

ANNUAL REPORT

2013-14

Network

18

Enable
Enlighten
Entertain

Network18 Media & Investments Limited.



Network18 Media & Investments Limited

BOARD OF DIRECTORS

Mr. Adil Zainulbhai#	Independent Non-Executive Chairman
Mr. Deepak Parekh#	Independent Non-Executive Director
Mr. Raghav Bahl	Non-Executive Director
Mr. Rohit Bansal#	Non-Executive Director
Mr. Vinay Chhajlani#	Non-Executive Director

appointed w.e.f. July 7, 2014

NETWORK18 GROUP COO

Mr. Alok S. Agrawal

COMPANY SECRETARY & AVP – CORPORATE AFFAIRS

Mr. Yug Samrat

AUDITORS

Walker ChandioK & Co LLP, Chartered Accountants, New Delhi
(formerly known as M/s. Walker, ChandioK & Co.)

BANKERS

ICICI Bank Limited
Yes Bank Limited

REGISTERED OFFICE

503, 504 & 507, 5th Floor,
'Mercantile House'
15, K.G. Marg,
New Delhi – 110 001.
Tel No: +91 011 4981 2600,
Fax +91 011 6150 6115
Website : www.network18online.com
Email id: investors.n18@network18online.com

CORPORATE OFFICE

Express Trade Tower
Plot No.15-16, Sector 16-A,
Noida – 201 301 (U.P.)
Tel +91 120- 4341818
fax +91 120- 4324110

REGISTRARS & SHARE TRANSFER AGENT

Karvy Computershare Private Limited,
Plot no. 17 - 24, Vittal Rao Nagar,
Madhapur, Hyderabad – 500 081
Tel No: +91 40 2342 0818,
Fax No +91 40 2342 0814,
Email-id: einward.ris@karvy.com
Website: www.karvycomputershare.com

CONTENTS	Page No.
Notice	2
Directors' Report	8
Management Discussion and Analysis Report	12
Corporate Governance Report	39
FINANCIAL STATEMENTS	
Standalone Financials	
Auditors' Report	53
Balance Sheet	56
Statement of Profit & Loss	57
Cash Flow Statement	58
Accounting Policies & Explanatory Information	60
Consolidated Financials	
Auditors' Report	99
Balance Sheet	100
Statement of Profit & Loss	101
Cash Flow Statement	102
Accounting Policies & Explanatory Information	104
Financial Details of Subsidiary Companies	163
Proxy Form and Attendance Slip	167

Network18 Media & Investments Limited

Notice

Notice is hereby given that the 19th Annual General Meeting of the members of **Network18 Media & Investments Limited ("the Company")** will be held on Tuesday, September 30, 2014 at 11.00 a.m. at Tivoli Garden Resort, Khasra No. 646-653, Chattarpur Road, Near Chattarpur Mandir, New Delhi-110074, to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt:
 - (a) the audited financial statement of the Company for the financial year ended March 31, 2014, the reports of the Board of Directors and Auditors thereon; and
 - (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2014.
2. To appoint a Director in place of Mr. Raghav Bahl (DIN: 00015280), who retires by rotation at this Annual General Meeting and being eligible, has offered himself for re-appointment.
3. To appoint Statutory Auditors of the Company and 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 pursuant to the provisions of Sections 139, 141, 142 and all other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the recommendation of the Audit Committee of the Board of Directors, Walker Chandio & Co. LLP, (ICAI Firm Registration No. 001076N) (formerly M/s. Walker, Chandio & Co.), New Delhi, be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 21st Annual General Meeting of the Company, subject to ratification by the members at every Annual General Meeting, on such remuneration as may be fixed by the Board of Directors of the Company."
5. To appoint Mr. Vinay Chhajlani (DIN: 00078665) as a Director 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 pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Vinay Chhajlani (DIN: 00078665), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
6. To appoint Mr. Deepak Parekh (DIN: 00009078) as an Independent Director 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 pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Clause 49 of the Listing Agreement, Mr. Deepak Parekh (DIN: 00009078), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to July 6, 2019."
7. To appoint Mr. Adil Zainulbhai (DIN: 06646490) as an Independent Director 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 pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Clause 49 of the Listing Agreement, Mr. Adil Zainulbhai (DIN: 06646490), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an
4. To appoint Mr. Rohit Bansal (DIN: 02067348) as a Director 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 pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Rohit Bansal (DIN: 02067348), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

Network18 Media & Investments Limited

Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to July 6, 2019.”

8. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2015 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** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s Pramod Chauhan & Associates, Cost Accountants (Regd. No. 000436), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid remuneration of Rs. 2,50,000 (Rupees two lacs and fifty thousand only);

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

9. To approve borrowings and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the provisions of the Articles of Association of the Company, approval of the members be and is hereby accorded to authorise the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any committee which the Board may constitute, to exercise its powers, including the powers conferred by this resolution) to borrow, from time to time, any sum or sums of money at its discretion, for the purposes of the business of the Company, which together with the moneys already borrowed by the Company and remaining outstanding (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business or which is repayable on demand or within a period of six months) may exceed at any point of time, the aggregate of the paid-up share capital, free reserves, that is to say reserves which are available for distribution as dividend and the securities premium account by a sum not exceeding Rs. 1,800 crore (Rupees one thousand eight hundred crore).

RESOLVED FURTHER THAT the Board be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise and to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

10. To approve offer or invitation to subscribe to Non-Convertible Debentures on private placement and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a

Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 42, 71 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the provisions of the Articles of Association of the Company, approval of the members be and is hereby accorded to authorize the Board of Directors of the Company to offer or invite subscriptions for secured / unsecured redeemable non-convertible debentures, in one or more series / tranches, aggregating up to Rs. 1,000 crore (Rupees one thousand crore), on private placement, on such terms and conditions as the Board of Directors of the Company may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said Debentures be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected with or incidental thereto;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

11. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By order of the Board of Directors
For Network18 Media & Investments Limited

Yug Samrat
Company Secretary
& AVP Corporate Affairs

Place: Mumbai
Date: August 12, 2014

Registered Office:

503, 504 & 507, 5th Floor,
‘Mercantile House’15,
K. G. Marg, New Delhi – 110 001.
Tel No: +91 011 4981 2600,
Fax +91 011 6150 6115
CIN: L65910DL1996PLC076419
Email id: investors.n18@network18online.com

Network18 Media & Investments Limited

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“THE MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. A BLANK PROXY FORM IS ENCLOSED HERewith 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 THE COMMENCEMENT OF THE MEETING.**
2. The Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to Special Businesses to be transacted at the Meeting, is annexed hereto.
3. Corporate Members are required to send a duly certified copy of the Board Resolution/ Power of Attorney/other valid authority, authorising their representative to attend and vote at the Meeting, as required under Section 113 of the Companies Act, 2013.
4. Members/ Proxies are requested to bring a copy of this notice. Those members who have not received a copy of the Annual Report can collect their copy from the Registered Office of the Company.
5. Members/ Proxies should complete and hand over duly signed attendance slips at the Meeting to record their attendance.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The Registers of Members and Share Transfer Books will be closed from September 29, 2014 to September 30, 2014 (both days inclusive) for the purposes of the Annual General Meeting.
8. 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 Meeting.
9. Brief resume of Directors proposed to be appointed/ re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter se* as stipulated under Clause 49 of the Listing Agreement, are provided in the Corporate Governance Report forming part of the Annual Report.
10. Certificate from the Statutory Auditors of the Company certifying that the Employees’ Stock Option Plans of the Company have been implemented in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and shareholders resolution(s) shall be placed before the Meeting.
11. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
12. Pursuant to provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the relevant unpaid or unclaimed amount which remained unpaid for 7 years to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on July 29, 2013 (date of last Annual General Meeting) on the website of the Company (www.network18online.com), as also on the website of the Ministry of Corporate Affairs.
13. The relevant documents referred to in the accompanying Notice and the Statement are available for inspection at the Registered Office of the Company on all working days, except holidays, during business hours up to the date of the Meeting.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Karvy.
15. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to write to the Company’s Registrar M/s Karvy Computershare Private Limited (Karvy).
16. Members who hold shares in multiple folios or joint accounts in the same order of names are requested to send the share certificates to Karvy or contact their depository participant as the case may be, for consolidation into a single folio.
17. **Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communications including Notices, Annual Report, circulars, etc. from the Company electronically.**
18. **In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014, the Company is pleased to provide members with facility to exercise their votes by electronic means (e-voting). Communication containing detailed instructions in this regard is being sent separately.**

Network18 Media & Investments Limited

STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (THE "ACT"):

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

Item No. 4:

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. Rohit Bansal as an Additional Director of the Company with effect from July 7, 2014.

In terms of the provisions of Section 161(1) of the Act, Mr. Rohit Bansal would hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Rohit Bansal for the office of Director of the Company.

Mr. Rohit Bansal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Brief resume of Mr. Rohit Bansal, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationship between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement, are provided in the Corporate Governance Report forming part of the Annual Report.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Rohit Bansal is appointed as a Director of the Company.

Save and except Mr. Rohit Bansal and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

Item No. 5:

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. Vinay Chhajlani as an Additional Director of the Company with effect from July 7, 2014.

In terms of the provisions of Section 161(1) of the Act, Mr. Vinay Chhajlani would hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Vinay Chhajlani for the office of Director of the Company.

Mr. Vinay Chhajlani is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Brief resume of Mr. Vinay Chhajlani, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationship between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement, are provided in the Corporate Governance Report forming part of the Annual Report.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Vinay Chhajlani is appointed as a Director of the Company.

Save and except Mr. Vinay Chhajlani and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

Item No.6

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. Deepak Parekh as an Additional Director of the Company with effect from July 7, 2014. Further, in terms of Section 149 of the Act and Clause 49 of the Listing Agreement, he was appointed as an Independent Director of the Company w.e.f. July 7, 2014.

In terms of the provisions of Section 161(1) of the Act, Mr. Deepak Parekh would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Deepak Parekh for the office of Director of the Company.

Mr. Deepak Parekh is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Section 149 of the Act *inter alia* stipulates the criteria of independence, should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mr. Deepak Parekh that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Mr. Deepak Parekh possesses appropriate skills, experience and knowledge *inter alia* in the field of banking, finance and management.

In the opinion of the Board, Mr. Deepak Parekh fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Deepak Parekh is independent of the management.

Brief resume of Mr. Deepak Parekh, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationship between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement, are provided in the Corporate Governance Report forming part of the Annual Report.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Deepak Parekh is appointed as an Independent Director of the Company.

