



DEN Networks Limited

DIGITIZING INDIA



ANNUAL REPORT 2011-12

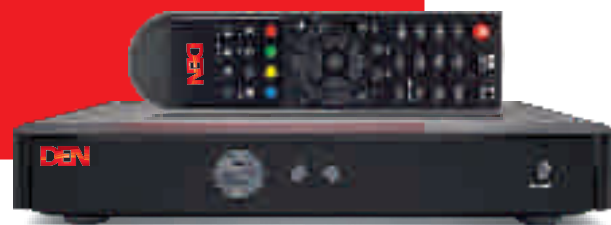
CONTENTS

Digitizing India	01
Director's Report	08
Management Discussion and Analysis	14
Corporate Governance Report	23
Standalone Financial Statements	33
Subsidiaries Financial Information	72
Consolidated Financial Statements	77
Notice of AGM	109

DEN

Aa Dekhein Zara

INDIA'S
LEADING
CABLE
TELEVISION
MSO





ONE OF THE LARGEST
CABLE TELEVISION
PLATFORMS
IN INDIA

Total Homes Served
11 million

MediaPro

DEN's strategic content
distribution Joint Venture
with Star, Zee & Turner

Digital
Subscribers
1.1 million
and growing

13 States
115 Cities and towns



DEN COMPLETES 5 YEARS

Top 5 Firsts of Indian Cable Industry



1st

1st Cable Company to serve
11 million Homes

1st J-V of its Kind - Star DEN &
MediaPro

1st MSO to launch an
Initial Public Offering

1st Listed MSO to Achieve Full
Year **PAT Profitability**

1st MSO to launch pan India Brand
Marketing Campaign



DEN DIGITAL - INDIA'S LEADING DIGITAL CABLE SERVICE

Going Digital with DEN is the smart thing to do...

- DEN Set Top Boxes come from ISO 9001 certified global technology experts like Cisco, Skyworth and more
- All DEN STBs are compliant with DVB-C and BIS Standards
- DEN Digital Cable service is fully Compliant with TRAI's Quality of Service Regulations



Get a host of benefits with DEN...





DEN
DIGITAL CABLE
ALSO AVAILABLE
IN HD

Superior 1080i resolution
for all HD channels

World renowned Dolby
Digital 5.1 surround sound

DEN Digital offers some amazing Value Added Services...



Blog.telly – India's
FIRST and ONLY
micro blogging
platform on TV



Games – Brain
teasers, puzzles
and many more
interactive games



City Bytes –India's
only city wise
restaurant/event TV
search application



Music – First cable or
DTH to offer multi-
genre 24*7 digital
music service

... and an Advanced Electronic Programming Guide (EPG) Developed by NDS

- User-friendly EPG with program
schedule information for 7 days in
advance
- Set reminders, personalise favourite
channels, and set parental controls





FIRST LARGE SCALE
BRAND CAMPAIGN
BY ANY
INDIAN MNO

Outdoor

Banners displayed in Delhi's prime locations



Print Campaign

Front-page ads in leading National dailies



TV Commercial

Clutter breaking TVC broadcasted all over India



Localised Promotional Events



Themed Street Plays for Digitisation



RWAs Events with fun family activities



DEN-on-Wheels with on-board TV and DEN set top box

Banners



Agents carrying illuminated banners in busy areas

LCO Education



LCO Education Programme launched in association with E&Y



Glow signs in high visibility locations around DEN serviceareas

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the Fifth Annual Report on the business and operations of the Company together with the audited accounts for the financial year ended March 31, 2012.

Financial Performance

The key financial figures on standalone and consolidated basis of your Company for the year ended March 31, 2012 are as follows:

(₹ in millions)

Particulars	Consolidated		Standalone	
	Financial year ended March 31, 2012	Financial year ended March 31, 2011	Financial year ended March 31, 2012	Financial year ended March 31, 2011
Net Revenue	11,565.95	10,581.35	4,523.38	3,545.40
Operating profit/(loss) before interest and depreciation interest	1,093.17	1,264.35	652.51	507.38
Interest	269.24	191.43	261.33	186.31
Depreciation	538.11	455.82	305.41	261.20
Net Profit/(loss) before Tax	285.82	617.10	85.77	59.87
Provision for taxes/deferred tax	100.20	173.82	7.10	(9.72)
Profit/(loss) after tax	142.80	375.26	78.67	69.59

Result of Operations

During the year under review, the revenue of your Company was ₹4,523.38 millions on standalone basis and ₹11,565.95 millions on consolidated basis as compared to last year's revenue of ₹3,545.40 millions on standalone basis and ₹10,581.35 millions on consolidated basis. The Post Tax Profit of your Company was ₹78.67 millions on standalone basis and ₹142.80 millions on consolidated basis as compared to last year's Post Tax Profit of ₹69.59 millions on standalone basis and ₹375.26 millions on Consolidated basis.

Consolidated Financial Statements

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

Review of the Year Gone by

During the year the Indian Cable TV industry has undergone a paradigm shift with the enactment of the Cable Television Networks (Regulation) Amendment Act, 2011. This act will fundamentally transform the foundations of the industry by bringing in compulsory digitisation with addressability throughout India in phases.

Your Company, which has over the years built a strong

digital cable TV infrastructure and consumer offerings is expected to emerge as one of the leading players of the industry.

The past year also saw your Company expand into new geography and achieve a reasonable revenue growth with PAT profitability.

Cable Digitisation Bill Passed

In December 2011, the cable digitisation bill was passed by both Houses of the Indian Parliament and was signed into law by the Hon'ble President of India. The Law requires mandatory digitisation of all cable TV homes in India in a phased manner.

DEN Geared Up for Full Digitisation

The onset of digitisation offers tremendous opportunities for DEN and the Company is fully geared to reap the benefits. DEN's superior digital cable offering is backed by a strong digital infrastructure with over 17 digital headends capable of serving DEN subscribers across the country, upgraded networks with leased or laid fibre for nationwide distribution of its digital signals and set top boxes procured from leading global manufacturers. DEN has also put in place an efficient customer services platform to provide timely and effective customer care facilities to its subscribers. DEN had launched a nationwide brand campaign across various media platforms including TV, print, radio and outdoor to promote its digital cable offering. The Company is also conducting other public awareness initiatives like street plays and RWA events.

DEN is rapidly digitising its subscriber base in the Phase 1 cities of Delhi, Mumbai and Kolkata and a significant part of DEN's subscriber base in these cities has already converted to digital.

Employee Stock Option Scheme (Esos)

During the financial year 2010-11, the Company had granted 50,00,000 Equity shares of ₹10/- each, under DEN Employee Stock Options Scheme, 2010 to the Employees of the Company and Subsidiary Companies. During the financial year 2011-12, 14,65,874 options have been surrendered by the Employees of the Company and Subsidiary Companies. The details as required to be disclosed under Clause 12 & 19 of ESOP Guidelines of SEBI are detailed in the Annexure 'A' to this Report.

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

Manpower

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

Dividend

Your Directors do not recommend any Dividend for the financial year ended March 31, 2012.

Transfer to Reserves

Your Company has not made any transfer to the Reserves during the financial year 2011-12.

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

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

Directors

Mr. Sameer Manchanda, Chairman and Managing Director of your Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The relevant details of the directors proposed to be re-appointed are

provided in the Corporate Governance Report forming part of this report.

Directors' Responsibility Statement

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

- i) that in the preparation of the annual accounts for the financial year ended March 31, 2012, 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, 2012 on a 'going concern' basis.

Subsidiary Companies

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

Auditors & Auditor's Report

The term of M/s. Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of your Company, expires at the ensuing Annual General Meeting. The

Company has received a certificate from them to the effect that their appointment, if made, would be within the prescribed limit as mentioned under Section 224 (1B) of the Companies Act, 1956.

Your Board has duly examined the Report issued by the Statutory Auditor's of the Company on the Accounts for the financial year ended March 31, 2012. Except following, the rest of the report is self explanatory.

Explanation to Statutory Auditors' Comments:-
Auditors' Qualification: - Refer paragraph no. 4 of the Auditors' Report on Consolidated Financial Statements of the Company.

Management Reply:- The Company is of the view that the Revenue and PAT contributed by this subsidiary Company on the consolidated financials is negligible. Hence, any adjustments if any arising out of the audit of the financial statements of this subsidiary company will not have a material impact on the Consolidated Financial Statements.

Corporate Governance & Corporate Social Responsibility

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

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

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

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

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

In year 2009, your Company made Initial Public Offering (the Issue) of its equity shares in dematerialization mode and had credited the dematerialization accounts of allottees with respective shares allotted under the Issue. However dematerialization credit of 459 equity shares of ₹10 each, for five allottees could not happen till date, due to incorrect particulars of account holders. The Company through its Registrar and Share Transfer Agent, M/s Karvy Computershare Private Limited, had sent several reminders to these allottees and in the absence of any response from any of them, had finally transferred the aforesaid equity shares to 'Den Networks Limited – Unclaimed Securities Suspense Account'. As required under clause 5A of the Listing Agreement, following is the status of outstanding shares lying in the aforesaid account as on March 31, 2012:

Particulars	Number of share-holders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year i.e. 1st April, 2011 / transferred to Account during the year ended 31st March, 2012	5	459
Number of shareholders who approached to the Company / RTA for transfer of shares from Unclaimed Suspense Account during the year ended 31st March 2012	-	-
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year ended 31st March 2012	-	-
Aggregate Number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e. as on 31st March, 2012.	5	459

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

Particulars of Employees

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

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

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

A. Conservation of Energy

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

B. Technology absorption

Your Company is conscious of implementing the latest technologies in key working areas.

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

C. Foreign Exchange Earnings and Outgo

Disclosure of foreign exchange earnings and outgo as required under Rule 2(C) is given in Schedule No. 16 "Notes on Accounts" forming part of the Audited Annual Accounts.

Foreign Exchange Earnings	: -	NIL
Foreign Exchange Outgo	: -	49.56 millions

Acknowledgement

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/associates and financial Institutions for their consistent support and encouragement to the Company. I am sure you will join our Directors in conveying our sincere appreciation to all employees of the Company for their hard work and commitment. Their dedication and competence has ensured that the Company continues to be a significant and leading player in the Indian Cable TV distribution Industry.

For and on behalf of the Board of Directors

Sd/-
Sameer Manchanda
Chairman and Managing Director

Place : New Delhi
Date : August 29, 2012

ANNEXURE A

Information regarding 'DEN ESOP Scheme 2010' as on March 31, 2012 in terms of Regulation 12 of SEBI (Employees Stock Option and Employees Stock Purchase Scheme) Guidelines, 1999 is as under:

Sl. No.	Particulars	Details
1	Options Granted during the year 2011-12	Nil
2	Exercise price	₹30/- Per Share
3	Options Vested	22,33,813
4	Options Exercised	NIL
5	Total No. of Shares arising as a result of exercise of Options	NIL
6	Options Lapsed	NIL
7	Variation in terms of Options	There is no variation in the terms of options.
8	Money realized by exercise of Options	NIL
9	Total number of Options in force	35,34,126
10	Employee wise details of Options granted during the Financial Year 2011- 12 to	
	i) Senior Management Personnel	Nil
	ii) Any other employee who received a grant in any one year of Options amounting to 5% or more of Options granted during the year	Nil
	iii) Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
11	Diluted Earnings Per Share (EPS) before exceptional items pursuant to issue of shares on exercise of Options calculated in accordance with Accounting Standard (AS) 20 on 'Earning Per Share'.	0.59
12	Computation of employee compensation cost and effect on profit and EPS	
	a) Method of calculation of employee compensation cost	Intrinsic value as per SEBI ESOP Guidelines
	b) Difference between the employee compensation cost so computed at (a) above and the employee compensation cost to P&L account if the Company has used the fair value of the option	Difference=(₹ in millions) 159.26
13	The impact of this difference on the profits and EPS of the Company:	
		Particulars
		Year ended 31.03.2012
		₹ in millions
	Profit after tax	78.67
	Less: Additional employees compensation cost based on the aforesaid difference	159.26
	Adjusted PAT	237.93
	Adjusted Basic EPS	0.60
	Adjusted Diluted EPS	0.59

Sl. No.	Particulars	Details		
14	Weighted average price and fair value of the stock Options granted at price below the market price: Total Options granted during the year Weighted average exercise price (₹) Weighted average fair value (₹)			
		35,34,126		
		₹30.00 Per Share		
		₹62.74 Per Share		
15	Description of the method and significant assumptions used during the year to estimate the fair value of the options, including the following weighted average information:	22,33,813 Options (vesting-1 year)	6,25,313 options (vesting period- 2year)	6,75,000 options (vesting period-2.5 year)
	Risk free rate of interest (%)	7.67%	7.74%	7.77%
	Expected life of the option from the date of grant (in years)	2.00	3.00	3.50
	Expected volatility (%)	42.51%	42.51%	42.51%
	Dividend yield (%)	Nil	Nil	Nil
	The price of the underlying share in market at the time of option grant	₹87.40/-	₹87.40/-	₹87.40/-

Management Discussion & Analysis

ECONOMIC OVERVIEW

Global Economy

The global economic recovery that started after the 2008 financial crisis faced headwinds during 2011. While the US economy revived somewhat, the Euro Zone continued to be overcast by a sovereign debt crisis throughout the year. Political instability in the Middle East and North African countries impacted oil prices and drove up inflation in oil importing nations. According to IMF's World Economic Outlook (April 2012 update), the global economy is projected to grow around 3.5 % in 2012, as opposed to almost 4% growth in 2011. The growth rate in emerging economies is also expected to slow down from 6.2% in 2011 to around 5.7% in 2012.

Indian Economy

Overview: In 2011-12, India was faced with the conflicting macroeconomic demands of managing growth with price stability. Inflation remained high during most of the year, but slowed down by the year end. Monetary policy was tightened by the Reserve Bank of India (RBI) during the year to control inflation and curb inflationary expectations. However, India has managed to maintain its position amongst the growth front runners of the world and the economic outlook for the country in 2012-13 remains relatively positive.

Growth: According to the Central Statistical Organisation's (CSO's) estimates, real GDP growth for the year 2011-12 will be 6.9%, which is significantly lower than last year's (2010-11) 8.4%. This slowdown can partly be attributed to adverse global economic conditions like the Euro Zone debt crisis; near-recessionary conditions prevailing in many European countries and sluggish growth in other advanced economies like the US and Japan. Another major setback for the Indian economy was the hardening of international prices of crude oil.

Going forward, the Indian Economic Survey 2011-12 forecasts a real GDP growth of 7.6 % (+/-0.25) for FY 2012-13. The Indian economy is expected to grow relatively slowly over the next two years, subject to a recovery in the global economic conditions as well as in domestic factors.

INDIAN MEDIA AND ENTERTAINMENT INDUSTRY

Overview: 2011 was a mixed year for the Indian Media Industry. While traditional media like Print witnessed a decline in growth rate, Television continued to perform better and remained the top segment within the Indian M&E industry.

Growth: According to FICCI KPMG estimates for 2012, the Industry demonstrated an overall growth rate of 12% in 2011 growing from around INR 652 billion in 2010 to INR 728 billion in 2011. The growth outlook for 2012 is projected at 13%, taking the overall Industry size to approximately INR 823 billion.

Emerging Trends in Indian Media

- **Transition to Digital:**

The Indian M&E Industry is going Digital across all verticals in a big way. The television distribution Industry is going through the process of digitisation at an all India level, more and more films being distributed digitally and the music Industry is growing on the back of consumption of digital music.

- **Intensification of Regional Media:**

Niche regional markets are becoming a focus area for large broadcasters this year with the launch of channels like Discovery Tamil and the acquisition of networks like ETV by Network 18.

- **New Media Businesses:**

Increasing penetration of smart phones, tablets, PCs and gaming devices across all demographics are opening up new opportunities for the Industry. The year saw many consumer app launches by media companies across popular platforms and devices.

Indian Television Industry

Overview: India is the second largest TV market in the world with approximately 146 million TV Households, next only to China. Television continues to be the largest medium for content delivery within the country, and represents 45% of the total Indian M&E Industry size by revenues. According to FICCI KPMG estimates, the television Industry in India still has substantial room for growth as an approximate 40% of India's total households are still without a television set.

C&S Penetration: The number of C&S households is estimated to have increased by about 11 million during 2011 to reach nearly 119 million households; accounting for almost 81 percent of total TV Households in India. The penetration of C&S households among total TV households is expected to reach nearly 89 percent by 2016.

Revenues & Growth: The overall Television Industry revenues in 2011 stood at INR 329 billion (approximately) and are expected to grow at a CAGR of about 17 percent over the next 5 years (2011 - 2016). The contribution of subscription to overall Industry revenues is expected to rise from 65% in 2011 to 69% by 2016.

Digitisation Timeline		
PHASES	AREAS SUGGESTED BY TRAI	TIME FRAME FOR DIGITISATION
Phase-I	4 Metros - Delhi, Mumbai, Kolkata and Chennai	October 31, 2012 (Revised from June 30, 2012)
Phase-II	Cities with a population more than one million	March 31, 2013
Phase-III	All urban areas (Municipal Corp. / Municipalities)	September 30, 2014
Phase-IV	Rest of India	December 31, 2014



Increase in number of channels and rise of niche content: India has over 800 licensed TV channels with many more lined up for launch pending government approvals. Rising disposable incomes, Improving lifestyles and greater exposure to international tastes have led to an increase in demand for niche content like home shopping, crime, science, travel, lifestyle among others.

Greater opportunity for growth of HD: HD (High Definition) penetration in India is expected to rise in 2012 owing to a rapid increase in the sales of flat panel (LCD, LED and Plasma) TVs. With almost 30 'real' HD channels in the market today, the consumer has greater choice of HD content which is going to rise further as more HD channels enter the market. This presents growth opportunities for both broadcasters and platforms like Cable and DTH.

DIGITAL ADDRESSABLE SYSTEM (DAS) - A PARADIGM SHIFT IN INDIAN TV DISTRIBUTION INDUSTRY

The Introduction of DAS

The Indian TV Distribution Industry is undergoing a transformation with digitisation. The new regime of Digital Addressable System (DAS) will ensure that cable operators transmit TV signals only through a digitally addressable medium.

Both Houses of the Indian Parliament cleared the Cable Digitisation Bill on December 13, 2011 and it was signed into law by the Hon'ble President of India. The Law requires mandatory digitisation of all cable TV homes in India in a phased manner as per the timelines shown in the table above.

In order to grant more time to the stakeholders to carry out the digital transition in a seamless manner, the Ministry of Information and Broadcasting (MIB) extended the deadline for the 1st Phase of digitisation from the June 30, 2012 to October 31, 2012.

Salient features of the Cable Digitisation Bill

- Digital Addressable System**

Cable operators have to transmit all channels (including FTA channels) in an encrypted form through an 'addressable digital set top box'

- Right of Way**

Cable operators to have Right of Way to set-up optical fibre/cable network to make laying of intra-city networks easier

- New Registrations**

No new registration will be granted to any cable operator who does not transmit channel through digital addressable system

- Market driven Pricing**

Broadcasters and platforms will be free to price their channels in accordance with prevailing market forces

- Professional Service Standards**

MSO to be responsible for billing the subscriber; maintaining Quality of Service (QoS) standards including customer care/ call centre facilities, etc

TRAI DAS Rules and Regulations: Tariff Order, Quality of Service Regulations and Complaint Redressal Mechanism for DAS

The Telecom Regulatory Authority of India (TRAI) announced the tariff structure, quality of service regulations and complaint redressal mechanism for digital addressable cable systems that will come into effect starting with the four metros of Delhi, Chennai, Mumbai and Kolkata from October 31, 2012 and in the remaining cities and towns with the expiry of their respective sunset dates. The TRAI has also amended the Interconnect Regulations bringing in rules that would apply in the DAS regime.

The new rules and regulations are expected to transform the existing structure of the cable television Industry in India and create a level playing field for all stakeholders laying the foundation for the next growth phase in the Indian Media and Television Industry.

Government and Industry initiatives to make Digitisation a success

The Indian Television Distribution Industry is undergoing a major transformation in the form of Digitisation which is strongly supported by the Telecom Regulatory Authority of India (TRAI) and the Ministry of Information and Broadcasting (MIB).

Among other initiatives, the TRAI and the MIB are taking the following steps to ensure successful Digitisation in Phase 1 cities by the new deadline:

- **Special Task Force for Tracking Progress of Digitisation**
A special Digitisation Task Force consisting of various stakeholders has been formed to track the implementation of DAS and closely monitor the progress made by these stakeholders.
- **Collecting Data from MSOs**
The MIB has launched a dedicated website for real time updation of data from various MSOs
- **Follow-up with Stakeholders**
The MIB to issue warning letters and take action under the provisions of the Cable Act to those stakeholders who are going slow on their digitisation commitments in time.
- **Spreading Public Awareness:**
 - Social Media presence in the form of an official MIB Facebook page to spread awareness about Digitisation among consumers

- Public Awareness Campaign for DAS with print advertisements, TV commercials and radio jingles

ALL STAKEHOLDERS IN CABLE VALUE CHAIN TO BENEFIT FROM DAS

Digitisation opens up immense possibilities for the entire broadcasting and cable Industry value chain. All stakeholders – broadcasters, MSOs, LCO, the government and the consumers stand to benefit from successful implementation of digitisation.

How MSOs gain from Digitisation

- **Last Mile Control**
Digitisation will see a transition in the business model of MSOs. Till now MSOs were operating in a B2B environment, but after digitisation they will establish a direct relationship with the consumer through an addressable set top box.
- **Full Addressability**
With the installation of addressable set top boxes in all cable homes, the entire C&S market will become fully addressable and eliminate problems like under-declaration and more.
- **Billing by MSOs**
According to the TRAI, billing of digital cable subscribers will be handled by MSOs ensuring that all stakeholders (MSOs, LCOs, Broadcasters) get their legitimate share of the subscription revenue pie. This will also allow the MSOs to invest in further digitisation.
- **Ability to Provide More Channels**
Successful digitisation will free additional bandwidth space, allowing MSOs to increase their channel offering.



- **Localised Content**

MSOs can differentiate and localise their content offering for digital consumers according to region-specific criteria like languages or dialects, local channels and more.

- **Incremental Revenue Streams**

Full Digitisation will open up a world of opportunities for MSOs. They will be able to offer services like Pay-Per-View or On-Demand content delivery and Value Added Services for a nominal price to their consumers. Also, subscriptions from multiple TV sets in the same household will add to their revenues.

- **Broadband and Triple play**

MSOs will have opportunities to bundled broadband and voice with double and triple play offerings and revenues from other value added services like movies on demand, pay per view, etc.

How Broadcasters gain from Digitisation

- **Full Addressability and Increase in Revenues**

Successful implementation of DAS will ensure full knowledge of subscriber base and better realisation of subscription revenues for Broadcasters.

- **Scope for Specialised Content**

Full digitisation with addressability will bring in specialised content and new genres like infotainment, health, food, travel, specialised sports channels (e.g. golf) etc. A digitised television market would allow such channels to rely on subscription revenues as a large revenue source.

- **Better Viewership Measurement**

A fully digital environment would also allow far more accurate and detailed viewership measurement and ratings data, benefiting both broadcasters and advertisers.

Other Beneficiaries of the Value Chain

- **LCOs Benefit**

LCOs can migrate from offering a single service of 80-100 analog channels at stagnant ARPUs to becoming retailers and service partners of large cable companies. Additional revenue streams like HD and broadband would ensure their legitimate share from the incremental spending by consumers.

- **The Government Benefits**

Digitisation with addressability will allow the government to generate higher revenues through taxes. The TRAI estimated that the government is

losing out on around Rs 1,400 crores in taxes every year in the absence of addressability.

- **Greater Consolidation**

The last few years have seen the cable distribution Industry consolidate to a great extent. The need for funding and technological expertise among other areas, and the capability to challenge DTH offerings is likely to push the cable TV distribution Industry to consolidate further.

- **No Illegal Channels**

An analog, non-addressable environment saw several unlicensed/ illegal channels being shown in several parts of India. Digitisation removes the scope for such unauthorised insertions of illegal channels.

- **Efficiency in Spectrum Use**

Digital channels require far lesser bandwidth than analog. Therefore, with full conversion to digital, Spectrum will be released to accommodate more television channels and other services for consumers. Some of the freed spectrum can also be used by the government for any other use they see fit.

How Digitisation Benefits Consumers

- **More channels**

Analog cable can carry only 80-100 channels whereas digital cable is technologically capable of carrying hundreds of channels. The TRAI has mandated a minimum of 500 channels for consumers post the analog sunset dates. There are already 800+ licensed channels in India and not all are being broadcasted. With demand for content rising and more channels expected to launch in the next few years, only a digital platform can support the growth of such a burgeoning market. Consumers stand to benefit immensely from such a large and varied availability of content.

- **Better Quality of Transmission**

Digital technology allows the transmission of channels with DVD like picture and sound quality. Growing flat panel TV (LCD, LED and Plasma) sales have created a large potential market for HD services which can be served with full digitisation.

- **Choice & Control in the Hands of the Consumer**

Unlike in analog where the consumers were restricted to watching only those channels which were available through their LCOs, digital cable allows consumers to choose and pay for the channels and services they wishes to subscribe to.

- **Parental Control**

Digital television allows parents to control what

their children can watch. Parents can block channels they consider unsuitable for their children.

- **Value Added Services (VAS)**

Digital broadcasting can support services such as Pay per View, Video on Demand, gaming, widgets and other services that enhance the range of content and interactivity options for the customer.

- **Broadband/ Triple Play**

Globally, cable TV operators provide bundled cable, broadband and telephony services through a single connection. Digital addressable systems in India will also see cable companies offering broadband and triple play services with voice in the future.

Digitisation in Other Parts of the World

Most developed and developing countries around the world are now transitioning to digital TV either through government directives or voluntarily.

- **United States**

Full digitisation achieved in 2009 through a law passed by Congress.

- **Europe**

Belgium, Finland, Germany, Netherlands, Spain, Switzerland and Sweden among other European countries have already switched over to full digital broadcasting.

- **Other Planned Transitions**

Other developed countries like Australia, UK, Japan and South Korea are also planning full switchovers. BRIC nations have planned for complete switchovers by 2015.

COMPANY OVERVIEW

DEN Networks Limited is India's largest cable TV distribution company, founded and promoted by Industry veteran Sameer Manchanda.

DEN serves an estimated 11 million subscribers in over 115 cities across 13 major Indian states. DEN serves the majority of cable TV subscribers in Delhi, Uttar Pradesh and Karnataka and has a large presence in Maharashtra, Gujarat, Rajasthan, Madhya Pradesh, Haryana, Uttarakhand and Kerala. DEN continues to expand its presence in India and has entered important cities and towns in West Bengal, Jharkhand and Bihar.

DEN has partnered with the Star, Zee and Turner groups in the Media Pro Joint venture. MediaPro is India's leading content aggregation and distribution Company offering over 70 leading pay TV channels including all Star, Zee, Turner and NDTV channels.

DEN DIGITAL CABLE

DEN offers a cutting edge digital cable service loaded with features.

- **Digital Quality Picture & Sound**

DVD-like picture quality and stereophonic sound

- **More Channels**

Hundreds of TV channels from different genres and languages

- **Value Added Services**

Varied range of Value Added Services – multi-genre music, micro-blogging, games and restaurants and events search guide

- **Weather Proof Service**

Weather proof service unaffected by rains

- **Free Customer Care**

Professionally managed toll-free call centre and personalised attention from Local Cable Operator

- **Interactive and Feature-rich EPG**

Interactive Programming Guide offers features like genre-wise channel listings for 7 days, functionalities to set reminders, set parental controls and more

- **Value for Money**

More channels and interactive features at reasonable prices

DEN HD

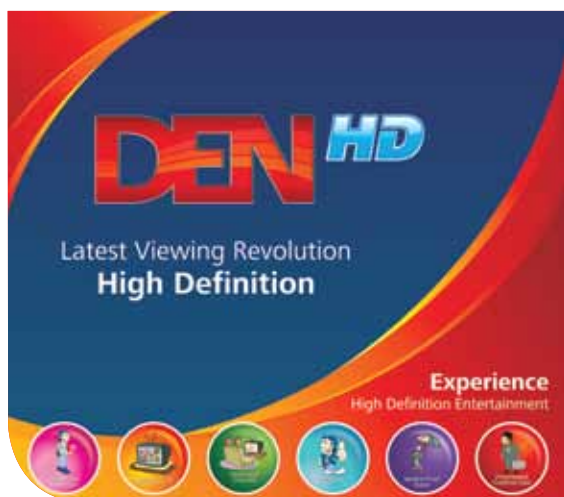
DEN launched its premiere High Definition digital cable service under the brand name of DEN HD. The service offering includes leading real HD channels in video resolution of 1080i and Dolby Digital (5.1 Surround Sound). The company will be further augmenting its HD channel offering in the next few months.

