutional Growth Plan's	100,208	-
12,668,250 (Previous year Nil) units of Rs. 15.79 each in B332G Birla Sun Life Floating Rate Fund Retail Long Term Growth	200,000	-
6,074,841 (Previous year Nil) units of Rs. 17.48 each in B332G Birla Sun Life Saving Fund Instl. Growth	106,192	-
89,437 (Previous year Nil) units of Rs. 1,237 each in UTI Treasury Advantage Fund Institutional Plan	110,624	-
Aggregate of unquoted - current investment in units of mutual funds	917,079	-
ii Other Investments	45	7
	917,124	7
SCHEDULE 8		
SUNDRY DEBTORS (Unsecured)		
a. Debts outstanding for more than 6 months		
i. Considered good	200,354	183,887
ii. Considered doubtful	216,071	89,618
b. Others		
i. Considered good	2,334,232	1,683,469
ii. Considered doubtful	25,704	35,053
	2,776,361	1,992,027
c. Less: Provision for doubtful debts	241,774	115,937
	2,534,587	1,876,090
SCHEDULE 9		
CASH AND BANK BALANCES		
a. Cash in hand	29,438	14,105
b. Cheques in hand	268,520	128,110
c. Balances with scheduled banks:		
i. in current account	783,910	321,785
ii. in deposit account	1,319,227	26,150
iii. as margin money	30,180	19,072
d. Balances with non scheduled banks:		
i. in current account *	1,026	868
ii. in deposit account **	-	474
	2,432,301	510,564

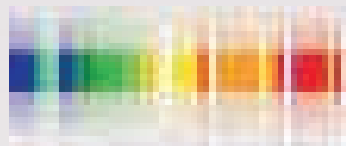
* Maximum amount outstanding during the year Rs. '(000) 3,903 (Previous year Rs. '(000) 3,665)

** Maximum amount outstanding during the year Rs. '(000) 487 (Previous year Rs. '(000) 474)

Schedules forming part of the Consolidated Accounts

(Rs. in '000)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 10		
LOANS AND ADVANCES (Unsecured)		
a. Advances recoverable in cash or in kind or for value to be received		
i. Considered good	510,433	392,002
ii. Considered doubtful	13,886	13,898
	<u>524,319</u>	<u>405,900</u>
b. Less: Provision for doubtful advances	13,886	13,886
c. Loans to others	15,544	3,227
d. Advance for investments (see note 7)	765,344	394,840
e. Balance with government authorities	196,472	220,640
f. Advance tax [including tax deducted at sources Rs. '(000) 321,270 Previous year Rs. '(000) 147,603 (Net of provision Rs. '(000) 316,477 Previous year Rs. '(000) 99,584)]	288,864	105,054
g. Fringe benefit Tax [net of provision of Rs. '(000) 12,100]	547	-
h. Share Application Money (Pending Allotment)	10,000	-
i. MAT credit entitlement	15,080	-
	1,802,284	1,115,775
SCHEDULE 11		
CURRENT LIABILITIES AND PROVISIONS		
a. Current liabilities		
i. Sundry Creditors		
- Balance consideration payable on investments (see note 7)	84,978	299,309
- Others	2,533,930	1,702,669
ii. Security deposits received	27,496	134,873
iii. Book overdraft	46,265	139,612
iv. Advances from customers	96,799	88,747
v. Advance billing	143,128	129,096
vi. Interest accrued but not due	-	3,327
vii. Other liabilities	507,212	526,149
	3,439,808	3,023,782
b. Provisions		
i. Fringe benefit tax [net of advance of Rs. '(000) Nil (Previous year Rs. '(000) 9,810)]	-	1,406
ii. Wealth tax [net of advance tax of Rs. '(000) 133 (Previous year Rs. '(000) 60)]	99	70
iii. Entertainment tax	977	124
iv. Dividend on cumulative preference shares [including corporate dividend tax payable Rs. '(000) Nil (Previous year Rs. '(000) 0.09)]	-	1
v. Employee benefits		
- Gratuity (See note 10)	18,927	10,310
- Compensated absences/ leave encashment	16,178	9,810
	36,181	21,721
	3,475,989	3,045,503



Schedules forming part of the Consolidated Profit & Loss Account

(Rs. in '000)

	Year ended 31.03.2010	Year ended 31.03.2009
SCHEDULE 12		
OTHER INCOME		
a. Profit on sale of current investments (other than trade and unquoted)	47,774	9,843
b. Dividend on current investments (other than trade and unquoted)	135	2,764
c. Interest income		
i. on fixed deposits [including tax deducted at source Rs. '(000) 1,589 (Previous year Rs. '(000) 3,625)]	14,396	16,069
ii. on others [including tax deducted at source Rs. '(000) Nil (Previous year Rs. 231)]	2,727	1,304
d. Excess provisions written back	46,331	30,935
e. Miscellaneous income	22,196	10,647
	133,559	71,562
SCHEDULE 13		
OPERATIONAL, ADMINISTRATIVE AND OTHER COSTS		
a. Content cost	5,510,905	4,397,142
b. Placement fees	867,007	514,863
c. Distributor commission/ incentive	91,152	244,132
d. Rent and hire charges	117,968	118,074
e. Repairs and maintenance		
i. Plant and machinery	98,046	97,643
ii. Others	84,605	61,811
f. Power and fuel	61,998	41,496
g. Director's sitting fees	80	-
h. Consultancy, professional & legal charges	325,043	262,504
i. Travelling and conveyance	98,992	87,111
j. Advertisement, publicity and business promotion	73,003	373,026
k. Communication expenses	128,156	67,585
l. Security charges	10,982	9,900
m. Insurance	10,466	7,466
n. Rates & taxes	38,344	14,402
o. Provision for doubtful debts/ advances	44,400	96,821
p. Bad debts/ advances written off	75,900	35,680
q. Fixed assets/ capital work in progress written off	1,395	6,757
r. Miscellaneous expenses	85,836	119,394
s. Prior period expense (net)	-	1,853
	7,724,278	6,557,660
SCHEDULE 14		
PERSONNEL COST		
a. Salaries, allowances and bonus	506,470	428,103
b. Contribution to provident fund and other funds	21,328	18,882
c. Employee benefits (See note 10)	16,681	17,694
d. Staff welfare expenses	20,706	12,616
	565,185	477,295
SCHEDULE 15		
FINANCE COSTS		
a. Interest on loans from banks	180,158	88,358
b. Interest on finance lease obligations (vehicles)	264	508
c. Bank charges and other costs	13,258	10,801
d. Interest on loan from others	745	214
	194,425	99,881

Schedules forming part of the Consolidated Accounts

SCHEDULE 16

NOTES FORMING PART OF THE ACCOUNTS

1. Background

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

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

During the financial year 2009-10, the Company issued and allotted 1,85,67,240 Equity Shares of face value of Rs. 10/- each, pursuant to the Initial Public Offer (IPO), which were admitted for listing and trading on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) with effect from November 24, 2009.

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

2. Significant accounting policies

a. Basis of preparation

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

b. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent, wholly owned and other subsidiaries, joint venture and partnership firm. All material inter company transactions, balances and unrealised surplus and deficit on transactions between group companies are eliminated. Consistency in adoption of accounting policies among all group companies is ensured to the extent practicable.

Goodwill has been recorded to the extent that the cost of acquisition, comprising purchase consideration and transaction costs, exceeds the parent's share in the book value of net assets in each acquired company.