Copy of the draft letter for appointment of Mr. Deepak Parekh as an Independent Director, setting out the terms

Network18 Media & Investments Limited

and conditions, is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Mr. Deepak Parekh and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

Item No.7

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. Adil Zainulbhai as an Additional Director of the Company with effect from July 7, 2014. Further, in terms of Section 149 of the Act and Clause 49 of the Listing Agreement, he was appointed as an Independent Director of the Company w.e.f July 7, 2014.

In terms of the provisions of Section 161(1) of the Act, Mr. Adil Zainulbhai would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Adil Zainulbhai for the office of Director of the Company.

Mr. Adil Zainulbhai is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Section 149 of the Act *inter alia* stipulates the criteria of independence, should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a Company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mr. Adil Zainulbhai that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Mr. Adil Zainulbhai possesses appropriate skills, experience and knowledge *inter alia* in the field of finance.

In the opinion of the Board, Mr. Adil Zainulbhai fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Adil Zainulbhai is independent of the management.

Brief resume of Mr. Adil Zainulbhai, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationship between directors inter-se as stipulated under Clause 49 of the Listing Agreement, are provided in the Corporate Governance Report forming part of the Annual Report.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Adil Zainulbhai is appointed as an Independent Director of the Company.

Copy of the draft letter for appointment of Mr. Adil Zainulbhai as an Independent Director setting out the terms and

conditions is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Mr. Adil Zainulbhai and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

Item No.8

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Pramod Chauhan & Associates, Cost Accountants (Regd. No. 000436), as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 as set out in the resolution, excluding applicable taxes and out of pocket expenses, which shall be paid on actual basis.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

Item No.9

The members of the Company vide resolution passed through postal ballot on February 24, 2012, had authorized the Board of Directors of the Company to borrow monies, from time to time, upto Rs. 1,800 crore in excess of the aggregate of the paid-up capital and free reserves of the Company in terms of Section 293(1)(d) of the Companies Act, 1956.

In terms of Section 180(1)(c) of the Act, the borrowing limits have to be approved by a special resolution as compared to an ordinary resolution under Section 293(1)(d) of the Companies Act, 1956. Further, under the Companies Act, 1956, 'free reserves' included securities premium account while under the Act, securities premium account is not to be considered as free reserves.

In view of the requirements under the Act and the General Circular no. 04 /2014 dated March 25, 2014 issued by the Ministry of Corporate Affairs, it is proposed to seek approval of shareholders under Section 180(1)(c) of the Act by a special resolution for the same borrowing limits as earlier approved by the shareholders under Section 293(1)(d) of the Companies Act, 1956 i.e., authorizing the Board of Directors of the Company to borrow, from time to time, an amount not exceeding Rs. 1,800 crore (Rupees One thousand eight

Network18 Media & Investments Limited

hundred crore only) in excess of the aggregate of the paid-up share capital, free reserves (that is to say, reserves which are available for distribution as dividend) and securities premium account.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

The Board commends the Special Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

Item No. 10

Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 prescribed, *inter alia*, under Section 42 of the Act deals with private placement of securities by a company. Sub-rule (2) of the said Rule 14 states that in case of an offer or invitation to subscribe for non-convertible debentures on private placement, the company shall obtain previous approval of its shareholders by means of a special resolution only once in a year for all the offers or invitations for such debentures during the year.

In order to augment long term resources, the Company may offer or invite subscription for secured / unsecured redeemable non-convertible debentures, in one or more series / tranches on private placement, issuable / redeemable at par. Such issuance will be within the overall borrowing limits of the Company.

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 10 of the Notice. This resolution enables the Board of Directors of the Company to offer or invite subscription for non-convertible debentures, as may be required by the Company, from time to time for a year from the conclusion of this Annual General Meeting.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the Notice.

The Board commends the Special Resolution set out at Item No. 10 of the Notice for approval by the shareholders.

Item No. 11

The existing Articles of Association ("AoA") of the Company are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific Sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act.

The Act is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, *inter alia*, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles of Association.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a Company limited by shares. Shareholder's attention is invited to certain salient provisions in the new draft AoA of the Company viz:

- (a) Company's lien now extends also to bonuses declared from time to time in respect of shares over which lien exists;
- (b) the nominee(s) of a deceased sole member are recognized as having title to the deceased's interest in the shares;
- (c) new provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalized;
- (d) new provisions relating to appointment of chief executive officer and chief financial officer, in addition to manager and company secretary;
- (e) existing articles have been streamlined and aligned with the Act;
- (f) the statutory provisions of the Act which permit a company to do some acts "if so authorized by its articles" or provisions which require a company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included; and
- (g) provisions of the existing AoA which are already part of statute in the Act have not been reproduced in the new draft AoA as they would only lead to duplication – their non-inclusion makes the new AoA crisp, concise and clear and aids ease of reading and understanding.

The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives, save and except to the extent of their shareholding interest, if any, in the Company, are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 11 of the Notice.

The Board commends the Special Resolution set out at Item No. 11 of the Notice for approval by the shareholders.

By order of the Board of Directors
For Network18 Media & Investments Limited

Yug Samrat

Company Secretary
& AVP Corporate Affairs

Place: Mumbai
Date: August 12, 2014

Registered Office:

503, 504 & 507, 5th Floor,
'Mercantile House'15,
K. G. Marg, New Delhi – 110 001.
Tel No: +91 011 4981 2600,
Fax +91 011 6150 6115
CIN: L65910DL1996PLC076419
Email id: investors.n18@network18online.com

Network18 Media & Investments Limited

Directors' Report

Dear Members,

Your Directors are pleased to present the 19th Annual Report together with the Company's Audited Accounts for the financial year ended March 31, 2014.

Acquisition of controlling stake by Independent Media Trust and change in Promoters

Independent Media Trust, of which Reliance Industries Limited is the sole beneficiary, has acquired a controlling stake of the Promoter Group entities namely RB Mediasoft Private Limited, RRB Mediasoft Private Limited, Adventure Marketing Private Limited, Watermark Infratech Private Limited, Colorful Media Private Limited, RB Media Holdings Private Limited and RB Holdings Private Limited (Holding Companies) from Mr. Raghav Bahl and Ms. Ritu Kapur on July 7, 2014.

Pursuant to such acquisition, Mr. Raghav Bahl, Ms. Ritu Kapur and the other existing Promoters / Promoter Group of the Company (other than Holding Companies) have ceased to be Promoters / Promoter Group of the Company from July 7, 2014. Further, Independent Media Trust, Reliance Industries Limited and Holding Companies are the Promoters of the Company from July 7, 2014.

In terms of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Independent Media Trust has made an open offer to acquire up to 22,99,46,996 Equity Shares of face value of Rs. 5/- each of the Company at an offer price of Rs. 41.04 per Offer Share aggregating Rs. 943.70 crore payable in cash.

Financial Results

The financial performance of the Company for the year ended March 31, 2014 is summarized below:

Rs. in crore

Particulars	2013-14	2012-13
Profit/ (Loss) before interest and depreciation	(12.98)	87.54
Less: Finance Cost	53.93	106.87
Less: Depreciation	8.03	10.59
Net operating Profit/(Loss) for the year	(74.94)	(29.91)

During the year under review, the Company recorded a turnover of Rs. 102.02 crore (last year Rs. 194.89 crore). The consolidated revenue from operations of the Company and its subsidiaries/joint ventures was Rs. 2,692.39 crore (last year Rs. 2,382.69 crore).

Subsequent to the date of Balance Sheet, during the quarter ended June 30, 2014, based on a review of (i) Investments, and (ii) other current and non-current assets, the Company has accounted for (a) diminution in the value of certain investments to the extent of Rs. 208.11 crore; (b) impairment in the value of certain tangible and intangible assets to the extent of Rs. 5.13 crore and (c) write-off and provisions of

non-recoverable and doubtful loans/advances/receivables to the extent of Rs. 398.87 crore. Similar adjustments have been made in the quarterly financial statements of the subsidiaries and joint ventures whereby the Company, in the consolidated financial statements, has accounted for (a) diminution in the value of certain investments to the extent of Rs. 142.83 crores and goodwill Rs. 234.78 crore; (b) impairment in the value of certain tangible and intangible assets to the extent of Rs. 127.42 crore and (c) write-off and provisions of non-recoverable and doubtful loans/advances/receivables to the extent of Rs.519.41 crore. These adjustments have been made in the financial results for the quarter ended June 30, 2014 and have been disclosed as 'Exceptional Items' and have no impact on the future profitability and cash flows of the operating businesses of the Company.

Dividend

In view of the losses, the Board of Directors has not recommended any dividend for the year under review.

Management's Discussion and Analysis Report

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report. Details of major subsidiaries of the Company and their business operations during the year under review are also covered in the Management's Discussion and Analysis Report.

Deposits

Your Company has discontinued accepting fresh Fixed Deposits or renewing any deposits after March 31, 2014.

Your Company has been regular in payment of interest and repayment of the Fixed Deposits. As at March 31, 2014, the total amount of deposits outstanding was Rs. 499.25 crore. Further, 915 deposits amounting to Rs. 5.95 crore had matured for payment as on March 31, 2014 but remained unclaimed. Your Company has sent reminders to these deposit holders.

Employees' Stock Option Plan

During the year, in view of the adverse market scenario, the Remuneration Committee has extended the exercise period and revised the exercise price of certain options, details of which are given in Annexure – I to this Report.

The applicable disclosures stipulated under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('SEBI Guidelines') are given in Annexure – I to this Report.

The Company has implemented the Employees' Stock Option Scheme in accordance with the SEBI Guidelines and the resolutions passed by the shareholders. The Certificate(s) of the Statutory Auditors confirming the same shall be placed before the Annual General Meeting for inspection by the members.

Network18 Media & Investments Limited

Corporate Governance

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI.

The detailed Corporate Governance Report of the Company in pursuance of Clause 49 of the Listing Agreement forms part of the Annual Report of the Company. The requisite Certificate from a Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is also attached to this Report.

Credit Rating

ICRA Limited – the Credit Rating Agency, a subsidiary of Moody's, has assigned following credit ratings to the credit facilities of the Company:

Fixed Deposit Programme	: [ICRA] MA (Positive)
Long Term Facilities	: [ICRA] A (Positive)
Short Term Facilities	: [ICRA] A1+
Commercial Paper Programme	: [ICRA] A1+
Commercial Paper Programme (Backed by BG/SBLC)	: [ICRA] A1+ (SO)

Directors

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Deepak Parekh, Mr. Adil Zainulbhai, Mr. Rohit Bansal and Mr. Vinay Chhajlani were appointed as Additional Directors of the Company w.e.f. July 7, 2014. Mr. Deepak Parekh and Mr. Adil Zainulbhai are Independent Directors. These Directors shall hold office up to the date of the ensuing Annual General Meeting of the Company. The Company has received requisite notices in writing from members proposing the candidature of Mr. Deepak Parekh and Mr. Adil Zainulbhai as Independent Directors and Mr. Rohit Bansal and Mr. Vinay Chhajlani as Directors of the Company.