DEN'S VALUE ADDED SERVICES (VAS)

DEN offers a suite of cutting-edge value added services (VAS) including a multi-genre music application; a micro blogging platform on TV; a restaurant and event search app (currently only in Delhi) and interactive games. DEN has always been a front runner in technology and its music, blogging and restaurant and event search applications have been the first of their kind in India.

DEN SUCCESSFULLY DIGITISING SUBSCRIBER BASE IN PHASE 1 MARKETS

DEN is rapidly digitising its subscriber base in the Phase 1 cities of Delhi, Mumbai and Kolkata. A significant portion of DEN's subscriber base in Delhi has already been converted to digital. Put together with steady conversions of subscribers in Mumbai and Kolkata, DEN is poised to become one of the leading Digital TV platforms in the country as digitisation progresses.



Operational Preparedness

- Partnering with Leading Global Companies:**
 DEN has partnered with leading global cable technology firms for headends, set top boxes, CA (Conditional Access) and encryption systems. DEN's partners include Cisco (Headends, Encryption, Set Top Boxes), NDS (Conditional Access, Encryption, EPG and Middleware), Skyworth and Kaon (Set Top Boxes).
- Supply Chain for Set top Boxes in Place:**
 Supplies for the estimated number of set top boxes required for digitising all Phase 1 markets have been secured to ensure timely seeding and no disruption in television services for consumers in DEN's service areas.
- Adequate funding:**
 DEN has secured adequate funds for investments in its digital infrastructure and set top boxes required for digitising its subscribers in the initial phases of digitisation.

Nationwide Brand Marketing Campaign

DEN became India's first MSO to launch a nationwide brand marketing and advertising campaign across various media platforms to educate consumers about digitisation and promote its digital cable offerings.

- All India TV Commercial (TVC)**
 DEN's TV commercial brought out the value proposition of the company in an innovative and clutter breaking way. The commercial was aired across leading national news channels.
- Print campaign**
 DEN's print campaign focused on the 'value for money' aspect of DEN's Digital Cable service. Print advertisements were taken out in leading national dailies like The Times of India and Hindustan Times.

- Radio**
 DEN played advertisements on leading FM stations to increase brand recognition and highlight the benefits of digital cable.
- Outdoor**
 The campaign included massive outdoor advertising which focused on increasing brand recall and publicising DEN's ongoing schemes. Large banners and hoardings were placed in high visibility locations and panel ads were placed inside Delhi Metro trains.

Below the Line Activities

DEN is conducting a number of below-the-line (BTL) activities with the objective of reaching out to consumers in Phase 1 cities. These consumer engagement and digitisation awareness activities have not only helped in increasing the pace of digital penetration, but also in building brand recognition and subscriber loyalty.

- Dedicated Sales Force for Direct Selling of Set Top Boxes**
 DEN has built a robust sales team which is undertaking direct selling activities through DSAs (direct selling agents) in association with the Local Cable Operators (LCOs). This team meets thousands of customers every day for spreading awareness about digitisation and for the installation of DEN set top boxes.
- Partnering with Resident Welfare Associations (RWAs)**
 DEN is tying up with RWAs in its service areas to organise digitisation-centric events. These events include special activities which capture the interest of residents and have stalls for on-the-spot bookings and installations of DEN STBs.
- Street Plays – Nukkad Natak**
 Nukkad Naatak's were organised by groups of trained performers to attract huge crowds and

inform them about DEN's Digital cable service and its benefits.

- **DEN on Wheels**

A branded canter with an on-board TV and DEN set top box has been deployed in Delhi to demonstrate DEN's digital cable offering to consumers around different corners of the city.

- **Glow Signs**

Glow signs and hoardings have been put up in strategic, high visibility locations in and around DEN service areas to increase brand recognition and top-of-the-mind recall.

DEN's Education Programme for its Affiliate Partners / Local Cable Operators

DEN launched a programme to educate its affiliate partners / LCOs on the implications of the Digitisation law. The focus was on educating LCOs about the features and benefits of digital cable and the unique selling points for DEN's digital cable service. The programme also addressed LCO's concerns regarding the large scale shift from analog to digital and their continuing role and importance in a fully digital environment. DEN collaborated with the global consulting firm Ernst & Young for this exercise.

Technological Preparedness

- **Digital Head-Ends**

DEN has invested heavily in a nationwide digital footprint with digital head-ends operating in seventeen locations all over India, capable of serving DEN subscribers across the country. DEN has sourced head-ends from world-class companies including Cisco and Harmonic.

Virtual Head-Ends: DEN has been optimising deployment of its physical Digital Head-ends by using STM links to distribute the video signal

remotely, creating what are essentially "virtual Head-ends" to serve adjacent cities or entire states.

- **Encryption - Conditional Access System (CAS)**

DEN has invested in a state-of-the-art Conditional Access System developed by NDS, capable of providing an extensive range of features to its subscribers.

NDS is a leading provider of technology solutions of pay television systems for major international cable and DTH platforms like B SkyB, CableVision, and Sky Italia as clients.

- **Set Top Boxes**

DEN has been procuring Set Top Boxes from world class vendors like Skyworth, Cisco, Homecast and Kaon. All STBs undergo stringent testing in international test labs chosen by DEN prior to production, ensuring that DEN subscribers get a quality product that enhances their TV viewing experience to the maximum.

Service Centres for STB repair: DEN has tied up with multiple third party STB Service Centres that have a pan-India presence to ensure that efficient STB repair facilities are available across the DEN service areas in India.

EFFICIENT CUSTOMER SERVICE

- **Subscriber Management System**

DEN has an efficient Subscriber Management System (SMS) and Billing System developed by DUO Software. The SMS is fully integrated with the Conditional Access System and is capable of handling large scale STB activations, billing processes for consumers and LCOs, channel packaging etc.

- **Customer Support**

DEN has built a robust customer services platform with multiple touch points for consumer interaction



- Call Centre: DEN has a toll free helpline (1800 419 2020) serviced by a professional call centre.
- Website: Consumers can visit “www.dennetworks.com” to report their grievances or request installation through an online query form/email
- SMS: Requests for new installations can also be sent through text messaging

- **Consumer Feedback**

Consumer Satisfaction surveys are conducted periodically to get customer feedback on all aspects of service from the installation of the STB to after-sales service. The feedback and suggestions received through these surveys are used to continually improve the system and processes.

BROADBAND

TRAI’s National Telecom Policy Announcement-2011 aim’s to establish broadband as a basic necessity in India at par with education & health. It estimates 175 million broadband subscribers by 2017 and 600 million subscribers by 2020. DAS will provide a significant opportunity to the cable distribution Industry to offer high speed broadband services. Following DAS, The MSOs will be better placed to bundle broadband packages along with cable subscription. There will be a strong consumer proposition and MSOs expect this to be a key differentiator for digital cable vis-a-vis DTH operators.

TRAI also issued draft guidelines for Unified Licensing in 2012, under which Unified License will enable operators to provide Internet Telephony, Internet Services (IPTV and Broadband) and Triple Play. There will be a nominal entry fee of Rs 20 crore for a Nationwide Unified License. These new policies will enable cable companies to provide Broadband & Triple Play Services.

DEN intends to build a versatile internet protocol delivery platform that can deliver video and data to its subscribers. DEN plans to roll out its broadband service in fully digitised markets within months of the respective sunset dates of each phase.

HUMAN RESOURCE MANAGEMENT

DEN’s employee pool consists of over 500 professionals from diverse fields of technology, HR, Operations, Finance and Administrative functions. DEN employees have increasingly emerged as a strategic driver of the company’s business goals. DEN has adopted HR policies focused on the long term development and retention of its human capital keeping in mind the company’s expanding scope of operations in different states and cities.

- **Recruitment**

Through a rigorous and comprehensive process of

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

- **Training & Development**

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

- **Rewards & Recognition**

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

- **Employee Engagement and Welfare activities**

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

CORPORATE SOCIAL RESPONSIBILITY

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

Environmental Initiatives: DEN believes in making lifestyle changes to protect the environment in the long term. Employees are encouraged to make small

changes in their lives to reduce negative impacts on the environment and prevent overuse of scarce resources. DEN believes that it is small changes in habits which can help save the environment in the long run. Mailers are sent to employees periodically to remind them of their commitment towards reducing paper wastage and for saving electricity.

Helping out the less fortunate with Goonj: An initiative in this direction was - "Rahat Winters" and "Don't pack your unwanted clothes" campaigns in association with the NGO- Goonj. This program included several clothes collection drives in the corporate office where all employees were encouraged to do their bit by contributing for the economically deprived.

DEN i-Care is an initiative undertaken to inculcate socially responsible values among all its employees by making them conscious about green environmental practices like saving water, using car pools, using energy efficient devices, recycling of paper, etc. thus making a visible difference to the environment.

STRENGTHS AND OPPORTUNITIES

Being a pioneer and a leader in the cable distribution space, the onset of digitisation brings numerous opportunities for DEN in the coming year.

Strengths

- **Pan India Presence**

DEN's subscriber base is estimated to be around 11 million, making it the largest among all Indian MSOs. The company has a pan-India footprint spanning over 115 cities across 13 states (Delhi, Uttar Pradesh, Haryana, Uttarakhand, Jharkhand, Bihar, West Bengal, Kerala, Karnataka, Maharashtra, Gujarat, Rajasthan and Madhya Pradesh).

- **Industry-Experienced Management Team**

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

- **Technological Expertise, Assets and Infrastructure**

DEN has partnered with leading global technology companies for its digital headend infrastructure, set top boxes, electronic programming guide (EPG), encryption and value added services. The company also has in-house experts for designing and constructing cable networks and consolidating and expanding into new areas.

OPPORTUNITIES

- **Addressability:** Successful implementation of DAS (Digital Addressable System) will create a fully digitised and addressable environment which will solve the problems of under-declaration and benefit MSOs like DEN. DEN and other MSOs will now handle billing of subscribers which ensures that all stakeholders including MSOs and broadcasters get their legitimate share of revenues and the government receives its share of taxes
- **ARPU Growth:** Digitisation also opens doors for DEN to venture into other related services like offering new niche channels, Value Added Services, HD and DVR, Broadband etc leading to growth in ARPU.
- **Greater consolidation:** Consolidation in existing markets and entry into new markets especially where the consolidation theme is yet to play out.

RISKS AND CONCERNS

- **Delay in Implementation of DAS:** Delays in implementation of DAS could result in under recoveries on box subsidies being given to consumers to encourage them to go digital
- **Exchange rate:** Depreciation of the rupee will further add to the subsidy burden as the cost of set top boxes and other equipments which are imported may rise
- **Competition from other platforms, especially DTH** which are promoted by large, well funded corporate groups.

INTERNAL CONTROL SYSTEM

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

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

Corporate Governance Report

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

COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures precision, spirit and accountability in all its transactions and meets its stakeholder's expectations. Corporate Governance requires professionals to raise their competence and capability level to manage the enterprise and its resources effectively. The Board of Directors is at the core of our Corporate Governance practices and oversees how the Management serves and protects the long-term interests of all our stakeholders.

At DEN, we have made sincere and continuous efforts to institutionalise the best Corporate Governance practices and firmly believe that our efforts will go far 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 the appointment of Independent Directors and constitution of Committees. The Board firmly believes in achieving the highest standards of transparency in all facets of its working; prompt and adequate disclosures of all the material information; fixing accountability; ensuring the compliance of all the applicable laws, rules and regulations; conducting the affairs of the Company in an ethical manner, thereby ensuring an increase in the value of all stakeholders.

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

BOARD OF DIRECTORS

Composition

The size and composition of the Board of Directors confirms the requirement of the Listing Agreement. Presently the Board comprises of five members, all of whom are Non-Executive Directors except Mr. Sameer Manchanda, Chairman and Managing Director of the Company. More than one-half of the total 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, 2012 are set out in the table below:-

- For the purpose of considering the total number of directorships, All Public Limited Companies, whether listed or not, have been considered. Private Limited Companies, whether subsidiary of a Public Limited Company or not, Foreign Companies and Companies under section 25 of The Companies Act, 1956 have not been included.
- For the purpose of considering the total number of Memberships/ Chairmanships of Committee(s), only Audit Committees and Shareholders'/ Investors' Grievance Committees of all Public Limited Companies have been considered.
- None of the Directors is a Chairman / member in more than 5 / 10 committees across all Companies in which they are Directors.

Board Meetings and Procedures

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

Name of Director	Category of Directorship	No. of outside Directorships Held	No. of Chairmanships / Memberships of other Board Committees	
			Chairmanship	Membership
Mr. Sameer Manchanda	Chairman & Managing Director	02	Nil	Nil
Mr. Shahzaad Siraj Dalal	Nominee Director	10*	01	05
Mr. Krishna Kumar	Alternate Director to Mr. Shahzaad Siraj Dalal	05	01	02
Mr. Ajaya Chand	Non Executive, Independent Director	Nil	Nil	Nil
Mr. Robindra Sharma	Non Executive, Independent Director	Nil	Nil	Nil
Mr. Atul Sharma	Non Executive, Independent Director	Nil	Nil	Nil

* Mr. Shahzaad Siraj Dalal has, vide his annual disclosure, disclosed to the Company that he is an Alternate Director in IL & FS Asian Infrastructure Managers Limited.

At least four meetings of the Board are held every year, generally after the end of every 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 resolutions by circulation.

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

Attendance at Board Meetings and Annual General Meeting:

A total of 07 (Seven) meetings were held during the financial year 2011-12 on 13th May, 2011, 26th May, 2011, 28th May, 2011, 12th August, 2011, 01st September, 2011, 11th November, 2011 and 13th February, 2012. The Fourth Annual General Meeting of the Company will be held on 27th September, 2011.

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

Name of Director	No. of Board meetings attended	Attended last Annual General Meeting
Mr. Sameer Manchanda	05	Yes
Mr. Shahzaad Siraj Dalal*	01	No
Mr. Krishna Kumar (Alternate Director for Mr. Shahzaad Siraj Dalal)	01	No
Mr. Ajaya Chand	07	Yes
Mr. Robindra Sharma	07	No
Mr. Atul Sharma	Nil	No

* The Board Meeting dated 11-11-2011 was attended through Video Conference

Director's Profile

A Brief description of the Directors, whose candidatures is proposed for re-appointment at the forthcoming Annual General Meeting, along with name of the Companies in which they hold Directorships, memberships / chairmanships of Committees of the Board and their shareholding in the Company as required under Clause 49 of the Listing Agreement are provided as below:

Mr. Sameer Manchanda - Executive Director

Mr. Sameer Manchanda is the Chairman and Managing Director of the Company. He is a qualified Chartered Accountant and a Fellow Member of the Institute of Chartered Accountants of India. He has been associated with the television industry since 1984 and has considerable and varied experience and expertise in cable distribution; media sector operations, strategic and financial planning, capital structuring, mergers and acquisitions, collaborations and joint ventures. Additionally, Mr. Sameer Manchanda was recognized as one of the top 10 Indian media executives for the years 2008 and 2009 by indiantelevision.com.

S. No.	Name of Company	Position on the Board and Committee thereof
1	Setpro18 Distribution Limited	Director
2	IME Networks Pvt. Ltd.	Director

Compensation to the members of the Board

During the financial year 2011-12, the Company has not paid remuneration to any Director except Mr. Sameer Manchanda, Chairman and Managing Director of the Company. The details of remuneration are mentioned below. Non-Executive and Independent members of the Board are paid sitting fees for attending the Meetings of the Board within the ceiling as provided under the Companies Act, 1956. Besides this, Non-Executive Directors do not have any other pecuniary relationship or transaction with the Company. The Company has no policy of advancing any loans to the Directors.

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

Shareholding of Directors

Shareholding of the Directors of the Company as on March 31, 2012 is as under:

Name of Director	No. of shares held (face value ₹10/- each)
Mr. Sameer Manchanda	4,66,54,550
Mr. Shahzaad Siraj Dalal	20,000
Mr. Krishna Kumar	7,720
Mr. Ajaya Chand	64,420
Mr. Robindra Sharma	NIL
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 different Committees having their focused attention on various working aspects of the Company. Presently the Board has five standing committees and has the power to constitute other such committees, as required from time to time. The details of the various Committees of the Board are as under:

1. AUDIT COMMITTEE

(a) Brief description of terms of reference

The Committee deals with various aspects including financial statements, adequacy of internal controls, various audit reports, compliance with accounting standards and the Company's financial and risk management policies. It reports its findings and recommendations on the above issues to the Board of Directors. The Committee also reviews the utilisation of funds generated through the Issue proceeds of the Company on a quarterly basis until the funds are fully utilised.

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

(b) Composition

The Audit Committee of the Company is constituted in accordance with the provision of Clause 49 of Listing Agreement with the Stock Exchange(s) and Section 292A of the Companies Act, 1956. The Audit Committee

comprises of the following three Directors, out of which two third are Independent Directors. The composition of the Audit Committee is as follows:

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

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

(c) Number of meetings and attendance

During the year under review 6(Six) meetings of the Audit Committee were convened on May 13, 2011, May 28, 2011, August 12, 2011, September 01, 2011, November 11, 2011 and February 13, 2012. The details of attendance of members at the Committee Meetings are as under:

Name	No. of meetings attended
Mr. Ajaya Chand	06
Mr. Shahzaad S Dalal*	01
Mr. Krishna Kumar (Alternate Director for Mr. Shahzaad Siraj Dalal)	01
Mr. Robindra Sharma	06

* Mr. Shahzaad S Dalal attended Board Meeting dated November 11, 2011 through video conference.

2. SHAREHOLDERS TRANSFER /INVESTOR'S GRIEVANCE COMMITTEE

(a) Composition

The Committee comprises of the following three Directors:

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

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

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

(c) Number of Committee meetings and attendance

The Committee met 09 (Nine) times during the year viz. on April 21, 2011, August 12, 2011, November 15, 2011, November 21, 2011, December 21, 2011, January 10, 2012, January 28, 2012, February 29, 2012 and March 28, 2012. The Committee discussed the complaints received by the Company and the steps taken for their redressal. The details of attendance of members at the Committee Meetings are as under:

Name	No. of meetings attended
Mr. Sameer Manchanda	09
Mr. Ajaya Chand	09
Mr. Atul Sharma	-

(d) Investors' correspondence/complaints and their redressal

The Company received 06 correspondence(s)/ complaints from the Shareholders during the period from April 1, 2011 to March 31, 2012 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, 2012.

3. REMUNERATION/ COMPENSATION COMMITTEE

(a) Composition

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

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

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

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

(c) Number of Committee meetings and attendance

The committee met only once during the period under review on July 20, 2011. The details of attendance of members at the Committee Meeting are as under:

Name of Member	No. of meetings attended
Mr. Ajaya Chand	1
Mr. Sameer Manchanda	1
Mr. Robindra Sharma	0
Mr. Atul Sharma	0

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

- 1 Finance Committee
- 2 Securities Issue Committee

CODE OF CONDUCT

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

CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING

The Company has 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 Company website (www.dennetworks.com).

DISCLOSURES

- None of the transactions with any of the related parties were in conflict with the interests of the Company. Attention of the members is drawn to the disclosures of transactions with the related parties as set out in the Notes on Accounts, forming part of this Annual Report.
- The Company has complied with all the requirements, as applicable to the Company, to the best of its knowledge and understanding, of the Listing Agreement with the Stock Exchange(s), the regulations and guidelines of the Securities and Exchange Board of India (SEBI). SEBI, Stock Exchange(s) or any other statutory authorities have imposed no penalties or strictures on matters relating to capital markets from the date of listing i.e. November 24, 2009.
- The Company has complied with all the mandatory requirements under Clause 49, as applicable.
- Management Discussion and Analysis Report is provided as a part of the Directors' Report published as the previous section of this Annual Report.
- In preparation of the financial statements, the Company has followed the Accounting Standards as issued by 'The Institute of the Chartered Accountants of India', to the extent applicable.
- Business Risk Evaluation and Management is an ongoing process within the Company. The objective of the Company's Risk Management practices is to identify the potential areas that may affect the affairs of the Company and ensure the reasonable assurances to avoid any possible damage to the assets and properties of the Company.
- The 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, 2012, which forms part of this report as Annexure – 'C'.

GENERAL BODY MEETINGS

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

Year	Location	Date	Day	Time
2008-09	At the registered office of the Company at 236, Okhla Industrial Estate, Phase-III, New Delhi-110020	August 03,2009	Monday	10.00 A.M
2009-10	At Kamani Auditorium, 1 Copernicus Marg, Near Mandi House – New Delhi – 110001	September 10, 2010	Friday	11.30 A.M
2010-11	At Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi-110003	September 27, 2011	Tuesday	3.00 P.M

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

1. At the AGM held on August 03, 2009:- There was no matter that required passing of a special resolution.
2. At the AGM held on September 10, 2010:- The Under mentioned three resolutions were approved :-
 - Issue of Securities under Employee Stock Option Scheme (ESOS)
 - Issue of Securities under Employee Stock Option Scheme (ESOS) to the Employees and Directors of Subsidiary Company(ies)
 - Further issue of Capital.
3. At the AGM held on September 27, 2011:- There was no matter that required passing of a special resolution.

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

MEANS OF COMMUNICATION

- Quarterly Financial results and audited Annual Financial Results are published regularly within the prescribed time limit in 'Business Standard' (English Daily) and 'Business Standard' (Hindi Daily).
- 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 website.
- The Financial results and other shareholders information(s) are also displayed on the Company website - www.dennetworks.com

POSTAL BALLOT

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

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

Year	Location
Day & Date	Thursday, September 27, 2012
Time	At 12.30 P.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 30th, 2012.	Within first 15 days of August, 2012.
Financial Reporting for the 2nd Quarter ending September 30th, 2012.	Within first 15 days of November, 2012.
Financial Reporting for the 3rd Quarter ending December 31st, 2012.	Within first 15 days of February, 2013.
Financial Reporting for the last Quarter ending March 31st, 2013.	Within first 15 days of May, 2013, in case of Unaudited Financial Results or within 60 from the end of March 31, 2013, in case of Audited Financial Results.

Date of Book Closure

Thursday, the 20th September, 2012 to Thursday 27th September, 2012 (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 2011-12 has been paid to the aforesaid Stock Exchange(s) within the stipulated time period.

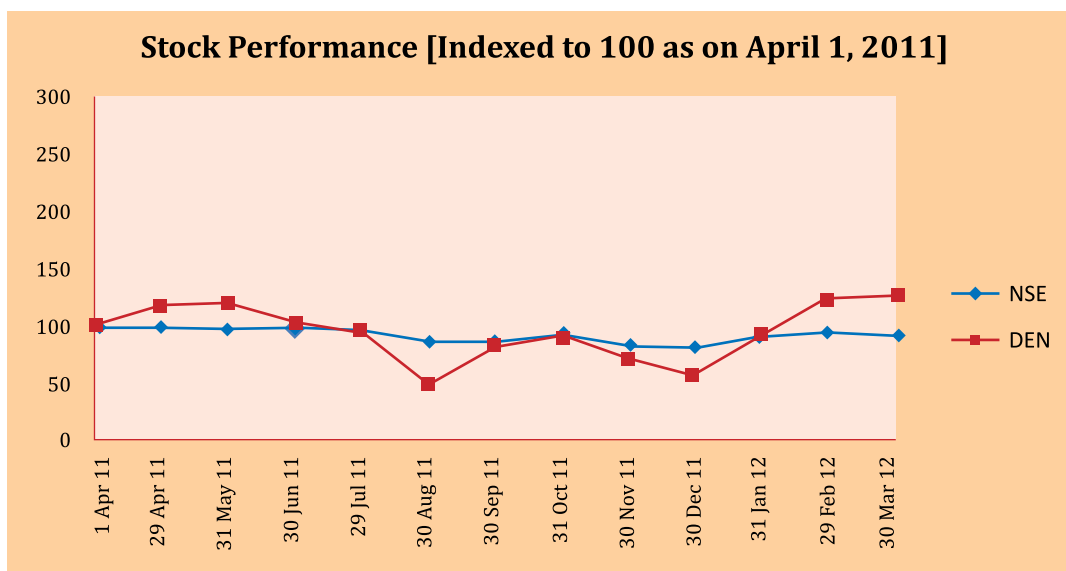
The International Securities Identification Number (ISIN) allotted to the Company's share under the Depository System is INE947J01015.

Market Price Data

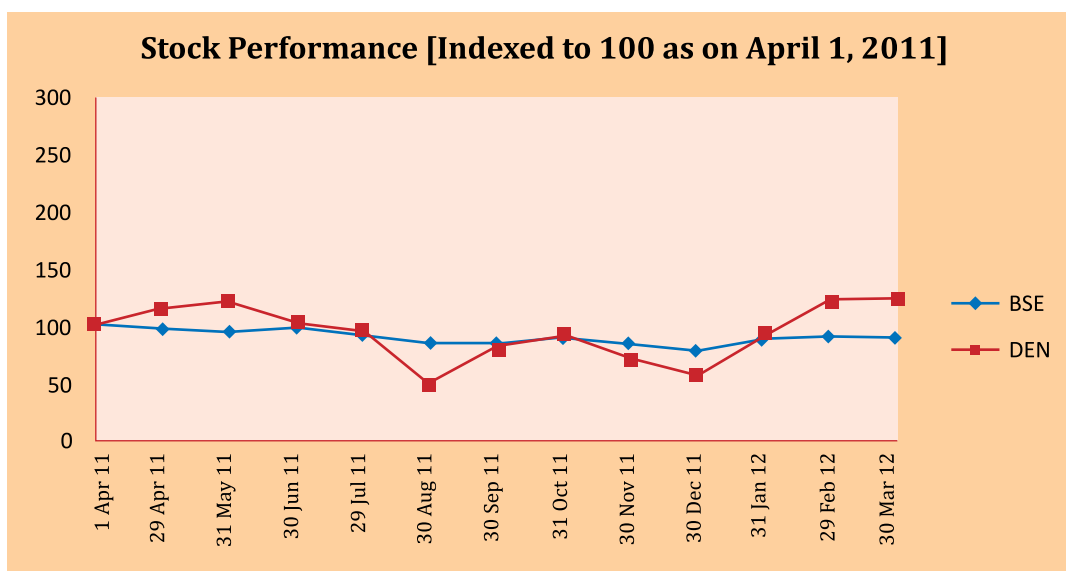
Equity Shares of the Company are listed and traded on BSE and NSE and the High Low rates of the shares of the Company during the year ended March 31, 2011 are as follows:

Month	National Stock Exchange (NSE) (In ₹ Per Share)		Bombay Stock Exchange (BSE) (In ₹ Per Share)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April, 2011	109.00	77.20	109.00	78.00
May, 2011	110.95	94.30	110.85	94.10
June, 2011	104.50	84.15	104.45	82.55
July, 2011	89.40	79.15	88.40	79.55
August, 2011	81.40	35.10	80.85	35.25
September, 2011	74.85	39.15	74.75	39.00
October, 2011	94.35	63.50	94.00	63.55
November, 2011	79.90	54.00	80.00	54.00
December, 2011	64.95	46.50	64.60	46.50
January, 2012	83.50	48.50	83.40	48.65
February, 2012	110.80	76.00	110.00	76.25
March, 2012	115.15	96.00	108.00	96.00

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 -) 40522242
 Fax # (+91 - 120) 40522204
 Email: jatin.mahajan@denonline.in

Share Transfer System

M/s Karvy Computer Share Private Limited is appointed as the Registrar & Share Transfer Agent of the Company. The transfer of shares is approved at the meetings of Share Transfer Committee which met 9 times during the year 2011 – 12.