Minority interest in the consolidated subsidiaries consists of the amount of the share of net assets attributable to the minority shareholders at the dates on which the investments are made by the Company in the subsidiary companies and further movement in their share in the net assets subsequent to the dates of investments.

c. Principles of consolidation

Subsidiary companies are those in which DEN, directly or indirectly, has an interest of more than one half of the voting power or otherwise has power to exercise control over the operations. Subsidiaries are consolidated as per Accounting Standard 21 issued by the Institute of Chartered Accountants of India from the date on which effective control is transferred to DEN until the date of cessation of the parent-subsidiary relationship.

Investment in business entities over which DEN exercises joint control has been accounted for using proportionate consolidation except where the control is considered to be temporary as per Accounting Standard 27 issued by the Institute of Chartered Accountants of India.

These consolidated financial statements relate to DEN, its subsidiaries, 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	Den Futuristic Cable Networks Private Limited
2	Den Digital Entertainment Gujarat Private Limited
3	Den Digital Entertainment Bangalore Private Limited
4	Den Entertainment Network Private Limited
5	Shine Cable Network Private Limited

ii. Subsidiaries with 51% shareholding

S. No. Name of the Company

1	Den Bcn Suncity Network Private Limited
2	Den Crystal Vision Network Private Limited
3	Den Harsh Mann Cable Network Private Limited
4	Den Kashi Cable Network Private Limited
5	Den Krishna Cable TV Network Private Limited
6	Den Mod Max Cable Network Private Limited
7	Den Pawan Cable Network Private Limited
8	Den Pradeep Cable Network Private Limited
9	Den Prayag Cable Networks Private Limited
10	Den Prince Network Private Limited
11	Den Varun Cable Network Private Limited
12	Mahadev Den Cable Net Private Limited
13	Mahadev Den Cable Network Private Limited
14	Mahadev Den Network Private Limited
15	Den-Manoranjan Satellite Private Limited
16	Meerut Cable Network Private Limited
17	Shree Siddhivinayak Cable Network Private Limited
18	Radiant Satellite (India) Private Limited
19	Den Enjoy Cable Networks Private Limited
20	Den Satellite Cable TV Network Private Limited
21	Den Maa Sharda Vision Cable Networks Private Limited
22	Den Fateh Marketing Private Limited
23	Den Jai Ambey Vision Cable Private Limited
24	Den Classic Cable TV Services Private Limited
25	Den Digital Cable Network Private Limited
26	Den F K Cable TV Network Private Limited
27	Den Shiva Cable Network Private Limited
28	Den Montooshah Network Private Limited
29	Den Bindra Network Private Limited
30	Den Nashik City Cable Network Private Limited

Schedules forming part of the Consolidated Accounts

- 31 Den Supreme Satellite Vision Private Limited
- 32 Den Mcn Cable Network Private Limited
- 33 Drashti Cable Network Private Limited
- 34 Den Ashu Cable Private Limited
- 35 Den Ambey Cable Networks Private Limited
- 36 Den Aman Entertainment Private Limited
- 37 Den Budaun Cable Network Private Limited
- 38 Den Narmada Network Private Limited
- 39 Den Bellary City Cable Private Limited
- 40 Malayalam Telenet Private Limited
- 41 Dew Shree Network Private Limited
- 42 Den Elgee Cable Vision Private Limited
- 43 Rajkot City Communication Private Limited
- 44 Den Malabar Cable Vision Private Limited
- 45 Den Infoking Channel Entertainers Private Limited
- 46 Den Ucn Network India Private Limited
- 47 Galaxy Den Media & Entertainment Private Limited
- 48 Fortune (Baroda) Network Private Limited
- 49 Mahavir Den Entertainment Private Limited
- 50 Bali Den Cable Network Private Limited
- 51 Den Citi Channel Private Limited
- 52 Amogh Broad Band Services Private Limited
- 53 Fab Den Network Private Limited
- 54 Den Satellite Network Private Limited

iii. Other subsidiaries

S. No.	Name of the Company	Holding %
1	Den Mahendra Satellite Private Limited	60%
2	Den Mewar Rajdev Cable Network Private Limited	65%
3	Den Radiant Satelite Cable Network Private Limited	65%
4	Den RIS Cable Network Private Limited	80%
5	Den Sky Media Network Private Limited	91%
6	Den P.S.C. Network Private Limited	76%

iv. Subsidiaries held indirectly

S. No.	Name of the Company	Effective Holding %
1	Den Ambey Citi Cable Network Private Limited	26%
2	Den Deva Cable Network Private Limited	26%
3	Den Ambey Jhansi Cable Network Private Limited	51%
4	Den Ambey Farukabad Cable Network Private Limited	51%
5	Kishna Den Cable Network Private Limited	26%
6	Den Nanak Communication Private Limited	51%
7	Den Saya Channel Network Private Limited	51%
8	Den Faction Communication System Private Limited	51%
9	Den Enjoy Navaratan Network Private Limited	26%
10	Star Channel Den Network Private Limited	26%

v. Partnership firm

S. No.	Name of the Firm	Holding %
1	Creative Cable Network	100%

vi. Joint venture

S. No.	Name of the Entity	Holding %
1	Star Den Media Services Private Limited	50%

All the entities are located in India.

vii. The Group has consolidated the financial statements of Dew Shree Network Private Limited based on the financial statements as certified by the company's management and have not been audited by the statutory auditors of the subsidiary company. The Group's share of total assets, total revenue, profit/ (loss) before tax and profit/ (loss) after tax in the subsidiary is Rs. ('000) 84,761 as at 31st March, 2010 and Rs. ('000) 55,808, Rs. ('000) (3,441) and Rs. ('000) (6,315) for the year ended on that date respectively. The management is of the view that the adjustments if any arising out of the audit of the financial statements of the subsidiary company will not have a material impact on the Consolidated Financial Statements.

d. Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the results of operations during the reporting year. Examples of such estimates include estimates of income taxes, future obligations under employment retirement benefit plans, provision for doubtful debts and advances and estimated useful life of tangible and intangible assets. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future years.

e. Revenue recognition

i. Income from operations

- Service revenue comprises income from subscription, placement of channels, advertisement revenue and other services. It also comprises fees for rendering management, technical and consultancy services. Income from services is recognised upon completion of services as per the terms of contracts with the customers. Year based services are accrued and recognised pro-rata over the contractual period.
- Activation Fees on Set Top Boxes (STB) is recognized as revenue at the end of the month of activation of boxes, on issue of STBs to the customers.
- Revenue billed but not recognised at the end of the year has been disclosed as deferred revenue under current liabilities.

ii. Sale of equipment

Revenue is recognized when the significant risks and rewards of ownership of the equipments have been passed to the buyer. The time of transfer of and the amount is determined based on the arrangement between the parties involved.

In case of VAT collected on sales, exclusive method is followed, where sales and expenditure will not include VAT, VAT collected is disclosed under current liabilities and not routed through profit and loss account as mentioned in Guidance Note on State Value Added Tax by ICAI.

iii. Others

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

f. Barter transactions

Barter transactions are recognised at the fair value of consideration received or paid. When the fair value of the

Schedules forming part of the Consolidated Accounts

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

g. Fixed assets

i. Tangible assets

- Fixed assets are stated at the cost of acquisition less accumulated depreciation. The actual cost capitalized includes purchase price, and all other attributable costs of bringing the assets to working condition for intended use.
- Assets are capitalised on the date when they are ready for intended use. Set top Boxes are capitalized at the end of the month of activation.
- Fixed assets under construction, advances paid towards acquisition of fixed assets and cost of assets not ready for intended use at the balance sheet date, are disclosed as capital work in progress.

ii. Intangible assets

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

h. Depreciation and amortisation

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

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

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

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

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

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

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

i. Impairment of assets

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any

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

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

j. Leases

i. Finance leases

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

ii. Operating leases

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

k. Borrowing costs

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

l. Investments

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

m. Foreign exchange transactions

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

n. Taxation

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



Schedules forming part of the Consolidated Accounts

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

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

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

o. Employee benefits

i. Short term employee benefits

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

ii. Long term employee benefits

• Provident fund and other state plans

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

• Gratuity

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

• Compensated absences

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

Liability with regard to compensated absences and gratuity is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. Actuarial valuation is carried out using the projected unit credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The

obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation is based on the market yields on government securities as at the balance sheet date. Actuarial gains/ losses are recognised immediately in the profit and loss account as income or expense.

p. Earnings per share

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

q. 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.