The Company has received declarations from Mr. Deepak Parekh and Mr. Adil Zainulbhai, Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed both under sub-section (6) of section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchange.

Mr. Raghav Bahl resigned from the office of Managing Director and has relinquished all his executive powers and responsibilities w.e.f. July 7, 2014, but continues to be a Non-executive Director. In terms of the Articles of Association of the Company, Mr. Raghav Bahl retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

Ms. Subhash Bahl, Ms. Vandana Malik, Mr. Sanjay Ray Chaudhuri, Mr. Manoj Mohanka and Mr. Hari. S. Bhartia resigned from the directorship of the Company w.e.f. July 7, 2014. The Board places on record its appreciation for the valuable contribution made by them during their respective tenure.

Consolidated Financial Statement

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statement read with AS-23 on Accounting for Investments in Associates and AS-27 on Financial Reporting of Interests in Joint Ventures, the audited consolidated financial statement for the year ended March 31, 2014 is provided in the Annual Report.

Subsidiary Companies

In accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However, the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular. The Company will provide a copy of separate annual accounts in respect of each of its subsidiary to any shareholder of the Company who asks for it and the said annual accounts will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies.

Transfer of amounts to Investor Education and Protection Fund

Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, relevant amounts which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company, from time to time within stipulated time, to the Investor Education and Protection Fund.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on July 29, 2013 (date of last Annual General Meeting) on the Company's website, as also on the Ministry of Corporate Affairs' website.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- in the preparation of the annual accounts for the financial year ended March 31, 2014, the applicable Accounting Standards read with the requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- 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 as at March 31, 2014 and of the loss of the Company for the year ended on that date;

Network18 Media & Investments Limited

- iii) 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; and
- iv) the Directors have prepared the annual accounts of the Company for the financial year ended March 31, 2014 on a 'going concern' basis.

Auditors and Auditors' Report

The Statutory Auditors, Walker Chandio & Co LLP (formerly known as M/s. Walker Chandio & Co.), New Delhi hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

Walker Chandio & Co LLP was appointed as Auditors of the Company at the Annual General Meeting held on September 9, 2011 and would complete a tenure of three years at the ensuing Annual General Meeting. The Company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment. Accordingly, the Board recommends the re-appointment of the Statutory Auditors for two years to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of 21st Annual General Meeting of the Company, subject to ratification by the members at every Annual General Meeting.

The Auditors Report is self-explanatory and does not call for further explanation in this regard. The comment made by the Auditors in para no. (x) and (xvii) of Annexure to their report are only factual statements. In the absence of long term funds, the available funds were used in the normal course of business. However such usage does not have impact on the profitability of the Company. Further the management is making constant efforts to set right this position.

Cost Auditors

The Company had appointed, M/s Pramod Chauhan & Associates, Cost Accountants (Regd. No. 000436), as the Cost Auditors of the Company for the financial year 2013-14 for conducting the audit of the Cost Records of the Company.

Particulars of Employees

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in the Annexure to the Directors' Report. Having regard to the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled to receive the annual report of the Company. Any member interested in obtaining such particulars may write to the Company at its Registered Office.

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, regular efforts are made to conserve the energy.

b) Research and Development

The Company continuously makes efforts towards research and developmental activities whereby it can improve the quality and productivity of its programmes.

c) Foreign Exchange Earnings and Outgo

The foreign exchange earnings and outgo are given below:

Particulars	Amount (Rs. in crore)
Total Foreign Exchange Earned	7.86
Total Foreign Exchange used	5.53

d) Technology Absorption

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

Acknowledgment

Your Directors wish to place on record their appreciation for the continuous support extended by all the employees, shareholders, customers, Joint venture partners, investors, government authorities and bankers for their continued support and faith reposed in the Company.

For and on behalf of the Board

Adil Zainulbhai **Raghav Bahl**
Director Director

Place: Mumbai
Date: August 12, 2014

Network18 Media & Investments Limited

Annexure “ I “ to the Directors’ Report

Disclosure as required under SEBI (Employees Stock Option and Employees Stock Purchase Scheme) Guidelines, 1999, as on March 31, 2014.

(a)	Options granted	NIL		
(b)	Pricing Formula	Such discounted price to the market price of the equity shares of the company as may be decided by the Remuneration / Compensation Committee. However the exercise price shall not be less than the par value of the equity shares of the Company.		
(c)	Options vested during the year	650		
(d)	Options exercised during the year	2,33,333		
(e)	Total no. of shares arising as a result of exercise of options	2,33,333		
(f)	Options lapsed during the year	2,40,537		
(g)	Variation in terms of options	On October 28, 2013 the exercise price of 180,071 options has been modified to Rs. 31.90 and the exercise period was extended upto March 2, 2015. The exercise period of 24,807 options was extended till February 5, 2015.		
(h)	Money realised by exercise of options (Rs. in lakhs)	11.67		
(i)	Total no. of options in force	7,08,841		
(j)	(i) Options shares granted to key managerial persons	NIL		
	(ii) Employees who have been granted 5% or more, of the options during the year :	NIL		
	(iii) None of the employees were granted options during the year, equal to or exceeding 1% of the issued capital of the Company at the time of grant :	NIL		
(k)	(i) Basic Earnings per share (in Rs.)	(0.72)		
	(ii) Diluted Earnings per share (in Rs.)	(0.72)		
(l)	Computation of employee compensation cost and effect on profit and EPS			
	(i)	Method of calculation of employee compensation cost	Intrinsic Value	
	(ii)	Difference between the employee compensation cost so computed at (i) above and the employee compensation cost to P&L account if the company had used fair value of the Options (Rs. in lakhs)	30.93	
	(iii)	The impact of this difference on the profits and EPS of the Company		
			Profit after tax (Rs. in lakhs)	(7,494.42)
			Less: Additional employee compensation cost based on fair value (Rs. in lakhs)	30.93
			Adjusted Profit after Tax (Rs. in lakhs)	(7,525.34)
			Adjusted Basic EPS	(0.72)
	Adjusted Diluted EPS	(0.72)		
(m)	Weighted average exercise price and fair value of the stock options granted at a price below market price :	Nil		
(n)	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		The Company has adopted Black Scholes pricing model for valuation of options. The main assumptions are as under:	
	As on grant	As on Grant Date	Post modification 28 Oct. 2013	
	Risk free rate of interest (in %)	8.33%	8.33%	
	Expected life of the options from the date of grant (in Years)	1.40	1.78	
	Expected volatility (in %)	55.40%	55.40%	
	Dividend yield (in %)	0.00%	0.00%	

MANAGEMENT DISCUSSION AND ANALYSIS REPORT
Industry Status¹

The Indian M&E industry grew from Rs. 821 Billion in 2012 to Rs. 918 billion in 2013, registering an overall growth of 11.8%. Although the macro-economic environment remained cautious, but the Industry started seeing benefits from digitisation, steady growth of regional media and fast emerging new media businesses. The industry is estimated to achieve a growth rate of 13.1% in 2014 to touch Rs. 1,039 Billion. The sector is projected to grow at a healthy CAGR of 14.2% to reach Rs. 1,786 billion by 2018

Overall Industry Size (Rs. Billions) (For calendar years)	2009	2010	2011	2012	2013	Growth in 2013 over 2012	2014 P	2015 P	2016 P	2017 P	2018 P	CAGR (2013 - 18)
Television	257	297	329	370	417	12.7%	479	567	672	772	885	16.2%
Print	175	193	209	224	243	8.5%	264	287	313	343	374	9.0%
Films	89	83	93	112	125	11.5%	138	158	181	200	220	11.9%
Radio	8	10	12	13	15	15.0%	17	19	23	28	34	18.1%
Music	8	9	9	11	10	-9.9%	10	11	13	15	18	13.2%
Out of Home	14	17	18	18	19	5.9%	21	23	25	28	30	9.2%
Animation & VFX	20	24	31	35	40	12.5%	45	52	60	70	83	15.9%
Gaming	8	10	13	15	19	25.5%	24	28	32	36	41	16.2%
Digital Advertising	8	10	15	22	30	38.7%	41	55	70	88	102	27.7%
Total	587	652	728	821	918	11.8%	1,039	1,201	1,390	1,580	1,786	14.2%

(Source: FICCI-KPMG Report 2014)

Key areas of growth – Fundamental Drivers

The Indian media and entertainment industry has benefited from some fundamental growth drivers, which have facilitated its double digit growth in the recent past. They are categorized and summarized as follows:

- **Driven by consumer:**
 - o Increasing per capita consumption of the Indian population along with the influx of foreign capital and brands has led to the emergence of an ever increasing & a large consuming class. This population is globally aware and acquisitive in nature thereby increasing their propensity to spend on entertainment activities. Majority of this spend is directed towards television subscription, film & print, thereby positively impacting the 3 largest sub sectors in the media & entertainment industry.
 - o Compared to global average, India is lower on penetration of media, thereby signifying a large scope of growth in the coming future. The growing middle class is expected to drive the Indian media economy to its potential with increased spend on leisure & entertainment activities.
 - o Favourable demographic composition of the nation, commonly referred to as the 'demographic dividend', which essentially implies that a large proportion of the country's populace is young and in the working age group, thus allowing for greater future consumption upside
- **Driven by Industry & regulatory regime:**
 - o Television Digitization & the Rise of a digital ecosystem: This has been a defining trend in the global media industry especially in TV, music and films and now it is becoming evident in India as well. From an enhanced consuming experience for the end-user to greater addressability and monetization potential for the content provider; digitization can be a great value creator across the value chain. The year 2012 heralded perhaps the most significant development in the last decade for the cable television industry with the roll out of the mandatory Digital Addressable System (DAS). Both phases of digitisation saw significant progress in implementation of mandatory digital access system (DAS) across the four metros & next 38 cities. The industry now hopes to realize benefits over the medium term – including enhanced ability to monetize content, greater transparency and equitable revenue share across the value chain, lower burden of carriage fees and hence increased ability to invest in differentiated and sophisticated content.
 - o Focus on Regional markets: Tier 2 and Tier 3 towns account for majority of India's urban consumption. Regional television and print continued its strong growth trajectory owing to growth in income and consumption in the regional markets. National advertisers are looking at these markets as the next consumption hubs and local advertisers are learning the benefits of marketing their products. Leading domestic and international M&E companies are realising the growing importance of regional media and thus are investing in these markets.
 - o Niche Genres: There exists a strong advertiser interest in targeting wealthy and urban consumers focused on luxury brands and youth. To cater to this demand by both consumers & advertisers, TV broadcasters have recently launched new niche channel genres such as home shopping, crime, science, travel and lifestyle, while newspapers have launched special interest supplements.
 - o Regulatory and Policy Support: Regulatory interventions have been a key enabler of growth for the sector. Anticipated developments in 2014 such as continued cable DAS rollout, Phase 3 licensing for Radio and 4G launch, will spur growth in the medium term.