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

Total No. of shares transferred during 2011 – 2012 : 311

Number of Shares pending for Transfer as on 31.03.2012 : Nil

Redressal of Investors Complaints

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

investorgrievance@denonline.in

Dematerialisation of shares and Liquidity

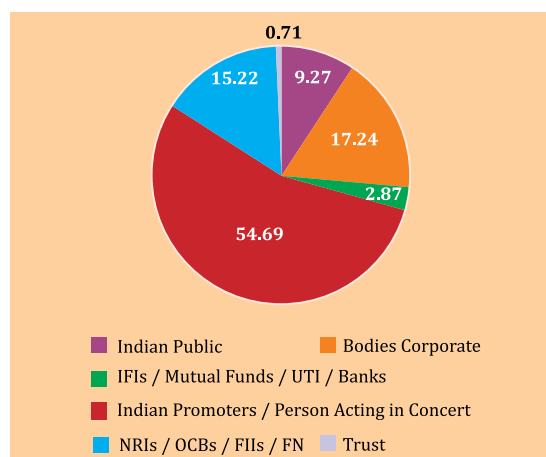
The shares of the Company are compulsorily traded in dematerialised mode and are registered for trading with both the depository participants i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The status of holding in dematerialised and physical mode, as on March 31, 2012 is as under:

Mode of Holding	No. of shares	% of total share capital
Demat	12,99,20,322	99.56
Physical	5,69,653	0.44
TOTAL	13,04,89,975	100.00

Distribution of Shareholding as on 31.03.2012

Category	No. of Share-holders	No. of Shares	%
Indian Public	4517	1,21,00,142	9.27
Bodies Corporates	278	2,24,98,227	17.24
IFIs / Mutual Funds / UTI / Banks	12	37,42,154	2.87
Indian Promoters / Person Acting in Concert	6	7,13,64,520	54.69
NRIs / OCBs / FIIs / FN	109	1,98,62,225	15.22
Trust	1	9,22,707	0.71
Total	4923	13,04,89,975	100.00

Graphic presentation of the Shareholding Pattern as on 31.03.2012



Distribution Schedule as on 31.03.2012

DEN NETWORKS LIMITED				
DISTRIBUTION SCHEDULE AS ON 31/03/2012				
Category	Cases	% of Cases	Amount	% Amount
1 - 5000	4147	84.24	3489920	0.27
5001 - 10000	190	3.86	1532910	0.12
10001 - 20000	143	2.90	2152200	0.16
20001 - 30000	97	1.97	2540530	0.19
30001 - 40000	49	1.00	1746690	0.13
40001 - 50000	33	0.67	1545470	0.12
50001 - 100000	87	1.77	6383660	0.49
100001 & Above	177	3.60	1285508370	98.51
Total	4923	100	1304899750	100

Plant Locations

Not applicable

Outstanding GDRs/ADRs/Warrants/Convertible Instruments/ESOPs

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

Registered Office Address:

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

Annexure 'A'

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

To
The Members
DEN Networks Limited

1. We have reviewed the implementation of the Corporate Governance procedures by DEN Networks Limited (the Company) during the year ended March 31st, 2012, 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 **AMJ & Associates,**
Company Secretaries

Sd/-
Place: New Delhi **Manoj Jain**
Date : August 28, 2012 Partner
Membership No. FCS 5832
Certificate of Practice No. 5629

Annexure 'B'

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

To
Dear Members
DEN Networks Limited

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

It is hereby certified that all the members of the Board and senior management personnel have confirmed to and complied with the "Code of Conduct" during the financial year 2011-12 and there has been no instances of violation of the Code.

For **DEN Networks Limited**

Sd/-
Place: New Delhi **Sameer Manchanda**
Date : August 29, 2012 Chairman and Managing
Director

Annexure 'C'

CEO AND CFO CERTIFICATION

Dear Members,
DEN Networks Limited,

We, S.N. Sharma, Chief Executive Officer and Rajesh Kaushal, Chief Financial Officer, responsible for the finance function and the compliance of the Code of Conduct of the Company certify that:

1. We have reviewed financial statements and the cash flow statement for the year and to the best of our knowledge and belief:
 - (i) These statements do not contain any material untrue statement or omit any material fact or 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/-
S.N. Sharma
Chief Executive Officer

Sd/-
Rajesh Kaushal
Chief Financial Officer

Place: New Delhi
Date : August 29, 2012

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, 2012, the Statement of Profit and Loss 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 Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement 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 give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2012;
 - ii. in the case of the Statement of Profit and Loss, 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, 2012 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March, 2012 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

New Delhi
29 August, 2012

Partner
(Membership No. 87104)

ANNEXURE TO THE AUDITORS' REPORT

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

- i. Having regard to the nature of the Company's business/activities/result, clauses ii, xiii, xiv and xix of Companies (Auditor's Report) Order, 2003 are not applicable.
- ii. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. According to the information and explanations given to us, the Company has a regular programme of physical verification to cover all fixed assets in a phased manner over a period of three years other than set top boxes which are in possession of the customers/ third parties and distribution equipment comprising overhead and underground cables. Management is of the view that it is not possible to verify these assets due to their nature and location. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, other than for physical verification of set top boxes and distribution equipment referred to above, the frequency of verification of fixed assets is reasonable.
 - c. The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- iii. The Company has neither granted nor taken any loans, secured or unsecured, from/to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the capital items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- v. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - a. The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - b. Having regard to the explanation that some of the services 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 ₹ 5 lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time. We are informed that there are no purchases of services from these parties in excess of ₹ 5 lakhs during the year.
- 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. To the best of our knowledge and according to the information and explanations given to

us, the Central Government has not prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of any of the products of the Company.

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

a. The Company has been generally regular in depositing its undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Work Contract Tax, Cess and other material statutory dues within the prescribed time with the appropriate authorities during the year. There are no undisputed amounts payable in respect of these dues which have remained outstanding as at 31 March, 2012 for a period of more than six months from the date they became payable.

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

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

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

xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.

xii. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by the way of pledge of shares, debentures and other securities.

Accordingly, the provisions of clause 4(xii) of the Order are not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantee given by the Company for loan taken by its subsidiary company from bank is not prima facie prejudicial to the interests of the Company.

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

xv. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short term basis have, *prima facie*, have not been used during the year for long term investment.

xvi. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

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

xviii. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no 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

New Delhi
29 August, 2012

(Membership No. 87104)

BALANCE SHEET

AS AT 31 MARCH, 2012

(₹ in millions)

	Note No.	As at 31.03.2012	As at 31.03.2011
A. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
a. Share capital	3	1,304.90	1,304.90
b. Reserves and surplus	4	6,266.22	6,026.87
		7,571.12	7,331.77
2. NON-CURRENT LIABILITIES			
a. Long-term borrowings	5	1,894.59	769.83
b. Other long-term liabilities	6	4.28	4.14
c. Long-term provisions	7	38.85	27.34
		1,937.72	801.31
3. CURRENT LIABILITIES			
a. Short-term borrowings	8	188.41	285.97
b. Trade payables	9	887.71	653.93
c. Other current liabilities	10	923.95	1,032.05
d. Short-term provisions	11	0.59	0.80
		2,000.66	1,972.75
TOTAL		11,509.50	10,105.83
B. ASSETS			
1. NON-CURRENT ASSETS			
a. Fixed assets			
i. Tangible assets	12	1,916.60	1,524.76
ii. Intangible assets	12	124.68	130.75
iii. Capital work in progress		740.27	386.88
		2,781.55	2,042.39
b. Non current investments	13	3,931.29	3,577.70
c. Long-term loans and advances	14	334.15	264.48
d. Other non current assets	15	97.54	23.54
		7,144.53	5,908.11
2. CURRENT ASSETS			
a. Current investments	16	223.29	80.97
b. Trade receivables	17	1,194.60	973.23
c. Cash and cash equivalents	18	1,980.28	2,192.98
d. Short-term loans and advances	19	794.70	780.26
e. Other current assets	20	172.10	170.28
		4,364.97	4,197.72
TOTAL		11,509.50	10,105.83

See accompanying notes forming part of the financial statements

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

Sd/-
JITENDRA AGARWAL
Partner

New Delhi
29 August, 2012

For and on behalf of the Board
DEN NETWORKS LIMITED

Sd/-
SAMEER MANCHANDA
Chairman and
Managing Director

Sd/-
RAJESH KAUSHALL
Chief Financial Officer

New Delhi
29 August, 2012

Sd/-
AJAYA CHAND
Director

Sd/-
JATIN MAHAJAN
Company Secretary

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2012

(₹ in millions)

	Note No.	Year ended 31.03.2012	Year ended 31.03.2011
1. INCOME			
a. Income from operations			
i Operating revenue		4,222.95	3,256.84
ii Other operating revenue	21	79.19	25.53
b. Other income	22	221.24	263.03
		4,523.38	3,545.40
2. EXPENDITURE			
a. Operational, administrative and other costs	23	3,347.13	2,713.99
b. Employee benefits expense	24	523.74	324.03
c. Finance costs	25	261.33	186.31
d. Depreciation and amortisation	12	305.41	261.20
		4,437.61	3,485.53
3. PROFIT/ (LOSS) BEFORE TAX		85.77	59.87
4. TAX EXPENSE			
a. Tax expense for current year		15.27	14.09
b. Less : MAT credit		(8.17)	(14.09)
c. Net current tax		7.10	-
d. Deferred tax		-	(9.72)
		7.10	(9.72)
		78.67	69.59
5. PROFIT/(LOSS) AFTER TAX			
Earnings per equity share	37		
(Face value of ₹10 per share)			
Basic		0.60	0.53
Diluted		0.59	0.53

See accompanying notes forming part of the financial statements

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

Sd/-
JITENDRA AGARWAL
Partner

New Delhi
29 August, 2012

For and on behalf of the Board
DEN NETWORKS LIMITED

Sd/-
SAMEER MANCHANDA
Chairman and
Managing Director

Sd/-
RAJESH KAUSHALL
Chief Financial Officer

New Delhi
29 August, 2012

Sd/-
AJAYA CHAND
Director

Sd/-
JATIN MAHAJAN
Company Secretary

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2012

(₹ in millions)

	Year ended 31.03.2012	Year ended 31.03.2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/ (loss) before tax	85.77	59.87
Adjustments for :		
Depreciation and amortisation	305.41	261.20
Loss on sale of investment	2.71	0.10
Interest and other financial expenses	261.33	186.31
Employee stock compensation expenses	160.71	1.95
Provision for impairment	-	5.00
Provision for employee benefits	14.72	10.02
Loss/ (gain) on exchange rate fluctuation - unrealized	7.92	(0.30)
Doubtful debts and advances written off/provided	50.52	24.91
Fixed assets/ capital work in progress written off	2.12	2.28
Interest income	(158.62)	(144.67)
Profit from sale of current investment	(21.26)	(31.22)
Profit from sale of fixed assets	(0.28)	(0.11)
Liabilities written back	(18.94)	(73.73)
Operating profit before working capital changes	692.11	301.61
Adjustments for :		
Decrease/(increase) in current/non current assets	(381.45)	114.48
Increase/(decrease) in current/non current liabilities and provisions	161.50	109.75
Cash generated from/ (used in) operations	472.16	525.84
Direct taxes paid (net of refunds)	(92.68)	28.12
Net cash from/ (used in) operating activities	379.48	553.96
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investments purchased:		
- in subsidiaries/joint venture/partnership firm (including share application money)	(277.49)	(388.38)
- in mutual funds	(2,798.91)	(3,802.93)
Sale of investments:		
- in subsidiaries/partnership firm	1.29	9.12
- in mutual funds	2,788.50	4,670.26
Loss on sale of investment in subsidiaries/partnership firm	(2.71)	(0.10)
Loan repaid by/(to) subsidiaries (net)	(209.53)	(89.37)
Advance recovered/(given) for investment	6.50	(48.56)
Interest income received	173.01	81.67
Purchase of fixed assets (including capital advances)	(1,037.81)	(596.77)
Proceeds from sale of fixed assets	9.96	5.70
Net cash from/ (used in) investing activities	(1,347.19)	(159.36)

(₹ in millions)

	Year ended 31.03.2012	Year ended 31.03.2011
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short term borrowings	4,004.41	55.62
Repayment of short term borrowings	(4,101.97)	(21.95)
Proceeds from long term borrowings	1,625.43	321.12
Repayment of long term borrowings	(511.53)	(423.36)
Interest paid	(261.33)	(186.31)
Net cash from/ (used in) financing activities	755.01	(254.88)
Net increase/ (decrease) in cash and cash equivalents	(212.70)	139.72
Cash and cash equivalents as at the beginning of the year	2,192.98	2,053.28
Cash and cash equivalents as at the end of the year	1,980.28	2,193.00

Notes :

1. The above Cash Flow Statement has been prepared under the indirect method set out in AS-3 prescribed in Companies (Accounting Standards) Rules, 2006.
2. Figures in brackets indicate cash outflow.
3. Cash and cash equivalents include ₹56.18 millions (Previous year ₹62.41 millions) under lien with banks.
4. Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

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

Sd/-
JITENDRA AGARWAL
Partner

New Delhi
29 August, 2012

For and on behalf of the Board
DEN NETWORKS LIMITED

Sd/-
SAMEER MANCHANDA
Chairman and
Managing Director

Sd/-
RAJESH KAUSHALL
Chief Financial Officer

New Delhi
29 August, 2012

Sd/-
AJAYA CHAND
Director

Sd/-
JATIN MAHAJAN
Company Secretary

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED ON MARCH 31, 2012

1. Background

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

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

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

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

2. Significant accounting policies

2.1 Basis of preparation

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles ("GAAP") in India, and comply with the Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006, to the extent applicable and in accordance with the relevant provisions of the Companies Act, 1956, as adopted consistently by the Company. These financial statements have been prepared for the year ended 31 March, 2012.

2.2 Use of estimates

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

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

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

2.4 Cash flow statement

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

2.5 Depreciation and amortisation

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

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

Headend & distribution equipment	6 -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.

2.6 Revenue recognition

i. Income from operations

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

ii. Sale of equipment

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

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

2.7 Other income

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

2.8 Tangible assets

1. Fixed assets are stated at the cost of acquisition less accumulated depreciation. The actual cost capitalised includes purchase price, and all other attributable costs of bringing the assets

to working condition for intended use.

2. Assets are capitalised on the date when they are ready for intended use. Set top boxes are capitalised at the end of the month of activation.
3. 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.

2.9 Intangible assets

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

2.10 Foreign currency transactions and translations

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

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

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

2.11 Investments

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

2.12 Employee benefits

1. Short term employee benefits

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

2. Long term employee benefits

a. Provident fund and other state plans

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

b. Gratuity

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

c. Compensated absences

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

Liability with regard to compensated absences and gratuity is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. Actuarial valuation is carried out using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation is based on

the market yields on government securities as at the balance sheet date. Actuarial gains/ losses are recognised immediately in the profit and loss account as income or expense.

2.13 Employee Stock Option Scheme (ESOS)

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

2.14 Borrowing costs

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

2.15 Segment information

1. Business segments

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

2. Geographical segments

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

2.16 Leases

1. Finance leases

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

2. Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of

ownership of the leased asset are classified as operating leases. Lease payments under operating leases are recognised as expense in the profit and loss account on a straight line basis over the lease term.

2.17 Earnings per share

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

2.18 Taxation

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

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

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

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

2.19 Impairment of assets

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

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

2.20 Provisions and contingencies

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

2.21 Service tax input credit

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTES ON ACCOUNTS FOR THE YEAR ENDED ON MARCH 31, 2012

(₹ in millions)

	As at 31.03.2012	As at 31.03.2011
3. SHARE CAPITAL		
AUTHORISED		
200,000,000 (Previous year 200,000,000) equity shares of ₹10 each	2,000.00	2,000.00
ISSUED, SUBSCRIBED AND PAID UP		
130,489,975 (Previous year 130,489,975) equity shares of ₹10 each fully paid up	1,304.90	1,304.90

Of the above:

- 72,475,520 equity shares of ₹ 10 each were issued in the year 2009-10 as bonus shares in the ratio of 4:1 for every one equity share by capitalisation of securities premium.
- In 2009-10, the Company issued bonus shares for 39,993,000 .001% cumulative convertible preference shares of ₹ 10 each in the ratio of one share for every ten .001% cumulative convertible preference shares held by its shareholders by utilisation from the securities premium account resulting into total of 43,992,300 .001% cumulative convertible preference shares. These shares were subsequently converted into 13,361,361 fully paid equity shares of ₹ 10 each in the year 2009-10.
- 4,019,606 fully paid equity shares of ₹ 10 each at premium of ₹ 185 were issued in the year 2009-10 towards consideration payable on Investments.
- 3,534,126 shares has been reserved under Employee Stock Option Plan 2010 ("ESOP 2010") (Refer note 34)
- Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31.03.2012		As at 31.03.2011	
	No. of Shares	% Holding	No. of Shares	% Holding
Sameer Manchanda	46,654,550	35.75%	45,454,550	34.83%
Lucid Systems Private Limited	16,000,000	12.26%	16,000,000	12.26%
Standard Chartered IL&FS Asia Infrastructure G	5,840,009	4.48%	8,166,060	6.26%
RRB Investments Private Limited	-		7,452,338	5.71%
Total	68,494,559	52.49%	77,072,948	59.06%

(₹ in millions)

	As at 31.03.2012	As at 31.03.2011
4. RESERVES AND SURPLUS		
a. Securities premium (A)	6,105.32	6,105.32
b. Share options outstanding account		
Employees stock option outstanding*	202.86	287.00
Less: Deferred stock compensation expense**	40.21	285.05
(B)	162.65	1.95
* after adjusting ₹84.14 millions on account of options surrendered during the year.		
** after adjusting ₹84.14 millions on account of options surrendered during the year and ₹160.71 millions written off during the year.		
C. Surplus / (Deficit) in Statement of Profit and Loss		
i. Opening balance	(80.42)	(149.99)
ii. Add: Profit / (Loss) for the year	78.67	69.59
iii. Closing balance (C)	(1.75)	(80.42)
(A+B+C)	6,266.22	6,026.87

(₹ in millions)

	As at 31.03.2012	As at 31.03.2011
5. LONG-TERM BORROWINGS		
a. Term loans from banks		
- Secured	1,892.44	758.15
b. Other loans		
Secured	2.15	4.63
Unsecured	-	7.05
	1,894.59	769.83

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

Particulars	Period of Maturity	No. of Installments	Rate of Interest as at 31.03.2012	As at	As at
				31.03.2012	31.03.2011
				Secured	Secured
A. Term loan from banks					
Bank of India (See Foot-Note 1)	Sep/13	6	15.50%	21.59	71.49
	Apr/12			-	25.64
Bank of Maharashtra (See Foot-Note 1)				-	29.20
Syndicate Bank (See Foot-Note 1)	Oct/14	19	15.00%	68.38	116.54
				-	27.77
	Jun/15	9	15.00%	247.45	357.50
	Jan/16	12	13.50%	555.03	130.00
	(I)			892.45	758.14
B. Term loan from financial institution					
Infrastructure Development Finance Corporation Limited (IDFC) (See Foot-Note 2)	Mar/18	20	13.25%	1,000.00	-
	(II)			1,000.00	-
	(I+II)			1,892.45	758.14
C. Term loan from others					
Kotak Mahindra Prime Limited (See Foot-Note 3)	Jun/13	3	8.85%	0.49	2.36
	Aug/13	5	9.34%	0.18	0.55
	Feb/14	11	10.87%	0.42	0.85
	Mar/14	12	10.71%	0.45	0.87
	Jul/14	16	11.23%	0.61	-
				2.15	4.63

Foot-Notes

- Security:** First pari passu charge on fixed assets of the Company (existing and proposed) & second pari passu charge on all current assets of the Company. These loans are further guaranteed by the Managing Director of the Company.
- Security:** First pari passu charge on movable property (existing and proposed) and receivables of the Company.
The Company has given an undertaking to the lender that the Company will not dispose off or create any encumbrance on Investments in subsidiaries and joint ventures without the consent of the lender. The Company has also pledged certain investments with the lender duly supported by irrevocable power of attorney to appropriate proceeds from disposal of these investments towards the borrowed amount in case of any default.
- Security:** Hypothecation on the loan taken for the respective vehicle.

For the current maturities of long term borrowings, refer item (a), (b) & (c) in Note 10 Other current liabilities

(₹ in millions)

	As at 31.03.2012	As at 31.03.2011
6. OTHER LONG-TERM LIABILITIES		
a. Security deposits received	4.28	4.14
	4.28	4.14
7. LONG-TERM PROVISIONS		
a. Provision for Employee benefits [Refer note 32 (B) (i)]		
i. Gratuity	20.32	13.62
ii. Leave encashment	18.53	13.72
	38.85	27.34
8. SHORT TERM BORROWING		
a. Loan repayable on demand from banks		
- Secured*	188.41	285.97
	188.41	285.97
*secured by first pari passu charge on current and future book debt of the Company & second pari passu charge on all fixed assets of the Company.		
9. TRADE PAYABLES		
a. Micro and small enterprises (Refer note 31)	-	-
b. Others	887.71	653.93
	887.71	653.93
10. OTHER CURRENT LIABILITIES		
a. Current maturities of long-term debt*	472.34	488.39
b. Current maturities of other loans*	3.41	2.65
c. Current maturities of other unsecured loans*	11.48	7.05
d. Balance consideration payable on investments	26.38	27.50
e. Interest accrued and due on borrowings	9.69	7.26
f. Advance billings	146.80	187.22
g. Other payables		
i. Statutory remittances	48.69	81.70
ii. Payables on purchase of fixed assets	197.49	213.59
iii. Security deposits received	-	10.07
iv. Advances from customers	7.67	6.62
	923.95	1,032.05
* Refer note 5 for details of security and guarantee		
11. SHORT-TERM PROVISIONS		
a. Provision for Employee benefits [Refer note 32 (B) (i)]		
i. Gratuity	0.06	0.37
ii. Leave encashment	0.45	0.35
	0.51	0.72
b. Provision - others		
i. Wealth tax [net of advance tax of ₹0.33 millions (Previous year ₹0.24 millions)]	0.08	0.08
	0.59	0.80

12. FIXED ASSETS (at cost)

(₹ in millions)

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK		
	As at 01.04.2011	Additions	Sales/ Adjustments	As at 31.03.2012	As at 01.04.2011	Additions	Sales/ Adjustments	As at 31.03.2012	As at 01.04.2011
A. Tangible assets (owned)									
Leasehold improvements	95.33	4.72	6.77	93.28	90.92	4.68	6.76	88.84	4.41
Plant and machinery									
- Headend and distribution equipment	899.01	105.83	9.66	995.18	211.39	98.60	3.14	306.85	687.62
- Set top boxes	902.12	539.21	-	1,441.33	178.30	138.93	-	317.23	723.82
- Computers	31.99	3.79	1.22	34.56	13.70	5.50	0.69	18.51	18.29
- Office and other equipment	98.07	11.18	4.95	104.30	26.90	10.47	0.38	36.99	71.17
Furniture and fixtures	8.24	0.45	-	8.69	4.85	1.26	-	6.11	3.39
Vehicles	21.69	1.70	0.50	22.89	5.63	3.80	0.33	9.10	16.06
Total (A)	2,056.45	666.88	23.10	2,700.23	531.69	263.24	11.30	783.63	1,524.76
B. Intangible assets									
Goodwill	4.13	-	-	4.13	3.06	0.67	-	3.73	1.07
Distribution network rights	163.26	36.00	-	199.26	44.55	38.08	-	82.63	118.71
Software	16.64	0.11	-	16.75	6.76	3.34	-	10.10	9.88
Licence fee for internet service	2.00	-	-	2.00	0.91	0.09	-	1.00	1.09
Total (B)	186.03	36.11	-	222.14	55.28	42.18	-	97.46	130.75
Grand Total	2,242.48	702.99	23.10	2,922.37	586.97	305.42	11.30	881.09	1,655.51
Previous year	1,839.93	415.24	12.69	2,242.48	330.58	261.20	4.81	586.97	1,509.35

(₹ in millions)

	As at 31.03.2012	As at 31.03.2011
13. NON CURRENT INVESTMENTS (at cost)		
a. Trade and unquoted - long term in equity shares - at cost		
i. of subsidiaries		
1. 860,028 (Previous year 860,028) equity shares of ₹10 each, fully paid up in Den Futuristic Cable Networks Private Limited	85.10	85.10
2. 7,237,200 (Previous year 7,237,200) equity shares of ₹10 each, fully paid up in Den Entertainment Network Private Limited	357.94	357.94
3. 590,000 (Previous year 590,000) equity shares of ₹10 each, fully paid up in Aster Entertainment Private Limited	54.50	54.50
4. 200,000 (Previous year 200,000) equity shares of ₹10 each, fully paid up in Den Digital Entertainment Gujarat Private Limited	8.00	8.00
5. 250,000 (Previous year 50,000) equity shares of ₹10 each, fully paid up in Shine Cable Network Private Limited	12.50	0.50
6. 46,825 (Previous year 50,000) equity shares of ₹10 each, fully paid up in Mahavir Den Entertainment Private Limited	0.47	0.50
7. 135,334 (Previous year Nil) equity shares of ₹10 each, fully paid up in Matrix Cable Network Private Limited	6.90	-
8. 31,224 (Previous year 31,224) equity shares of ₹10 each, fully paid up in Den Ambey Cable Networks Private Limited	13.17	13.17
9. 2,550 (Previous year 2,550) equity shares of ₹100 each, fully paid up in DEN Manoranjan Satellite Private Limited	127.81	127.81
10. 40,500 (Previous year 40,500) equity shares of ₹10 each, fully paid up in Dew Shree Network Private Limited	121.75	121.75
11. 51,000 (Previous year 51,000) equity shares of ₹10 each, fully paid up in Meerut Cable Network Private Limited	83.41	83.41
12. 25,935 (Previous year 25,935) equity shares of ₹10 each, fully paid up in Den Krishna Cable TV Network Private Limited	28.07	28.07
13. 25,500 (Previous year 25,500) equity shares of ₹10 each, fully paid up in Shree Siddhivinayak Cable Network Private Limited	25.77	25.77
14. 26,315 (Previous year 26,315) equity shares of ₹10 each, fully paid up in Den Pawan Cable Network Private Limited	28.05	28.05
15. 122,400 (Previous year 122,400) equity shares of ₹10 each, fully paid up in Mahadev Den Network Private Limited	28.89	28.89
16. 45,899 (Previous year 45,899) equity shares of ₹10 each, fully paid up in Mahadev Den Cable Network Private Limited	28.03	28.03
17. 26,300 (Previous year 26,300) equity shares of ₹10 each, fully paid up in Den Mod Max Cable Network Private Limited	12.27	12.27
18. 27,380 (Previous year 27,380) equity shares of ₹10 each, fully paid up in DEN BCN Suncity Network Private Limited	10.02	10.02
19. 29,150 (Previous year 29,150) equity shares of ₹10 each, fully paid up in Den Crystal Vision Network Private Limited	8.18	8.18
20. 45,900 (Previous year 45,900) equity shares of ₹10 each, fully paid up in Mahadev Den Cable Net Private Limited	14.55	14.55
21. 25,501 (Previous year 25,501) equity shares of ₹10 each, fully paid up in Den Kashi Cable Network Private Limited	5.01	5.01
22. 27,565 (Previous year 27,565) equity shares of ₹10 each, fully paid up in Den Harsh Mann Cable Network Private Limited	3.32	3.32
23. 33,300 (Previous year 33,300) equity shares of ₹10 each, fully paid up in Den Mahendra Satellite Private Limited	3.01	3.01
Less : Provision for diminution in value of DEN Mahendra Satellite Private Limited	(0.50)	(0.50)
24. 27,384 (Previous year 27,384) equity shares of ₹10 each, fully paid up in Den Prince Network Private Limited	3.00	3.00
25. 30,416 (Previous year 30,416) equity shares of ₹10 each, fully paid up in Den Varun Cable Network Private Limited	2.22	2.22
26. 25,501 (Previous year 25,501) equity shares of ₹10 each, fully paid up in Den Prayag Cable Networks Private Limited	2.04	2.04

(₹ in millions)