3. Capital commitments and contingent liabilities

a. Capital commitments

Estimated amount of unexecuted capital contracts not provided for (net of advances) Rs. '(000) 73,359 [Previous year Rs. '(000) 148,292]

b. Contingent liabilities

- i.** Guarantees issued by bankers outstanding as at the end of the year amounting to Rs. '(000) 41,732 [Previous year Rs. '(000) 21,359] on account of license for internet use issued by the Department of Telecommunications.
- ii.** Outstanding letters of credit as at the end of the year Rs. '(000) 140,887 [Previous year Rs. '(000) 89,461].
- iii.** Service Tax penalty for Rs. '(000) 1,120 has been levied on a subsidiary company by the Deputy Commissioner (appeals) Central Excise (Service Tax) Cochin for the AY 2007-08, Appeal has been filed against the same with Commissioner (Appeals), Central Excise (Service Tax) Cochin.
- iv.** Appeal filed by a subsidiary company against the assessment order of Deputy Commissioner Income Tax for the AY 2007-08 for Rs. '(000) 972. Appeal pending before Commissioner Income Tax (Appeals) Cochin.
- v.** Appeal filed by a subsidiary company against the order of assessing officer towards penalty of Rs. '(000) 91 for AY 2006-07 and Rs. '(000) 143 for AY 2007-08. Appeal pending with Commissioner Income Tax (Appeal) Cochin.

4. Related party disclosures

I. List of related parties

a. Key management personnel

1. Mr. Sameer Manchanda
2. Mr. Hemant Narang

b. Entities under significant influence

1. Lucid Systems Private Limited
2. Setpro 18 Distribution Limited

Schedules forming part of the Consolidated Accounts

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

a. Transactions during the year

Particulars	Rs. in '(000)		
	Key management personnel	Entities under significant influence	Grand total
Income from operations			
Setpro 18 Distribution Ltd.	-	364,866	364,866
	(-)	(333,398)	(333,398)
Purchase of services			
Hemant Narang	4,272	-	4,272
	(2,884)	(-)	(2,884)
Setpro 18 Distribution Limited	-	2	2
	(-)	(-)	(-)
	4,272	2	4,274
	(2,884)	(-)	(2,884)
Reimbursement of expenses (received)			
Lucid Systems Pvt. Ltd.	-	-	-
	(-)	(3)	(3)
Reimbursement of expenses (paid)			
Hemant Narang	210	-	210
	(-)	(-)	(-)
Loans repaid during the year			
Sameer Manchanda	31,600	-	31,600
	(57,500)	(-)	(57,500)

b. Outstanding balances at year end

Particulars	Rs. in '(000)		
	Key management personnel	Entities under significant influence	Grand total
Debtor			
Setpro 18 Distribution Ltd.	-	91,431	91,431
	(-)	(35,645)	(35,645)
Unbilled revenue			
Setpro 18 Distribution Ltd.	-	22,640	22,640
	(-)	(-)	(-)
Creditor			
Hemant Narang	186	-	186
	(-)	(-)	(-)
Loans taken			
Sameer Manchanda	-	-	-
	(31,600)	(-)	(31,600)

Note: Amounts in brackets indicate previous year figures.

5. Deferred Tax

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

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

Particulars	Rs. in '(000)			
	Opening balance 01.04.2009	Credited/ (charged) to P&L account	Acquired on business acquisition	Closing balance 31.03.2010
Deferred tax liability				
Depreciation	(4,416)	(350)	-	(4,767)
Others	(2)	(12)	-	(14)
Total	(4,418)	(362)	-	(4,781)
Deferred tax assets				
Employee benefits	2,529	740	-	3,269
Provision for doubtful debts	35,968	18,344	-	54,312
Business losses	22,430	40,043	-	62,473
Others	35,418	5,099	-	40,517
Total	96,345	64,226	-	160,571
Deferred tax assets (Net)	91,927	63,864	-	155,790

Schedules forming part of the Consolidated Accounts

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

Particulars	Rs. in '(000)			
	Opening balance 01.04.2009	Credited/ (charged) to P&L account	Acquired on business acquisition	Closing balance 31.03.2010
Deferred tax liability				
Depreciation	(24,724)	(7,683)	(67,756)	(100,163)
Others	(142)	134	-	(8)
Total	(24,866)	(7,549)	(67,756)	(100,171)
Deferred tax assets				
Employee benefits	4,172	3,058	-	7,230
Provision for doubtful debts	2,427	1,233	-	3,660
Business losses	3,133	7,122	-	10,255
Others	49	6,114	-	6,163
Total	9,781	17,527	-	27,308
Deferred tax liability (Net)	(15,085)	9,978	(67,756)	(72,863)

6. Lease commitments

a. Operating lease

The Group has taken office premises and accommodation for its employee under operating lease agreements. The lease rental expense recognised in the profit and loss account for the year is Rs. '(000) 113,651 [Previous year Rs. '(000) 112,483]. Future minimum lease payments and payment profile of non-cancellable operating leases are as follows:

Particulars	Rs. in '(000)	
	As at 31.03.2010	As at 31.03.2009
Not later than one year	9,354	9,291
Later than one year but not later than five years	19,656	28,115
Later than five years	-	108
Total	29,010	37,514

b. Finance lease

The Group has acquired vehicles on finance leases. The total minimum lease payments and maturity profile of finance leases, the element of interest included in such payments, and the present value of the minimum lease payments as at the balance sheet date are as follows:

Particulars	Rs. in '(000)			
	Not later than one year	Later than one year and not later than five years	Later than five years	Total
Total minimum lease payments outstanding	855	77	(-)	932
Interest included in minimum lease payments	(2,351)	(803)	-	(3,154)
Present value of minimum lease payments	34	8	-	42
	(239)	(21)	(-)	(260)
	821	68	-	889
	(2,112)	(782)	(-)	(2,894)

Note: Amounts in brackets indicate previous year figures.

Schedules forming part of the Consolidated Accounts

7. Acquisitions/investments

a. Acquisition of companies

During the year, the Group has acquired majority control in certain companies through share subscription and share purchase agreements for a total consideration of Rs. '(000) 1,415,683 [Previous year Rs. '(000) 913,509]. The acquisition has resulted in goodwill on consolidation amounting to Rs. '(000) 1,348,022 [Previous year Rs. '(000) 676,536]. The details are as follows:

Particulars	Rs. in '(000)	
	Year ended 31.03.10	Year ended 31.03.09
Opening Balance of Goodwill	1,153,704	477,168
Amounts paid	1,361,288	905,738
Direct cost relating to acquisition	54,395	7,771
Total purchase consideration paid	1,415,683	913,509
Value of net asset acquired	(67,661)	(236,973)
Goodwill generated	1,348,022	676,536
Closing Balance of Goodwill	2,501,726	1,153,704

Balance consideration payable on account of investments at the year-end amounting to Rs. '(000) 84,978 [Previous year Rs. '(000) 299,309] has been disclosed under Sundry creditors. Out of such balance consideration, Rs. '(000) Nil [Previous year Rs. '(000) 164,977] will be discharged by way of subscription to shares of the company in the event of an initial public offering by the Parent.