¹ Source: FICCI KPMG Report 2014 & other Industry Reports

Network18 Media & Investments Limited

- o Other Key Enablers: Along with the above mentioned, gradual de-regulation in industry policies, easier availability of institutional capital for funding growth and the opening up of global markets for Indian media content have facilitated growth.
- **Driven by Technology**
 - o Pay-led Revenue Models: The media industry's current dependence on ad revenue is expected to continue for some time, largely due to the relatively low ARPUs on account of hyper competition and lower price elasticity of consumers. However, with digitisation and the growth in addressable media, revenue models based on end-user revenues are gaining traction. Audiences are becoming more willing to pay for content and value added services. Technology has enabled convenience and superior quality offerings to consumers who have responded positively. The growth in ticket prices of movies at multiplexes, increasing number of Pay-TV subscribers, increasing penetration of DTH with its user-friendly interface and technology, and introduction of Value Added Services (VAS) by media players are some examples of pay markets gaining importance.
 - o Proliferation of Connected Devices: Internet penetration in India is very low compared to global counterparts, signifying large potential for growth. The rapid increase in mobile and wireless connections continued to drive the growth of internet penetration in India. With better access, through cheaper and smarter devices, audiences (especially youth) are consuming more content and are getting increasingly engaged. M&E companies in India are in a unique position to learn from the experiences of their global peers and to develop new digital business models as they seek to capitalize on growing digital media consumption. Considering the growth in India's telecom and IT markets especially mobile and wireless market, this wave of convergence is bound to be strengthened. Availability of infrastructure and appropriately priced content across these new media platforms will be critical success factors for the Indian market. Going forward, better uptake of 3G connections and the beginnings of the 4G rollout are expected to spur growth further. 4G technology will enable greater uptake in services including Live TV, HD video/ audio streaming, real time online gaming, high speed data downloads and uploads and could enable introduction of new innovative offerings.

Opportunities, Growth Drivers and Concerns²

The Indian Entertainment and Media Industry is undergoing a structural shift in a converging media era where consumers are increasingly taking control of their media consumption. With the evolution of the industry, growth is increasingly being driven by increased consumer spending which has a large impact on revenue streams. Knowledge of evolving consumption trends will be a critical success factor in this scenario. The growth has been evident in varying proportions across the different segments of the Indian Entertainment and Media Industry i.e. Television, Print and Internet (Digital) being the major media in terms of size and growth rates apart from other segments such as radio, out of home, mobile.

We are a media and entertainment company in India, with interests in television, internet, filmed entertainment, digital commerce, magazines, mobile content and allied businesses. We broadcast television channels across genres such as news, general entertainment and factual entertainment. We entered the Internet industry in June 2000 and have since established a number of digital and mobile properties offering digital content and e-commerce, including home shopping and online ticketing. We also publish special interest business-to-consumer and business-to-business magazines and have a presence in film production and distribution. Through our subsidiary 'TV18 Broadcast Ltd.' [BSE: 532800, NSE: TV18BRDCST], we have a bouquet of leading news networks comprising channels such as CNBC-TV18, CNBC Awaaz, CNBC-TV18 Prime HD, CNN-IBN, IBN7 and IBN-Lokmat (a Marathi regional news channel in partnership with the Lokmat group). TV18 also operates a joint venture with Viacom, called Viacom18, which houses a portfolio of popular entertainment channels – Colors, Colors HD, Rishtey, MTV, MTV Indies, SONIC, Comedy Central, VH1, Nick, Nick Jr. and Nick Teen - and Viacom18 Motion Pictures, the group's film entertainment business. TV18 has also forayed into the Indian factual entertainment space through A+E Networks | TV18 (a joint venture between A+E Networks and TV18 Broadcast) and operates HistoryTV18. TV18 successfully completed the acquisition of ETV in this financial year and now houses a bouquet of 8 regional news channels; ETV Uttar Pradesh, ETV Madhya Pradesh, ETV Rajasthan and ETV Bihar, ETV Urdu channel, ETV Kannada, ETV Marathi & ETV Haryana along with 5 regional entertainment channels ETV Marathi, ETV Kannada, ETV Bangla, ETV Gujarati and ETV Oriya. To cover the global audience & sizable NRI population, TV18 launched News18 India, a 24 hour television news channel designed to give global audiences a window into the world's largest democracy. TV18 and Viacom18 have also formed a strategic joint venture called IndiaCast, a multi-platform 'content asset monetization' entity mandated to drive domestic and international channels distribution, placement services and content syndication for the bouquet of channels from TV18, Viacom18 and other broadcasters. Through 'Network18 Media & Investments Ltd.' [BSE: 532798, NSE: Network18], we operate our digital, publishing and digital commerce assets including moneycontrol.com, ibnlive.com, in.com, burrp.com, News18.com and firstpost.com. 'Network18' also operates digital commerce properties like HomeShop18 and bookmyshow.com and publishes Forbes India, the nation's first local edition of a foreign news magazine title and one of the world's most influential business brands, in collaboration with Forbes Media. In addition, through 'Network18', the group operates Network18 Publishing, a player in the special interest publishing space.

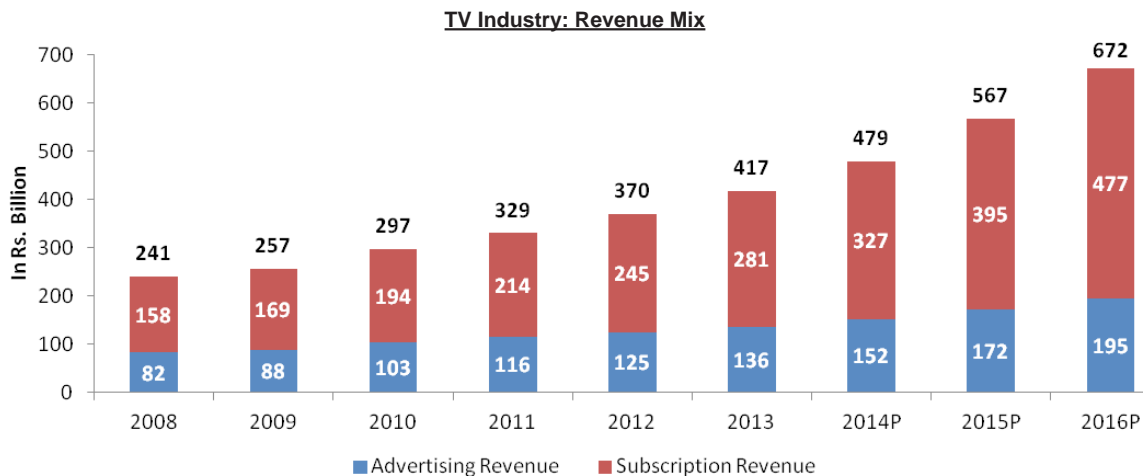
The Indian Television Industry³

Television is the largest medium for media delivery in India in terms of revenue, representing around 45% of the total media industry. The TV industry continues to have headroom for further growth as television penetration in India is still at approximately 60% of total households. India continues to be the third largest TV market after USA and China with 161 million television households. Cable and Satellite (C&S) penetration of television households is 86%, with DTH driving a significant part of the growth in the last 12 months. With the ongoing digitization of all analog cable subscribers, penetration level of digital households is expected to increase significantly going forward. The overall television industry was estimated to be Rs. 417 billion in 2013, and is expected to grow at a CAGR of 16.2% over 2013-18, to reach Rs. 885 billion in 2018.

² Source: FICCI KPMG Report 2014 & other Industry Reports

³ Source: FICCI KPMG Report 2014

Network18 Media & Investments Limited



Source: KPMG Analysis, Industry Analysis

Key trends & growth drivers for the Indian Television Industry⁴

Following are the key trends that are likely to impact the television industry in the medium to long term:

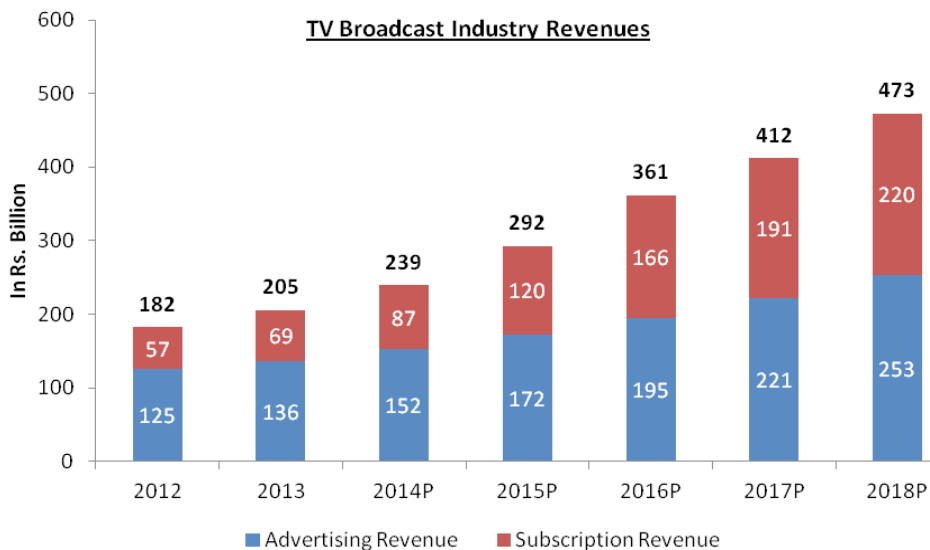
- Significant potential for growth, based on TV penetration levels: India is estimated to have around 161 million TV households in 2013, which implies a TV penetration of approximately 60%. In 2018, TV penetration is estimated to rise to approximately 70%, which still offers potential for penetration-led growth.
- Digitisation – A paradigm shift: In the financial year, the television industry finally commenced the paradigm shift in the way business will be done going forward, with the implementation of mandatory digital access system (DAS) across the four metros in phase 1 and across 38 cities in phase 2. Cable operators in a DAS regime would be legally bound to transmit only digital signals. Subscribed channels can be received at the customer’s premises only through a set-top-box equipped with a conditional access card, and a subscriber management system (SMS). In a nutshell, each user in the network would be uniquely identifiable to the service provider. Digital television is expected to provide the consumer access to a higher number of TV channels, customized tariffs, availability of broadband and other value-added-services, and enhanced user experience through better viewing quality and consumer service. The impact of DAS implementation will be fundamental to the growth of the industry. In a nutshell, the following trends are expected:
 - o Broadcasters benefit from increased subscription revenues: Addressability is expected to increase the revenue share of broadcasters, leading to a significant increase in subscription revenue uptakes for broadcasters. In 2013, it is estimated that large networks witnessed 16% - 20% growth in their subscription revenue (Source: FICCI KPMG Report 2014). The increase is likely to continue post the completion of the MSO’s process of verifying subscribers on the ground and establishing SMS, leading to broadcaster-MSO agreements getting further streamlined to market realities. The Phase I and II markets have witnessed a 20%-25% drop in carriage, partly driven by digitisation and partly due to negotiating power of aggregators. Phase I and II markets account for 75% of the carriage fee payment, resulting in a 15%-20% decline in carriage fees overall (Source: FICCI KPMG Report 2014)
- Growth led by subscription revenues: Subscription revenue is expected to be the driver of growth for broadcasters, growing at an estimated CAGR of 26.1% from 2013 to 2018. Increase in the declared subscriber base and higher revenue share is expected to drive up the share of subscription to total broadcaster revenue from 34.7% in 2013 to 46.5% in 2018. (Source: FICCI KPMG 2014)
- TRAI – 12 minute ad cap makes advertisers cautious: TRAI’s efforts to enforce the 12 minute ad-cap regulation invited a divided response from the industry and contributed to the challenges of the broadcasters especially those with significant dependence on advertising revenues. At an aggregate level, the total TV advertising market is estimated to have grown around 8.8% in 2013 to Rs.136 billion, lower than the Industry estimates. Going forward, television advertising in India is expected to grow at a CAGR of 13.2% over 2013-18, to reach Rs.256 billion (Source: FICCI KPMG Report 2014).
- Hindi & Regional GEC’s continue to be key drivers: Together accounting for 48% of total viewership in 2013, Hindi GECs continued their dominant position in 2013 with a 30% share of viewership, higher than its share of 29.3% in 2012. Regional Entertainment channels (excluding News) collectively accounted for 23.1% of the total viewership with Regional GECs