	As at 31.03.2012	As at 31.03.2011
27. 27,160 (Previous year 27,160) equity shares of ₹10 each, fully paid up in Den Pradeep Cable Network Private Limited	1.86	1.86
28. 29,223 (Previous year 29,223) equity shares of ₹10 each, fully paid up in DEN Ashu Cable Private Limited	12.31	12.31
29. 26,841 (Previous year 26,841) equity shares of ₹10 each, fully paid up in DEN Bindra Network Private Limited	5.11	5.11
30. 29,685 (Previous year 29,685) equity shares of ₹10 each, fully paid up in Den Classic Cable TV Services Private Limited	2.65	2.65
31. 30,140 (Previous year 30,140) equity shares of ₹10 each, fully paid up in DEN Digital Cable Network Private Limited	132.83	132.83
32. 355,980 (Previous year 355,980) equity shares of ₹10 each, fully paid up in Den Enjoy Cable Networks Private Limited	36.59	36.59
33. 27,675 (Previous year 27,675) equity shares of ₹10 each, fully paid up in Den F K Cable TV Network Private Limited	25.55	25.55
34. 25,624 (Previous year 25,624) equity shares of ₹10 each, fully paid up in DEN Jai Ambey Vision Cable Private Limited	2.10	2.10
35. 31,230 (Previous year 31,230) equity shares of ₹10 each, fully paid up in Den Maa Sharda Vision Cable Networks Private Limited	6.00	6.00
36. 56,059 (Previous year 56,059) equity shares of ₹10 each, fully paid up in DEN MCN Cable Network Private Limited	33.97	33.97
37. 339,500 (Previous year 33,950) equity shares of ₹10 each, fully paid up in Den Mewar Rajdev Cable Network Private Limited	37.88	19.55
38. 26,117 (Previous year 26,117) equity shares of ₹10 each, fully paid up in DEN Montooshah Network Private Limited	20.45	20.45
39. 35,140 (Previous year 35,140) equity shares of ₹10 each, fully paid up in Den Radiant Satelite Cable Network Private Limited	1.95	1.95
40. 269,920 (Previous year 48,256) equity shares of ₹10 each, fully paid up in DEN RIS Cable Network Private Limited	7.53	5.41
Less : Provision for diminution in value of DEN RIS Cable Network Private Limited	(4.50)	(4.50)
41. 31,265 (Previous year 31,265) equity shares of ₹10 each, fully paid up in Den Satellite Cable TV Network Private Limited	5.33	5.33
42. 25,500 (Previous year 25,500) equity shares of ₹10 each, fully paid up in Den Shiva Cable Network Private Limited	0.82	0.82
43. 91,000 (Previous year 91,000) equity shares of ₹10 each, fully paid up in DEN Sky Media Network Private Limited	123.83	123.83
44. 30,452 (Previous year 30,452) equity shares of ₹10 each, fully paid up in DEN Supreme Satellite Vision Private Limited	25.56	25.56
45. 27,325 (Previous year 27,325) equity shares of ₹10 each, fully paid up in Drashti Cable Network Private Limited	23.00	23.00
46. 25,500 (Previous year 25,500) equity shares of ₹10 each, fully paid up in DEN Fateh Marketing Private Limited	10.23	10.23
47. 25,500 (Previous year 25,500) equity shares of ₹10 each, fully paid up in DEN Nashik City Cable Network Private Limited	73.59	73.59
48. 76,500 (Previous year 76,500) equity shares of ₹10 each, fully paid up in Radiant Satellite (India) Private Limited	46.01	46.01
49. 30,529 (Previous year 30,529) equity shares of ₹10 each, fully paid up in DEN Aman Entertainment Private Limited	4.12	4.12
50. 37,113 (Previous year 37,113) equity shares of ₹10 each, fully paid up in Den Budaun Cable Network Private Limited	2.00	2.00
51. 44,814 (Previous year 44,814) equity shares of ₹10 each, fully paid up in Den Narmada Network Private Limited	2.00	2.00
52. 28,928 (Previous year 28,928) equity shares of ₹10 each, fully paid up in DEN Bellary City Cable Private Limited	36.84	36.84
53. 571,996 (Previous year 560,762) equity shares of ₹10 each, fully paid up in Den Malayalam Telenet Private Limited	52.05	51.03

(₹ in millions)

	As at 31.03.2012	As at 31.03.2011
54. 57,252 (Previous year 57,252) equity shares of ₹10 each, fully paid up in Den Elgee Cable Vision Private Limited	6.38	6.38
55. 5,100 (Previous year 5,100) equity shares of ₹10 each, fully paid up in Rajkot City Communication Private Limited	98.43	98.43
56. 30,633 (Previous year 30,633) equity shares of ₹10 each, fully paid up in Den Malabar Cable Vision Private Limited	26.89	26.89
57. 27,882 (Previous year 27,882) equity shares of ₹10 each, fully paid up in DEN Infoking Channel Entertainers Private Limited	60.12	60.12
58. 3,167 (Previous year 3,167) equity shares of ₹10 each, fully paid up in Den UCN Network India Private Limited	23.09	23.09
59. 51,000 (Previous year 51,000) equity shares of ₹10 each, fully paid up in Fortune (Baroda) Network Private Limited	36.46	36.46
60. 25,500 (Previous year 25,500) equity shares of ₹10 each, fully paid up in Galaxy Den Media & Entertainment Private Limited	43.35	43.35
61. 27,300 (Previous year 27,300) equity shares of ₹10 each, fully paid up in Bali Den Cable Network Private Limited	50.65	50.65
62. 32,941 (Previous year 32,941) equity shares of ₹10 each, fully paid up in Den Citi Channel Private Limited	17.13	17.13
63. 29,227 (Previous year 29,227) equity shares of ₹10 each, fully paid up in Fab Den Network Private Limited	41.47	41.47
64. 50,295 (Previous year 50,295) equity shares of ₹10 each, fully paid up in Den Satellite Network Private Limited	461.58	461.58
65. 102,039 (Previous year 102,039) equity shares of ₹10 each, fully paid up in Cab-i-Net Communications Private Limited	30.04	30.04
66. 25,500 (Previous year 25,500) equity shares of ₹10 each, fully paid up in Den Krishna Vision Private Limited	3.68	3.68
67. 45,900 (Previous year 45,900) equity shares of ₹10 each, fully paid up in Shri Ram DEN Network Private Limited	31.20	31.20
68. 25,500 (Previous year 25,500) equity shares of ₹10 each, fully paid up in United Cable Network (Digital) Private Limited	4.60	4.60
69. 13,678 (Previous year 10,200) equity shares of ₹10 each, fully paid up in Amogh Broad Band Services Private Limited	829.80	628.08
70. 34,285 (Previous year 34,285) equity shares of ₹10 each, fully paid up in Den Sariga Communication Private Limited	9.06	9.06
71. 25,500 (Previous year 25,500) equity shares of ₹10 each, fully paid up in Den Sahyog Cable Network Private Limited	1.58	1.58
72. 2,099,000 (Previous year 1,980,000) equity shares of ₹10 each, fully paid up in IME Networks Private Limited	20.99	19.80
73. 48,931 (Previous year 48,931) equity shares of ₹10 each, fully paid up in Den A.F. Communication Private Limited	0.49	0.49
74. 50,775 (Previous year 50,775) equity shares of ₹10 each, fully paid up in Den Kattakada Telecasting and Cable Services Private Limited	16.41	16.41
75. 30,620 (Previous year 30,620) equity shares of ₹10 each, fully paid up in Big Den Entertainment Private Limited	12.22	12.22
76. 5,100 (Previous year 5,100) equity shares of ₹10 each, fully paid up in Sree Gokulam Starnet Communication Private Limited	11.53	11.53
77. 32,786 (Previous year Nil) equity shares of ₹10 each, fully paid up in Ambika Den Cable Network Private Limited	1.84	-
78. 30,682 (Previous year Nil) equity shares of ₹10 each, fully paid up in Den Steel City Cable Network Private Limited	8.62	-
79. 28,172 (Previous year Nil) equity shares of ₹10 each, fully paid up in Sanmati Den Cable TV Network Private Limited	9.02	-
80. 28,334 (Previous year Nil) equity shares of ₹10 each, fully paid up in Multi Channel Cable Network Private Limited	9.73	-
81. 51,000 (Previous year Nil) equity shares of ₹10 each, fully paid up in Victor Cable TV Network Private Limited	3.42	-

(₹ in millions)

	As at 31.03.2012	As at 31.03.2011
82. 51,000 (Previous year Nil) equity shares of ₹10 each, fully paid up in Gemini Cable Network Private Limited	5.87	-
83. 29,147 (Previous year Nil) equity shares of ₹10 each, fully paid up in Antique Communications Private Limited	1.79	-
84. 30,721 (Previous year Nil) equity shares of ₹10 each, fully paid up in Sanmati Entertainment Private Limited	3.01	-
85. 25,500 (Previous year Nil) equity shares of ₹10 each, fully paid up in VM Magic Entertainment Private Limited	12.53	-
86. 6,145 (Previous year Nil) equity shares of ₹10 each, fully paid up in Crystal Vision Media Private Limited*	149.08	-
87. 34,170 (Previous year Nil) equity shares of ₹10 each, fully paid up in Multi Star Cable Network Private Limited	1.02	-
88. 32,510 (Previous year Nil) equity shares of ₹10 each, fully paid up in Disk Cable Network Private Limited	1.66	-
89. 51,000 (Previous year Nil) equity shares of ₹10 each, fully paid up in Shaakumabari Den Media Private Limited	0.51	-
90. 38,250 (Previous year Nil) equity shares of ₹10 each, fully paid up in Silverline Television Network Private Limited	15.32	-
	3,861.71	3,395.04
Note : Of the above 14,532,038 equity shares amounting to ₹3,596.57 millions worth of investments in subsidiaries and joint venture are pledged with IDFC Limited against loans taken by the Company during the year (See Note 5)		
ii. of joint venture		
1. 2,500,000 (Previous year 2,500,000) equity shares of ₹10 each, fully paid up in Star Den Media Services Private Limited	25.00	25.00
	25.00	25.00
iii. of associate		
1. Nil (Previous year 4,504) equity shares of ₹10 each, fully paid up in Crystal Vision Media Private Limited*	-	109.08
Aggregate of unquoted - long term trade investments in equity shares (i+ii+iii)	3,886.71	3,529.12
b. Trade and unquoted - long term in preference shares - at cost		
i. of subsidiaries		
1. 3% 5 years 750,000 (Previous year 750,000) non cumulative preference shares of ₹10 each in Den Kashi Cable Network Private Limited	37.50	37.50
2. 13.5% 7 years 707,500 (Previous year 707,500) non cumulative preference shares of ₹10 each in Den Citi Channel Private Limited	7.08	7.08
	44.58	44.58
c. Trade and unquoted - long term in capital of partnership firm - at cost		
1. Nil (Previous year 99%) interest in the capital of Creative Cable Network	-	4.00
	-	4.00
Total (a+b+c)	3,931.29	3,577.70

Other details relating to investment in partnership firm

Name of partners	As at 31.03.2012		As at 31.03.2011	
	Total Capital	Share of each partner in the profits of the firm	Total Capital	Share of each partner in the profits of the firm
DEN Networks Limited	-	-	4.00	99.99%
Ms. Priya Mukherjee	-	-	-	0.01%
Total	-	-	4.00	100.00%

* Associate Company converted into partly owned subsidiary during the year.

(₹ in millions)

	As at 31.03.2012	As at 31.03.2011
14. LONG TERM LOANS AND ADVANCES (Unsecured, Considered good)		
a. Capital advances	8.35	23.04
b. Security deposits	43.04	59.79
c. Loans to employees	2.86	3.03
e. Loans to Subsidiaries	29.70	14.00
f. Advance tax [including tax deducted at source ₹256.40 millions Previous year ₹163.72 millions (Net of Provision ₹42.32 millions Previous year ₹25.71 millions)]	214.99	138.91
g. MAT credit entitlement	35.21	25.71
	334.15	264.48
15. OTHER NON CURRENT ASSETS		
a. Deposits with banks with more than 12 months maturity*	97.54	23.54
	97.54	23.54
* Pledged as securities with :		
- Financial Institutions as Debt Service Reserve Account ₹97.46 millions (Previous year ₹23.46 millions)		
- Tax authorities for statutory registrations - ₹0.08 millions (Previous year ₹0.08 millions)		
16. CURRENT INVESTMENTS (at cost)		
a. Unquoted - Current investments in units of mutual funds (at lower of cost or fair value) (other than trade)		
1. Nil (Previous year 2,338,361) units of ₹12.83 each in Reliance Regular Saving Fund Debt Plan Institutional Growth Plan	-	30.00
2. Nil (Previous year 5,097,050) FMP 3M Series 18 Growth	-	50.97
3. 576,675 (Previous year Nil) units of ₹13.01 each in Kotak Flexi Debt Scheme Institutional Growth	7.50	-
4. 7,362,421 (Previous year Nil) units of ₹14.25 in DWS Cash opportunities Fund - Regular Plan Growth	104.90	-
5. 18,974 (Previous year Nil) units of ₹1,096.59 each in Pramerica Short Term Income Fund-Growth Option	20.80	-
6. 3,103,154 (Previous year Nil) units of ₹16.14 each in Reliance Liquidity Fund Growth Option	50.09	-
7. 2,307,626 (Previous year Nil) units of ₹17.96 in Birla Sun Life Dynamic Bond Fund Retail Growth	40.00	-
Aggregate of unquoted - current investment in units of mutual funds	223.29	80.97
17. TRADE RECEIVABLES (Unsecured)		
a. Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
i. Considered good	335.45	322.36
ii. Considered doubtful	9.55	9.31
	345.00	331.67
Less: Provision for doubtful debts	9.55	9.31
	335.45	322.36
b. Others (considered good)	859.15	650.87
	1,194.60	973.23

(₹ in millions)

	As at 31.03.2012	As at 31.03.2011
18. CASH AND CASH EQUIVALENTS		
a. Cash on hand	1.10	0.22
b. Cheques on hand	120.09	568.99
c. Balance with scheduled banks		
i. in current accounts	730.36	351.21
ii. in deposit accounts*	1,098.55	1,242.38
iii. as margin money**	30.18	30.18
	1,980.28	2,192.98
*a. Pledged as securities with:		
- Government authorities for internet service license - ₹3.03 millions (Previous year ₹2.82 millions)		
- Tax authorities for statutory registrations - ₹0.14 millions (Previous year ₹0.10 millions)		
- Bank to issue performance guarantee to Bombay Stock Exchange ₹22.83 millions (Previous year ₹21.81 millions)		
- Bank as Debt Service Reserve Account ₹Nil (Previous year ₹7.50 millions)		
b. Deposit accounts include fixed deposits having maturity more than 3 months but less than 12 months - ₹836.72 millions (Previous year ₹1,038.30 millions)		
** ₹ 30.18 million (Previous year ₹ 30.18 million) pledged as security with bank for letters of credit.		
19. SHORT-TERM LOANS AND ADVANCES (Unsecured)		
a. Loans and advances to related parties (considered good)		
i. Advances recoverable	17.69	13.19
ii. Loans to Subsidiaries	357.93	148.40
iii. Share application money paid pending allotment	130.37	203.97
	505.99	365.56
b. Security deposits (considered good)	25.97	6.06
c. Loans to employees (considered good)	28.63	14.99
d. Prepaid expenses (considered good)	33.83	42.41
e. Balance with government authorities (considered good)		
i. CENVAT credit receivable	53.86	31.17
ii. VAT credit receivable	0.14	-
iii. Service tax credit receivable	33.36	30.72
	87.36	61.89
f. Others		
i. Considered good		
- Advance for investments	97.17	247.50
- Supplier advances	12.56	21.55
- Other advances	3.19	20.30
ii. Considered doubtful		
- Advance for investments	35.05	26.79
	147.97	316.14
Less: Provision for doubtful advances	35.05	26.79
	112.92	289.35
	794.70	780.26
20. OTHER CURRENT ASSETS (Unsecured, Considered good)		
a. Unbilled Revenue	31.77	14.61
b. Interest accrued on deposits	29.08	63.38
c. Interest accrued on others	82.77	62.86
d. Others		
i. Receivable on sale of fixed assets	28.43	29.41
ii. Insurance claims	0.05	0.02
	172.10	170.28

(₹ in millions)

	Year ended 31.03.2012	Year ended 31.03.2011
21. OTHER OPERATING REVENUE		
a. Sale of equipment	44.88	25.53
b. Commission income	34.31	-
	79.19	25.53
22. OTHER INCOME		
a. Interest income		
i. on fixed deposits [including tax deducted at source ₹7.31 millions (Previous year ₹3.37 millions)]	78.24	79.23
ii. on loans to subsidiaries [including tax deducted at source ₹3.53 millions (Previous year ₹3.27 millions)]	72.53	43.50
iii. on loans to others	5.54	7.61
iv. on income tax refund	2.31	14.33
b. Gain on sale of current investments (other than trade and unquoted)	21.26	31.22
c. Net Gain on foreign exchange fluctuation	-	8.86
d. Other non-operating income		
i. Profit on sale of fixed assets	0.28	0.10
ii. Liabilities/ excess provisions written back	18.94	73.73
iii. Miscellaneous income	22.14	4.45
	221.24	263.03
23. OPERATIONAL, ADMINISTRATIVE AND OTHER COSTS		
a. Content cost	775.44	601.28
b. Placement fees	1,597.30	1,210.97
c. Cost of traded items	40.50	25.39
d. Distributor commission/ incentive	56.68	62.12
e. Rent and hire charges (Refer note 30)	95.96	87.46
f. Repairs and maintenance		
i. Plant and machinery	68.92	52.87
ii. Others	51.58	50.39
g. Power and fuel	33.66	31.93
h. Director's sitting fees	0.38	0.32
i. Consultancy, professional and legal charges [Refer note 35 (d)]	225.63	291.78
j. Brokerage/ commission	7.39	5.83
k. Travelling and conveyance	79.10	78.01
l. Advertisement, publicity and business promotion	81.07	40.37
m. Communication expenses	12.76	13.32
n. Leaseline expenses	109.43	80.25
o. Security charges	12.02	10.56
p. Insurance	9.67	10.81
q. Rates and taxes	2.67	4.60
r. Provision for doubtful debts/ advances	8.51	12.41
s. Bad debts/ advances written off	42.01	12.50
t. Provision for Impairment	-	5.00
u. Fixed assets/ capital work in progress written off	2.12	0.02
v. Loss on sale/ disposal of fixed assets	-	2.20
w. Loss on sale of investment	2.71	0.10
x. Miscellaneous expenses	29.02	23.50
y. Net (gain)/ loss on foreign currency transactions and translation	2.60	-
	3,347.13	2,713.99

(₹ in millions)

	Year ended 31.03.2012	Year ended 31.03.2011
24. EMPLOYEE BENEFITS EXPENSE		
a. Salaries and allowances	325.25	289.43
b. Contribution to provident and other funds	17.63	16.05
c. Gratuity expense [Refer note 32 (B) (ii)]	6.40	4.28
d. Employee stock compensation expenses	160.71	1.95
e. Staff welfare expenses	13.75	12.32
	523.74	324.03
25. FINANCE COSTS		
a. Interest on loans from banks	239.17	174.94
b. Other borrowing costs	22.16	11.37
	261.33	186.31

26. Capital commitments and contingent liabilities

a. Capital commitments

Estimated amount of contracts remaining to be executed on tangible capital account (net of advances) ₹278.21 millions [Previous year ₹ 541.79 millions].

b. Contingent liabilities

i. Guarantees issued by bankers outstanding as at the end of the year amounting to ₹44.90 millions [Previous year ₹41.78 millions] on account of the following :

- license for internet use issued by the Department of Telecommunications - ₹ 1.00 millions [Previous year ₹21.00 millions]
- Tax Authorities for statutory registrations - ₹3.33 millions [Previous year ₹0.23 millions]
- Bombay Stock Exchange as security - ₹20.50 millions [Previous year ₹20.50 millions]
- Others - ₹0.07 millions [Previous year ₹0.05 millions]

ii. Outstanding letters of credit as at the end of the year ₹370.83 millions [Previous year ₹294.51 millions].

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

27. Segment reporting

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

28. Related Party Disclosures

I. List of related parties

a. Related parties where control exists

i. Subsidiaries held directly

- Den Mahendra Satellite Private Limited (w.e.f. 27-Dec-07)
- Den Mod Max Cable Network Private Limited (w.e.f. 27-Dec-07)
- Den Krishna Cable TV Network Private Limited (w.e.f. 27-Dec-07)
- Den Pawan Cable Network Private Limited (w.e.f. 27-Dec-07)
- DEN BCN Suncity Network Private Limited (w.e.f. 27-Dec-07)
- Den Harsh Mann Cable Network Private Limited (w.e.f. 1-Mar-08)
- Den Classic Cable TV Services Private Limited (w.e.f. 1-May-08)
- DEN Bindra Network Private Limited (w.e.f. 1-Jul-08)
- DEN Montooshah Network Private Limited (w.e.f. 16-Jul-08)
- DEN Ashu Cable Private Limited (w.e.f. 22-Aug-08)
- Dew Shree Network Private Limited (w.e.f. 26-Sep-07)
- Shree Siddhivinayak Cable Network Private Limited (w.e.f. 1-Dec-07)
- Drashti Cable Network Private Limited (w.e.f. 1-Apr-08)
- DEN MCN Cable Network Private Limited (w.e.f. 8-Apr-08)
- Mahadev Den Network Private Limited (w.e.f. 1-Feb-08)
- Mahadev Den Cable Network Private Limited (w.e.f. 1-Feb-08)

17. Mahadev Den Cable Net Private Limited (w.e.f. 1-Feb-08)
18. DEN Digital Cable Network Private Limited (w.e.f. 1-May-08)
19. Den Malayalam Telenet Private Limited (w.e.f. 22-Aug-08)
20. DEN Bellary City Cable Private Limited (w.e.f. 1-Jan-09)
21. DEN-Manoranjan Satellite Private Limited (w.e.f. 1-Mar-08)
22. DEN Supreme Satellite Vision Private Limited (w.e.f. 30-May-08)
23. DEN Nashik City Cable Network Private Limited (w.e.f. 26-Jun-08)
24. Radiant Satellite (India) Private Limited (w.e.f. 2-Apr-08)
25. Den Radiant Satellite Cable Network Private Limited (w.e.f. 2-Apr-08)
26. Den Mewar Rajdev Cable Network Private Limited (w.e.f. 2-Apr-08)
27. DEN RIS Cable Network Private Limited (w.e.f. 1-Jun-08)
28. DEN Sky Media Network Private Limited (w.e.f. 31-May-08)
29. Den Prince Network Private Limited (w.e.f. 1-Feb-08)
30. Den Varun Cable Network Private Limited (w.e.f. 7-Jan-08)
31. Den Crystal Vision Network Private Limited (w.e.f. 27-Dec-07)
32. Meerut Cable Network Private Limited (w.e.f. 1-Dec-07)
33. DEN Jai Ambey Vision Cable Private Limited (w.e.f. 5-Apr-08)
34. DEN Fateh Marketing Private Limited (w.e.f. 9-Apr-08)
35. Den Prayag Cable Networks Private Limited (w.e.f. 1-Feb-08)
36. Den Enjoy Cable Networks Private Limited (w.e.f. 2-Apr-08)
37. Den Maa Sharda Vision Cable Networks Private Limited (w.e.f. 1-Apr-08)
38. Den F K Cable TV Network Private Limited (w.e.f. 1-May-08)
39. Den Shiva Cable Network Private Limited (w.e.f. 1-May-08)
40. Den Pradeep Cable Network Private Limited (w.e.f. 1-Feb-08)
41. Den Satellite Cable TV Network Private Limited (w.e.f. 1-Apr-08)
42. Den Narmada Network Private Limited (w.e.f. 1-Sep-08)
43. Den Ambey Cable Networks Private Limited (w.e.f. 11-Sep-07)
44. Den Budaun Cable Network Private Limited (w.e.f. 1-Oct-08)
45. DEN Aman Entertainment Private Limited (w.e.f. 1-Oct-08)
46. Den Kashi Cable Network Private Limited (w.e.f. 1-Mar-08)
47. Den Futuristic Cable Networks Private Limited (w.e.f. 9-Oct-07)
48. Den Digital Entertainment Gujarat Private Limited (w.e.f. 31-May-08)
49. Aster Entertainment Private Limited (w.e.f. 31-May-08)
50. Den Entertainment Network Private Limited (w.e.f. 1-Sep-07)
51. Shine Cable Network Private Limited (w.e.f. 1-Dec-08)
52. Creative Cable Network (partnership firm) (w.e.f. 12-Oct-07) (dissolved during financial year 2011-12)
53. Rajkot City Communication Private Limited (w.e.f. 10-Apr-09)
54. Den Elgee Cable Vision Private Limited (w.e.f. 3-Jun-09)
55. Den Malabar Cable Vision Private Limited (w.e.f. 30-Apr-09)
56. Amogh Broad Band Services Private Limited (w.e.f. 29-Jul-09)
57. Galaxy Den Media & Entertainment Private Limited (w.e.f. 15-Jul-09)
58. Den UCN Network India Private Limited (w.e.f. 25-Jul-09)
59. Bali Den Cable Network Private Limited (w.e.f. 1-Sep-09)
60. Mahavir Den Entertainment Private Limited (w.e.f. 1-Sep-09)
61. Den Citi Channel Private Limited (w.e.f. 16-Nov-09)
62. Den Satellite Network Private Limited (w.e.f. 15-Jan-10)
63. Fab Den Network Private Limited (w.e.f. 1-Jan-10)
64. Fortune (Baroda) Network Private Limited (w.e.f. 31-Jul-09)
65. Den Infoking Channel Entertainers Private Limited (w.e.f. 1-Aug-09)
66. United Cable Network (Digital) Private Limited (w.e.f. 1-Apr-10)
67. Shri Ram Den Network Private Limited (w.e.f. 1-Apr-10)
68. Den Krishna Vision Private Limited (w.e.f. 1-Apr-10)