- b. The Company has also advanced Rs. '(000) 765,344 [Previous year Rs. '(000) 394,840] to acquire majority control in companies, the agreements for which have not been concluded prior to the year-end. These have been disclosed under loans and advances. Balance commitments on account of such agreements concluded/to be concluded after the year-end amount to Rs. '(000) 673,163 [Previous year Rs. '(000) 1,467,520].

c. Business purchase acquisition

The Group has acquired the cable network business of certain multi system operators for a consideration amounting to Rs. '(000) 65,156 [Previous year Rs. '(000) 200,280]. The consideration has been apportioned on fair value basis as determined and reported by expert valuers. The details are as follows:

Particulars	Rs. in '(000)	
	Year ended 31.03.2010	Year ended 31.03.2009
Tangible assets	43,807	74,975
Distribution network rights	17,982	116,989
Goodwill	3,367	8,316
Total	65,156	200,280

8. Dividend on cumulative preference shares

Dividend on 0.001% cumulative preference shares amounts to Rs '(000) 1.49 (Previous year '(000) 0.6).

9. Interest in joint venture

The aggregate amounts of assets, liabilities, income and expenditure to the extent of the interest of the Company in the joint venture are given hereunder:

Particulars	Rs. in '(000)	
	Year ended 31.03.2010	Year ended 31.03.2009
Revenue	5,227,484	4,077,868
Other income	15,251	45,346
Total	5,242,735	4,123,214
Personnel expenses	117,292	112,829
License cost	3,915,895	3,196,994
Channel Distribution Cost	590,854	345,897
General & administrative expenses	377,676	426,643
Depreciation	2,644	1,552
Total	5,004,361	4,083,915
Profit before tax	238,374	39,299
Provision for tax	81,010	16,149
Net profit after tax	157,364	23,151
Assets		
Fixed assets	9,567	8,949
Deferred tax asset	85,435	60,795
Sundry debtors	1,333,295	1,387,137
Cash and bank balance	198,052	126,292
Loans and advances	167,662	157,412
Liabilities		
Current Liabilities and Provisions	1,581,807	1,685,743

Schedules forming part of the Consolidated Accounts

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

a. Defined contribution plans and state plans

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

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

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

Rs. in '(000)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
I. Employer's contribution to EPF	16,061	13,782
II. Employer's contribution to ESI	911	756
III. Employer's contribution to EPS	3,054	3,276

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

b. Defined benefit plan

Gratuity plan

The following tables set out the status of the gratuity plan and amounts recognised in the Group's financial statements as at 31 March, 2010.

i. Change in benefit obligations:

Rs. in '(000)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Present value of obligations as on 01.04.09	10,310	1,314
Current service cost	9,561	7,731
Interest cost	741	52
Actuarial (gain)/loss on obligation	(1,891)	1,528
Benefits paid	(96)	(315)
Gratuity acquired due to acquisition	301	-
Present value of obligations as on 31.03.10	18,927	10,310

ii. Expenses recognised in the profit and loss account:

Rs. in '(000)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Current service cost	9,561	7,731
Interest cost	741	52
Actuarial (gain)/loss recognized	(1,891)	1,528
Net cost	8,411	9,311

iii. Principal actuarial assumptions:

Particulars	Refer note below	Year ended 31.03.2010	Year ended 31.03.2009
i. Economic Assumptions			
a. Discount rate (per annum)	1	7.00 - 7.75%	7.00 - 7.75%
b. Estimated salary escalation rate (per annum)	2	5.00 - 8.00%	5.00 - 8.00%
ii. 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	

Schedules forming part of the Consolidated Accounts

iii. Experience adjustment:

Particulars	Rs. in '(000)		
	Year ended 31.03.2010	Year ended 31.03.2009	Year ended 31.03.2008
On plan liabilities	590	12	-
On plan assets	67	-	-
Present value of benefit obligation	11,606	6,373	704
Fair value of plan assets	293	272	-
Excess of (obligation over plan assets)/plan assets over obligation	(11,313)	(6,101)	(704)

The expected contribution is based on the same assumptions used to measure the Company's gratuity obligations as of March 31, 2010. The Company is expected to contribute Rs. '(000) 5,549 to gratuity funds for the year ended March 31, 2011.

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

11. Earnings per equity share (EPS)

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

Particulars	Rs. in '(000)	
	Year ended 31.03.2010	Year ended 31.03.2009
a. Net profit / (loss) attributable to equity shareholders	301,113	(151,129)
b. Weighted average number of equity shares outstanding in computation of basic EPS	112,062,269	90,593,518
c. Dilutive effect of preference shares outstanding	1	1
d. Weighted average number of equity shares and equity equivalent shares outstanding used in computing diluted EPS	116,345,226	101,597,599
e. Basic earnings/ (Loss) per equity share of Rs. 10 each (in Rs)	2.69	(1.67)
f. Diluted earnings/ (Loss) per equity share of Rs. 10 each (in Rs)	2.59	(1.67)

12. Minority interest

The break-up of the minority interest balance of Rs. '(000) 211,516 (Previous Year '(000) 143,797) as at 31 March, 2010 is as follows:

Particulars	Rs. in '(000)	
	Year ended 31.03.2010	Year ended 31.03.2009
Opening balance	143,797	18,512
Add/(less):Minority's share of accumulated profit/(loss)	39,726	131,514
Add/(less):Minority's share related to preference share premium	-	14,700
Add/(less):Share in profit/loss	63,124	(20,929)
Add/(less):Decrease in Minority's share due to acquisition by Parent Company	(35,131)	-
Closing balance	211,516	143,797

13. Secured loans

The secured loans of Rs. '(000) 1,620,635 (Previous Year Rs. '(000) 1,154,932) consist mainly of the loans taken by the parent company aggregating to Rs. '(000) 1,607,748 (Previous Year Rs. '(000) 1,153,997). The details of security of the same are:

- Cash credit facilities of Rs. '(000) 230,345 (Previous year Rs. '(000) 353,153) are secured by:**
 - First pari passu charge on current and future book debts of the Company.
 - Second pari passu charge on all movable and immovable fixed assets of the Company.
- The term loan of Rs. '(000) 1,376,619 (Previous year Rs. '(000) 797,950) from bank is secured by:**
 - First pari passu charge on all movable and immovable properties of the Company both present and future;
 - Second pari passu charge on all current assets of the Company;

Schedules forming part of the Consolidated Accounts

- c. Other loans from banks amounting to Rs. '(000) 784 (Previous year Rs. '(000) 2,894) are secured by hypothecation of vehicles financed by them.
- d. Further, the entire amount under cash credit and term loan facilities is secured by personal guarantee of Mr. Sameer Manchanda.