⁴ Source: FICCI KPMG Report 2014

Network18 Media & Investments Limited

across languages accounting for 18% share of the viewership. The key drivers of growth in the regional broadcasting space continue to be richness of content, better cultural fit and better engagement in contrast to mass Hindi programming. Regional channels also stand to benefit more from the successful completion of Phases III & IV of digitisation, especially niche genres in regional languages. (Source: FICCI KPMG Report 2014)

- **Evolution of TV Measurement:** The broadcasting and advertising industries have long been vocal about the need for more competition in the television ratings measurement service in India. With this objective, BARC (Broadcast Audience Research Council) has selected Médiamétrie, a French audience measurement company as its ratings partner after evaluating multiple bids. As the industry awaits the operationalisation of the new system, expected to be in place by October 2014, which will begin by servicing 20,000 panels compared to the existing 9,600 provided by TAM, it also wants the system to include capabilities such as, i) measurement of the impact of deferred viewing (catch up TV), ii) viewership measurement across multiple media as consumption of TV content across platforms rise, iii) integrating social media engagement into audience measurement. (Source: FICCI KPMG 2014)
- **Multi platform consumption & distribution:** Consumption of TV content on screens other than the television, such as PCs, mobile phones and tablets is a growing phenomenon. Online video viewership has witnessed significant traction in India, with 60 million people having watched online videos on their PCs, a growth of 16% between December 2012 and December 2013, indicating the growth potential for online viewership of TV in India (Comscore : December 2013). As content availability and technology platforms improve, online distribution could be a key revenue generator for the TV industry. In the short term, monetisation is expected largely through advertising, since availability of cheap content on C&S platforms is a challenge for monetisation via subscription. Given the low prices for C&S TV and the high cost of bandwidth, providing online TV at competitive price points would be difficult for mass adoption. However, for premium and exclusive content, subscription revenues can be a big driver.
- **International Revenues:** A larger part of the revenue growth would be driven by reaching out to the local audience in countries with high population of NRIs. Since the non-Indian audience in these markets, cannot be expected to pay a premium subscription ARPU, Indian channels are now looking at expanding business through the ad route by going FTA to attract local audience. Channels are looking at both adding sub-titles and dubbing for localising the content. However, Indian content does not lend itself easily to localisation and adaptation to local context would require understanding of local culture. (Source: FICCI KPMG Report 2014)



Source: KPMG Analysis, Industry Analysis

Key risks & challenges for the Indian Television Industry⁵

- **Implementation of the mandatory digitisation regime:** While digitisation has been planned in a phased manner, its successful implementation is critical for the long term growth of the television industry. All Industry stakeholders will need to ensure that issues ranging from infrastructural (Availability of boxes, customer support) and funding to customer education are addressed strongly in every successive phase.
- **Advertising Environment risks:** As an industry, the television sector continues to be substantially dependent on advertising revenues. However, these revenues are in turn strongly linked to changing economic sentiment and thus run the risk of

⁵Source: FICCI KPMG Report 2014

Network18 Media & Investments Limited

volatility. In recent times, due to the domestic environment and global pressures, advertising growth has been muted considerably. Continuing the trend observed in the past few years, advertisement revenue growth was largely attributable to volume growth. Rates continued to remain flat or even declined in some cases. (Source: FICCI KPMG Report 2014)

- Competition from other media: Owing to multiple factors, including the mass nature of television, some proportion of advertising revenue is moving away and into media such as internet, mobile and radio which are relatively cheaper, more measurable and have greater local connect. Large advertisers from sectors such as FMCG, BFSI etc. are increasingly focusing on the internet and mobile as a key component of their media spending plans.
- Content costs for channels: As a result of the clutter and competitive pressures in the market, there has been a high degree of volatility in content costs which is a cause for concern.
- Regulation: The Indian broadcast industry is heavily regulated across a multitude of areas including distribution, taxation etc. Policy changes can have a material impact on the economic and strategic direction of the Industry.

The Indian Digital Media Industry⁶

Digital advertising market was up 38.7% to Rs. 30.1 Billion in 2013. The growth trajectory is expected to continue in the coming years; up 37% to reach Rs. 41.2 Billion in 2014. Mobile, social and video emerged as star categories in advertising owing to the proliferation of Smartphone, 3G and mobile apps. Compared to global average, the share of digital advertising to total media spend is low, hence signifying significant room to grow. (Source: FICCI KPMG Report 2014). The digital media ecosystem in India is evolving rapidly. Continued growth in internet penetration and access to mobile devices is expected to drive consumption. This will further drive adoption by advertisers and the developments in the payment ecosystem should facilitate better monetization, and hence revenue growth.

- Mobile connectivity will drive the next phase of growth: The next phase of growth in Internet usage will largely be driven by mobile and wireless connections. India was home to approximately 174 million internet connections shared between wireless and wireline connections in 2013. Wireless connections grossed about 86% of the total internet connections in India and continue to grow at a faster pace, compared to the Wireline connections. The introduction of 4G is expected to drive further product innovation and hasten the introduction of VoD, peer-to-peer gaming and content portability. This may also allow digital cable operators to bridge the last mile through partnerships with 4G providers to enable the delivery of video, voice and data services to cable-dark areas
- Smartphone and tablets will drive online media consumption: A large number of the mobile internet users will access the internet using smart phones and tablets and will have access to a wide range of content online. Competition in the Indian Smartphone market is drastically reducing handset prices and increasing adoption rates. Smartphone prices have dropped below USD 100 / ~Rs. 6,000 for certain manufacturers signifying the potential growth being viewed by the Industry.
- Focused content for digital platforms: Despite current bandwidth constraints, the consumption of mobile content is prevalent in India. Falling data subscription tariffs and increasing customer awareness are driving the market for content mobile apps, with music being the leading category. Multiple production studios and content owners have set up their channels on YouTube clearly to tap into the massive user base and traffic the website receives. The presence is delivering results by way of encouraging traffic numbers and constructive user engagement.
- Digital Commerce: According to IAMAI, the digital commerce market grew by 33% to Rs 62,967 crores in 2013 as against Rs 47,349 crores during the corresponding period of 2012. Although, of the total digital commerce business in 2013, travel business accounted for 71% (valued at Rs 44,907 crores), e-Tailing business is promising a significant growth at CAGR of 34% in the coming years. The growth of this market will be driven by: 1) An increase in online transacting users, 2) Shift in buying patterns i.e. online consumption driven by mass marketing by digital commerce players, 3) Online adoption by traditional brick and mortar retailers and 4) Developing trust for online shopping.
- There has been a surge in multi product commerce portals that provide goods and services in a variety of categories; growth in this segment is set to accelerate. Today, the Indian online user is spending much more time online and is involved in different activities compared to a year back indicating the changing usage pattern and online activity. As secure payment interfaces are provided by most websites coupled with the ease of online purchase, the number of online transactions has picked up significantly. A combination of customer pull and business push factors is clearly driving the increase in the number of the transacting users online. In addition to this, the key tipping point in Indian e-commerce has been the Cash On Delivery mode of payment.

Key risks & challenges for the Indian Digital & E-Commerce Industry

- Mass access to the Internet, Strengthening of infrastructure: Low internet penetration of 11% impedes the growth of e-commerce by limiting the internet access to a broader segment of the population. Poor last mile connectivity due to missing links in supply chain infrastructure is limiting the access to far flung areas where a significant portion of the population resides. However, in order to achieve this, deployment of broadband on a mass-scale and inexpensive access to data services will be critical. Availability of power supply, mobile connectivity, tariffs, hardware and device prices are other infrastructural factors that will impact growth in digital media in the country.