69. Cab-I-Net Communications Private Limited (w.e.f. 1-May-10)
70. Den Sahyog Cable Network Private Limited (w.e.f. 1-Jul-10)
71. Den Sariga Communications Private Limited (w.e.f. 1-Aug-10)
72. IME Networks Private Limited (w.e.f. 27-Sep-10)
73. Den Kattakada Telecasting and Cable Services Private Limited (w.e.f. 1-Oct-10)
74. Den A.F. Communication Private Limited (w.e.f. 1-Dec-10)
75. Sree Gokulam Starnet Communication Private Limited (w.e.f. 24-Jan-11)
76. Big Den Entertainment Private Limited (w.e.f. 1-Feb-11)
77. Ambika Den Cable Network Private Limited (w.e.f. 1-Jul-11)
78. Den Steel City Cable Network Private Limited (w.e.f. 1-Jul-11)
79. Crystal Vision Media Private Limited (w.e.f. 12-Jul-11)
80. Victor Cable TV Network Private Limited (w.e.f. 13-Jul-11)
81. Sanmati Den Cable TV Network Private Limited (w.e.f. 25-Aug-11)
82. Multi Channel Cable Network Private Limited (w.e.f. 1-Sep-11)
83. Gemini Cable Network Private Limited (w.e.f. 1-Oct-11)
84. Multi Star Cable Network Private Limited (w.e.f. 1-Oct-11)
85. VM Magic Entertainment Private Limited (w.e.f. 1-Oct-11)
86. Matrix Cable Network Private Limited (w.e.f. 1-Oct-11)
87. Antique Communications Private Limited (w.e.f. 5-Dec-11)
88. Sanmati Entertainment Private Limited (w.e.f. 26-Dec-11)
89. Disk Cable Network Private Limited (w.e.f. 6-Jan-12)
90. Shaakumbari Den Media Private Limited (w.e.f. 1-Feb-12)
91. Silverline Television Network Private Limited (w.e.f. 29-Mar-12)
4. Den Enjoy Navaratan Network Private Limited (w.e.f. 2-Apr-08)
5. Den Ambey Jhansi Cable Network Private Limited (w.e.f. 1-Mar-09)
6. Den Deva Cable Network Private Limited (w.e.f. 1-Apr-08)
7. DEN Faction Communication System Private Limited (w.e.f. 1-Oct-08)
8. Den Ambey Farukabad Cable Network Private Limited (w.e.f. 1-Mar-09)
9. Star Channel Den Network Private Limited (w.e.f. 1-Aug-09)
10. Kishna Den Cable Networks Private Limited (w.e.f. 1-Nov-09)
11. Divya Drishti Den Cable Network Private Limited (w.e.f. 1-Apr-10)
12. DEN New Broad Communication Private Limited (w.e.f. 1-Jul-10)
13. Astron Media Networks Private Limited (w.e.f. 27-Sep-10)
14. Fun Cable Network Private Limited (w.e.f. 15-Feb-11)
15. Rajasthan Entertainment Private Limited (w.e.f. 23-Feb-11)
16. Kerela Entertainment Private Limited (w.e.f. 9-Dec-10)
17. Uttar Pradesh Digital Cable Network Private Limited (w.e.f. 4-Apr-11)
18. Saturn Digital Cable Private Limited (w.e.f. 1-Jul-11)
19. Den Enjoy SBNM Cable Network Private Limited (w.e.f. 11-Apr-11)
20. Capital Entertainment Private Limited (w.e.f. 30-Dec-11)
21. Bhadohi DEN Entertainment Private Limited (w.e.f. 5-Dec-11)
22. Blossom Entertainment Private Limited (w.e.f. 31-Mar-12)
23. Rose Entertainment Private Limited (w.e.f. 31-Mar-12)
24. Trident Entertainment Private Limited (w.e.f. 31-Mar-12)
25. Eminent Cable Network Private Limited (w.e.f. 31-Mar-12)

ii. Subsidiaries held indirectly

1. Den Nanak Communication Private Limited (w.e.f. 1-Mar-08)
2. DEN Saya Channel Network Private Limited (w.e.f. 30-Jun-08)
3. Den Ambey Citi Cable Network Private Limited (w.e.f. 1-Feb-08)

b. Jointly controlled entity

1. Star Den Media Services Private Limited
2. Media Pro Enterprise India Private Limited

c. Entities under significant influence

1. Setpro 18 Distribution Limited

d. Key managerial personnel

1. Mr. Sameer Manchanda

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

(₹ in millions)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand total
a. Transactions during the year							
i. Income from operations							
Setpro 18 Distribution Limited	- (-)	- (-)	- (-)	249.98 (224.51)	- (-)	- (-)	249.98 (224.51)
Star Den Media Services Private Limited	- (-)	- (-)	526.03 (375.40)	- (-)	- (-)	- (-)	526.03 (375.40)
Others	578.39 (420.65)	60.10 (26.98)	11.50 (-)	- (-)	- (5.00)	- (-)	649.99 (452.63)
Total	578.39 (420.65)	60.10 (26.98)	537.53 (375.40)	249.98 (224.51)	- (5.00)	- (-)	1,426.00 (1,052.54)
ii. Sale of equipment							
Den Kashi Cable Network Private Limited	0.35 (21.04)	- (-)	- (-)	- (-)	- (-)	- (-)	0.35 (21.04)
Den Ambey Cable Networks Private Limited	0.31 (0.01)	- (-)	- (-)	- (-)	- (-)	- (-)	0.31 (0.01)
Den Sky Media Network Private Limited	- (0.02)	- (-)	- (-)	- (-)	- (-)	- (-)	- (0.02)
Den Enjoy Cable Networks Private Limited	3.35 (0.01)	- (-)	- (-)	- (-)	- (-)	- (-)	3.35 (0.01)
Fab Den Network Private Limited	1.83 (0.01)	- (-)	- (-)	- (-)	- (-)	- (-)	1.83 (0.01)
Crystal Vision Media Private Limited	2.84 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	2.84 (-)
Gemini Cable Networks Private Limited	2.47 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	2.47 (-)
Others	0.27 (0.46)	0.30 (-)	- (-)	- (-)	- (-)	- (-)	0.57 (0.46)
Total	11.42 (21.55)	0.30 (-)	- (-)	- (-)	- (-)	- (-)	11.72 (21.55)
iii. Purchase of services							
Den Enjoy Cable Networks Private Limited	191.68 (149.77)	- (-)	- (-)	- (-)	- (-)	- (-)	191.68 (149.77)
Star Den Media Services Private Limited	- (-)	- (-)	34.33 (110.79)	- (-)	- (-)	- (-)	34.33 (110.79)
Media Pro Enterprise India Private Limited	- (-)	- (-)	169.79 (-)	- (-)	- (-)	- (-)	169.79 (-)
Amogh Broad Band Services Private Limited	15.60 (45.98)	- (-)	- (-)	- (-)	- (-)	- (-)	15.60 (45.98)
Sameer Manchanda	- (-)	- (-)	- (-)	- (-)	- (-)	18.00 (6.95)	18.00 (6.95)
Others	1,020.71 (774.45)	92.76 (63.27)	- (-)	- (-)	- (0.60)	- (-)	1,113.47 (838.32)
Total	1,227.99 (970.20)	92.76 (63.27)	204.12 (110.79)	- (-)	- (0.60)	18.00 (6.95)	1,542.87 (1,151.81)

(₹ in millions)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand total
iv. Purchase of fixed assets							
Crystal Vision Media Private Limited	2.48	-	-	-	-	-	2.48
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
v. Sale of fixed assets							
Den Kashi Cable Network Private Limited	-	-	-	-	-	-	-
	(4.84)	(-)	(-)	(-)	(-)	(-)	(4.84)
Bali Den Cable Network Private Limited	-	-	-	-	-	-	-
	(1.02)	(-)	(-)	(-)	(-)	(-)	(1.02)
Den New Broad Communications Private Limited	-	0.11	-	-	-	-	0.11
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Others	-	-	-	-	-	-	-
	(0.03)	(-)	(-)	(-)	(-)	(-)	(0.03)
Total	-	0.11	-	-	-	-	0.11
	(5.89)	(-)	(-)	(-)	(-)	(-)	(5.89)
vi. Reimbursement of expenses (received)							
Aster Entertainment Private Limited	43.98	-	-	-	-	-	43.98
	(16.83)	(-)	(-)	(-)	(-)	(-)	(16.83)
Den Digital Entertainment Gujarat Private Limited	49.08	-	-	-	-	-	49.08
	(6.52)	(-)	(-)	(-)	(-)	(-)	(6.52)
Others	18.72	2.06	-	-	-	0.36	21.14
	(5.76)	(0.80)	(-)	(-)	(-)	(-)	(6.56)
Total	111.78	2.06	-	-	-	0.36	114.20
	(29.11)	(0.80)	(-)	(-)	(-)	(-)	(29.91)
vii. Reimbursement of expenses (paid)							
Den-Manoranjan Satellite Private Limited	-	-	-	-	-	-	-
	(0.50)	(-)	(-)	(-)	(-)	(-)	(0.50)
Den Ambey Cable Networks Private Limited	1.12	-	-	-	-	-	1.12
	(1.27)	(-)	(-)	(-)	(-)	(-)	(1.27)
Others	0.06	-	-	-	-	-	0.06
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total	1.18	-	-	-	-	-	1.18
	(1.77)	(-)	(-)	(-)	(-)	(-)	(1.77)
viii. Interest income							
Meerut Cable Network Private Limited	14.71	-	-	-	-	-	14.71
	(13.25)	(-)	(-)	(-)	(-)	(-)	(13.25)
Amogh Broad Band Service Private Limited	2.47	-	-	-	-	-	2.47
	(3.39)	(-)	(-)	(-)	(-)	(-)	(3.39)
Den Sky Media Network Private Limited	16.17	-	-	-	-	-	16.17
	(10.52)	(-)	(-)	(-)	(-)	(-)	(10.52)

(₹ in millions)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand total
Den Kashi Cable Network Private Limited	0.37 (1.05)	- (-)	- (-)	- (-)	- (-)	- (-)	0.37 (1.05)
DEN Mewar Rajdev Cable Network Private Limited	3.67 (3.06)	- (-)	- (-)	- (-)	- (-)	- (-)	3.67 (3.06)
Den Narmada Network Private Limited	7.73 (3.56)	- (-)	- (-)	- (-)	- (-)	- (-)	7.73 (3.56)
Aster Entertainment Private Limited	12.86 (3.33)	- (-)	- (-)	- (-)	- (-)	- (-)	12.86 (3.33)
Others	13.12 (4.29)	1.43 (1.05)	- (-)	- (-)	- (-)	- (-)	14.55 (5.34)
Total	71.10 (42.45)	1.43 (1.05)	- (-)	- (-)	- (-)	- (-)	72.53 (43.50)

ix. Investments made during the year

Den Entertainment Network Private Limited	- (357.50)	- (-)	- (-)	- (-)	- (-)	- (-)	- (357.50)
Den Satellite Network Private Limited	- (37.25)	- (-)	- (-)	- (-)	- (-)	- (-)	- (37.25)
Aster Entertainment Private Limited	- (54.00)	- (-)	- (-)	- (-)	- (-)	- (-)	- (54.00)
Crystal Vision Media Private Limited	40.00 (-)	- (-)	- (-)	- (-)	- (10.00)	- (-)	40.00 (10.00)
Den Mewar Rajdev Cable Network Private Limited	18.33 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	18.33 (-)
Shine Cable Network Private Limited	12.00 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	12.00 (-)
Others	34.19 (75.32)	- (-)	- (-)	- (-)	- (-)	- (-)	34.19 (75.32)
Total	104.52 (524.07)	- (-)	- (-)	- (-)	- (10.00)	- (-)	104.52 (534.07)

x. Loans given during the year

Den Sky Media Network Private Limited	112.53 (209.99)	- (-)	- (-)	- (-)	- (-)	- (-)	112.53 (209.99)
Aster Entertainment Private Limited	127.50 (132.96)	- (-)	- (-)	- (-)	- (-)	- (-)	127.50 (132.96)
Meerut Cable Network Private Limited	- (100.00)	- (-)	- (-)	- (-)	- (-)	- (-)	- (100.00)
DEN Mewar Rajdev Cable Network Private Limited	33.00 (25.80)	- (-)	- (-)	- (-)	- (-)	- (-)	33.00 (25.80)
Den Narmada Network Private Limited	57.24 (78.60)	- (-)	- (-)	- (-)	- (-)	- (-)	57.24 (78.60)
Den Digital Entertainment Gujarat Private Limited	48.09 (4.00)	- (-)	- (-)	- (-)	- (-)	- (-)	48.09 (4.00)
Den Entertainment Network Private Limited	50.00 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	50.00 (-)

(₹ in millions)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand total
Others	43.36	1.00	-	-	-	-	44.36
	(39.82)	(8.63)	(-)	(-)	(-)	(-)	(48.45)
Total	471.72	1.00	-	-	-	-	472.72
	(591.17)	(8.63)	(-)	(-)	(-)	(-)	(599.80)
xi. Loans received back during the year							
Den Sky Media Network Private Limited	87.70	-	-	-	-	-	87.70
	(206.00)	(-)	(-)	(-)	(-)	(-)	(206.00)
Aster Entertainment Private Limited	82.46	-	-	-	-	-	82.46
	(130.00)	(-)	(-)	(-)	(-)	(-)	(130.00)
Den Narmada Network Private Limited	-	-	-	-	-	-	-
	(93.00)	(-)	(-)	(-)	(-)	(-)	(93.00)
Others	76.33	1.00	-	-	-	-	77.33
	(100.44)	(1.00)	(-)	(-)	(-)	(-)	(101.44)
Total	246.49	1.00	-	-	-	-	247.49
	(529.44)	(1.00)	(-)	(-)	(-)	(-)	(530.44)
xii. Loans repaid during the year							
Den Entertainment Network Private Limited	-	-	-	-	-	-	-
	(21.95)	(-)	(-)	(-)	(-)	(-)	(21.95)
b. Outstanding balances at year end							
i. Trade Receivables							
Star Den Media Services Private Limited	-	-	51.52	-	-	-	51.52
	(-)	(-)	(112.67)	(-)	(-)	(-)	(112.67)
Setpro 18 Distribution Limited	-	-	-	68.10	-	-	68.10
	(-)	(-)	(-)	(60.12)	(-)	(-)	(60.12)
Others	356.54	28.02	-	-	-	-	384.56
	(310.39)	(15.48)	(-)	(-)	(5.52)	(-)	(331.39)
Total	356.54	28.02	51.52	68.10	-	-	504.18
	(310.39)	(15.48)	(112.67)	(60.12)	(5.52)	(-)	(504.18)
ii. Receivable on sale of fixed assets							
Den Kashi Cable Network Private Limited	19.69	-	-	-	-	-	19.69
	(19.10)	(-)	(-)	(-)	(-)	(-)	(19.10)
Others	7.80	-	-	-	-	-	7.80
	(10.10)	(0.01)	(-)	(-)	(-)	(-)	(10.11)
Total	27.49	-	-	-	-	-	27.49
	(29.20)	(0.01)	(-)	(-)	(-)	(-)	(29.21)
iii. Unbilled revenue							
Media Pro Enterprise India Private Limited	-	-	11.50	-	-	-	11.50
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Others	0.02	-	-	-	-	-	0.02
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total	0.02	-	11.50	-	-	-	11.52
	(-)	(-)	(-)	(-)	(-)	(-)	(-)

(₹ in millions)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand total
iv. Trade payables							
DEN Enjoy Cable Network Pvt Ltd	87.29 (39.52)	- (-)	- (-)	- (-)	- (-)	- (-)	87.29 (39.52)
Others	326.42 (223.13)	44.54 (19.04)	7.58 (-)	- (-)	- (5.30)	- (-)	378.54 (247.47)
Total	413.71 (262.65)	44.54 (19.04)	7.58 (-)	- (-)	- (5.30)	- (-)	465.83 (286.99)
v. Investments							
Amogh Broad Band Services Private Limited	829.80 (628.08)	- (-)	- (-)	- (-)	- (-)	- (-)	829.80 (628.08)
Den Satellite Network Private Limited	461.58 (461.58)	- (-)	- (-)	- (-)	- (-)	- (-)	461.58 (461.58)
Den Entertainment Network Private Limited	357.94 (357.94)	- (-)	- (-)	- (-)	- (-)	- (-)	357.94 (357.94)
Others	2,261.97 (2,001.02)	- (-)	25.00 (25.00)	- (-)	- (109.08)	- (-)	2,286.97 (2,135.10)
Total	3,911.29 (3,448.62)	- (-)	25.00 (25.00)	- (-)	- (109.08)	- (-)	3,936.29 (3,582.70)
vi. Loans given							
Meerut Cable Network Private Limited	100.00 (100.00)	- (-)	- (-)	- (-)	- (-)	- (-)	100.00 (100.00)
Den Mewar Rajdev Cable Network Private Limited	16.02 (1.35)	- (-)	- (-)	- (-)	- (-)	- (-)	16.02 (1.35)
Den Narmada Network Private Limited	59.56 (2.32)	- (-)	- (-)	- (-)	- (-)	- (-)	59.56 (2.32)
Aster Entertainment Private Limited	48.00 (2.96)	- (-)	- (-)	- (-)	- (-)	- (-)	48.00 (2.96)
Den Entertainment Network Private Limited	50.00 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	50.00 (-)
Others	104.34 (46.06)	9.71 (9.71)	- (-)	- (-)	- (-)	- (-)	114.05 (55.77)
Total	377.92 (152.69)	9.71 (9.71)	- (-)	- (-)	- (-)	- (-)	387.63 (162.40)
vii. Share application							
Den Entertainment Network Private Limited	100.25 (0.05)	- (-)	- (-)	- (-)	- (-)	- (-)	100.25 (0.05)
Den Futuristic Cable Networks Private Limited	30.00 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	30.00 (-)
Amogh Broadband Services Private Limited	- (201.70)	- (-)	- (-)	- (-)	- (-)	- (-)	- (201.70)
Others	0.12 (2.22)	- (-)	- (-)	- (-)	- (-)	- (-)	0.12 (2.22)
Total	130.37 (203.97)	- (-)	- (-)	- (-)	- (-)	- (-)	130.37 (203.97)

(₹ in millions)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand total
viii. Advance given							
Amogh Broad Band Services Private Limited	2.15 (0.10)	- (-)	- (-)	- (-)	- (-)	- (-)	2.15 (0.10)
Dew Shree Network Private Limited	3.88 (1.90)	- (-)	- (-)	- (-)	- (-)	- (-)	3.88 (1.90)
Den Digital Entertainment Gujarat Private Limited	0.46 (1.78)	- (-)	- (-)	- (-)	- (-)	- (-)	0.46 (1.78)
Den Futuristic Cable Networks Private Limited	2.57 (0.61)	- (-)	- (-)	- (-)	- (-)	- (-)	2.57 (0.61)
Others	6.25 (6.80)	2.31 (1.99)	0.01 (0.01)	- (-)	- (-)	0.06 (-)	8.63 (8.80)
Total	15.31	2.31	0.01	-	-	0.06	17.69
	(11.19)	(1.99)	(0.01)	(-)	(-)	(-)	(13.19)
ix. Interest accrued on loans to subsidiaries							
Amogh Broad Band Services Private Limited	8.17 (5.85)	- (-)	- (-)	- (-)	- (-)	- (-)	8.17 (5.85)
Den Sky Media Network Private Limited	0.04 (11.77)	- (-)	- (-)	- (-)	- (-)	- (-)	0.04 (11.77)
Meerut Cable Network Private Limited	16.14 (11.92)	- (-)	- (-)	- (-)	- (-)	- (-)	16.14 (11.92)
Aster Entertainment Private Limited	9.97 (2.50)	- (-)	- (-)	- (-)	- (-)	- (-)	9.97 (2.50)
Den Narmada Network Private Limited	11.81 (4.39)	- (-)	- (-)	- (-)	- (-)	- (-)	11.81 (4.39)
Others	21.17 (13.63)	1.68 (1.07)	- (-)	- (-)	- (-)	- (-)	22.85 (14.70)
Total	67.30	1.68	-	-	-	-	68.98
	(50.06)	(1.07)	(-)	(-)	(-)	(-)	(51.13)
x. Security deposits received							
DEN Mahendra Satellite Private Limited	0.12 (0.12)	- (-)	- (-)	- (-)	- (-)	- (-)	0.12 (0.12)
Crystal Vision Media Private Limited	- (-)	- (-)	- (-)	- (-)	- (10.00)	- (-)	- (10.00)
Den Prayag Cable Networks Private Limited	0.02 (0.02)	- (-)	- (-)	- (-)	- (-)	- (-)	0.02 (0.02)
Others	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Total	0.14	-	-	-	-	-	0.14
	(0.14)	(-)	(-)	(-)	(10.00)	(-)	(10.14)
xi. Security deposits paid							
Media Pro Enterprise India Private Limited	- (-)	- (-)	1.63 (-)	- (-)	- (-)	- (-)	1.63 (-)

(₹ in millions)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand total
xii. Accrued expenses							
Star Den Media Services Private Limited	- (-)	- (-)	- (25.16)	- (-)	- (-)	- (-)	- (25.16)
Dew Shree Network Private Limited	0.46 (6.84)	- (-)	- (-)	- (-)	- (-)	- (-)	0.46 (6.84)
Den Sky Media Network Private Limited	0.50 (1.80)	- (-)	- (-)	- (-)	- (-)	- (-)	0.50 (1.80)
Den Ambey Cable Networks Private Limited	8.28 (0.91)	- (-)	- (-)	- (-)	- (-)	- (-)	8.28 (0.91)
Others	37.06 (9.24)	2.78 (0.57)	2.70 (-)	- (-)	- (-)	- (-)	42.54 (9.81)
Total	46.30	2.78	2.70	-	-	-	51.78
	(18.79)	(0.57)	(25.16)	(-)	(-)	(-)	(44.52)
xiii. Prepaid expenses							
Rajkot City Communication Private Limited	- (0.46)	- (-)	- (-)	- (-)	- (-)	- (-)	- (0.46)
Den Mcn Cable Network Private Limited	- (0.32)	- (-)	- (-)	- (-)	- (-)	- (-)	- (0.32)
Den-Manoranjan Satellite Private Limited	0.23 (0.25)	- (-)	- (-)	- (-)	- (-)	- (-)	0.23 (0.25)
Den Digital Entertainment Gujarat Private Limited	1.08 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1.08 (-)
Others	0.13 (0.94)	- (-)	- (-)	- (-)	- (-)	- (-)	0.13 (0.94)
Total	1.44	-	-	-	-	-	1.44
	(1.97)	(-)	(-)	(-)	(-)	(-)	(1.97)
xiv. Advance billing							
Star Den Media Services Private Limited	- (-)	- (-)	- (0.19)	- (-)	- (-)	- (-)	- (0.19)
Setpro 18 Distribution Ltd.	- (-)	- (-)	- (-)	22.13 (15.87)	- (-)	- (-)	22.13 (15.87)
Crystal Vision Media Private Limited	3.78 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	3.78 (-)
Den Satellite Network Private Limited	- (5.46)	- (-)	- (-)	- (-)	- (-)	- (-)	- (5.46)
Others	15.99 (10.08)	5.26 (-)	- (-)	- (-)	- (-)	- (-)	21.25 (10.08)
Total	19.77	5.26	-	22.13	-	-	47.16
	(15.54)	(-)	(0.19)	(15.87)	(-)	(-)	(31.60)

(₹ in millions)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Associate	Key management personnel	Grand total
xv. Advance from customers							
Den Ashu Cable Private Limited	- (0.79)	- (-)	- (-)	- (-)	- (-)	- (-)	- (0.79)
Den Enjoy Cable Networks Private Limited	- (0.23)	- (-)	- (-)	- (-)	- (-)	- (-)	- (0.23)
Den Ambey Cable Networks Private Limited	0.45 (0.23)	- (-)	- (-)	- (-)	- (-)	- (-)	0.45 (0.23)
Kerela Entertainment Private Limited	- (-)	4.00 (-)	- (-)	- (-)	- (-)	- (-)	4.00 (-)
Others	0.37 (0.68)	- (0.15)	- (-)	- (-)	- (-)	- (-)	0.37 (0.83)
Total	0.82 (1.93)	4.00 (0.15)	- (-)	- (-)	- (-)	- (-)	4.82 (2.08)

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

29. Deferred tax

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

(₹ in millions)

Particulars	Opening balance	Credited/ (charged) to P&L account	Closing balance
Deferred tax liability			
Depreciation	(30.69)	(5.45)	(36.14)
Total	(30.69)	(5.45)	(36.14)
Deferred tax assets			
Employee benefits	9.11	3.64	12.75
Provision for doubtful debts	3.02	0.08	3.10
Brought forward unabsorbed depreciation	18.56	1.73	20.29
Others	-	-	-
Total	30.69	5.45	36.14
Deferred tax liability (Net)	-	-	-

30. 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 ₹ 90.55 millions [Previous year ₹ 83.29 millions].

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

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

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

A. Defined contribution plans and state plans

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

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

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

(₹ in millions)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
a. Employer's contribution to EPF	12.25	10.91
b. Employer's contribution to ESI	0.98	1.02
c. Employer's contribution to EPS	3.01	2.86

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

B. Defined benefit plan

Gratuity plan

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

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

The following tables set out the status of the gratuity plan and amounts recognised in the Company's financial statements as at 31 March, 2012.

i. Change in benefit obligations:

(₹ in millions)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Present value of obligations* at the beginning of the year	13.99	9.73
Current service cost	5.33	4.86
Interest cost	1.33	0.87
Past Service Cost	1.30	-
Actuarial (gain)/loss on obligation	(1.57)	(1.45)
Benefits paid	-	(0.02)
Present value of obligations* at the year end	20.38	13.99

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

ii. Expenses recognised in the profit and loss account:

(₹ in millions)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Current Service cost	5.35	4.86
Interest cost	1.33	0.87
Past Service Cost	1.30	-
Actuarial (gain)/loss recognised during the year	(1.57)	(1.45)
Net cost	6.41	4.28
Experience adjustments on plan liabilities (gain)/ loss	1.57	1.41

iii. Principal actuarial assumptions:

Particulars	Refer note below	Year ended 31.03.2012	Year ended 31.03.2011
(A) Economic assumptions			
a. Discount rate (per annum)	1	8.00%	8.00%
b. Estimated salary escalation rate (per annum)	2	8.00%	8.00%
(B) Demographic Assumptions			
a. Retirement age (years)		58	58
b. Mortality Table		LIC 1994-96 (duly modified)	
c. Withdrawal Rates			
Ages		Withdrawal Rate (%)	Withdrawal Rate (%)
Upto 30 years		3.00	3.00
From 31 years to 44 years		2.00	2.00
Above 44 years		1.00	1.00

iv Experience adjustment:

(₹ in millions)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Year ended 31.03.2008
On plan liabilities	1.57	1.41	0.50	0.01	-
On plan assets	-	-	-	-	-
Present value of benefit obligation	20.38	13.99	9.73	5.26	0.70
Fair value of plan assets	-	-	-	-	-
Excess of (obligation over plan assets)/plan assets over obligation	(20.38)	(13.99)	(9.73)	(5.26)	(0.70)

The expected contribution is based on the same assumptions used to measure the company's gratuity obligations as of March 31, 2012. The company is expected to contribute ₹ 7.24 millions to gratuity funds for the year ended March 31, 2012.

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.

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

(₹ in millions)

Particulars	Year ended 31.03.2012		Year ended 31.03.2011	
	In INR	In USD	In INR	In USD
Payables	170.72	3.34	126.33	2.83

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

- The Company had established an Employee Stock Option Plan (ESOP 2010) in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 which have been approved by the Board of Directors and the shareholders. A remuneration/ compensation committee comprising majority of independent, non executive members of the Board of Directors administers the ESOPs. All option under the ESOPs are exercisable for equity shares. The Company has granted 5,000,000 equity options to eligible employees of the Company & directors of the subsidiary Companies. During the financial year 2011-12, 1,465,874 options have been surrendered by eligible employees & directors of the subsidiary companies.
- There shall be a minimum period of one year between the grant of options and vesting of options. The vesting period may extend up to three years. The vesting shall happen in one or more tranches as may be decided by the Compensation/Remuneration Committee. The exercise period of the options is a period of one year after the vesting of the options. Each option is exercisable for one equity share of ₹ 10 each fully paid up on payment of exercise price (as determined by the remuneration/ compensation committee) of share determined with respect to the date of grant. There are 2,233,813 options which are vested upto 31st March, 2012.

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

Particulars	ESOP 2010			
	Year ended 31.03.2012		Year ended 31.03.2011	
	Option (Numbers)	Weighted Average Price (₹)	Option (Numbers)	Weighted Average Price (₹)
a. Outstanding at the beginning of the year	5,000,000	30.00	-	-
b. Granted during the year	-	-	5,000,000	30.00
c. Exercised during the year	-	-	-	-
d. Vested during the year	3,534,126	-	-	-
e. Surrendered/ forfeited during the year	1,465,874	-	-	-
f. Expired during the year	-	30.00	-	-
g. Outstanding at the end of the year	3,534,126	30.00	5,000,000	30.00
h. Exercisable at the end of the year	2,233,813	30.00	NA	NA
i. Number of equity shares of ₹ 10 each fully paid up during the year to be issued on exercise of option	3,534,126	30.00	5,000,000	NA
j. Weighted average share price at the date of exercise	NA	NA	NA	NA
k. Weighted average remaining contractual life (years)	1.46	NA	2.38	NA

d. Pro forma Accounting for Stock Option Grants

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

(₹ in millions)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Net Profit/ (Loss) as reported (a)	78.67	69.59
Add: Stock based employee compensation expense debited to Profit and Loss account (i)	160.71	1.95
Less: Stock based employee compensation expense based on fair value (ii)	1.45	2.13
Difference between (i) and (ii)	159.26	(0.18)
Adjusted pro forma Profit/(Loss) (b)	237.93	69.41
Difference between (a) and (b)	159.26	(0.18)
Basic earnings per share as reported	0.60	0.53
Pro forma basic earnings per share	1.82	0.53
Diluted earnings per share as reported	0.59	0.53
Pro forma diluted earnings per share	1.78	0.53

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

Particulars	2,233,813 Options (Vesting Period -1 Year)	625,313 Options (Vesting Period -2 Year)	675,000 Options (Vesting Period -2.5 Year)
Risk free interest rates (in %)	7.67%	7.74%	7.77%
Expected life (in years)	2.00	3.00	3.50
Volatility (in %)	42.51%	42.51%	42.51%
Dividend yield (in %)	NIL	NIL	NIL

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

- f. Details of weighted average exercise price and fair value of the stock options granted at price below market price
(₹ in millions)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Total options granted	3,534,126	5,000,000
Weighted average exercise price (in ₹)	30.00	30.00
Weighted average fair value (in ₹)	62.74	62.74

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

a. Expenditure in foreign currency

(₹ in millions)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Repairs and maintenance	11.79	34.04
License Fee	20.63	9.38
Travelling and conveyance expenses	0.49	1.33
Consultancy, professional & legal charges	16.65	2.64
Total	49.56	47.39

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

(₹ in millions)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Capital goods	829.95	479.47

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

(₹ in millions)

Class of goods	Purchases Value	Sales Value
a. Cable/wire	0.73	0.73
	(3.03)	(2.92)
b. Headend equipment	5.43	5.43
	(20.72)	(20.72)
c. Distribution equipments	0.49	0.49
	(0.56)	(0.56)
d. Others	33.85	38.24
	(1.08)	(1.33)
Total	40.50	44.89
	(25.39)	(25.53)

Notes:

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

d. Auditors' remuneration*

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

(₹ in millions)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Statutory audit (including limited review for quarterly reports)	6.75	6.75
Others	0.61	-
Total	7.36	6.75

*Exclusive of service tax

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

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

(₹ in millions)

Particulars		
Amount Received from IPO		3,644.56
Utilisation of funds upto March 31, 2012	Projected	Actual
- Investment in the development of cable television infrastructure and services	2,100.00	1,705.84
- Investment in the development of cable broadband infrastructure and services	250.00	10.23
- Investment in acquisition of content and broadcasting rights	100.00	38.92
- Repayment of loans	400.00	400.00
- Fund expenditure for general corporate purposes	525.81	520.30
- Share Issue Expenses	268.75	268.75
	3,644.56	2,944.04
Balance Unutilised		700.52
Unutilised Balance has been invested as follows		
- Mutual Funds		223.29
- Bank Balance (including fixed deposit)		477.23
Total		700.52

37. 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.

