



DEN Networks Limited

DIGITIZING INDIA



ANNUAL REPORT 2011-12

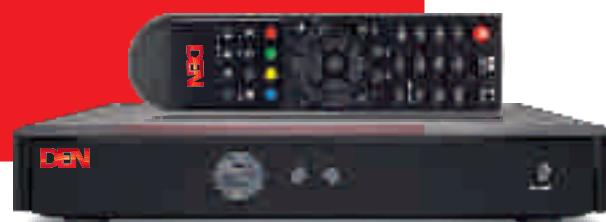
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DEN

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 MSO

Print Campaign

Front-page ads in leading
National dailies



Outdoor

Banners displayed
in Delhi's prime
locations



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 service areas

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.