⁶ Source: FICCI KPMG Report 2014 and other Industry Reports

Network18 Media & Investments Limited

- Localisation of content and services: Growth in new media is inextricably linked to the localisation of content and services. Publishers, e-commerce players and service industry players are focused on developing an ecosystem of such offerings, the acceptance of which will drive the rate at which digital media in India.
- Piracy: Digital piracy remains a major threat to the monetization of content on digital platforms. Digital piracy has long impacted music, and is increasingly becoming a problem in other sectors. The advent of digital technologies has resulted in making piracy a lot more widespread. IFPI estimates that approximately 54% of internet users access unlicensed services in India. In particular, there is significant peer-to-peer music sharing that results in illegal music downloads. Besides working with enforcement agencies and educating consumers on the impact of piracy, the industry is evolving strategies that involve development of quality content suited to online consumption with appropriate security measures.
- Physical & Digital Infrastructure: The rise of a 'digital economy' is fundamentally contingent on the robustness of the online payments infrastructure in the country. High dropout rates of 25% - 30% on payment gateways, consumer trust deficit and slow adoption of online payments are compelling e-commerce companies to rely on costlier payment methods such as Cash on Delivery (COD). In India, only a limited number of more than 150,000 pin codes in the country are covered by courier companies. The penetration of courier services is critically important to boost online shopping as deliveries are mostly done through them.
- Driving advertiser acceptance: The Indian new media industry, especially web publishing, has shown strong growth in recent years especially with rise in social networking and e-commerce. This growth has been evident both in traffic as well as revenues for the industry. However, TV and Print continue to be the mass media of choice in India given the relatively limited reach of the internet. New media players will need to capitalise further on the measurability and interactivity of the internet, in order to garner a great share of the advertising spends in India.

The Indian Film Industry⁷

The Indian film industry had an exciting year with estimated revenues of Rs. 125.3 Billion in 2013, a growth of 11.5% over 2012. This growth signifies steady positive movement as it comes off 2012, a record year, wherein the industry recorded a strong performance both in terms of content and box office collections. Digital distribution played a significant role in increasing the reach of the industry. Revenue from Cable and satellite (C&S) rights grew at 20.2% in 2013. Albeit on a small base, ancillary revenues such as licensing and merchandising, in-cinema advertising and pay per view also displayed strong growth in 2013. The Indian film industry is projected to grow at a CAGR of 11.9% to touch RS. 219.8 Billion in 2018. The industry expects domestic theatrical revenues to continue dominating the overall pie. However, C&S rights and overseas theatricals revenues are expected to increase their share. Strong marketing of films in the International market could further accelerate the growth of overseas theatricals revenue.

Revenues (Rs. In Billion)	2009	2010	2011	2012	2013	Growth in 2013 over 2012	2014 P	2015 P	2016 P	2017 P	2018 P	CAGR (2013 - 18)
Domestic Theatrical	69	62	69	85	93	9.8%	102	117	133	146	160	11.4%
Overseas Theatrical	7	7	7	8	8	9.4%	9	10	11	12	13	8.9%
Home Video	4	2	2	2	1	-18.0%	1	1	1	1	1	-13.0%
Cable & Satellite Rights	6	8	11	13	15	20.2%	16	18	21	23	25	10.7%
Ancillary Revenue Streams	4	4	5	5	7	29.3%	9	12	15	18	21	24.7%
Total	89	83	93	112	125	11.5%	138	158	181	200	220	11.9%

Key risks & challenges for the Indian Film Industry⁸

- Piracy: Piracy is one of the major concerns of the film industry due to substantial loss of revenue (estimated to be around 55% by the Film Guild in 2013). With the advent of digitisation, penetration of movies into newer geographies, amendment of the Cinematograph Act of 1952 to form a new improvised act in 2013 and other initiatives taken by industry bodies, the Indian film industry is addressing the issue of piracy by integrating all available resources to battle it aggressively.
- Under-penetration of theatre screens: While India leads world averages in terms of the number of films produced each year and attendance, the under penetration of theatre screens in India remains the biggest challenge for the industry. There are just 8 screens per million people, unlike in the United States, where there are 117 per million
- Monetisation of content on digital platforms: Content consumption on personal screens is expected to rise significantly with the advent of 4G. Developing an appropriate subscription model and curated content are necessary for effective digital monetisation. With consumers becoming accustomed to free content, monetisation of online media assets remains a challenge.

⁷ Source: FICCI KPMG Report 2014

⁸ Source: FICCI KPMG Report 2014, Internal Reports

Network18 Media & Investments Limited

- Reliance on theatrical revenues: While non-theatrical revenue streams, especially cable & satellite, are showing strong signs of growth for the industry, the industry's reliance on pure theatrical revenues continues to be very high. Considering the inherent discontinuous nature of the film business and competing entertainment choices available to consumers, theatrical revenues can be highly volatile. It is critical that appropriate risk mitigation strategies are adopted to manage the theatrical volatility.

The Indian Publishing Industry⁹

In 2013, the Print industry stood at Rs. 243 billion print growing at 8.5% over 2012. The growth in advertisement as well as circulation revenues has been over 8% in 2013. The advertisement revenues continued to be the main source of revenue for the print industry, contributing 67% to industry's revenues. The long term growth in the sector looks promising with industry players witnessing strong growth and a possible future demand in the regional market.

Contrary to the prevailing trends in global print media, where there is intense competition from digital media, the print sector in India is showing a strong upsurge. The print industry is expected to grow at a CAGR of 9% for 2013-18.

Some of the key trends observed in the print space include:

- Growing contribution of non advertising revenue streams: In 2013, circulation revenue witnessed growth of 8.1%. Various national as well as regional players have expanded their reach by means of launching newer editions in local languages or sub-editions by adding printing centres in the local areas.
- Entry of international titles: With the easing of entry norms for international magazines, foreign publishers are entering the Indian magazine market, which has expanded despite the global economic recession. This trend has been most visible in the premium segment of the magazine market.
- Growing contribution of regional markets: With the metros and larger cities increasingly witnessing intense competition, marketers, advertisers and publishers are trying to consolidate their presence in the regional markets through new launches and acquisitions. Changing demographic dynamics and rise in incomes most likely have ensured a surge in purchasing power in tier II and tier III cities. The rise in literacy rates, significant population growth, high aspiration, resilience of the agrarian economy, increasing demand for region-specific content, and expansion by players into new geographies and languages could drive future expansion of regional newspapers' circulation and readership across India.

Key risks & challenges for the Indian Publishing Industry¹⁰

- Scaling operating costs: Weakening rupee-dollar exchange rate coupled with increasing newsprint prices has been a challenge to the print industry in India. Nearly 48% of the newsprint used by Indian publishers is imported and the weakening rupee has significantly increased the newsprint costs for the print companies.
- Digital frontier: With the spurt of technological advances, the channels of consumer engagement are rapidly evolving. While Internet penetration is still low in India (~11%) as compared to the other mature markets, the next phase of technological progress is stimulating the industry. As broadband, smart phones and tablets proliferate, the print medium, must prepare to meet this challenge head on. The future of the industry depends on effectively exploiting the digital opportunity as well as improving efficiency by employing innovative business models.
- Advertiser proposition: With rapid evolution in the media choices and consumption patterns, the publishing industry will need to re-examine its proposition from the advertiser perspective. Apart from a new media presence, delivery of 360 degree solutions to clients will be critical in the future including areas such as events, brand activation etc which are focused on specific communities and interest groups.

BUSINESS OVERVIEW

We are a leading media and entertainment company in India, reaching an average of approximately 210.8 million television viewers in (Source: TAM CS 4+, Jan'14-Mar'14, All Days, All India, 24 hrs) and an average of 30 million digital unique users each month globally in the year ended March 31st, 2014 (Source: ComScore). We have interests in television, digital content, filmed entertainment, digital commerce, magazines, mobile content and allied businesses. TV18 television channels offer a unique mix of national and regional channels catering to diverse genres like Hindi and regional entertainment; general news in English, Hindi and regional languages; business news in Hindi and English; music; kids; devotional and infotainment channels. This combined bouquet of over 25 channels will be the most powerful and potentially profitable TV operation in the country, especially since India's television industry is on the verge of a digital revolution. We entered the Internet industry in June 2000 and have since established a number of digital and mobile properties offering digital content and commerce, including home shopping and online ticketing. We also publish special interest business-to-consumer and business-to-business magazines and have a presence in film production and distribution.

Through our subsidiary TV18 Broadcast Ltd, we operate one of India's popular television broadcasting networks. This includes one of India's leading news networks comprising channels such as CNBC-TV18, CNBC Awaz, CNBC-TV18 Prime HD, CNN-IBN, IBN7 and IBN-Lokmat (a Marathi regional news channel in partnership with the Lokmat group). TV18 also operates a joint venture with Viacom, called Viacom18, which houses a portfolio of popular entertainment channels – Colors, Colors HD, Rishtey,

⁹ Source: FICCI KPMG Report 2012

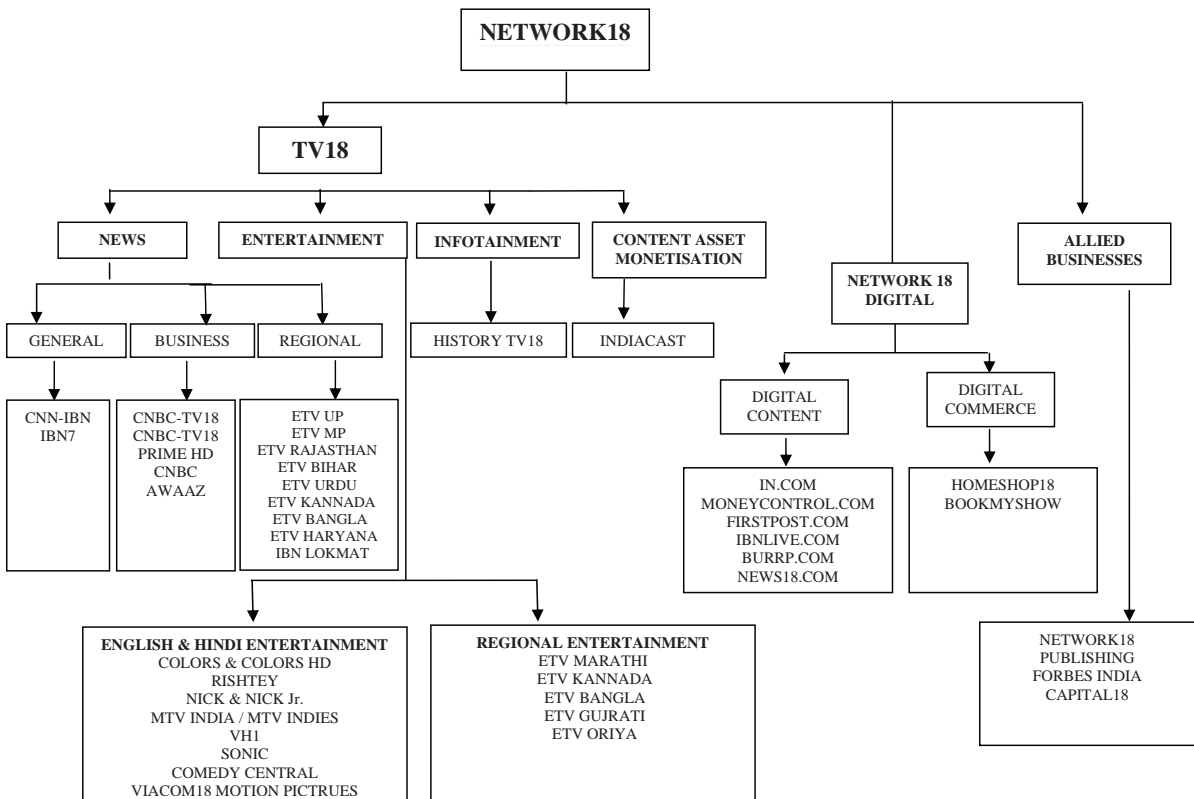
¹⁰ Source: FICCI KPMG Report 2014, Internal Reports