(₹ in millions)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
a. Net Profit / (loss) attributable to equity shareholders	78.67	69.59
b. Weighted average number of equity shares outstanding used in computation of basic EPS	130,489,975	130,489,975
c. Basic Earnings/ (Loss) per equity share of ₹10 each (in ₹)	0.60	0.53
d. Dilutive effect of preference shares outstanding	-	-
e. Weighted average number of equity shares and equity equivalent shares outstanding used in computing diluted EPS	134,024,101	130,516,965
f. Diluted Earnings/ (Loss) per equity share of ₹10 each (in ₹)	0.59	0.53

38. Interest in Jointly Controlled entity

The Company has 50% interest in the assets, liabilities, expense and income of Star Den Media Services Private Limited (Star DEN), incorporated in India, which is involved in the business of distribution of television channels. The Company's share in assets, liabilities, income and expense of the jointly controlled entity, based on the audited financial statements for year ended 31st March, 2012 is as follows:-

(₹ in millions)

Particulars	Year ended 31.03.2012
Current assets	419.30
Non-current assets*	338.41
Current liabilities	(420.73)
Non-current liabilities	(0.36)
Equity	(25.00)
Revenue	1,548.52
Cost of Distribution Rights	(1,317.10)
Employee benefits expense	(68.07)
Depreciation and amortization expense	(2.88)
Other expenses	(90.95)
Profit before tax	69.52
Tax expenses	(29.25)
Profit for the year after tax	40.27

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

* Includes ₹12.50 million on account of investment in a jointly controlled entity by Star Den, namely Media Pro Enterprise India Private Limited (Media Pro). The interest of Star DEN in Media Pro is 50% and its share of the assets, liabilities, income and expense of the jointly controlled entity, based on the audited financial statements for year ended 31st March, 2012 is as follows:-

(₹ in millions)	
Particulars	Year ended 31.03.2012
Current assets	2,630.23
Non-current assets	197.00
Current liabilities	(2,749.25)
Non-current liabilities	(0.17)
Equity	(32.81)
Revenue	7,187.11
Cost of Distribution Rights	(6,658.02)
Employee benefits expense	(174.58)
Depreciation and amortization expense	(0.87)
Other expenses	(341.48)
Profit before tax	12.16
Tax expenses	(4.21)
Profit for the year after tax	7.95

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

39. The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

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

Sd/-
SAMEER MANCHANDA
Chairman and
Managing Director

Sd/-
AJAYA CHAND
Director

Sd/-
RAJESH KAUSHALL
Chief Financial Officer

Sd/-
JATIN MAHAJAN
Company Secretary

New Delhi
29 August, 2012

Financial Information of Subsidiary Companies

S. No.	Name of Subsidiary Company	Share Capital	Reserves	Total Assets	Total Liabilities	Detail of investment (except in case of investment in subsidiaries)	Turnover	Profit Before Taxation (PBT)	Provision for Taxation	Profit After Taxation (PAT)	Proposed Dividend
1	Den Entertainment Network Private Limited	97.37	(287.01)	540.50	110.77	67.03	5.36	(0.53)	-	(0.53)	-
2	Den Digital Entertainment Gujarat Private Limited	2.00	(20.83)	123.35	100.52	-	157.70	8.13	2.27	5.87	-
3	Aster Entertainment Private Limited	5.90	(135.81)	271.99	130.28	-	195.31	16.77	5.74	11.03	-
4	Shine Cable Network Private Limited	2.50	(7.10)	12.35	2.75	-	0.47	(1.03)	-	(1.03)	-
5	DEN Krishna Cable TV Network Private Limited	0.51	(5.93)	14.95	8.51	-	39.23	1.57	1.23	0.34	-
6	Den Mahendra Satellite Private Limited	0.56	3.46	1.36	4.26	-	3.11	(0.36)	-	(0.36)	-
7	DEN Pawan Cable Network Private Limited	0.52	(4.32)	8.19	3.45	-	37.27	(0.58)	0.06	(0.65)	-
8	DEN Harsh Mann Cable Network Private Limited	0.54	(1.22)	7.79	6.03	-	13.42	0.60	0.29	0.32	-
9	Den Classic Cable TV Services Private Limited	0.58	(0.40)	2.51	1.52	-	7.10	0.06	0.05	0.01	-
10	Den Montooshah Network Private Limited	0.51	(5.89)	19.78	13.38	-	40.28	3.67	1.41	2.25	-
11	Den Bindra Network Private Limited	0.53	(0.30)	1.77	0.94	-	3.33	0.37	0.12	0.25	-
12	Den Ashu Cable Private Limited	0.57	(6.31)	10.86	3.98	-	22.86	2.54	1.13	1.41	-
13	Den Nanak Communication Private Limited	0.61	5.85	0.13	5.36	-	0.29	(0.80)	-	(0.80)	-
14	Den Futuristic Cable Networks Private Limited	8.60	(73.22)	127.09	9.12	55.05	8.59	0.82	0.80	0.02	-
15	Den Digital Cable Network Private Limited	0.59	(23.90)	33.31	8.82	-	82.96	(9.33)	-	(9.33)	-
16	Den Saya Channel Network Private Limited	2.50	(8.30)	41.54	30.73	-	55.40	3.44	1.11	2.33	-
17	Den Faction Communication System Private Limited	0.58	13.28	15.26	28.59	-	23.43	(5.05)	-	(5.05)	-
18	Radiant Satellite (India) Private Limited	1.50	2.58	32.70	39.35	-	85.47	(3.67)	-	(3.67)	-
19	Den Mewar Rajdev Cable Network Private Limited	3.59	(3.83)	30.44	24.08	-	40.77	(3.43)	-	(3.43)	-
20	Den Radiant Satellite Cable Network Private Limited	0.54	(2.68)	6.18	2.97	-	5.59	1.81	0.68	1.13	-
21	Den RIS Cable Network Private Limited	2.70	3.75	0.81	1.86	-	0.12	(0.22)	-	(0.22)	-
22	Den Sky Media Network Private Limited	1.00	(45.07)	243.41	192.52	-	151.50	4.18	-	4.18	-
23	Meerut Cable Network Private Limited	1.00	(14.39)	192.78	177.26	-	132.42	5.13	1.46	3.67	-
24	DEN Crystal Vision Network Private Limited	0.57	(1.83)	9.15	6.74	-	15.19	1.01	0.39	0.62	-
25	Den Mod Max Cable Network Private Limited	0.52	1.26	7.55	8.29	-	12.30	4.37	1.41	2.96	-

(₹ in millions)

(₹ in millions)

S. No.	Name of Subsidiary Company	Share Capital	Reserves	Total Assets	Total Liabilities	Detail of investment (except in case of investment in subsidiaries)	Turnover	Profit Before Taxation (PBT)	Provision for Taxation	Profit After Taxation (PAT)	Proposed Dividend
26	DEN BCN Suncity Network Private Limited	0.54	(0.85)	7.93	6.47	-	13.44	0.73	0.25	0.48	-
27	Den Pradeep Cable Network Private Limited	0.53	(0.01)	4.25	3.67	-	9.22	(0.71)	(0.01)	(0.70)	-
28	Den Prince Network Private Limited	0.54	0.89	4.33	4.69	-	7.55	(0.37)	-	(0.37)	-
29	Den Jai Ambey Vision Cable Private Limited	0.50	0.75	4.24	4.42	-	9.97	(0.71)	-	(0.71)	-
30	DEN Varun Cable Network Private Limited	0.60	(1.51)	12.33	10.22	-	31.46	0.21	0.24	(0.02)	-
31	DEN Aman Entertainment Private Limited	0.60	(2.31)	9.95	7.04	-	16.48	0.68	0.23	0.45	-
32	Den Satellite Cable TV Network Private Limited	0.61	2.40	12.60	15.14	-	18.64	(2.43)	-	(2.43)	-
33	Den F K Cable Tv Network Private Limited	0.54	(8.99)	25.29	15.99	-	51.95	3.50	1.33	2.17	-
34	Den Budaun Cable Network Private Limited	0.73	(0.94)	3.48	1.81	-	9.18	0.15	0.11	0.04	-
35	DEN Ambey Cable Networks Private Limited	0.61	(48.07)	123.93	75.25	9.94	201.23	27.91	8.57	19.34	-
36	Den Ambey Citi Cable Network Private Limited	0.50	(1.19)	3.52	1.83	-	7.71	0.81	0.29	0.53	-
37	Den Ambey Jhansi Cable Network Private Limited	0.60	(2.53)	8.48	4.75	-	31.95	2.17	0.67	1.51	-
38	Den Ambey Farukabad Cable Network Private Limited	0.50	(5.73)	15.98	9.76	-	30.70	3.76	1.22	2.54	-
39	Den Kashi Cable Network Private Limited	8.00	(31.74)	89.43	50.54	3.90	74.98	(2.67)	(0.12)	(2.55)	-
40	Den Enjoy Cable Networks Private Limited	6.98	(66.40)	166.02	93.39	5.01	224.88	24.55	8.44	16.11	-
41	DEN Prayag Cable Networks Private Limited	0.50	(7.21)	26.83	19.12	-	43.41	5.61	1.88	3.73	-
42	Den Deva Cable Network Private Limited	0.50	0.79	0.66	0.97	-	1.62	(0.08)	-	(0.08)	-
43	Den Maa Sharda Vision Cable Networks Private Limited	0.61	(3.43)	17.27	14.06	-	41.43	(2.29)	-	(2.29)	-
44	Den Fateh Marketing Private Limited	0.50	(6.99)	42.37	34.88	0.01	97.78	3.44	1.14	2.30	-
45	Den Enjoy Navaratan Network Private Limited	0.61	(7.26)	25.00	17.30	-	55.80	2.54	1.02	1.52	-
46	Den Shiva Cable Network Private Limited	0.50	2.42	3.24	5.87	-	4.62	(0.73)	-	(0.73)	-
47	Den Narmada Network Private Limited	0.88	68.39	23.08	93.18	-	9.68	(36.47)	-	(36.47)	-
48	Dewshree Network Private Limited	0.79	(17.95)	90.62	73.07	-	82.27	18.49	4.91	13.59	-
49	Shree Siddhivinayak Cable Network Private Limited	0.50	1.63	23.03	24.00	0.00	20.01	0.07	-	0.07	-
50	Mahadev Den Network Private Limited	2.40	9.30	45.09	51.98	-	28.82	(11.20)	-	(11.20)	-
51	Mahadev Den Cable Net Private Limited	0.90	(1.95)	14.73	11.88	-	16.55	0.36	0.18	0.18	-
52	Mahadev Den Cable Network Private Limited	0.90	19.38	21.94	37.70	-	16.73	(9.78)	-	(9.78)	-

(₹ in millions)

S. No.	Name of Subsidiary Company	Share Capital	Reserves	Total Assets	Total Liabilities	Detail of investment (except in case of investment in subsidiaries)	Turnover	Profit Before Taxation (PBT)	Provision for Taxation	Profit After Taxation (PAT)	Proposed Dividend
53	Den MGN Cable Network Private Limited	1.10	(10.43)	70.78	59.25	-	45.34	1.07	0.42	0.65	-
54	Drashti Cable Network Private Limited	0.54	(4.83)	27.88	22.51	-	13.34	0.30	0.14	0.16	-
55	Den-Manoranjan Satellite Private Limited	0.50	(26.84)	90.19	62.85	-	192.45	22.14	6.34	15.79	-
56	Den Nashik City Cable Network Private Limited	0.50	(28.68)	105.70	76.56	-	184.88	12.07	4.38	7.69	-
57	Den Supreme Satellite Vision Private Limited	0.60	(23.28)	42.10	17.82	-	74.92	10.15	3.75	6.40	-
58	Den Bellary City Cable Private Limited	0.57	(8.70)	25.45	16.18	-	43.69	0.18	0.29	(0.12)	-
59	Den Malayalam Telenet Private Limited	11.22	1.30	16.15	6.24	-	21.51	0.91	0.54	0.37	-
60	Den Malabar Cable Vision Private Limited	0.60	(7.49)	11.98	3.89	-	16.05	1.01	0.38	0.64	-
61	Den Elgee Cable Vision Private Limited	1.12	(5.09)	10.48	4.26	-	12.11	(0.34)	0.04	(0.38)	-
62	Rajkot City Communication Private Limited	0.10	(9.50)	56.18	46.58	-	81.22	5.33	1.70	3.63	-
63	Den Infoking Channel Entertainers Private Limited	0.55	(4.11)	38.31	33.65	-	49.70	3.00	0.72	2.29	-
64	Den Ucn Network India Private Limited	0.62	(4.29)	13.26	8.35	-	37.11	(2.59)	-	(2.59)	-
65	Fortune (Baroda) Network Private Limited	1.00	0.47	16.94	16.42	-	18.04	(1.00)	0.52	(1.52)	-
66	Galaxy Den Media & Entertainment Private Limited	0.50	(16.87)	43.34	27.14	-	29.05	(0.91)	0.00	(0.91)	-
67	Bali Den Cable Network Private Limited	0.53	(8.17)	38.32	29.61	-	37.89	2.80	1.00	1.80	-
68	Mahavir Den Entertainment Private Limited	0.50	(8.13)	32.89	24.32	-	63.58	8.30	2.76	5.54	-
69	Den Citi Channel Private Limited	7.72	(8.84)	19.27	2.71	-	17.96	0.39	0.08	0.31	-
70	Amogh Broad Band Services Private Limited	0.27	(109.84)	341.74	220.81	-	269.44	(72.83)	-	(72.83)	-
71	Star Channel Den Network Private Limited	0.70	(1.08)	2.85	1.03	-	5.09	1.09	0.36	0.73	-
72	Kishna DEN Cable Network Private Limited	0.57	(0.07)	2.29	1.55	-	5.98	0.30	-	0.30	-
73	Fab Den Network Private Limited	0.57	(11.51)	32.63	20.55	-	46.03	(0.86)	0.11	(0.96)	-
74	Den Satellite Network Private Limited	1.01	(443.11)	595.83	174.80	74.71	691.41	92.23	51.23	41.00	-
75	United Cable Network (Digital) Private Limited	0.50	0.05	1.83	1.38	-	3.22	(0.12)	-	(0.12)	-
76	Shree Ram Den Network Private Limited	0.90	(3.01)	15.12	11.21	-	4.37	0.20	0.06	0.14	-
77	Den Krishna Vision Private Limited	0.50	1.61	1.04	2.15	-	2.45	(1.58)	-	(1.58)	-
78	Cab-i-Net Communications Private Limited	20.00	1.77	32.91	14.68	-	36.61	1.67	0.63	1.04	-
79	Divyra Drishti Den Network Private Limited	0.74	(0.19)	2.71	1.79	-	3.81	0.18	-	0.18	-

(₹ in millions)

S. No.	Name of Subsidiary Company	Share Capital	Reserves	Total Assets	Total Liabilities	Detail of investment (except in case of investment in subsidiaries)	Turnover	Profit Before Taxation (PBT)	Provision for Taxation	Profit After Taxation (PAT)	Proposed Dividend
80	Den Sahyog Cable Network Private Limited	0.50	(0.65)	9.65	8.50	-	13.82	(0.78)	-	(0.78)	-
81	Den Sariga Communications Private Limited	0.67	(3.62)	6.29	2.00	-	5.12	(0.50)	-	(0.50)	-
82	DEN New Broad Communication Private Limited	0.72	(48.73)	79.84	30.39	-	152.33	3.09	1.92	1.17	-
83	IME Networks Private Limited	21.19	0.51	20.71	0.02	15.35	-	(0.02)	-	(0.02)	-
84	Astron Media Networks Private Limited	15.50	(0.37)	18.77	0.40	-	1.24	1.21	0.38	0.83	-
85	Den Kattakada Telecasting and Cable Services Private Limited	1.00	(14.78)	21.61	5.54	-	22.45	0.45	0.09	0.36	-
86	Kerala Entertainment Private Limited	1.18	(38.47)	41.75	2.10	-	7.93	(0.08)	-	(0.08)	-
87	Den A.F. Communication Private Limited	0.96	1.10	1.88	2.47	-	4.43	(0.99)	-	(0.99)	-
88	Big Den Entertainment Private Limited	0.60	(4.37)	10.11	5.09	-	17.33	0.83	0.21	0.62	-
89	Sree Gokulam Starnet Communication Private Limited	0.10	3.63	6.14	9.67	-	8.14	(0.38)	0.00	(0.38)	-
90	Rajasthan Entertainment Private Limited	0.84	(8.46)	9.61	0.17	-	2.83	0.47	-	0.47	-
91	Fun Cable Network Private Limited	0.50	1.94	3.27	5.57	-	10.05	(2.77)	-	(2.77)	-
92	Uttar Pradesh Digital Cable Network Private Limited	2.98	(11.13)	14.27	0.16	-	0.69	0.06	0.02	0.04	-
93	Den Steel City Cable Network Private Limited	0.60	(1.80)	7.33	5.34	-	11.30	(1.31)	-	(1.31)	-
94	Sanmati DEN Cable TV Network Private Limited	0.55	(1.60)	6.09	3.82	-	7.35	0.05	0.04	0.01	-
95	Crystal Vision Media Private Limited	0.12	(43.76)	84.71	44.12	-	36.64	(17.15)	-	(17.15)	-
96	Multi Channel Cable Network Private Limited	0.56	(2.50)	8.83	5.77	-	9.36	0.98	0.28	0.69	-
97	Victor Cable Tv Network Private Limited	1.00	(1.89)	2.97	1.79	-	4.38	(5.25)	-	(5.25)	-
98	Gemini Cable Network Private Limited	1.00	(8.25)	8.36	0.31	-	0.12	(3.47)	-	(3.47)	-
99	Matrix Cable Network Private Limited	1.35	(5.66)	11.16	4.16	-	5.92	0.41	-	0.41	-
100	DEN Enjoy SBNM Cable Network Private Limited	0.50	0.02	0.54	0.05	-	-	(0.01)	-	(0.01)	-
101	Ambika DEN Cable Network Private Limited	0.64	(1.24)	3.74	1.85	-	3.24	0.88	0.27	0.61	-
102	Saturn Digital Cable Private Limited	0.60	(0.77)	3.23	1.86	-	4.43	0.54	0.16	0.38	-
103	Multi Star Cable Network Private Limited	0.67	(0.06)	1.74	1.14	-	1.05	(0.38)	-	(0.38)	-
104	VM Magic Entertainment Private Limited	0.50	(3.34)	22.34	18.47	-	20.15	4.78	1.47	3.31	-

(₹ in millions)

S. No.	Name of Subsidiary Company	Share Capital	Reserves	Total Assets	Total Liabilities	Detail of investment (except in case of investment in subsidiaries)	Turnover	Profit Before Taxation (PBT)	Provision for Taxation	Profit After Taxation (PAT)	Proposed Dividend
105	Antique Communications Private Limited	0.57	(0.51)	1.67	0.59	-	1.37	0.21	0.08	0.13	-
106	DEN Badhoi Cable Network Private Limited	0.67	(0.08)	1.30	0.62	-	0.57	(0.22)	-	(0.22)	-
107	Sanmati Entertainment Private Limited	0.60	(0.80)	2.56	1.20	-	1.30	(0.10)	-	(0.10)	-
108	Capital Entertainment Private Limited	0.50	0.01	0.54	0.05	-	-	(0.01)	-	(0.01)	-
109	Disk Cable Network Private Limited	0.64	(2.54)	3.25	0.08	-	-	(0.08)	-	(0.08)	-
110	Shaakumabari Den Media Private Limited	1.00	0.16	2.02	1.26	-	1.45	(0.20)	-	(0.20)	-
111	Silverline Television Network Private Limited	0.75	(7.47)	19.79	11.57	-	-	-	-	-	-
112	Eminent Cable Network Private Limited	0.50	0.01	0.54	0.05	-	-	(0.01)	-	(0.01)	-
113	Trident Entertainment Private Limited	0.50	0.01	0.54	0.05	-	-	(0.01)	-	(0.01)	-
114	Rose Entertainment Private Limited	0.50	0.01	0.54	0.04	-	-	(0.01)	-	(0.01)	-
115	Blossom Entertainment Private Limited	0.50	0.01	0.54	0.05	-	-	(0.01)	-	(0.01)	-

AUDITORS' REPORT

TO THE MEMBERS OF
DEN NETWORKS LIMITED

1. We have audited the attached Consolidated Balance Sheet of DEN Networks Limited, ("the Company"), its subsidiaries, jointly controlled entity, associate and partnership firm (collectively defined as "the Group") as at 31 March, 2012, the Consolidated Statement of Profit and Loss 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 ₹5,191.16 million as at 31 March, 2012, total revenues of ₹7,797.63 million and net cash inflows amounting to ₹506.14 million 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 and joint venture is based solely on the reports of the other auditors.
4. *Attention is invited to Note 2.2.3(vii) of the consolidated financial statements whereby it is stated that the financial statements of a subsidiary company have been consolidated based on unaudited financial statements as certified by the Company's*

management. These financial statements reflect total assets of ₹15.06 million as at 31 March, 2012, total revenues of ₹4.37 million and net cash outflows amounting to ₹0.83 million for the year ended on that date as considered in the Consolidated Financial Statements. We are unable to comment on the impact of adjustments if any, on the Consolidated Financial Statements had the financial statements of the subsidiary company been subject to an audit.

5. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.
6. Based on our audit and on consideration of separate audit reports on the individual financial statements of the Company, and the aforesaid subsidiaries and joint ventures and to the best of our information and according to the explanations given to us, in our opinion, subject to the adjustments to the Consolidated Financial Statements, if any, pursuant 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, 2012;
 - ii. in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date, and;
 - 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
29 August, 2012

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH, 2012

(₹ in millions)

	Note No.	As at 31.03.2012	As at 31.03.2011
A. EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
a. Share capital	3	1,329.90	1,329.90
b. Reserves and surplus	4	6,715.61	6,416.17
		8,045.51	7,746.07
2. SHARE APPLICATION MONEY PENDING ALLOTMENT			
	26	32.50	116.33
3. MINORITY INTEREST			
		616.00	365.03
4. NON-CURRENT LIABILITIES			
a. Long-term borrowings	5	1,901.75	784.57
b. Deferred tax liabilities	30.3	26.18	76.92
c. Other long-term liabilities	6	15.07	33.65
d. Long-term provisions	7	52.40	37.99
		1,995.40	933.13
5. CURRENT LIABILITIES			
a. Short-term borrowings	8	193.03	290.06
b. Trade payables	9	2,592.60	2,161.51
c. Other current liabilities	10	1,755.96	2,036.91
d. Short-term provisions	11	7.70	12.24
		4,549.29	4,500.72
TOTAL		15,238.70	13,661.28
B. ASSETS			
1. NON-CURRENT ASSETS			
a. Fixed assets			
i. Tangible assets	12	2,565.98	2,087.58
ii. Intangible assets	12	267.39	326.24
iii. Capital work in progress		754.82	389.90
		3,588.19	2,803.72
b. Goodwill on consolidation		2,931.58	2,717.15
c. Non current investments	13	0.02	109.27
d. Deferred tax assets	30.2	227.94	208.06
e. Long-term loans and advances	14	897.06	562.12
f. Other non current assets	15	102.77	39.41
		7,747.56	6,439.73
2. CURRENT ASSETS			
a. Current investments	16	223.33	81.01
b. Trade receivables	17	2,819.45	2,947.36
c. Cash and cash equivalents	18	3,006.29	2,713.68
d. Short-term loans and advances	19	1,114.93	1,273.28
e. Other current assets	20	327.14	206.22
		7,491.14	7,221.55
TOTAL		15,238.70	13,661.28

See accompanying notes forming part of the financial statements

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

Sd/-
JITENDRA AGARWAL
 Partner

New Delhi
 29 August, 2012

For and on behalf of the Board
DEN NETWORKS LIMITED

Sd/-
SAMEER MANCHANDA
 Chairman and
 Managing Director

Sd/-
RAJESH KAUSHALL
 Chief Financial Officer

New Delhi
 29 August, 2012

Sd/-
AJAYA CHAND
 Director

Sd/-
JATIN MAHAJAN
 Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2012

(₹ in millions)

	Note No.	Year ended 31.03.2012	Year ended 31.03.2011
1. INCOME			
a. Income from operations			
i Operating revenue		11,233.77	10,210.05
ii Other operating revenue	21	61.42	7.88
b. Other income	22	270.76	363.42
		11,565.95	10,581.35
2. EXPENDITURE			
a. Operational, administrative and other costs	23	9,541.29	8,678.32
b. Employee benefit expenses	24	931.49	638.68
c. Finance costs	25	269.24	191.43
d. Depreciation and amortization expenses	12	538.11	455.82
		11,280.13	9,964.25
3. PROFIT/ LOSS BEFORE TAX			
		285.82	617.10
4. TAX EXPENSE			
a. Current tax expense for current year		180.13	237.23
b. Less : MAT credit		(9.32)	(15.23)
c. Net current tax		170.81	222.00
d. Deferred tax	30	(70.61)	(48.18)
		100.20	173.82
5. PROFIT/ LOSS AFTER TAX AND BEFORE MINORITY INTEREST			
		185.62	443.28
6. MINORITY INTEREST			
		45.35	68.20
7. SHARE IN (LOSS)/ PROFIT OF ASSOCIATES			
		2.53	0.18
8. PROFIT/ LOSS AFTER TAX AND MINORITY INTEREST			
Earnings per equity share	38	142.80	375.26
(Face value of ₹10 per share)			
Basic		1.09	2.88
Diluted		1.07	2.88

See accompanying notes forming part of the financial statements

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

Sd/-
JITENDRA AGARWAL
Partner

New Delhi
29 August, 2012

For and on behalf of the Board
DEN NETWORKS LIMITED

Sd/-
SAMEER MANCHANDA
Chairman and
Managing Director

Sd/-
RAJESH KAUSHALL
Chief Financial Officer

New Delhi
29 August, 2012

Sd/-
AJAYA CHAND
Director

Sd/-
JATIN MAHAJAN
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2012

(₹ in millions)

	Year ended 31.03.2012	Year ended 31.03.2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/ (loss) before tax	285.82	617.10
Adjustments for :		
Depreciation and amortisation	538.11	455.83
Interest and other financial expenses	269.24	191.86
Employee stock compensation expenses	160.71	1.95
Provision for impairment	0.20	5.00
Provision for employee benefits	5.81	15.04
Loss/ (gain) on exchange rate fluctuation - unrealized	7.92	(0.30)
Doubtful debts and advances written off/provided	219.38	162.85
Fixed assets/ capital work in progress written off	0.18	2.50
Interest income	(127.61)	(116.56)
Profit from sale of current investment	(21.26)	(31.22)
Profit from sale of fixed assets	(2.61)	(0.10)
Liabilities written back	(44.39)	133.46
Operating profit before working capital changes	1,291.50	1,437.41
Adjustments for :		
Decrease/(increase) in current/non current assets	(299.21)	(777.16)
Increase/(decrease) in current/non current liabilities and provisions	310.24	359.50
Cash generated from/ (used in) operations	1,302.53	1,019.75
Direct taxes paid (net of refunds)	(450.78)	(219.57)
Net cash from/ (used in) operating activities	851.75	800.18
B. CASH FLOW FROM INVESTING ACTIVITIES		
Increase in goodwill on consolidation	(99.73)	(286.46)
Purchase of mutual fund investment	(2,798.88)	(3,802.93)
Sale of investment in subsidiary	1.29	9.12
Sale of mutual fund investment	2,788.47	4,670.26
Loan repaid by/(to) employees/body corporate (net)	(12.47)	(13.17)
Advance given for investment	(5.08)	(13.24)
Interest income received	154.04	116.78
Purchase of fixed assets (including capital advances)	(1,413.97)	(853.94)
Proceeds from sale of fixed assets	87.21	16.71
Net cash from/ (used in) investing activities	(1,299.12)	(156.87)

(₹ in millions)

	Year ended 31.03.2012	Year ended 31.03.2011
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short term borrowings	4,004.94	55.62
Repayment of short term borrowings	(4,101.97)	(21.95)
Proceeds from long term borrowings	1,617.78	321.12
Repayment of long term borrowings	(511.53)	(524.86)
Interest paid	(269.24)	(191.86)
Net cash from/ (used in) financing activities	739.98	(361.93)
Net increase/ (decrease) in cash and cash equivalents	292.61	281.38
Cash and cash equivalents as at the beginning of the year	2,713.68	2,432.30
Cash and cash equivalents as at the end of the year	3,006.29	2,713.68

Notes :

1. The above Cash Flow Statement has been prepared under the indirect method set out in AS-3 prescribed in Companies (Accounting Standards) Rules, 2006.
2. Figures in brackets indicate cash outflow.
3. Cash and cash equivalents include ₹56.18 millions (Previous year ₹62.41 millions) under lien with banks.
4. Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

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

Sd/-
JITENDRA AGARWAL
Partner

New Delhi
29 August, 2012

For and on behalf of the Board
DEN NETWORKS LIMITED

Sd/-
SAMEER MANCHANDA
Chairman and
Managing Director

Sd/-
RAJESH KAUSHALL
Chief Financial Officer

New Delhi
29 August, 2012

Sd/-
AJAYA CHAND
Director

Sd/-
JATIN MAHAJAN
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Background

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

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

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

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

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

2. Significant accounting policies

2.1 Basis of preparation

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles ("GAAP") in India, and comply with the Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006, to the extent applicable and in accordance with the relevant provisions of the Companies Act, 1956, as adopted consistently by the Company. These financial statements have been prepared for the year ended 31 March, 2012.

