

Dated- September 14, 2016

The Manager, Listing Department  
The National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (E) Mumbai-400 051

The General Manager  
The Bombay Stock Exchange Limited  
Listing Department  
15<sup>th</sup> Floor, P J Towers  
Dalal Street, Mumbai-400 001

**Sub: - Unaudited Financial Results for the quarter ended June 30, 2016**

Dear Sir,

Please find enclosed Statutory Auditors' Report on Limited Review and Unaudited Financial Results of DEN Networks Limited for the quarter ended June 30, 2016 in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you,

Yours faithfully

For DEN Networks Limited

  
Jatin Mahajan  
Company Secretary  
FCI-6887



DEN Networks Limited

CIN: L92490DL2007PLC165673

Registered Office: 236, Okhla Industrial Estate, Phase III, New Delhi -110 020.

Landline: +91 11 40522200 | Fax: +91 11 40522203 | E-mail: den@denonline.in | www.dennetworks.com

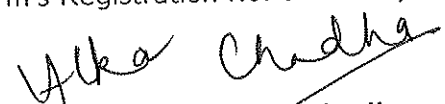
## INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

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

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **DEN NETWORKS LIMITED** ("the Company") for the quarter ended 30 June, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July, 2016. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We draw attention to note 4 of the Statement wherein it is stated that the rates/agreements for Digital Addressable System (DAS) subscription fee have not yet been finalised and the revenue on account of the same has been recognised based on estimates which in management's view are reasonable.

Our report is not qualified in respect of this matter.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 015125N)

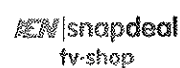


**Alka Chadha**  
Partner

(Membership No. 93474)

New Delhi, 14 September, 2016





## DEN NETWORKS LIMITED

CIN: L92490DL2007PLC165673

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

### STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE, 2016

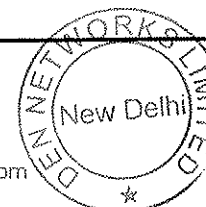
|                                                                      |                                                                                    | (Rs. in Lakhs)                             |                                                                               |
|----------------------------------------------------------------------|------------------------------------------------------------------------------------|--------------------------------------------|-------------------------------------------------------------------------------|
| Particulars                                                          |                                                                                    | 3 months ended 30.6.2016<br>(See Note - 2) | Corresponding 3 months ended in the previous year 30.6.2015<br>(See Note - 2) |
|                                                                      |                                                                                    | (Unaudited)                                | (Unaudited)                                                                   |
| 1.                                                                   | <b>Income from Operations</b>                                                      |                                            |                                                                               |
|                                                                      | (a) Sale of services                                                               | 23,697                                     | 19,118                                                                        |
|                                                                      | (b) Other operating income                                                         | 170                                        | 571                                                                           |
|                                                                      | <b>Total income from operations</b>                                                | <b>23,867</b>                              | <b>19,689</b>                                                                 |
| 2.                                                                   | <b>Expenses</b>                                                                    |                                            |                                                                               |
|                                                                      | (a) Content cost                                                                   | 10,728                                     | 7,947                                                                         |
|                                                                      | (b) Placement fees                                                                 | 4,369                                      | 5,589                                                                         |
|                                                                      | (c) Employee benefits expense                                                      | 1,957                                      | 2,283                                                                         |
|                                                                      | (d) Cost of traded items                                                           | 155                                        | 630                                                                           |
|                                                                      | (e) Depreciation and amortisation expenses                                         | 5,003                                      | 3,009                                                                         |
|                                                                      | (f) Other expenses                                                                 | 6,200                                      | 5,884                                                                         |
|                                                                      | <b>Total expenses</b>                                                              | <b>28,412</b>                              | <b>25,342</b>                                                                 |
| 3.                                                                   | <b>Profit / (Loss) from operations before other income and finance costs (1-2)</b> | <b>(4,545)</b>                             | <b>(5,653)</b>                                                                |
| 4.                                                                   | Other income                                                                       | 1,087                                      | 2,043                                                                         |
| 5.                                                                   | <b>Profit / (Loss) from ordinary activities before finance costs (3+4)</b>         | <b>(3,458)</b>                             | <b>(3,610)</b>                                                                |
| 6.                                                                   | Finance costs                                                                      | 2,282                                      | 1,739                                                                         |
| 7.                                                                   | <b>Profit / (Loss) from ordinary activities before tax (5-6)</b>                   | <b>(5,740)</b>                             | <b>(5,349)</b>                                                                |
| 8.                                                                   | Tax expense                                                                        | (9)                                        | (274)                                                                         |
| 9.                                                                   | <b>Profit / (Loss) after tax (7-8)</b>                                             | <b>(5,731)</b>                             | <b>(5,075)</b>                                                                |
| 10.                                                                  | Other comprehensive income                                                         | 38                                         | (99)                                                                          |
| 11.                                                                  | <b>Total comprehensive income (after tax) (9+10)</b>                               | <b>(5,693)</b>                             | <b>(5,174)</b>                                                                |
| 12.                                                                  | Paid-up Equity Share Capital<br>(Face value Rs. 10/-)                              | 17,820                                     | 17,820                                                                        |
| 13.                                                                  | EPS (Face value Rs. 10/-) (not annualised)                                         |                                            |                                                                               |
|                                                                      | (a) Basic EPS                                                                      | (3.19)                                     | (2.67)                                                                        |
|                                                                      | (b) Diluted EPS                                                                    | (3.19)                                     | (2.67)                                                                        |
| See accompanying notes to the standalone unaudited financial results |                                                                                    |                                            |                                                                               |