Network18 Media & Investments Limited

MTV, MTV Indies, SONIC, Comedy Central, VH1, Nick, Nick Jr. and Nick Teen - and Viacom18 Motion Pictures, the group's film entertainment business. TV18 has also forayed into the Indian factual entertainment space through A+E Networks | TV18 (a joint venture between A+E Networks and TV18 Broadcast) and operates HistoryTV18. TV18 successfully completed the acquisition of ETV in this financial year and now houses a bouquet of 8 regional news channels; ETV Uttar Pradesh, ETV Madhya Pradesh, ETV Rajasthan and ETV Bihar, ETV Urdu channel, ETV Kannada, ETV Marathi & ETV Haryana along with 5 regional entertainment channels ETV Marathi, ETV Kannada, ETV Bangla, ETV Gujarati and ETV Oriya. To cover the global audience & sizable NRI population, TV18 launched News18 India, a 24 hour television news channel designed to give global audiences a window into the world's largest democracy. TV18 and Viacom18 have also formed a strategic joint venture called IndiaCast, a multi-platform 'content asset monetization' entity mandated to drive domestic and international channels distribution, placement services and content syndication for the bouquet of channels from TV18, Viacom18 and other broadcasters.

Our digital content and commerce segment includes a diversified portfolio of brands catering to a wide range of interests and services, including news, music and entertainment, markets and finance, online shopping and ticketing, and mobile phone services and applications. These assets include one of India's largest internet players, Network18 Digital which houses the country's leading digital content properties such as moneycontrol.com, ibnlive.com, in.com, burrrp.com, News18.com and firstpost.com. We also operate leading digital commerce brands in the country – HomeShop18 and bookmyshow.com, and publish Forbes India, India's first local edition of a foreign news magazine title and one of the world's most influential business brands, in collaboration with Forbes Media. In addition, we operate Network18 Publishing, one of the leading players in the special interest publishing space. We are the second most popular Indian online media company, according to ComScore, attracting an average of approximately 30 million unique visitors globally per month for the year ended March 31st, 2014 and we recorded over 1.3 billion total visits to our sites in the period ended March 31st, 2014.

The chart below shows our business segments and key media assets:



*Network18 & TV18 are listed entities

We generate revenue primarily through the sale of advertisements and sponsorships on our television channels, our digital and mobile properties and our print and publishing business. We also generate revenue through subscriptions to our television channels, digital products and services and our print publications.

Network18 Media & Investments Limited

TELEVISION BROADCASTING

TV18 operates television channels across genres – news, entertainment & factual entertainment – Hindi, English & various regional languages to cater to audiences across age groups, geographic location within & outside the country. As a television network, we reached an average of approximately 210.8 million television viewers every month in the financial year ending March 2014 (*Source TAM CS 4+, Jan'14-Mar'14, All Days, All India, 24 hrs*).

NEWS

We operate one of India's leading television news networks. Our business news channels are CNBC-TV18, CNBC Awaaz, CNBC-TV18 Prime HD and our general news channels are CNN-IBN, IBN7 and IBN-Lokmat. Our long term brand licensing arrangements with CNBC and CNN have helped us strengthen our brand recall with Indian audiences. We believe that our strong branding, local programming, award-winning journalists and national news gathering infrastructure have established us as one of India's respected and credible news networks. Our guiding editorial philosophy is to provide coverage of both Indian and global news with a balanced perspective, in-depth analysis of critical issues and investigative reports in compelling presentation formats.

Business News

CNBC-TV18 & CNBC Awaaz are pioneers of business news broadcasting in India and have been acclaimed as leaders in the business news genre on Indian Television. The Network18 Group launched its business news operations in India with the launch of CNBC-TV18 in December 1999. In January 2005, the reach was expanded into Hindi-language Business News with the launch of CNBC Awaaz. CNBC-TV18 and CNBC Awaaz, our business news television channels, were leaders in the English and Hindi business news genres with CNBC TV18 commanding 47% market share & CNBC Awaaz at 55% market share in the financial year ended March 29th, 2014, according to TAM. (*Source: TAM; TG : CS AB Males 25+, Market: All India for CNBC TV18, weekdays, 0900-1600 hrs, (sum of 30 min TVTs) & HSM, All Days, 24 hrs for Awaaz, Period: 31st Mar'13 - 29th Mar'14*).

The audience for CNBC-TV18 and CNBC Awaaz is highly diversified comprising of key groups such as business leaders, professionals, retail investors, brokers and traders, intermediaries, self employed professionals, high net worth individuals, students and even homemakers.

We believe CNBC-TV18 and CNBC Awaaz attract a considerable level of out-of-home viewership, particularly in corporate offices, public marketplaces and other business areas. Thus, we believe that our viewership in the English and Hindi business news genres is higher than the viewership reported by TAM, which measures only in-home viewership.

CNBC-TV18: CNBC-TV18 is India's No.1 English language business news television channel in the English business news genre in terms of viewership. The channel commands a market share of 47% on TV & has more than 0.8 million followers on a leading social networking website – the highest in the genre (*Source: TAM; CS AB Males 25+, all India, weekdays, 0900-1600 hrs, Wk 14'13-Wk 13'14*) (Social Networking Stats for the period ending March 2014). It is targeted at English speaking consumers, investors, business leaders and other professionals and provides 24-hour coverage of corporate news, financial markets, industry news and expert perspectives on investing and management. CNBC-TV18 also airs programs that focus on the economic, governmental and cultural drivers that shape business in India. We operate this channel through an agreement with CNBC that gives us non-exclusive rights to distribute, re-transmit and exhibit, whether directly or through third party distributors, CNBC content within India. CNBC-TV18 is integrated across digital platforms and also provides news headlines, live streaming video feeds and financial market information via its partner website, moneycontrol.com, and mobile applications. CNBC-TV18 hosts a number of industry benchmark awards, such as the 'India Business Leader Awards', 'Emerging India Awards', 'CFO Awards' to recognize excellence in business leadership. The CNBC-TV18 Overdrive Awards, for the past 14 years, has been the benchmark in recognizing changes and awarding excellence. For the 14th Overdrive awards, we used the opportunity to not just reward and recognize automotive excellence but also help chart a roadmap for future growth of this sector.

Some of the popular programs on CNBC-TV18 including 'Bazaar Morning Call', our daily market opening show, got a facelift with an increased focus on actionable and insightful analysis of the most important stocks of the day. This year CNBC TV18 also introduced, IN CONVERSATION- a joint initiative with Google to help connect prominent politicians with voters across the country. Other initiatives like, Lessons in Marketing Excellence, Fin Wiz and Investothon launched in partnership with sponsors strengthened our brand offering. CNBC TV18 is also available in HD as CNBC Prime HD, which is now available in approximately 1 million households in India.

CNBC Awaaz: CNBC Awaaz is India's No.1 Hindi business news television channel in terms of viewership, leading with 60% market share in the Hindi Business News genre (*Source: TAM; CS AB Males 25+, HSM, weekdays, 0900-1600 hrs, Wk 14'13-Wk 13'14*). CNBC Awaaz is aimed at Hindi speaking consumers, retail investors and business people and provides 24-hour coverage of subjects such as stock markets, mutual funds and commodities. It also offers a variety of personal finance programs covering topics such as financial literacy, service and product launches, real estate and personal taxation. Among CNBC Awaaz's popular programs are 'Stock 20-20', a pre markets opening show, 'Awaaz @ 9 a daily evening program and leading feature shows like 'Tech Guru', 'Property Guru'. All of these shows have a huge following on digital media as well. Pehla Sauda and Akhri Sauda, our market opening and closing shows are highly rated and are clear leaders in the genre. Another very big initiative on the channel is Pehredaar – India's strongest & one of the most authoritative consumer grievance redressal forums

Network18 Media & Investments Limited

General News

We operate general news channels under the IBN umbrella, namely CNN-IBN, IBN7 and IBN-Lokmat (In partnership with Lokmat Group) and ETV group news channels. Through the 'IBN Network' of general and regional channels, we have established a strong presence in English, Hindi and regional news categories in the country. In the last few years, CNN-IBN, IBN 7 and IBN-Lokmat have come to represent a new credo in journalism epitomized by the values of 'Whatever it takes' and enlightened citizen activism.

CNN-IBN: The channel was launched in December 2005 as a 24-hour English news channel in India and has since become one of India's leading English language news and current affairs channel, reaching a genre leading 33.5% market share (*Source: TAM, CS AB 15-54 Yrs, All India, Week 15-18 '14, 24 hrs*) of the total audience. It provides 24-hour coverage of national and international news relating to politics, business, sports and entertainment. CNN-IBN is regarded highly for its editorial integrity, high production standards and unbiased, issue based coverage. The channel has expanded beyond the television domain, and reaches its viewers through various other platforms like Internet and mobile. Among CNN-IBN's popular programs are 'India at 9', 'Face the People', 'News 360', 'The Week That Wasn't', 'Now Showing', '30 Minutes' and 'E Lounge Unwind' to name a few. CNN-IBN has also pioneered the concept of Inclusive Journalism in India with its program, 'The Citizen Journalist Show'. CNN-IBN's clutter breaking content across programming genres has won it several awards on various industry platforms; making it the most awarded English News Channel. Its flagship annual event 'CNN-IBN Indian of the Year' which recognizes those iconic achievers who have contributed in strengthening the foundation of our society, has achieved a cult status. CNN-IBN is also integrated with the digital media businesses of Network18. Audiences can watch live streaming of video feeds, access live news updates and connect and interact with CNN-IBN's news editors through our website www.ibnlive.in.com, WAP site m.ibnlive.com, mobile application available on platforms like iOS & Android and various other social media like Facebook, Twitter, Google+ amongst others. IBNLive.com has got more than 26 lakhs likes on Facebook, more than 7 lakhs followers on Twitter, around 1 lakh subscribers on YouTube and more than 4 lakhs followers on Google+. IBNLive.com provides streaming video feeds, downloadable tickers and breaking news alerts on cell phones. In the run up to the General Elections 2014, CNN-IBN brought to its viewers the most comprehensive and exhaustive programming under the umbrella of 'A Billion Votes' including multiple rounds of the most credible nationwide poll survey - 'The Election Tracker' which tracked the mood of the nation.