2.2 Basis of consolidation

These consolidated financial statements are prepared in accordance with the principles and procedures prescribed by Accounting Standard

(AS 21) Consolidated Financial Statements, Accounting Standard (AS 23) Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS 27) Financial Reporting of Interests in Joint Ventures prescribed by the Companies (Accounting Standards) Rules 2006 for the purpose of preparation and presentation of consolidated financial statements.

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

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

- i. The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealised profits or losses have been fully eliminated.
- ii. Interest in jointly controlled entities is reported using proportionate consolidation.
- iii. The consolidated financial statements include the share of profit/loss of associate company, which has been accounted under the 'Equity method' as per which the share of profit of the associate company has been added to the cost of investment. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture.
- iv. The excess of cost to the Company of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates, on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment, is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.
- v. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.

2.3 Principles of consolidation

Subsidiary companies are those in which DEN, directly or indirectly, has an interest of more than one half of the voting power or otherwise has power to exercise control over the operations. Subsidiaries are consolidated as per Accounting Standard 21 prescribed by the Companies (Accounting Standards) Rules, 2006, from the date on which effective control is transferred to DEN until the date of cessation of the parent-subsidiary relationship.

Investment in business entities over which DEN exercises joint control has been accounted for using proportionate consolidation except where the control is considered to be temporary as per Accounting Standard 27 prescribed by the Companies (Accounting Standards) Rules, 2006.

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

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

i. Wholly owned subsidiaries

S.No. Name of the Company

1	Aster Entertainment Private Limited
2	Den Digital Entertainment Gujarat Private Limited
3	Den Entertainment Network Private Limited
4	Den Futuristic Cable Networks Private Limited
5	Den RIS Cable Network Private Limited
6	Shine Cable Network Private Limited
7	IME Networks Private Limited
8	Matrix Cable Network Private Limited

ii. Subsidiaries with 51% shareholding

S. No. Name of the Company

1	Amogh Broad Band Services Private Limited
2	Bali Den Cable Network Private Limited
3	Big Den Entertainment Private Limited
4	Cab-i-Net Communications Private Limited
5	Den A.F. Communication Private Limited
6	Den Aman Entertainment Private Limited

7	DEN Ambey Cable Networks Private Limited
8	Den Ashu Cable Private Limited
9	DEN BCN Suncity Network Private Limited
10	Den Bellary City Cable Private Limited
11	Den Bindra Network Private Limited
12	Den Budaun Cable Network Private Limited
13	Den Citi Channel Private Limited
14	Den Classic Cable TV Services Private Limited
15	DEN Crystal Vision Network Private Limited
16	Den Digital Cable Network Private Limited
17	Den Elgee Cable Vision Private Limited
18	Den Enjoy Cable Networks Private Limited
19	Den F K Cable Tv Network Private Limited
20	Den Fateh Mareketing Private Limited
21	DEN Harsh Mann Cable Network Private Limited
22	Den Infoking Channel Entertainers Private Limited
23	Den Jai Ambey Vision Cable Private Limited
24	Den Kashi Cable Network Private Limited
25	Den Kattakada Telecasting and Cable Services Private Limited
26	DEN Krishna Cable TV Network Private Limited
27	Den Krishna Vision Private Limited
28	Den Maa Sharda Vision Cable Networks Private Limited
29	Den Malabar Cable Vision Private Limited
30	Den MCN Cable Network Private Limited
31	Den Mod Max Cable Network Private Limited
32	Den Montooshah Network Private Limited

33	Den Narmada Network Private Limited	56	Meerut Cable Network Private Limited
34	Den Nashik City Cable Network Private Limited	57	Radiant Satellite (India) Private Limited
35	DEN Pawan Cable Network Private Limited	58	Rajkot City Communication Private Limited
36	Den Pradeep Cable Network Private Limited	59	Shree Ram Den Network Private Limited
37	DEN Prayag Cable Networks Private Limited	60	Shree Siddhivinayak Cable Network Private Limited
38	Den Prince Network Private Limited	61	Sree Gokulam Starnet Communication Private Limited
39	Den Sahyog Cable Network Private Limited	62	United Cable Network (Digital) Private Limited
40	Den Sariga Communications Private Limited	63	Den Satellite Network Private Limited
41	Den Satellite Cable TV Network Private Limited	64	Crystal Vision Media Private Limited
42	Den Shiva Cable Network Private Limited	65	Ambika Den Cable Network Private Limited
43	Den Supreme Satellite Vision Private Limited	66	Den Steel City Cable Network Private Limited
44	Den Ucn Network India Private Limited	67	Sanmati Den Cable TV Network Private Limited
45	DEN Varun Cable Network Private Limited	68	Multi Channel Cable Network Private Limited
46	Den-Manoranjan Satellite Private Limited	69	Victor Cable TV Network Private Limited
47	Dewshree Network Private Limited	70	Gemini Cable Network Private Limited
48	Drashti Cable Network Private Limited	71	Antique Communications Private Limited
49	Fab Den Network Private Limited	72	Sanmati Entertainment Private Limited
50	Fortune (Baroda) Network Private Limited	73	VM Magic Entertainment Private Limited
51	Galaxy Den Media & Entertainment Private Limited	74	Multi Star Cable Network Private Limited
52	Mahadev Den Cable Net Private Limited	75	Disk Cable Network Private Limited
53	Mahadev Den Cable Network Private Limited	76	Shaakumabari Den Media Private Limited
54	Mahadev Den Network Private Limited	77	Silverline Television Network Private Limited
55	Malayalam Telenet Private Limited		

iii. Other subsidiaries

S. No.	Name of the Company	Holding %
1	Den Sky Media Network Private Limited	91%
2	Mahavir Den Entertainment Private Limited	69%
3	Den Mewar Rajdev Cable Network Private Limited	65%
4	Den Radiant Satelite Cable Network Private Limited	65%
5	Den Mahendra Satellite Private Limited	60%

iv. Step down subsidiaries

S. No.	Name of the Company	Holding %
Den Futuristic Cable Networks Private Limited		
1	Den Faction Communication System Private Limited	51%
2	Den Nanak Communication Private Limited	51%
3	Den Saya Channel Network Private Limited	51%
4	Fun Cable Network Private Limited	51%
Den Ambey Cable Networks Private Limited		
1	Den Ambey Farukabad Cable Network Private Limited	100%
2	Den Ambey Jhansi Cable Network Private Limited	100%
3	Den Ambey Citi Cable Network Private Limited	51%
4	Den Deva Cable Network Private Limited	51%
5	Star Channel Den Network Private Limited	51%
6	Saturn Digital Cable Private Limited	51%
Den Enjoy Cable Networks Private Limited		
1	Den Enjoy Navaratan Network Private Limited	51%
Den Kashi Cable Network Private Limited		
1	Divya Drishti Den Network Private Limited	51%
2	Kishna DEN Cable Network Private Limited	51%
3	DEN Badhoi Cable Network Private Limited	51%
Den Satellite Network Private Limited		
1	DEN New Broad Communication Private Limited	51%
IME Networks Private Limited		
1	Astron Media Networks Private Limited	100%
Den Entertainment Network Private Limited		
1	Kerala Entertainment Private Limited	100%
2	Rajasthan Entertainment Private Limited	100%
3	Uttar Pradesh Digital Cable Network Private Limited	100%
4	DEN Enjoy SBNM Cable Network Private Limited	100%
5	Capital Entertainment Private Limited	100%
6	Eminent Cable Network Private Limited	100%
7	Trident Entertainment Private Limited	100%
8	Rose Entertainment Private Limited	100%
9	Blossom Entertainment Private Limited	100%

v. Partnership firm (Dissolved effective from September 12, 2011)

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

vi. Joint venture

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

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

All the entities are located in India.

- vii. The Group has consolidated the financial statements of Shri Ram Den Network Private Limited based on the financial statements as certified by the company's management and have not been audited by the statutory auditors of the subsidiary company. The Group's share of total assets, total revenue and profit/(loss) after tax in the subsidiary is ₹ 15.06 million as at 31st March, 2012, ₹ 4.37 million and ₹ 0.15 million for the year ended on that date respectively.

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

2.4 Use of estimates

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

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

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

2.6 Cash flow statement

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

2.7 Depreciation and amortisation

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

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

Building	60 years
Headend & distribution equipment	6 -15 years
Set top boxes	8 Years
Computers	6 Years
Office & other equipment	3 to 10 years
Furniture & fixtures	6 Years
Vehicles	6 -10 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.

2.8 Revenue recognition

i. Income from operations

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

ii. Sale of equipment

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

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

2.9 Other income

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

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

2.10 Tangible assets

1. Fixed assets are stated at the cost of acquisition less accumulated depreciation. The actual cost capitalised includes purchase price, and all other attributable costs of bringing the assets to working condition for intended use.
2. Assets are capitalised on the date when they are ready for intended use. Set top boxes are capitalised at the end of the month of activation.
3. 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.

2.11 Intangible assets

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

2.12 Foreign currency transactions and translations

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

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

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

2.13 Investments

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

2.14 Employee benefits

1. Short term employee benefits

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

2. Long term employee benefits

a. Provident fund and other state plans

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

b. Gratuity

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

c. Compensated absences

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

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

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

2.15 Employee Stock Option Scheme (ESOS)

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

2.16 Borrowing costs

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

2.17 Segment information

1. Business segments

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

2. Geographical segments

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

2.18 Leases

1. Finance leases

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

2. Operating leases

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

2.19 Earnings per share

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

2.20 Taxation

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

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

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

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

2.21 Impairment of assets

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

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

2.22 Provisions and contingencies

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

2.23 Service tax input credit

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

(₹ in millions)

	As at 31.03.2012	As at 31.03.2011
3. SHARE CAPITAL		
3.1 EQUITY SHARE CAPITAL		
AUTHORISED		
200,000,000 (Previous year 200,000,000) equity shares of ₹ 10 each	2,000.00	2,000.00
ISSUED, SUBSCRIBED AND PAID UP		
130,489,975 (Previous year 130,489,975) equity shares of ₹ 10 each fully paid up	1,304.90	1,304.90

Of the above:

- 72,475,520 equity shares of ₹ 10 each were issued in the year 2009-10 as bonus shares in the ratio of 4:1 for every one equity share by capitalisation of securities premium.
- In 2009-10, the Company issued bonus shares for 39,993,000 .001% cumulative convertible preference shares of ₹. 10 each in the ratio of one share for every ten .001% cumulative convertible preference shares held by its shareholders by utilisation from the securities premium account resulting into total of 43,992,300 .001% cumulative convertible preference shares. These shares were subsequently converted into 13,361,361 fully paid equity shares of ₹. 10 each in the year 2009-10.
- 4,019,606 fully paid equity shares of ₹ 10 each at premium of ₹ 185 were issued in the year 2009-10 towards consideration payable on Investments.
- 3,534,126 shares has been reserved under Employee Stock Option Plan 2010 ("ESOP 2010") (Refer note 35)
- Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31.03.2012		As at 31.03.2011	
	No. of Shares	% Holding	No. of Shares	% Holding
Sameer Manchanda	46,654,550	35.75%	45,454,550	34.83%
Lucid Systems Private Limited	16,000,000	12.26%	16,000,000	12.26%
Standard Chartered IL&FS Asia Infrastructure G	5,840,009	4.48%	8,166,060	6.26%
RRB Investments Private Limited			7,452,338	5.71%
Total	68,494,559	52.49%	77,072,948	59.06%

(₹ in millions)

	As at 31.03.2012	As at 31.03.2011
3.2 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 ₹ 10 each fully paid up	26.00	26.00
ISSUED, SUBSCRIBED AND PAID UP		
2,500,000 (Previous year 2,500,000) .001% non cumulative 5 years redeemable (B) preference shares (issued on March 30, 2008) of ₹ 10 each fully paid up	25.00	25.00

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

Name of Shareholder	As at 31.03.2012		As at 31.03.2011	
	No. of Shares	% Holding	No. of Shares	% Holding
RRB Investments Private Limited	2,500,000	100.0%	2,500,000	100.0%
Total	2,500,000	100.0%	2,500,000	100.0%
Total Issued Share Capital (A+B)	1,329.90		1,329.90	

(₹ in millions)

	As at 31.03.2012	As at 31.03.2011
4. RESERVES AND SURPLUS		
a. Securities Premium Account (A)	6,105.32	6,105.32
b. Share options outstanding account		
Employees stock option outstanding*	202.86	287.00
Less:		
Deferred stock compensation expense**	40.21	285.05
(B)	162.65	1.95
* after adjusting ₹ 84.14 million on account of options surrendered during the year.		
** after adjusting ₹ 84.14 million on account of options surrendered during the year and ₹ 160.71 million written off during the year.		
c. General Reserve		
Opening Balance	-	-
Add: Transfer from Surplus / (Deficit) in Statement of Profit and Loss	4.03	-
Closing balance (C)	4.03	-
d. Surplus / (Deficit) in Statement of Profit and Loss		
i. Opening Balance	308.90	(66.36)
ii. Add: Profit for the period	142.80	375.26
iii. Closing balance	451.70	308.90
iv. Less: Appropriations		
a. Tax on proposed equity dividend by a jointly controlled entity	(4.06)	-
b. Transfer to General Reserve	(4.03)	-
v. Net balance (D)	443.61	308.90
(A+B+C+D)	6,715.61	6,416.17

(₹ in millions)

	As at 31.03.2012	As at 31.03.2011
5. LONG-TERM BORROWINGS		
a. Term loans from banks		
- Secured	1,892.45	769.19
b. Other Loans		
- Secured	2.15	4.63
- Unsecured	6.19	10.58
c. Loans from related parties		
- Unsecured	0.96	0.17
Total	1,901.75	784.57

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

Particulars	Period of Maturity	Rate of Interest as at 31.03.2012	As at 31.03.2012	As at 31.03.2011
			Secured	Secured
A. Term loan from banks				
Bank of India (See Foot-Note 1)	Sep/13	15.50%	21.59	71.49
	Apr/12		-	25.64
Bank of Maharashtra (See Foot-Note 1)			-	29.20
Syndicate Bank (See Foot-Note 1)	Oct/14	15.00%	68.38	116.54
			-	27.77
	Jun/15	15.00%	247.45	357.50
	Jan/16	13.50%	555.03	130.00
HDFC Bank Limited (See Foot-Note 2)	Dec/11		-	11.05
(I)			892.45	769.19
B. Term loan from financial institution				
Infrastructure Development Finance Corporation Limited (IDFC) (See Foot-Note 3)	Mar/18	13.25%	1,000.00	-
(II)			1,000.00	-
(I+II)			1,892.45	769.19
C. Term loan from others				
Kotak Mahindra Prime Limited (See Foot-Note 4)	Jun/13	8.85%	0.49	2.36
	Aug/13	9.34%	0.18	0.55
	Feb/14	10.87%	0.42	0.85
	Mar/14	10.71%	0.45	0.87
	Jul/14	11.23%	0.61	-
			2.15	4.63

Foot-Notes

- Security:** First pari passu charge on fixed assets of the Company (existing and proposed) & second pari passu charge on all current assets of the Company. These loans are further guaranteed by the Managing Director of the Company.
- Security:** First pari passu charge on fixed assets of one of the subsidiary Company (existing and proposed).
- Security:** First pari passu charge on movable property (existing and proposed) and receivables of the Company.
The Company has given an undertaking to the lender that the Company will not dispose off or create any encumbrance on Investments in subsidiaries and joint ventures without the consent of the lender. The Company has also pledged certain investments with the lender duly supported by irrevocable power of attorney to appropriate proceeds from disposal of these investments towards the borrowed amount in case of any default.
- Security:** Hypothecation on the loan taken for the respective vehicle.

For the current maturities of long term borrowings, refer item (a), (b) & (c) in Note 10 Other current liabilities

(₹ in millions)

	As at 31.03.2012	As at 31.03.2011
6. OTHER LONG TERM LIABILITIES		
a. Security deposits received	4.33	4.66
b. Others	10.74	28.99
	15.07	33.65
7. LONG-TERM PROVISIONS		
a. Provision for Employee benefits [Refer note 33 (B) (i)]		
i. Gratuity	33.87	24.27
ii. Leave Encashment	18.53	13.72
	52.40	37.99
8. SHORT-TERM BORROWINGS		
a. Loans repayable on demand from banks		
- Secured*	188.44	285.97
b. Other Loans		
- Unsecured	4.18	2.65
c. Loans from related parties		
- Unsecured	0.41	1.44
	193.03	290.06
* Secured by first pari passu charge on current and future book debt of the company & second pari passu charge on all fixed assets of the company		
9. TRADE PAYABLES	2,592.60	2,161.51
10. OTHER CURRENT LIABILITIES		
a. Current maturities of long-term debt*	472.34	488.39
b. Current maturities of other loans*	3.41	2.72
c. Current maturities of other unsecured loans*	11.48	7.05
d. Balance consideration payable on investments	26.85	27.55
e. Interest accrued and due on borrowings	9.69	7.80
f. Advance billings	156.01	263.83
g. Other payables		
i. Statutory remittances	255.67	526.81
ii. Payables on purchase of fixed assets	210.00	218.79
iii. Security deposits received	9.58	37.18
iv. Advances from customers	181.22	88.08
v. Book Overdraft	303.14	256.26
vi. Others	116.57	112.45
	1,755.96	2,036.91
* Refer note 5 for details of security and guarantee		
11. SHORT-TERM PROVISIONS		
a. Provision for Employee benefits [Refer note 33 (B) (i)]		
i. Gratuity	1.48	4.71
ii. Leave Encashment	2.08	7.45
	3.56	12.16
b. Provision - others		
i. Provision for Wealth Tax [net of advance tax of ₹0.33 millions (Previous year ₹0.24 millions)]	0.08	0.08
ii. Provision for tax on proposed equity dividend	4.06	-
	4.14	0.08
	7.70	12.24

12. FIXED ASSETS (at cost)

(₹ in millions)

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK		
	As at 01.04.2011	Additions	Sales/ Adjustments	As at 01.04.2011	Additions	Sales/ Adjustments	As at 31.03.2012	As at 31.03.2012	As at 01.04.2011
A. Tangible assets (owned)									
Building	31.34	-	0.51	0.43	0.14	-	0.57	30.26	30.91
Leasehold improvements	106.25	9.78	11.12	96.45	7.02	10.02	93.45	11.46	9.80
Plant and machinery	-	-	-	-	-	-	-	-	-
- Headend and distribution equipments	1,537.10	350.18	17.40	383.90	215.86	3.86	595.90	1,273.98	1,153.20
- Set top boxes	911.20	573.31	-	179.16	142.21	-	321.37	1,163.14	732.04
- Computers	52.45	6.21	5.99	20.86	9.47	3.57	26.76	25.91	31.59
- Office & other equipments	113.49	7.95	68.60	23.73	5.14	1.65	27.22	25.62	89.75
Furniture and fixtures	30.48	2.81	0.61	10.80	5.39	0.47	15.72	16.96	19.68
Vehicles	28.85	3.62	0.64	8.24	5.31	0.37	13.18	18.65	20.61
Total (A)	2,811.16	953.86	104.87	723.57	390.54	19.94	1,094.17	2,565.98	2,087.58
B. Intangible assets									
Goodwill	25.28	11.21	-	13.47	7.21	-	20.68	15.81	11.81
Distribution network rights	497.92	72.79	-	195.83	135.88	-	331.71	239.00	302.09
Software	17.21	4.76	-	6.97	3.99	-	10.96	11.01	10.24
Licence fee for internet service	2.06	-	0.05	0.92	0.09	-	1.01	1.00	1.14
Non Compete Fees	2.00	-	-	1.03	0.40	-	1.43	0.57	0.97
Total (B)	544.47	88.76	0.05	218.22	147.57	-	365.79	267.39	326.25
Total	3,355.63	1,042.62	104.92	941.79	538.11	19.94	1,459.96	2,833.37	2,413.83
Previous year	2,730.40	655.27	30.04	496.90	455.83	10.93	941.79	2,413.83	2,210.95

(₹ in millions)

	As at 31.03.2012	As at 31.03.2011
13. NON-CURRENT INVESTMENTS (at cost)		
A. Trade and unquoted - long term in equity shares - at cost		
a. Investment in equity instruments:		
i. of associates		
Nil (Previous year 4,504) equity shares of ₹ 10 each, fully paid up in Crystal Vision Media Private Limited	-	109.26
Aggregate of unquoted - long term trade investments in equity shares (i+ii)	-	109.26
B. Other non-current investments	0.02	0.01
Aggregate other non-current investments	0.02	0.01
Total (A+B)	0.02	109.27
14. LONG-TERM LOANS AND ADVANCES (Unsecured)		
a. Capital advances		
i. Considered good	42.05	24.45
ii. Considered doubtful	0.10	0.10
	42.15	24.55
Less: Provision for doubtful advances	(0.10)	(0.10)
	42.05	24.45
b. Security deposits (Considered good)	69.34	76.73
c. Loans and advances to employees (Considered good)	3.27	3.13
d. Advance tax [including tax deducted at source ₹449.23 million (Previous year ₹327.81 million) (Net of Provision ₹685.98 million (Previous year ₹520.28 million))]	583.12	312.75
e. MAT credit entitlement	37.55	27.95
f. Other loans and advances		
Advance for investments		
i. Considered good	161.73	117.11
ii. Considered doubtful	0.48	-
	162.21	117.11
Less: Provision for other doubtful loans and advances	(0.48)	-
	161.73	117.11
	897.06	562.12
15. OTHER NON-CURRENT ASSETS (Unsecured)		
Others (Considered good)		
i. Deposits more than 12 months maturity*	102.77	39.41
	102.77	39.41

* Pledged as securities with :

- Financial Institutions as Debt Service Reserve Account ₹ 97.46 million (Previous year ₹ 23.46 million)

- Tax authorities for statutory registrations - ₹ 0.08 million (Previous year ₹ 0.08 million)

(₹ in millions)

	As at 31.03.2012	As at 31.03.2011
16. CURRENT INVESTMENTS (at cost)		
a. Unquoted - Current investments in units of mutual funds (at lower of cost or fair value) (other than trade)		
1. Nil (Previous year 2,338,361) units of ₹ 12.83 each in Reliance Regular Saving Fund Debt Plan Institutional Growth Plan	-	30.00
2. Nil (Previous year 5,097,050) FMP 3M Series 18 Growth	-	50.97
3. 576,675 (Previous year Nil) units of ₹ 13.01 each in Kotak Flexi Debt Scheme Institutional Growth	7.50	-
4. 7,362,421 (Previous year Nil) units of ₹ 14.25 in DWS Cash opportunities Fund - Regular Plan Growth	104.90	-
5. 18,974 (Previous year Nil) units of ₹ 1,096.59 each in Pramerica Short Term Income Fund-Growth Option	20.80	-
6. 3,103,154 (Previous year Nil) units of ₹ 16.14 each in Reliance Liquidity Fund Growth Option	50.09	-
7. 2,307,626 (Previous year Nil) units of ₹ 17.96 in Birla Sun Life Dynamic Bond Fund Retail Growth	40.00	-
Aggregate of unquoted - current investment in units of mutual funds (A)	223.29	80.97
b. Other investments (B)	0.04	0.04
(A+B)	223.33	81.01
17. TRADE RECEIVABLES (Unsecured)		
a. Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
i. Considered good	1,107.57	397.03
ii. Considered doubtful	258.94	236.71
	1,366.51	633.74
Less: Provision for doubtful debts	(258.94)	(236.71)
	1,107.57	397.03
b. Others		
i. Considered good	1,711.88	2,550.33
ii. Considered doubtful	15.88	9.41
	1,727.76	2,559.74
Less: Provision for doubtful debts	(15.88)	(9.41)
	1,711.88	2,550.33
	2,819.45	2,947.36
18. CASH AND CASH EQUIVALENTS		
a. Cash on hand	52.06	33.17
b. Cheques on hand	262.05	569.58
c. Balances with banks		
i. In current accounts	1,269.55	600.55
ii. In deposit accounts*	1,392.45	1,480.20
iii. Balances held as margin money**	30.18	30.18
	3,006.29	2,713.68

* a. Pledged as securities with:

- Government authorities for internet service license - ₹ 3.03 million (Previous year ₹ 2.82 million)
- Tax authorities for statutory registrations - ₹ 0.14 million (Previous year ₹ 0.10 million)
- Bank to issue performance guarantee to Bombay Stock Exchange ₹ 22.83 million (Previous year ₹ 21.81 million)
- Bank as Debt Service Reserve Account ₹ Nil (Previous year ₹ 7.50 million)

b. Deposit accounts include fixed deposits having maturity more than 3 months but less than 12 months - ₹836.72 millions (Previous year ₹1,038.30 millions)

** ₹30.18 million (Previous year ₹30.18 million) pledged as security with bank for letters of credit.

(₹ in millions)

	As at 31.03.2012	As at 31.03.2011
19. SHORT-TERM LOANS AND ADVANCES (Unsecured)		
a. Security deposits (Considered good)	30.29	18.50
b. Loans to employees (Considered good)	31.06	18.73
c. Prepaid expenses (Considered good)	59.36	128.31
d. MAT credit entitlement	1.12	1.65
e. Balances with government authorities (Considered good)		
i. CENVAT credit receivable	83.00	70.38
ii. VAT credit receivable	8.52	-
iii. Service Tax credit receivable	188.68	211.93
iv. Others	13.34	7.34
f. Other loans and advances Considered good		
i. Advance for investments	475.73	614.48
ii. Other advances	223.83	201.96
Considered doubtful investment advances	35.67	26.79
	735.23	843.23
Less: Provision for other doubtful loans and advances	(35.67)	(26.79)
	699.56	816.44
	1,114.93	1,273.28
20. OTHER CURRENT ASSETS (Unsecured, Considered good)		
a. Unbilled revenue	242.62	95.24
b. Interest accrued on deposits	30.47	63.93
c. Interest accrued on others	18.75	11.72
d. Others		
i. Insurance claim	0.05	0.02
ii. Receivables on sale of fixed assets	28.43	29.41
iii. Others	6.82	5.90
	327.14	206.22

(₹ in millions)

	Year ended 31.03.2012	Year ended 31.03.2011
21. OTHER OPERATING REVENUE		
a. Sale of equipment	33.43	3.97
b. Commission income	27.99	3.91
	61.42	7.88

(₹ in millions)

	Year ended 31.03.2012	Year ended 31.03.2011
22. OTHER INCOME		
a. Interest income		
i. on fixed deposits [including tax deducted at source ₹7.61 million (Previous year ₹3.50 million)]	92.18	90.17
ii. on loans to others [including tax deducted at source ₹0.04 million (Previous year ₹0.57 million)]	32.42	26.38
ii. on income tax refund	3.01	14.34
b. Gain on sale of current investments (other than trade and unquoted)	21.26	31.22
c. Net Gain on foreign exchange fluctuation	-	8.86
d. Other non-operating income		
i. Profit on sale of fixed assets	2.61	0.10
ii. Liabilities/ Excess provisions written back	44.39	92.38
iii. Miscellaneous income	74.89	99.97
	270.76	363.42
23. OPERATIONAL, ADMINISTRATIVE AND OTHER COSTS		
a. Content cost	6,618.04	5,839.10
b. Placement fees	787.91	1,083.83
c. Cost of traded items	29.05	3.83
d. Distributor commission/ incentive	135.69	157.41
e. Rent and hire charges (Refer note 31)	143.29	124.00
f. Repairs and maintenance		
i. Plant and machinery	328.00	230.36
ii. Others	89.43	105.42
g. Power and fuel	89.84	76.65
h. Director's sitting fees	0.38	0.32
i. Consultancy, professional and legal charges (Refer note 36)	328.83	341.15
j. Brokerage/ commission	49.56	42.41
k. Travelling and conveyance	127.27	115.66
l. Advertisement, publicity and business promotion	247.38	83.33
m. Communication expenses	45.71	45.45
n. Leaseline expenses	169.47	137.28
o. Security charges	14.70	12.28
p. Insurance	10.67	11.82
q. Rates & taxes	22.43	26.86
r. Provision for doubtful debts/ advances	147.79	59.56
s. Bad debts/ advances written off	71.59	103.29
t. Provision for Impairment	0.20	5.00
u. Fixed assets/ capital work in progress written off	0.18	2.52
v. Loss on sale of investments	-	0.10
w. Miscellaneous expenses	81.28	70.69
x. Net (gain)/ loss on foreign currency transactions and translation	2.60	-
	9,541.29	8,678.32
24. EMPLOYEE BENEFIT EXPENSES		
a. Salaries and allowances	702.64	574.43
b. Contribution to provident fund and other funds	29.92	25.55
c. Gratuity expense [Refer note 33 (B) (ii)]	11.19	10.14
d. Employee stock compensation expenses	160.71	1.95
e. Staff welfare expenses	27.03	26.61
	931.49	638.68
25. FINANCE COSTS		
a. Interest on loans from banks	250.29	180.66
b. Bank charges and other borrowing costs	18.95	10.77
	269.24	191.43

26. Share application money pending allotment

During the year, one of the subsidiary company has received an amount of ₹32.50 million [Previous year ₹116.33 million] towards share application money which is pending for allotment of equity shares as on 31 March 2012. The number of shares and the premium per share is yet to be ascertained. The Company has sufficient authorised capital to cover the allotment of these shares.