14. Auditors Remunerations*

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

Particulars	Rs. in '(000)	
	Year ended 31.03.2010	Year ended 31.03.2009
Statutory audit	5,200	3,500
Other Services**	5,000	-
Total	10,200	3,500

*Exclusive of service tax

** Pertaining to IPO related services adjusted from Securities Premium Account

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

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

Particulars	Rs in '(000)			
	Year ended 31.03.2010		Year ended 31.03.2009	
	In INR	In USD	In INR	In USD
Payables	101,263	2,243	83,999	1,649
Receivable	1,856	40	1,192	26

16. Segment reporting

a. Business Segment

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

b. Geographical Segment

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

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

For and on behalf of the Board

Sd/-
ROBINDRA SHARMA
Director

Sd/-
AJAYA CHAND
Director

Sd/-
RAJESH KAUSHALL
Chief Financial Officer

Sd/-
JATIN MAHAJAN
Company Secretary

New Delhi
May 28, 2010

Notice

Notice is hereby given that the 3rd Annual General Meeting of the members of DEN Networks Limited will be held on Friday, the 10th Day of September 2010 at 11:30 A.M. at Kamani Auditorium, 1 Copernicus Marg, Near Mandi House- New Delhi -110001 to transact the following businesses:-

ORDINARY BUSINESS

1. To receive, consider & adopt the audited Balance Sheet of the Company as at March 31, 2010 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 a director in place of Mr. Atul Sharma, who retires by rotation and being eligible, offers himself for re-appointment.
4. 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.”

SPECIAL BUSINESS

5. Issue of Securities under Employee Stock Option Scheme (ESOS)

To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of section 81(1A), and all other applicable provisions, if any, of the Companies Act, 1956 (the **“Act”**) and the Securities and Exchange Board of India (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (the **“Guidelines”**) or any statutory modification(s) or re-enactment of the Act or the Guidelines, the provisions of any other applicable laws and regulations, and in accordance with the provisions of the Memorandum and Articles of Association of the Company and Listing Agreements entered into by the Company with the stock exchanges where the existing securities of the Company are listed (the **“Stock Exchanges”**) and subject to any applicable approval(s), permission(s) and sanction(s) of any authorities and subject to any condition(s) and modification(s) as may be prescribed or imposed by such authorities while granting such approval(s), permission(s) and sanction(s), the consent of the Company be and is hereby accorded to the DEN Employees Stock Option Plan Scheme, 2010 (**“DEN ESOP Scheme 2010”**) as formulated and cleared by the Board of Directors of the Company (hereinafter referred to as the **“Board”** which term shall include the ‘Compensation Committee’ of the Board or any other Committee duly constituted by the Board for this purpose) to grant, vest and allot such number of equity shares and/or equity linked instruments which could give rise to the issue of equity shares (hereinafter referred to collectively as the **“Securities”**) up to 4% of the aggregate of the number of issued and paid up equity shares of the Company as on August 10, 2010 in one or more tranches, to such employees of the Company and Directors of the Company whether Whole-time Directors or otherwise (hereinafter referred to collectively as the **“Employees”**), as may be decided

by the Board, on such terms and conditions as are contained in the Explanatory Statement to this item in the attached Notice, and as may be further determined by the Board in accordance with the Guidelines or any other applicable provisions as may be prevailing at that time, and further, that such grant of options by the Board under DEN ESOP Scheme 2010, be and is hereby approved by the members of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in the terms and conditions of DEN ESOP Scheme 2010 from time to time including, but not limited to, amendment(s) with respect to vesting period and schedule, exercise price, exercise period, eligibility criteria or to suspend, withdraw, terminate or revise DEN ESOP Scheme 2010.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot up to 4% of the aggregate of the number of issued and paid up equity shares of the Company as on August 10, 2010 to the Employees in accordance with DEN ESOP Scheme 2010 either directly, or through a trust which may be set up in any permissible manner.

RESOLVED FURTHER THAT all the new equity shares to be issued and allotted as aforesaid shall rank *pari passu* including dividend *inter se* with the then existing equity shares of the Company in all respects.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the Securities allotted under DEN ESOP Scheme 2010 on the Stock Exchanges as per the provisions of the Listing Agreements with the Stock Exchanges concerned, the Guidelines and other applicable laws and regulations.

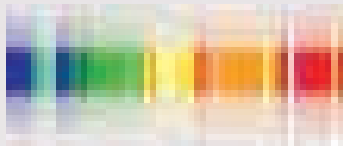
RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities without requiring the Board to secure any further consents or approval of the members of the Company in this regard, without being required to seek any further consent or approval of the members or otherwise to the end and intent that all such acts, deeds, matters and things done and executed by the Board in relation to the grant or vesting of the Securities as described above, be and are hereby ratified by the Company.

RESOLVED FURTHER THAT Mr. Sameer Manchanda, Director and/or Mr. Mohammad Ghulam Azhar, President Business Development & Strategy and/or Mr. Rajesh Kaushal, Chief Financial Officer and/or Mr. Hemant Narang and/or Mr. Jatin Mahajan, Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and to sign, seal and execute any documents, letters, papers etc. as may be necessary or expedient to give effect to the above resolutions.”

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

To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of section 81(1A), and all other applicable provisions, if any, of the Companies Act, 1956 (the **“Act”**) and the Securities and Exchange Board of India (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (the



“Guidelines”) or any statutory modification(s) or re-enactment of the Act or the Guidelines, the provisions of any other applicable laws and regulations and in accordance with the provisions of the Memorandum and Articles of Association of the Company and Listing Agreements entered into by the Company with the stock exchanges where the securities of the Company are listed (the “Stock Exchanges”) and subject to any applicable approval(s), permission(s) and sanction(s) of any authorities and subject to any condition(s) and modification(s) as may be prescribed or imposed by such authorities while granting such approval(s), permission(s) and sanction(s), the consent of the Company be and is hereby accorded to the DEN Employees Stock Option Plan 2010 (“DEN ESOP Scheme 2010”) as formulated and cleared by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include the ‘Compensation Committee’ of the Board or any other Committee duly constituted by the Board for this purpose) to grant, vest and allot such number of equity shares and/or equity linked instruments which could give rise to the issue of equity shares (hereinafter referred to collectively as “the Securities”) of the Company, up to 4% of the aggregate of the number of issued and paid up equity shares of the Company as on August 10, 2010 in one or more tranches, to such employees of the Subsidiary Company(ies) and Directors of the Subsidiary Company(ies) whether Whole-time Directors or otherwise (hereinafter referred to collectively as the “Employees”), as may be decided by the Board, on such terms and conditions as are contained in the Explanatory statement to this item in the attached Notice, and as may be further determined by the Board in accordance with the Guidelines or any other applicable provisions as may be prevailing at that time, and further, that such grant of options by the Board under DEN ESOP Scheme 2010, be and is hereby approved by the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in the terms and conditions of the DEN ESOP Scheme 2010 from time to time including but not limited to, amendment(s) with respect to vesting period and schedule, exercise price, exercise period, eligibility criteria, or to suspend, withdraw, terminate or revise the DEN ESOP Scheme 2010.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot up to 4% of the aggregate of the number of issued and paid up equity shares of the Company as on August 10, 2010 to the Employees in accordance with DEN ESOP Scheme 2010 either directly, or through a trust which may be set up in any permissible manner.

RESOLVED FURTHER THAT all the new equity shares to be issued and allotted as aforesaid shall rank *pari passu* including dividend *inter se* with the then existing equity shares of the Company in all respects.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the Securities allotted under DEN ESOP Scheme 2010 on the Stock Exchanges as per the provisions of the Listing Agreements with the Stock Exchanges concerned, the Guidelines and other applicable laws and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities without requiring the Board to secure any further consents or approval of the members of the Company in this

regard, without being required to seek any further consent or approval of the members or otherwise to the end and intent that all such acts, deeds, matters and things done and executed by the Board in relation to the grant or vesting of the Securities as described above, be and are hereby ratified by the Company.