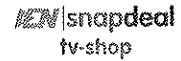


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## DEN NETWORKS LIMITED

CIN: L92490DL2007PLC165673

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### STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE, 2016

Segment Revenue, Results, Assets and Liabilities for the quarter 30 June, 2016.

(Rs. in Lakhs)

| Particulars                                                    | 3 months ended<br>30.6.2016<br>(See Note - 2) | Corresponding 3 months ended in<br>the previous year<br>30.6.2015<br>(See Note - 2) |
|----------------------------------------------------------------|-----------------------------------------------|-------------------------------------------------------------------------------------|
|                                                                | (Unaudited)                                   | (Unaudited)                                                                         |
| <b>Segment Revenue (a to b)</b>                                |                                               |                                                                                     |
| (a) Cable distribution network                                 | 22,088                                        | 19,187                                                                              |
| (b) Broadband                                                  | 1,779                                         | 502                                                                                 |
| <b>Total</b>                                                   | <b>23,867</b>                                 | <b>19,689</b>                                                                       |
| <b>Segment Results (a to b)</b>                                |                                               |                                                                                     |
| Profit / (Loss) before finance costs and tax from each segment |                                               |                                                                                     |
| (a) Cable distribution network                                 | (3,119)                                       | (3,729)                                                                             |
| (b) Broadband                                                  | (1,426)                                       | (1,924)                                                                             |
| <b>Total</b>                                                   | <b>(4,545)</b>                                | <b>(5,653)</b>                                                                      |
| Less:                                                          |                                               |                                                                                     |
| i. Finance costs                                               | 2,282                                         | 1,739                                                                               |
| ii. Other unallocable expenditure (net of unallocable income)  | (1,087)                                       | (2,043)                                                                             |
| <b>Profit / (Loss) before tax</b>                              | <b>(5,740)</b>                                | <b>(5,349)</b>                                                                      |
| Less: Tax expense                                              | (9)                                           | (274)                                                                               |
| <b>Profit / (Loss) after tax</b>                               | <b>(5,731)</b>                                | <b>(5,075)</b>                                                                      |
| <b>Segment Assets</b>                                          |                                               |                                                                                     |
| (a) Cable distribution network                                 | 167,363                                       | 142,680                                                                             |
| (b) Broadband                                                  | 12,657                                        | 8,135                                                                               |
| (c) Unallocated                                                | 128,865                                       | 154,097                                                                             |
|                                                                | <b>308,885</b>                                | <b>304,912</b>                                                                      |
| <b>Segment Liabilities</b>                                     |                                               |                                                                                     |
| (a) Cable distribution network                                 | 76,246                                        | 46,962                                                                              |
| (b) Broadband                                                  | 25,310                                        | 13,748                                                                              |
| (c) Unallocated                                                | 84,127                                        | 92,983                                                                              |
|                                                                | <b>185,683</b>                                | <b>153,693</b>                                                                      |

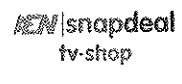


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#### Notes to the standalone unaudited financial results:

- The above standalone unaudited financial results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at their respective meetings held on 14 September, 2016. The statutory auditors of the Company have carried out a limited review of the results for current quarter.
- This statement of standalone unaudited financial results for the quarter ended 30 June, 2016 is in compliance with Indian Accounting Standards (IND-AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in Section 133 of the Companies Act, 2013 read with SEBI Circular CIR/CFD/CMD/15/2015 dated 30 November, 2015 and SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July, 2016. Consequently, results for the quarter ended 30 June, 2015 have been restated to comply with the IND-AS to make them comparable.
- The Company has investments of Rs. 61,021 lakhs in subsidiary companies, joint venture and associate companies as on 30 June, 2016. Of these, the Company has investment of Rs. 7,549 lakhs (net of provision for impairment) and has balances of loans/advances of Rs. 179 lakhs in various subsidiary companies whose net worth as at 30 June, 2016 has fully/substantially eroded. Of these, investments aggregating to Rs. 4,760 lakhs in companies whose net worth is fully/substantially eroded have earned profits for the quarter ended 30 June, 2016. The management of the Company expects that these companies will have positive cash flows to adequately sustain its operations in the foreseeable future. Having regard to the long term investment and strategic involvement, no further provision for impairment is considered necessary in the value of these investments.
- Pursuant to TRAI notification, Digital Addressable System (DAS) was implemented in the metropolitan cities of the country in Phase 1, Phase 2 and Phase 3 cities effective 1 November, 2012, 1 April, 2013 and 1 January, 2016 respectively. The Company has not been able to finalise subscription rates / agreements with Distributors / Local Cable Operators (LCOs) in notified cities. Pending finalisation of agreements, the Company has recognised subscription income on estimates based on market trends and negotiations with LCOs. Based on its review of such estimates on a regular basis management is of the view that any change arising in the subscription fee once finalised will not have significant impact on the revenue of the Company for the current period.
- The Board of Directors of the Company in its meeting held on 5 September, 2016 considered and approved a Scheme of Arrangement ("the Scheme") amongst DEN NETWORKS LIMITED ("Company") and SKYNET CABLE NETWORK PRIVATE LIMITED ("SKYNET"), a wholly owned subsidiary, in terms of provisions of sections 391 to 394 of the Companies Act, 1956. With effect from the Appointed date i.e. 1 April, 2016, the Internet Service Provider business ("Broadband") of the Company will be demerged into SKYNET. The Scheme is subject to the approval of shareholders, sanction of the Scheme by the High Court and all other statutory approvals.
- The excess managerial remuneration of Rs. 73 lakhs as reported in the results for the year ended 31 March, 2016 has been reversed/adjusted by the Company pursuant to Central Government order dated 21 June, 2016.
- Subsequent to the quarter ended 30 June, 2016, the Company has increased its investment stake in Macro Commerce Private Limited ("MCPL"), a joint venture of the Company, from 50% to 82.87% resulting into MCPL becoming a subsidiary.
- During the financial year 2013-14, the Company had raised funds of Rs. 96,082 lakhs by way of Qualified Institutional Placement (QIP) and Preferential Issue of Equity Shares.

The utilisation of the above proceeds are as follows:

| Particulars                                                                               | Amount<br>(Rs. in lakhs) |
|-------------------------------------------------------------------------------------------|--------------------------|
| a. Utilisation for implementation of DAS, broadband and other infrastructure and services | 67,132                   |
| b. Issue expenses incurred                                                                | 2,795                    |
| c. Balance amount invested in fixed deposits and mutual funds*                            | 26,155                   |
| <b>Total</b>                                                                              | <b>96,082</b>            |

\* Includes Rs. 23,188 lakhs under lien as margin money with banks/ financial institution against letters of credit/ bank guarantees/ term loans.

- Transition to IND- AS:**  
The Company has transitioned to IND-AS with effect from 1 April, 2016 with comparative being restated. Accordingly, the impact of transition has been provided in the opening reserve as at 1 April, 2015 and figures for the quarter ended 30 June, 2015 has been restated accordingly.

#### Reconciliation of standalone unaudited financial results reported to those under previous Generally accepted accounting principles (GAAP):

| Nature of Adjustments                                                                         | (Rs. in lakhs)<br>For the<br>quarter ended<br>30 June, 2015 |
|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| Net profit/ (loss) after tax as reported under previous GAAP                                  | (4,762)                                                     |
| - Effect of activation revenue being deferred and amortised over customer relationship period | 563                                                         |
| - Effect of employee stock option plan charged at fair value                                  | (139)                                                       |
| - Effect of measuring financial instruments at fair value                                     | (979)                                                       |
| - Effect of actuarial loss on defined benefits plans                                          | 99                                                          |
| - Deferred tax adjustment on above items                                                      | 143                                                         |
| Net profit / (loss) after tax as per IND-AS                                                   | (5,075)                                                     |
| Other comprehensive income                                                                    | (99)                                                        |
| <b>Total comprehensive income (after tax) as per IND-AS</b>                                   | <b>(5,174)</b>                                              |

- Previous period figures have been reclassified/ regrouped to conform to the classifications adopted in the current period, where necessary.



For and behalf of Board of Directors  
of DEN NETWORKS LIMITED

New Delhi  
SAMEER MANCHANDA  
Chairman / Managing Director  
DIN: 00015459

New Delhi  
14 September, 2016

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