27. Capital commitments and contingent liabilities

a. Capital commitments

Estimated amount of unexecuted capital contracts not provided for (net of advances) ₹278.48 million [Previous year ₹541.79 million].

b. Contingent liabilities

- i. Guarantees issued by bankers outstanding as at the end of the year amounting to ₹44.90 million [Previous year ₹41.78 million] on account of the following :
 - a. license for internet use issued by the Department of Telecommunications - ₹21.00 million [Previous year ₹21.00 million]
 - b. Tax Authorities for statutory registrations - ₹3.33 million [Previous year ₹0.23 million]
 - c. Bombay Stock Exchange as security - ₹20.50 million [Previous year ₹20.50 million]
 - d. Others - ₹0.07 million [Previous year ₹0.05 million]
- ii. Outstanding letters of credit as at the end of the year ₹370.83 million [Previous year ₹294.51 million].
- iii. Guarantee given by the holding company for a term loan taken from bank by a subsidiary Company outstanding as at the end of the year amounting to ₹250.00 million [Previous year ₹Nil million].
- iv. Service Tax penalty for ₹1.12 million 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.
- v. Appeal filed by a subsidiary company against the assessment order of Deputy Commissioner Income Tax for the AY 2007-08 for ₹0.97 million. Appeal pending before Commissioner Income Tax (Appeals) Cochin.

vi. Appeal filed by a subsidiary company against the order of assessing officer towards penalty of ₹0.09 million for AY 2006-07 and ₹0.14 million for AY 2007-08. Appeal pending with Commissioner Income Tax (Appeal) cochin.

vii. Income Tax Department has raised demand of ₹2.93 million on account of disallowances and additions for AY 2005-06 on the subsidiary company. The subsidiary has paid ₹0.96 million towards the demand. Appeal has been filed with ITAT against the same in Ahmedabad.

viii. One subsidiary company has received an assessment order in respect of A.Y. 2008-09 from the Income Tax Authorities, along with demand notice of ₹0.13 million as against refund claim of ₹1.73 million. The company has filed an appeal before CIT (Appeals). Pending of the order of the CIT (Appeals), no provision has been made in the financial statements.

ix. In one subsidiary company, Income Tax Department has carried out Best Judgment Assessment u/s 144 of the Income Tax Act, 1961 for AY 2009-10 on 09.12.2011 vide order no. 40/09/11-12/II and issued demand notice u/s 156 for ₹6.91 million. The subsidiary has made payment of ₹7.15 million against the same including interest for the delayed payment u/s 220(2) on 16.02.2012 and has filed appeal before CIT (Appeals). Pending of the order of the CIT (Appeals), no provision has been made in the financial statements.

x. The Entertainment Tax Department - Udaipur, Rajasthan has raised a demand of ₹5.43 million. The subsidiary is contesting this demand with the appellate level. The management of the subsidiary Company believes the ultimate outcome of this process will not have material impact, hence no provision has been made in the financial statements.

28. Segment reporting

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

29. Related Party Disclosures

I. List of related parties

a. Jointly controlled entity

1. Star Den Media Services Private Limited
2. Media Pro Enterprise India Private Limited

b. Entities under significant influence

1. Setpro 18 Distribution Limited

c. Key managerial personnel

1. Mr. Sameer Manchanda

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

(Figures in bracket relates to previous year figures)

(₹ in million)

Particulars	Key management personnel	Entities under significant influence	Jointly controlled entity	Associate	Grand total
a. Transactions during the year					
i. Income from operations					
Setpro 18 Distribution Limited	- (-)	354.48 (224.51)	- (-)	- (-)	354.48 (224.51)
Star Den Media Services Private Limited	- (-)	- (-)	296.71 (218.59)	- (-)	296.71 (218.59)
Others	- (-)	- (-)	8.63 (-)	- (-)	8.63 (-)
Total	- (-)	354.48 (224.51)	305.34 (218.59)	- (-)	659.82 (443.10)
ii. Purchase of services					
Star Den Media Services Private Limited	- (-)	- (-)	76.27 (507.37)	- (-)	76.27 (507.37)
Media Pro Enterprise India Private Limited	- (-)	- (-)	667.07 (-)	- (-)	667.07 (-)
Sameer Manchanda	18.00 (6.95)	- (-)	- (-)	- (-)	18.00 (6.95)
Others	- (-)	- (-)	- (-)	- (0.60)	- (0.60)
Total	18.00 (6.95)	- (-)	743.34 (507.37)	- (0.60)	761.34 (514.92)
iii. Reimbursement of expenses (received)					
Sameer Manchanda	0.36 (-)	- (-)	- (-)	- (-)	0.36 (-)
iv. Investments made during the year					
Crystal Vision Media Private Limited	- (-)	- (-)	- (-)	- (109.08)	- (109.08)

(Figures in bracket relates to previous year figures)

(₹ in million)

Particulars	Key management personnel	Entities under significant influence	Jointly controlled entity	Associate	Grand total
b. Outstanding balances at year end					
ii. Trade receivables					
Star Den Media Services Private Limited	- (-)	- (-)	29.89 (172.87)	- (-)	29.89 (172.87)
Setpro 18 Distribution Limited	- (-)	121.52 (60.12)	- (-)	- (-)	121.52 (60.12)
Others	- (-)	- (-)	- (-)	- (5.52)	- (5.52)
Total	- (-)	121.52 (60.12)	29.89 (172.87)	- (5.52)	151.41 (238.51)
ii. Unbilled revenue					
Setpro 18 Distribution Limited	- (-)	1.88 (-)	- (-)	- (-)	1.88 (-)
Media Pro Enterprise India Private Limited	- (-)	- (-)	8.63 (-)	- (-)	8.63 (-)
Total	- (-)	1.88 (-)	8.63 (-)	- (-)	10.51 (-)
iii. Trade payables					
Star Den Media Services Private Limited	- (-)	- (-)	15.00 (172.87)	- (-)	15.00 (172.87)
Media Pro Enterprise India Private Limited	- (-)	- (-)	62.26 (-)	- (5.30)	62.26 (5.30)
Total	- (-)	- (-)	77.26 (172.87)	- (5.30)	77.26 (178.17)
iv. Investments					
Crystal Vision Media Private Limited	- (-)	- (-)	- (-)	- (109.08)	- (109.08)
v. Advance given					
Media Pro Enterprise India Private Limited	- (-)	- (-)	5.60 (-)	- (-)	5.60 (-)
Others	0.07 (-)	- (-)	- (-)	- (-)	0.07 (-)
Total	0.07 (-)	- (-)	5.60 (-)	- (-)	5.67 (-)
vi. Security deposits received					
Crystal Vision Media Private Limited	- (-)	- (-)	- (-)	- (10.00)	- (10.00)
vii. Security deposits paid					
Media Pro Enterprise India Private Limited	- (-)	- (-)	1.28 (-)	- (-)	1.28 (-)
Others	- (-)	- (-)	0.02 (-)	- (-)	0.02 (-)
Total	- (-)	- (-)	1.30 (-)	- (-)	1.30 (-)

(Figures in bracket relates to previous year figures)

(₹ in million)

Particulars	Key management personnel	Entities under significant influence	Jointly controlled entity	Associate	Grand total
viii. Advance billing					
Star Den Media Services Private Limited	-	-	-	-	-
	(-)	(-)	(0.09)	(-)	(0.09)
Setpro 18 Distribution Ltd.	-	25.16	-	-	25.16
	(-)	(15.87)	(-)	(-)	(15.87)
Total	-	25.16	-	-	25.16
	(-)	(15.87)	(0.09)	(-)	(15.96)

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

30. Deferred tax

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

(₹ in million)

Particulars	Opening balance 01.04.2011	Credited/ (charged) to P&L account	Acquired on business acquisition	Def Tax reversal on sale of subsidiary	Closing balance
Deferred tax liability					
Depreciation	0.33	(1.96)	0.01	-	(1.62)
Others	(1.53)	1.33	-	-	(0.20)
Total	(1.20)	(0.63)	0.01	-	(1.82)
Deferred tax assets					
Employee benefits	12.42	4.05	-	-	16.47
Provision for doubtful debts	68.62	2.91	-	-	71.53
Business losses	68.58	7.22	-	-	75.80
Others	59.64	6.32	-	-	65.96
Total	209.26	20.50	-	-	229.76
Deferred tax asset (Net)	208.06	19.87	0.01	-	227.94

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

(₹ in million)

Particulars	Opening balance 01.04.2011	Credited/ (charged) to P&L account	Acquired on business acquisition	Def Tax reversal on sale of subsidiary	Closing balance
Deferred tax liability					
Depreciation	(81.11)	54.70	-	-	(26.41)
Others	(0.53)	0.26	-	-	(0.27)
Total	(81.64)	54.96	-	-	(26.68)
Deferred tax assets					
Employee benefits	2.90	(2.67)	-	-	0.23
Provision for doubtful debts	1.11	(0.96)	-	-	0.15
Business losses	0.55	(0.47)	-	-	0.08
Others	0.16	(0.12)	-	-	0.04
Total	4.72	(4.22)	-	-	0.50
Deferred tax asset (Net)	(76.92)	50.74	-	-	(26.18)

31. 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 ₹143.29 million [Previous year ₹124.00 million].

32. 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 ₹536.94 million [Previous year ₹782.11 million]. The acquisition has resulted in goodwill on consolidation amounting to ₹214.43 million [Previous year ₹220.42 million]. The details are as follows:

(₹ in millions)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Opening Balance of Goodwill	2,717.15	2,501.73
Amounts paid	536.82	770.47
Direct cost relating to acquisition	0.13	11.64
Total purchase consideration paid	536.95	782.11
Value of net asset acquired	(322.52)	(561.69)
Goodwill generated	214.43	220.42
Provision for impairment on goodwill	-	5.00
Closing Balance of Goodwill	2,931.58	2,717.15

Balance consideration payable on account of investments at the year-end amounting to ₹26.85 million [Previous year ₹27.55 million] has been disclosed under Other long term liabilities and Other current liabilities.

b. The company has also advanced ₹598.21 million [Previous year ₹568.86 million] to acquire majority control in companies, the agreements for which have not been concluded prior to the year-end. These have been disclosed under loans and advances. Balance commitments on account of such agreements concluded/to be concluded after the year-end amount to ₹133.51 million [Previous year ₹352.06 million].

c. The Company has also advanced ₹Nil [Previous year ₹110.65 million] for purchase of mutual fund units. These mutual fund units were allotted on April 4, 2011.

d. Business purchase acquisition

The Group has acquired the cable network business of certain multi system operators for a consideration amounting to ₹59.77 million [Previous year ₹ 73.74 million]. The consideration has been apportioned on fair value basis as determined and reported by expert valuers. The details are as follows:

(₹ in millions)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Tangible assets	21.31	70.00
Distribution network rights	37.43	2.21
Goodwill	1.03	1.53
Total	59.77	73.74

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

A. Defined contribution plans and state plans

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

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

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

(₹ in millions)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
a. Employer's contribution to EPF	39.41	16.27
b. Employer's contribution to ESI	6.74	2.16
c. Employer's contribution to EPS	8.21	5.22

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

B. Defined benefit plan

Gratuity plan

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

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

The following tables set out the status of the gratuity plan and amounts recognised in the Company's financial statements as at 31 March, 2012.

i. Change in benefit obligations:

(₹ in millions)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Present value of obligations* at the beginning of the year	28.98	18.93
Current service cost	11.57	9.39
Interest cost	1.00	1.76
Past Service Cost	-	(1.01)
Actuarial (gain)/loss on obligation	(1.38)	(0.09)
Benefits paid	(4.82)	-
Present value of obligations* at the year end	35.35	28.98

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

ii. Expenses recognised in the profit and loss account:

(₹ in millions)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Current Service cost	11.57	9.39
Interest cost	1.00	1.76
Past Service Cost	-	-
Actuarial (gain)/loss recognised during the year	(1.38)	(1.01)
Net cost	11.19	10.14

iii. Principal actuarial assumptions:

Particulars	Refer note below	Year ended 31.03.2012	Year ended 31.03.2011
(A) Economic assumptions			
a. Discount rate (per annum)	1	8.00 - 8.75%	7.00 - 8.25%
b. Estimated salary escalation rate (per annum)	2	5.00 - 10.00%	5.00 - 8.00%
(B) Demographic Assumptions			
a. Retirement age (years)		58	58
b. Mortality Table		LIC 1994-96 (duly modified)	
c. Withdrawal Rates			
Ages		Withdrawal Rate (%)	Withdrawal Rate (%)
Upto 30 years		3.00	3.00
From 31 years to 44 years		2.00	2.00
Above 44 years		1.00	1.00

iv Experience adjustment:

(₹ in millions)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Year ended 31.03.2008
On plan liabilities	1.57	1.26	0.54	0.01	-
On plan assets	0.01	0.06	0.07	-	-
Present value of benefit obligation	20.07	18.28	11.84	6.37	0.70
Fair value of plan assets	0.72	0.32	0.29	0.27	-
Excess of (obligation over plan assets)/plan assets over obligation	(19.35)	(17.96)	(11.55)	(6.10)	(0.70)

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.

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

(₹ in millions)

Particulars	Year ended 31.03.2012		Year ended 31.03.2011	
	In INR	In USD	In INR	In USD
Payables	170.72	3.34	126.33	2.83
Receivables	0.13	-	2.61	0.06

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

- The Company had established an Employee Stock Option Plan (ESOP 2010) in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 which have been approved by the Board of Directors and the shareholders. A remuneration/ compensation committee comprising majority of independent, non executive members of the Board of Directors administers the ESOPs. All option under the ESOPs are exercisable for equity shares. The Company has granted 5,000,000 equity options to eligible employees of the Company & directors of the subsidiary Companies. During the financial year 2011-12, 1,465,874 options have been surrendered by eligible employees & directors of the subsidiary companies.
- There shall be a minimum period of one year between the grant of options and vesting of options. The vesting period may extend up to three years. The vesting shall happen in one or more tranches as may be decided by the Compensation/Remuneration Committee. The exercise period of the options is a period of one year after the vesting of the options. Each option is exercisable for one equity share of ₹10 each fully paid up on payment of exercise price (as determined by the remuneration/ compensation committee) of share determined with respect to the date of grant. There are 2,233,813 options which are vested upto 31st March, 2012.

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

Particulars	ESOP 2010			
	Year ended 31.03.2012		Year ended 31.03.2011	
	Option (Numbers)	Weighted Average Price (₹)	Option (Numbers)	Weighted Average Price (₹)
a. Outstanding at the beginning of the year	5,000,000	30.00	-	-
b. Granted during the year	-	-	5,000,000	30.00
c. Exercised during the year	-	-	-	-
d. Vested during the year	3,534,126	-	-	-
e. Surrendered/ forfeited during the year	1,465,874	-	-	-
f. Expired during the year	-	30.00	-	-
g. Outstanding at the end of the year	3,534,126	30.00	5,000,000	30.00
h. Exercisable at the end of the year	2,233,813	30.00	NA	NA
i. Number of equity shares of ₹ 10 each fully paid up during the year to be issued on exercise of option	3,534,126	30.00	5,000,000	NA
j. Weighted average share price at the date of exercise	NA	NA	NA	NA
k. Weighted average remaining contractual life (years)	1.46	NA	2.38	NA

d. Pro forma Accounting for Stock Option Grants

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

(₹ in millions)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Net Profit/ (Loss) as reported (a)	78.73	69.60
Add: Stock based employee compensation expense debited to Profit and Loss account (i)	160.71	1.95
Less: Stock based employee compensation expense based on fair value (ii)	1.45	2.13
Difference between (i) and (ii)	159.26	(0.18)
Adjusted pro forma Profit/(Loss) (b)	237.99	69.42
Difference between (a) and (b)	159.26	(0.18)
Basic earnings per share as reported	0.60	0.53
Pro forma basic earnings per share	1.82	0.53
Diluted earnings per share as reported	0.59	0.53
Pro forma diluted earnings per share	1.78	0.53

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

Particulars	2,233,813 Options (Vesting Period -1 Year)	625,313 Op-tions (Vest-ing Period -2 Year)	675,000 Op-tions (Vest-ing Period -2.5 Year)
Risk free interest rates (in %)	7.67%	7.74%	7.77%
Expected life (in years)	2.00	3.00	3.50
Volatility (in %)	42.51%	42.51%	42.51%
Dividend yield (in %)	NIL	NIL	NIL

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

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

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Total options granted	3,534,126	5,000,000
Weighted average exercise price (in ₹.)	30.00	30.00
Weighted average fair value (in ₹.)	62.74	62.74

36. Auditors' remuneration*

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

(₹ in millions)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Statutory audit (including limited review for quarterly reports)	6.75	6.75
Others	0.61	-
Total	7.36	6.75

*Exclusive of service tax

37. Minority interest

The break-up of the minority interest balance of ₹614.08 million (Previous Year ₹365.03 million) as at 31 March, 2012 is as follows:

(₹ in millions)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Opening balance	365.03	211.52
Add/(less):Minority's share of accumulated profit/(loss)	205.62	85.44
Add/(less):Minority's share related to preference share premium	-	-
Add/(less):Share in profit/loss	45.35	68.20
Add/(less):Decrease in Minority's share due to sale of shares	-	(0.13)
Closing balance	616.00	365.03

38. 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.

(₹ in millions)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
a. Net Profit / (loss) attributable to equity shareholders	142.80	375.30
b. Weighted average number of equity shares outstanding used in computation of basic EPS	130,489,975	130,489,975
c. Basic Earnings/ (Loss) per equity share of ₹10 each (in ₹.)	1.09	2.88
d. Dilutive effect of preference shares outstanding	-	-
e. Weighted average number of equity shares and equity equivalent shares outstanding used in computing diluted EPS	134,024,101	130,516,965
f. Diluted Earnings/ (Loss) per equity share of ₹10 each (in ₹.)	1.07	2.88

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

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

(₹ in millions)

Particulars		
Amount Received from IPO		3,644.56
Utilisation of funds upto March 31, 2012	Projected	Actual
Investment in the development of cable television infrastructure and services	2,100.00	1,705.84
Investment in the development of cable broadband infrastructure and services	250.00	10.23
Investment in acquisition of content and broadcasting rights	100.00	38.92
Repayment of loans	400.00	400.00
Fund expenditure for general corporate purposes	525.81	520.30
Share Issue Expenses	268.75	268.75
	3,644.56	2,944.04
Balance Unutilised		700.52
Unutilised Balance has been invested as follows		
Mutual Funds	-	-
Bank Balance (including fixed deposit)	-	700.52
Total	-	700.52

40. The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

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

Sd/-
SAMEER MANCHANDA
Chairman and
Managing Director

Sd/-
AJAYA CHAND
Director

Sd/-
RAJESH KAUSHALL
Chief Financial Officer

Sd/-
JATIN MAHAJAN
Company Secretary

New Delhi
29 August, 2012

NOTICE

Notice is hereby given that the Fifth Annual General Meeting of the members of M/s DEN Networks Limited will be held on Thursday, the 27th Day of September 2012 at 12.30 P.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 on March 31, 2012 and the Profit & Loss Account for the financial 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. Sameer Manchanda, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Deloitte Haskins & Sells, Chartered Accountants to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

“RESOLVED THAT M/s. Deloitte Haskins & Sells, Chartered Accountants, (Registration No. 015125N), be and is hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.”

By order of the Board
For DEN Networks Limited

Sd/

Place : New Delhi

Jatin Mahajan

Date : August 29, 2012

Company Secretary

Notes :-

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. A blank Proxy Form is enclosed with this notice and if intended to be used, the form duly completed should be deposited at the Registered Office of the Company not less than forty-eight hours before commencement of Annual General Meeting.
3. Members/ Proxies are requested to bring a copy of this notice as no copies will be made available at the meeting. Under no circumstances, photocopies of the admission slip will be allowed for admission to the meeting place. Those members who do not receive copies of annual report can collect their copies from the Registered Office of the Company.
4. Members/Proxies should bring the attendance slips duly filled in for attending the meeting.
5. Corporate Members are requested to send a duly certified copy of the Board resolution/ Power of attorney authorizing their representative to attend and vote at the Annual General Meeting.
6. Members can avail the nomination facility with respect to shares held, by submitting a request in writing to the Company or to M/s Karvy Computershare Private Limited, the Registrar and Share transfer Agent of the company.
7. Mr. Sameer Manchanda, director, retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. Brief resume of the director, nature of his expertise and names of other Public Limited companies in which they hold directorship and chairmanship / membership of committees of Board as required under clause 49 of the Listing agreement entered into with the stock exchange(s), are provided in the Corporate Governance report annexed in the annual report. On re-appointment, Mr. Sameer Manchanda would be the Chairman and Managing Director. The Board of directors recommends their respective re-appointments.
8. The registers of members will be closed from Thursday the 20th day of September to Thursday the 27th day of September, 2012 both days inclusive. The transfer Books of the Company will also remain closed for the aforesaid period.
9. All documents referred to in the accompanying notice are available for inspection at the Registered Office of the Company during working hours between 10.00 A.M to 1.00 P.M. except holidays upto the date of Annual General Meeting.
10. Members are requested to send all the correspondence concerning registration of transfer, transmission, subdivision, consolidation of shares or any other share related matters and or change in address to the Company's Registrar & Share Transfer agent, M/s Karvy Computershare Private Limited, at Karvy House, 46 Avenue 4, Street No. 1, Banjara Hills, Hyderabad- 500 034
11. The details of the stock exchanges, on which the securities of the Company are listed, are given separately in this Annual Report.
12. Any query related to the accounts may be sent at the Registered Office of the Company at least 10 days before the date of the Annual General Meeting.
13. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrar and Share Transfer agent, Karvy Computershare Private Limited, for consolidation into a single folio.

DEN NETWORKS LIMITED

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



ADMISSION SLIP

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

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

I/We hereby record my presence at the Fifth Annual General Meeting of the Company being held on Thursday, 27th day of September 2012 at 12:30 P.M. at Kamani Auditorium, 1 Copernicus Marg, Near Mandi House, New Delhi-110001, India.

Please (✓) in the box

MEMBER PROXY

*Applicable for investor holding shares in physical form.

.....
Signature of Member/Proxy

Cut here

DEN NETWORKS LIMITED

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



PROXY FORM

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

I/We Name(s) and address of the shareholder in full

.....

being a member of DEN Networks Limited, hereby appoint of

in the district ofOr failing himof

in the district of as my/our Proxy to attend and vote for me/us on my/our behalf at the Fifth Annual General Meeting of the Company Scheduled to be held on Thursday, 27th day of September 2012 at 12:30 P.M. at Kamani Auditorium, 1 Copernicus Marg, Near Mandi House, New Delhi-110001 or/and at any adjournment thereof.

Signed by the Said

* Applicable for investor holding shares in physical form.

*Affix the
requisite
Revenue
Stamp*

Note:

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Sameer Manchanda

Chairman and Managing Director

Mr. Shahzaad Siraj Dalal

Nominee Director

Mr. Krishna Kumar P.T. Gangadharan

Alternate Director to Mr. Shahzaad Siraj Dalal

Mr. Ajaya Chand

Non Executive, Independent Director

Mr. Robindra Sharma

Non Executive, Independent Director

Mr. Atul Sharma

Non Executive, Independent Director

LEADERSHIP TEAM

Mr. S.N. Sharma

Chief Executive Officer (CEO)

Mr. Mohammad Ghulam Azhar

Chief Operating Officer (COO)

Mr. Rajesh Kaushal

Chief Financial Officer (CFO)

Mr. Navroz Behramram

Chief Technology Officer (CTO)

COMPANY SECRETARY

Mr. Jatin Mahajan

AUDITORS

Deloitte Haskins & Sells

Chartered Accountants

BANKERS

Syndicate Bank

IDFC

Kotak Mahindra Bank

Bank of India

Axis Bank

Bank of Maharashtra

REGISTRAR & SHARE TRANSFER AGENT

Karvy Computershare Private Limited,

Karvy House, 46 Avenue 4, Street No. 1,
Banjara Hills, Hyderabad - 500 034 INDIA

Phone: + 91 - 40 - 2342 0815

Fax: + 91 - 40 - 2342 0814

Email: einward.ris@karvy.com

REGISTERED OFFICE

236, Okhla Industrial Estate, Phase-III,
New Delhi-110 020 INDIA

Phone: + 91 - 11 - 4052 2200

Fax: + 91 - 11 - 4052 2203

www.dennetworks.com



DEN Networks Limited

236, Okhla Industrial Estate, Phase-III, New Delhi-110020.

Tel No.: + 91 11 4052 2200 | Website: www.dennetworks.com