RESOLVED FURTHER THAT Mr. Sameer Manchanda, Director and/or Mr. Mohammad Ghulam Azhar, President Business Development & Startegy and/or Mr. Rajesh Kaushal, Chief Financial Officer and/or Mr. Hemant Narang and/or Mr. Jatin Mahajan, Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and to sign, seal and execute any documents, letters, papers etc. as may be necessary or expedient to give effect to the above resolutions.”

7. Further Issue of Capital

To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“**RESOLVED THAT**, pursuant to passing a special resolution in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (the “Act”) (including any amendments thereto or re-enactment thereof) and the provisions of the Foreign Exchange Management Act, 2000 (the “FEMA”), as amended including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended, and subject to any required approval, consent, permission and/or sanction of the Ministry of Finance (Department of Economic Affairs) and of Ministry of Industry (Foreign Investment Promotion Board/Secretariat for Industrial Assistance) and the Securities and Exchange Board of India (the “SEBI”) Regulations and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (the “GOI”), the Reserve Bank of India (the “RBI”), SEBI and/or any other competent authorities and including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the “SEBI ICDR Regulations”) the enabling provisions of the Memorandum of Association and Articles of Association of the Company, the Listing Agreements entered into by the Company with the stock exchanges on which the Company’s equity shares are listed and subject to necessary approvals, permissions, consents and sanctions of concerned statutory and other authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include any committee thereof), the consent, authority and approval of the Company be and is hereby accorded to the Board to create, offer, issue and allot in one or more tranche(s), either in India or in the course of international offering(s) in one or more foreign markets, with or without an over allotment/green shoe option, to domestic institutions, foreign institutions, non-resident Indians, Indian public companies, corporate bodies, mutual funds, banks, insurance companies, pension funds, individuals, qualified institutional buyers or other persons or entities, whether shareholders of the Company or not (collectively called the “Investors”), through a public issue and/or on a private placement basis and/or preferential issue and/or any other kind of public issue and/or private placement as may be permitted under

applicable law from time to time, such number of equity shares of the Company (“**Equity Shares**”), Global Depository Receipts (“**GDRs**”), Foreign Currency Convertible Bonds (“**FCCBs**”) and/or any other financial instruments convertible into Equity Shares (including warrants, or otherwise, in registered or bearer form) and/or any security convertible into Equity Shares with or without voting/special rights and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares (including the issue and allotment of Equity Shares pursuant to a green shoe option, if any, all of which are hereinafter collectively referred to as “**Securities**”) or any combination of Securities, whether Rupee denominated or denominated in foreign currency, of public and/or private offerings and/or on preferential allotment basis or any combination thereof through issue of prospectus and /or placement document/ or other permissible/requisite offer document, whether to be listed on any stock exchange inside India or any international stock exchange outside India of an aggregate amount not exceeding 7,500 Million equivalent thereof in one or more foreign currency and/or Indian rupees, inclusive of such premium as may be fixed on such Securities by offering the Securities in one or more countries through public issue(s) of prospectus, private placement(s), or a combination thereof at such time or times, at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest etc. as may be deemed appropriate by the Board at its absolute discretion, either in foreign currency or equivalent Indian rupees inclusive of such premium as may be determined by the Board, in any convertible foreign currency, as the Board at its absolute discretion may deem fit and appropriate.”

RESOLVED FURTHER THAT in addition to all applicable Indian laws, the securities issued in pursuance of this resolution shall also be governed by all applicable laws and regulations of any jurisdiction outside India where they are listed or that may in any other manner apply to such securities or provided in the terms of their issue.

RESOLVED FURTHER THAT such of these securities as are not subscribed may be disposed of by the Board or any committee thereof in its absolute discretion in such manner, as the Board may deem fit and as permissible by law.

RESOLVED FURTHER THAT in case of an issuance of FCCBs/ADRs/GDRs, the relevant date for the determination of the issue price of the securities offered, shall be determined in accordance with the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as may be amended from time to time.

RESOLVED FURTHER THAT the issue of Securities shall be subject to the following terms and conditions:

- (a) the Securities shall be subject to the provisions of Memorandum and Articles of Association of the Company and in accordance with the terms of the issue; and
- (b) the number and/ or price of the Securities shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring.

RESOLVED FURTHER THAT the Common Seal of the Company, if required to be affixed in India on any agreement, undertaking, deed or other document, the same be affixed in the presence of any two directors of the Company or any one director and secretary or any other person as may be authorised by the Board or any committee thereof in accordance with the Articles of

Association of the Company.

RESOLVED FURTHER THAT subject to the applicable laws the Board or any committee thereof be and is hereby authorised to do such acts, deeds and things as the Board or any committee thereof in its absolute discretion deems necessary or desirable in connection with the issue of the Securities, including, without limitation of the following:

- (a) decide the date for the opening of the issue of Securities;
- (b) appoint, in its absolute discretion, managers (including lead managers), investment bankers, merchant bankers, underwriters, guarantors, financial and/or legal advisors, depositories, custodians, principal paying/transfer/conversion agents, listing agents, registrars, trustees and all other agencies, whether in India or abroad, entering into or execution of all such agreements/ arrangements/ MoUs/ documents with any such agencies, in connection with the proposed offering of the Securities;
- (c) finalisation and approval of (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalised in consultation with the lead managers/underwriters/advisors, and arrangement for the submission of the preliminary and final offering circulars/prospectus(es)/offer document(s), and any amendments and supplements thereto, with any applicable government and regulatory authorities, institutions or bodies, as may be required;
- (d) approval of the Deposit Agreement(s), the Purchase/ Underwriting Agreement(s), the Trust Deed(s), the Indenture(s), the Master/Global GDRs/ADRs/FCCBS/other securities, letters of allotment, listing application, engagement letter(s), memoranda of understanding and any other agreements or documents, as may be necessary in connection with the issue/offering (including amending, varying or modifying the same, as may be considered desirable or expedient), in accordance with all applicable laws, rules, regulations and guidelines;
- (e) seeking, if required, the consent of the Company’s lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the issue and allotment of the Securities;
- (f) deciding the pricing and terms of the Securities, and all other related matters, including taking any action on two-way fungibility for conversion of underlying Equity Shares into FCCBs/GDRs/ADRs, as per applicable laws, regulations or guidelines;
- (g) open one or more bank accounts in the name of the Company in Indian currency or foreign currency(ies) with such bank or banks in India and/or such foreign countries as may be required in connection with the aforesaid issue;
- (h) finalisation of the basis of allotment of the Securities on the basis of the subscriptions received (including in the event of over-subscription);
- (i) seeking the listing of the Securities on any Indian or international stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing;
- (j) authorisation of any director or directors of the Company or other officer or officers of the Company, including by the grant of powers of attorney, to do such acts, deeds and things as the authorised person in its absolute discretion may deem necessary or desirable in connection with the issue and allotment of the Securities; and

- (k) all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in regard to the offer, issue and allotment of the Securities.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolutions, Mr. Sameer Manchanda, Director and/or Mr. Mohammad Ghulam Azhar, President Business Development and Strategy and/or Mr. Hemant Narang, and/or Mr. Rajesh Kaushal, Chief Financial Officer and/ or Mr. Jatin Mahajan, Company Secretary be and are hereby authorized severally to do all such acts, deeds, matters and things as they may, in their absolute discretion deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in regard to the offer, issue and allotment of the Securities.

RESOLVED FURTHER THAT without prejudice to the generality of the foregoing, issue of the Securities may be done upon all or any terms or combination of terms in accordance with international practices relating to the payment of interest, additional interest, premium on redemption, prepayment or any other debt service payments and all such terms as are provided customarily in an issue of securities of this nature.

RESOLVED FURTHER THAT the Company may enter into any arrangement with any agency or body authorised by the Company for the issue of depositary receipts representing the underlying Equity Shares issued by the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per international practices and regulations (including listing on one or more stock exchange(s) inside or outside India) and under the forms and practices prevalent in the international markets.

By order of the Board
For DEN Networks Limited

Sd/-
Jatin Mahajan
Company Secretary

Place : New Delhi
Dated : August 10, 2010

Notes:

- 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.**
- 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.
- 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.
- Members/Proxies should bring the attendance slips duly filled in for attending the meeting.
- 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.
- 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.
- Mr. Ajaya Chand and Mr. Atul Sharma, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Brief resume(s) of both the directors, nature of their 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 of Mr. Ajaya Chand and Mr. Atul Sharma would be an Independent Director. The Board of Directors recommends their respective re-appointments.
- The Registers of Members will be closed from Friday the 03rd day of September to Friday the 10th day of September, 2010, both days inclusive. the Transfer Books of the Company will also remain closed for the aforesaid period.
- 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 up to the date of Annual General Meeting.
- 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
- The details of the stock exchanges, on which the securities of the Company are listed, are given separately in this Annual Report.
- 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.
- 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.

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956

Item No. 5 & 6

Your Company believed in rewarding its employees for their continuous hard work, dedication and support which led the Company on growth path. To enable more and more employees to enjoy the fruits of the phenomenal growth that the Company has witnessed in the recent past, it is proposed to implement DEN ESOP Scheme, 2010. The main objective of the scheme is to give employees who are performing well, a certain minimum opportunity to gain from the Company's performance thereby acting as a retention tool and to attract best talent available in the market.

Stock options have long been recognized internationally, as an effective instrument, to align the interest of employees with those of the Company and its shareholders, providing an opportunity to employees to share the growth of the company, and to create long-term wealth in the hands of employees.

The following is the explanatory statement, which sets out the various disclosures as required by the Securities and Exchange Board of India (Employees Stock Option Scheme) Guidelines, 1999 (hereinafter referred as "the Guidelines")

The Salient features of the ESOP Scheme are given below:

S No.	Particulars	DEN ESOP SCHEME 2010
A.	Total number of options to be granted/ to be issued under the Plan	Up to 4% of the aggregate of the number of issued and paid up equity shares of the Company as on August 10, 2010 to be granted under the plan, each option convertible into one equity share of Rs 10/- each at the end of vesting period.
B.	Classes of employees entitled to participate	The employees and Directors of the Company, its subsidiary Companies, except <ul style="list-style-type: none"> the Employees who are either Promoter or belong to Promoter Group as defined in the Guidelines or a Director holding directly or indirectly more than 10% of the outstanding equity shares of the Company either by himself or through his relative or through any body corporate.
C.	Employees not eligible for grant of options	a. Promoter or any person belonging to the Promoter group of the Company; b. A Director, who either himself or through his relative or through any Body corporate, directly or indirectly, holds more than 10 percent of the outstanding equity shares of the Company.
D	Vesting requirement and Vesting period	a. There shall be a minimum period of one year between the grant of Options and vesting of Options. b. The vesting period may extend up to 3 years. c. The vesting shall happen in one or more tranches as may be decided by the Compensation Committee.
E	Exercise Price	The Exercise Price for the purpose of grant of Options will be decided by the Compensation Committee. However the Exercise Price shall not be less than the par value of the Equity Shares of the Company.
F	Exercise Period	The options will be exercised by employees by a written application to the designated officer of the company to exercise the options, in such manner, and on execution of such documents, as may be prescribed by the Compensation Committee.
G	Exercise process	The Option will be exercisable by the Employees by a written application to the Designated Officer of the Company to exercise the Option in such a manner and on execution of such documents, as may be prescribed by the Compensation Committee under the Scheme.
H	Appraisal process	The appraisal process for determining the eligibility of the employee will be specified by the Compensation Committee, and will be based on criteria such as:- <ul style="list-style-type: none"> Performance of the employee. Position and responsibilities of the employee Present grade and compensation structure of the employee. Exceptional contribution made by the employee. Integrity and behavior of the employee. Such other parameters as may be decided by Compensation Committee. The Committee may at its discretion extend the benefits of the ESOP to a new entrant or any existing employees on such other basis as it may deem fit.
I	Maximum number of options to be issued per employee and in aggregate	Maximum options to be granted per grantee shall not exceed 1% of the issued capital in any one financial year. The aggregate of such grants shall not result into Equity Shares exceeding 4% of the paid up equity share capital of the Company as on August 10, 2010.
J	Method of Accounting/ Accounting policies and adherence to Guidelines	The Company shall follow Intrinsic method of accounting for valuing options in compliance with the accounting policies prescribed by SEBI under Clause 13.1 of the Guidelines and ICAI. In case the Company calculates the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of options, shall be disclosed in the Directors' report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' report.
K	Disclosure and accounting policies	The Company shall comply with the disclosure and accounting policies as prescribed by Securities and Exchange Board of India (SEBI) and any other appropriate authority, from time to time.



The benefit of ESOS shall also be extended to the permanent employees and directors of the subsidiary companies of the Company, as may from time to time, be allowed to enjoy the benefits of ESOS, in the same manner and subject to the terms and conditions as mentioned herein. The aggregate options issued in terms of ESOS shall not exceed the overall limits as mentioned in the ESOS i.e., 4% of the paid equity shares of the Company as on August 10, 2010.

The Board has accordingly decided to seek the approval of the members for extending the scheme to the permanent employees and directors of the subsidiary companies of the Company, as may from time to time, be allowed to enjoy the benefits of ESOS, within overall limit as set out in the proposed resolution stated in Item 5 and 6 of accompanying notice.

Securities and Exchange Board of India (SEBI) (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 provides for separate approval of members to be obtained for the employees and directors of subsidiary companies of the Company.

In terms of the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 and Securities and Exchange Board of India (SEBI) (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, approval of the members is sought to issue equity shares, pursuant to the options granted under ESOS to the employees and directors of the subsidiary companies of the Company, not exceeding in aggregate 4% of the paid up capital of the Company as on August 10, 2010.

The Board may in its absolute discretion, provide for an appropriate ESOS to be operated through any ESOS Trust, which shall be governed and operated in terms of the provisions stipulated therein.

The options to be granted/ shares to be issued under the Plans shall not be treated as an offer or invitation made to the public for subscription in the securities of the Company.

The Board of Directors accordingly recommends the resolution set out at Item no. 5 and 6 of the accompanying notice for the approval of shareholders.

None of the Directors of the Company is, in any way, concerned or interested in the resolutions, except to the extent of the Options that may be offered to them under the Plans.

ITEM NO. 7

The Company, in order to increase its ability to compete with the peer group within the Industry, needs to strengthen its financial position by augmenting long term resources. To achieve the significant competitive advantages, through easy access to large amounts of capital, with extended maturities, at optimal costs, the Company may need to issue Securities, as contemplated in the resolution and as may be decided by the Board and found to be expedient and in the interest of the Company.

The detailed terms and conditions of the Issue as and when made will be determined by the Board of Directors in consultation with the Merchant Bankers, Lead Managers, Advisors, Underwriters and other experts in accordance with the applicable provisions of law.

The proposed issue of Securities as above may be made in one or more tranches, in one or more currency, such that the aggregate amount raised by issue of securities to be issued shall not exceed Rs.7,500 Million. The issue price of the security to be issued in the proposed offerings will be determined by the Board of Directors at the time of the offer depending on the then prevailing market conditions and shall be subject to the applicable rules and regulations. The securities will be listed on such Stock Exchanges as the Board may be advised and it may decide.

In accordance with the provisions of Section 81(1A) of the Companies Act, 1956 as amended from time to time, the issue of securities shall be made to domestic institutions, foreign institutions, non-resident Indians, Indian public companies, corporate bodies, mutual funds, banks, insurance companies, pension funds, individuals, qualified institutional buyers, Global Depository Receipts (“GDRs”), Foreign Currency Convertible Bonds (“FCCBs”) and/or any other financial instruments convertible into Equity Shares (including warrants, or otherwise, in registered or bearer form) or other persons or entities, whether shareholders of the Company or not. The Listing Agreement with the Stock Exchanges also provide that the Company shall issue or offer in the first instance all securities to the existing equity shareholders, unless the Members decide otherwise. The special resolution seeks the consent and authorisation of the members to the Board of Directors to make the proposed issue of securities and in the event it is decided to issue Securities convertible into equity shares, to issue to the holders of such convertible securities in such manner and such number of equity shares on conversion as may be required to be issued in accordance with the terms of the issue.

This special resolution gives (a) adequate flexibility and discretion to the Board to finalise the terms of the issue, in consultation with the Lead Managers, Underwriters, Legal Advisors and experts or such other authority or authorities as need to be consulted including in relation to the pricing of the Issue which will be fixed keeping in view the then prevailing market conditions and in accordance with the applicable provisions of rules, regulations or guidelines, and (b) powers to issue and market any securities issued pursuant to the offer including the power to issue such securities in such tranches or tranches with/without voting rights.

The Board of Directors accordingly recommends the resolution set out at Item No. 7 of the accompanying notice for the approval of the Members.

None of the Directors of the Company is, in any way, concerned or interested in the resolutions, except to the extent of the Options that may be offered to them under the Plans.

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

ADMISSION SLIP

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

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

Name(s) and address of the shareholder in full

I/we hereby record my presence at the third annual general meeting of the Company being held on Friday, 10th day of September 2010 at 11:30 A.M. at Kamani Auditorium, 1 Copernicus Marg, Near Mandi House- New Delhi -110001, India.

Please (✓) in the box

MEMBER PROXY

Signature of Member / Proxy

*Applicable for investor holding shares in physical form.

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

PROXY FORM

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

I/We

Name(s) and address of the shareholder in full

being a member of DEN Networks Limited, hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ in the district of _____ as my/our Proxy to attend and vote for me/us on my/our behalf at the third annual general meeting of the Company scheduled to be held on Friday, 10th day of September 2010 at 11:30 A.M. at Kamani Auditorium, 1 Copernicus Marg, Near Mandi House- New Delhi -110001 or /and at any adjournment thereof.

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

S. No.	Resolutions	For	Against
1.	Adoption of Annual Financial Statements and Reports		
2.	Re-appointment of the following Director retiring by rotation: Mr. Ajaya Chand		
3.	Re-appointment of the following Director retiring by rotation: Mr. Atul Sharma		
4.	Re-appointment of M/s. Deloitte Haskins & sells, Chartered Accountants, Gurgaon, as the statutory auditors of the Company		
5.	Issue of Securities under Employee Stock Option Scheme (ESOS)		
6.	Issue of Securities under Employee Stock Option Scheme (ESOS) to the Employees and Directors of Subsidiary Companies		
7.	Further Issue of Capital		

Signed by the said _____

Affix the
requisite
Revenue
Stamp

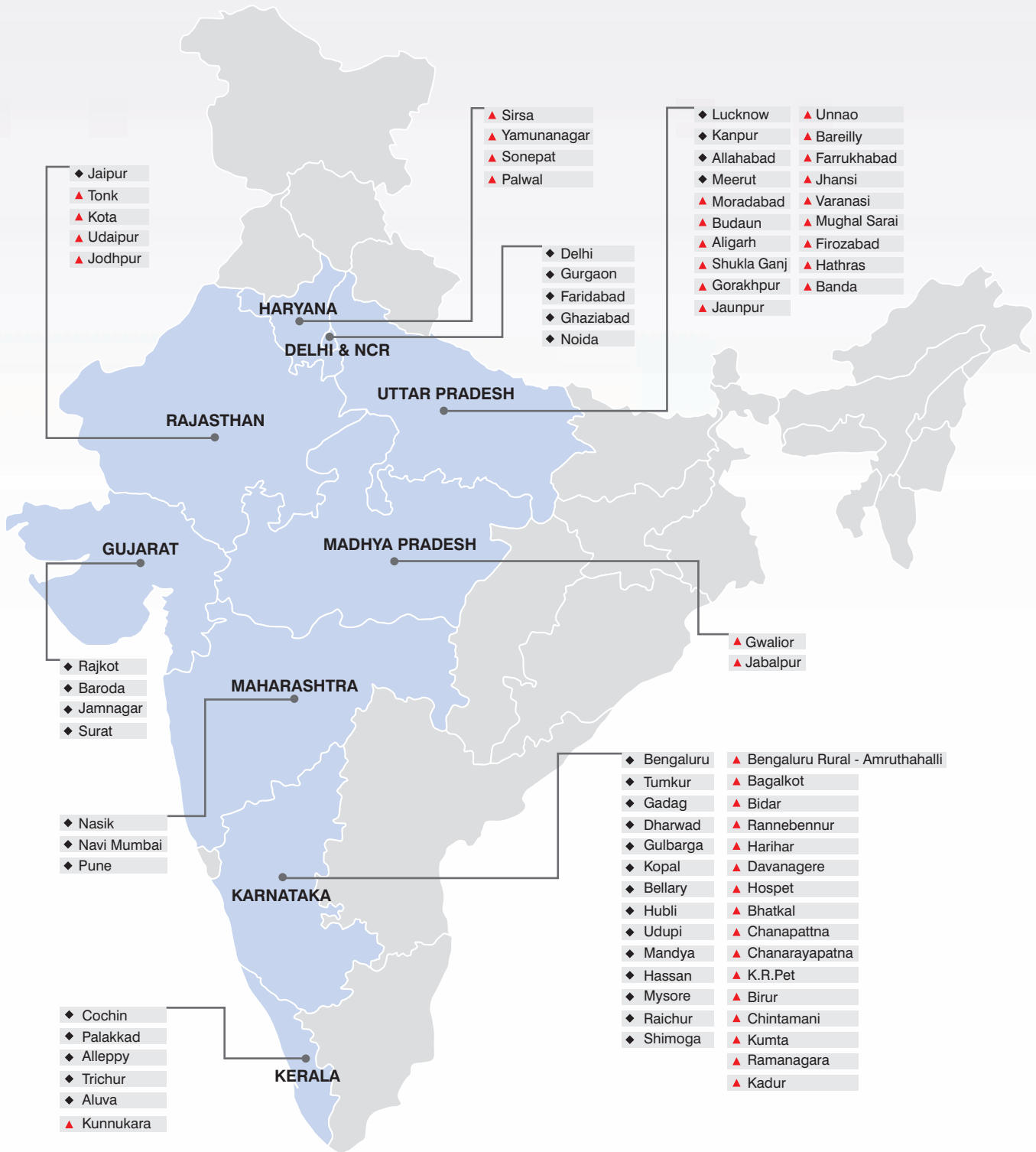
*Applicable for investor holding shares in physical form.

Note :

- 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.**
- A Proxy need not be a member of the Company**
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- 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's spreading service network

INDIA
Map not to scale



◆ DIGITAL & ANALOGUE ▲ ANALOGUE



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