IBN7: IBN7, launched in March 2005, is a 24-hour Hindi language general news television channel providing 24-hour coverage of national and international news relating to politics, business, sports and entertainment. In FY14 IBN7, donned a world-class new look which accentuated its news content. The channel's new logo helped position it in a contemporary light; new colours, that seamlessly connected it back to the Network18 brand; and a new tagline, 'Bebaq, Bekhau' – which is a logical continuation of the earlier tag line "Khabar – Har keemat Par" that reflects the channel's fearless, unbiased approach to covering news.

IBN7 also provides its news broadcasts; streaming video feeds and breaking news alerts for cellular phones via its website, khabar.ibn.in.com. In the fiercely competitive & fragmented Hindi general news genre of more than 10 channels, IBN7 has maintained its reach & performance with 6% market share (*Source: TAM; TG: CS 15+; Market: HSM; Period: 31st Mar'13 - 29th Mar'14, All Days, 24 hrs*)

News18: TV18 launched News18 India, a 24 hour television news channels targeting global audiences. Unlike other Indian news services available in international markets which are essentially retransmissions of the local domestic channels in India, News18 will offer a dynamic and customized blend of programming that reflects the interests and needs of the large & highly engaged Diaspora spread across the globe.

REGIONAL NEWS

IBN-Lokmat: IBN-Lokmat, launched in April 2008, is a joint venture with Lokmat Newspapers Private Limited, is one of India's leading Marathi language general news and current affairs television channel having state of the art infrastructure, with a market share of 28% in its genre (*Source: TAM; TG: CS 15+; Market: Maharashtra; Period: 31st Mar'13-29th Mar'14, All Days, 24 hrs*). IBN-Lokmat provides 24-hour coverage of national and international news relating to politics, business and financial affairs, sports and entertainment. Within a span of six years, the channel has managed to position itself among the top in the regional news industry."

ETV News: TV18 successfully completed its acquisition of Eenadu channels on January 22nd, post receipt of all regulatory approvals. The acquisition is structured to include 100 per cent interest in regional news channels in Hindi, namely ETV Uttar Pradesh, ETV Madhya Pradesh, ETV Rajasthan, ETV Bihar, ETV Urdu Channel and recently launched ETV Kannada & ETV Bangla.

ETV channels are one of the leading TV Networks in regional markets. The Group is also among the top five most popularly viewed networks in the country. ETV Channels were one of the first entrants in the regional markets and have a considerable viewership base.

- **ETV Uttar Pradesh:** Launched since 26th January 2002, ETV UP is a leader in the market with 24% market share (*Source: TAM, TG; CS 15+, Market; UP, Period; Week 22'14*). The channel offers both information and wholesome entertainment for the whole family. ETV UP telecast some special news bulletins like Khas Khabar, Apna UP, Apna Uttarkhand, Rajdhani se, News@9 and Do Took.

Network18 Media & Investments Limited

- **ETV Madhya Pradesh:** Catering to both urban & rural viewers in the Hindi heartland, ETV Madhya Pradesh enjoys a market share of 17% and is a leader among its peers like, Sadhna News, IBC 24 (Source: TAM, TG; CS 15+, Market; MP, Period; Week 22'14). The channel provides authentic, informative, news based- current affairs programmes, breaking stories and in-depth features.
- **ETV Rajasthan:** Launched since, 26th January 2002, ETV Rajasthan has been the leader in the market since its launch. Currently, it gathers 51% market share (Source: TAM, TG; CS 15+, Market; Rajasthan, Period; Week 22'14) and provides both entertainment program & Informational news shows.
- **ETV Bihar:** Launched since, 26th January 2002, the channel gathers 60% market share. The channel covers a range of infotainment & entertainment programmes.
- **ETV Urdu:** Launched in 15th August 2001, ETV Urdu was India's first Urdu language based infotainment channel. Catering to Urdu speaking population both in India & abroad, the channel enjoys a market share of 67% (Source: TAM, TG; CS 15+, Market; HSM, Period; Week 22'14).
- **ETV Kannada, ETV Bangla** have been recent additions to the TV18 - ETV bouquet of channels. The channels have been launched to cater to the leading regional markets in India with Kannada language commanding 12% & Bengali language commanding 11% viewership share among all regional channels in 2013, as per FICCI – KPMG report, 2014.

GENERAL ENTERTAINMENT

We operate a network of general entertainment television channels i.e. Colors, Colors HD, Rishtey, MTV India, MTV Indies, Vh1, Sonic, Nick, Nick Jr. and Comedy Central through Viacom18, a 50-50 joint venture between MTV Asia, a wholly-owned subsidiary of Viacom International Inc. and TV18 Broadcast Ltd.

COLORS: Colors is Viacom 18's flagship brand in the mass entertainment space in India and among India's leading 24-hour Hindi entertainment channels in terms of viewership. With its engrossing line-up of fresh and distinctive programming, Colors has entertained and delighted audience across all demographics. With fresh show concepts winning millions of hearts, Colors continues to be one of the viewers' favourite channels, offering compelling programming across genres, ranging from family soaps to high voltage non-fiction entertainers to the most awaited Blockbuster Movies and star-studded events. The channel is committed to promoting cohesive viewing through much loved fiction shows like Balika Vadhu, Uttaran, Madhubala, Sasural Simar Ka & Nonfiction shows like, Comedy nights with Kapil, India's Got Talent, Bigg Boss, and Khatron ke Khiladi amongst others.

Colors, within a few weeks of its launch had become the No.2 general entertainment channel in India (Source: TAM CS4+, HSM, September 28 - October 11, 2008 GRPs) and within 9 months of its launch it became India's No.1 Hindi general entertainment channel for the first time in the week ended April 11, 2009 (Source: TAM CS4+, HSM, April 5-11, 2009). In FY14, Colors was amongst the top ranking television channels in its genre (Hindi general entertainment television channel) in terms of viewership with an 18% market share (Source: TAM; CS 4+; HSM; All Days) and was the undisputed leader during weekends, with a market share of 21.7% (Source: TAM; CS 4+; HSM; Sat – Sun). Colors is also available as Colors HD, a high definition service, on key digital platforms that support HD broadcast.

Rishtey: In FY14, Viacom18 saw the successful soft launch of Rishtey, a free-to-air GEC, catering to a broader set of audiences in India. Rishtey provides an opportunity to smaller towns that had missed the unique content offering of Colors, a chance to watch it again. The current programming line-up showcases all iconic shows from the fiction stable like Jai Shri Krishna, Naa Aana Iss Des Laado, Balika Vadhu etc on one hand and blockbuster non-fiction shows like Bigg Boss, India's Got Talent, Jhalak Dikhlajaa etc. – a lineup of content & stars which none of the existing free to air channels offer. It reaches out to viewers who are not exposed Colors content via Doordarshan's 'Freedish' DTH platform, apart from also reaching out to the viewers through all other leading service providers both on DTH & Cable platforms.

In the last quarter of fiscal '14 the channel has reached out to 27.5 million viewers on a weekly basis across All India & cumulatively to 92.3 million viewers in the same period. (Source: TAM CS4+ Yrs; HSM Wk 1'14 – Wk 13'14).

MTV India: Globally, MTV has been the number one destination across platforms for young people. In India, together the MTV franchise attracts 10 million monthly visits on web, has 1 million followers on Twitter and more than 600,000 fans on Facebook across its content properties Roadies, Splitsvilla, Coke Studio@MTV, Stuntmania, Reality Stars. MTV engages with its audience through cult shows like MTV Roadies, Coke Studio@MTV; and iconic VJ's like Rannvijay, Nikhil, Anusha & Bani, and hugely engaging digital properties like Roadies Battleground, etc. Targeted brand licensing makes MTV products available across unique categories like cosmetics & Smartphone. In March 2014, **MTV Indies** was launched from the MTV stable on digital cable with footprint of 17 Mn+ households. The channel is targeting youth and is themed around local independent and alternative culture in the areas of music, film, art and other content

Nick: With a relative share of 16%, Nick reaches out to more than 13.5 million kids week on week (Source: TAM, All India, CS 4-14 ABC, Period: FY 13-14, 07:00–22:00 Hrs). Nick is available in Hindi, English, Tamil and Telugu languages. Nick with its mantra of 'Funny Rules', has today become the preferred comedy destination for kids in India, with shows like Ninja Hattori, Motu Patlu & Pakdam Pakdai amongst many others. Nick's website www.nickindia.com engages kids with their favourite toon games, contests and has over 3 million pageviews a month.

Network18 Media & Investments Limited

Sonic: The action and adventure channel launched in December 2011, is a 24-hour digital channel available in English, Hindi and Tamil. It is the fastest growing channel in the genre in FY 13-14, with a reach of 30 million+ households. The channel targets the thrill seeking generation with shows like Zatchbell, Supa Strikas, Idateen Jump, Teenage Mutant Ninja Turtles and Power Rangers. Sonic, goes beyond television to engage and interact by building the online community through www.sonicgang.com with more than 1 Million monthly pageviews and 1.4 lac fans on Facebook.

Nick Jr.: The channel that is “the smart place to play” was launched in December 2012 to connect with pre- schoolers aged 2 to 6 years and young mothers. Nick Jr. educates and entertains through internationally acclaimed shows like Dora the Explorer, Bubble Guppies, Wonder Pets, Team Umizoomi and Go Diego Go which foster motor, memory, math and language development skills in a child. Thanks to its engaging shows, interactive website (www.nickjrindia.com) and a wide range of consumer products, Nick Jr. leads in the pre-school segment. Nickelodeon also caters to teenagers in the latter half of the day with the Teen Nick block which showcases international sitcoms such as iCarly, House of Anubis and Drake and Josh.

Vh1: Vh1 is a leader in the English music and lifestyle genre with a 23% market share, ahead of all English Entertainment and Lifestyle channels (Source: TAM, Period: April 2013-March 2014, CS AB, 4+, 7 metros without Chennai). The channel led the genre with differentiated programming like, Vh1 India rules, Vh1 Box set, Vh1 two to tango, etc.

Comedy Central: In a short time period post its launch, Comedy Central has become one of the leading brands in English entertainment in India. The channel targeted an inclusive family viewership with the launch of Rules of engagement, Kings of Queen & other new properties. The channel continues to strengthen event associations with events with Comedy store, Urban Solace & Laugh factory.

REGIONAL ENTERTAINMENT

To be represented in the fast expanding regional entertainment genre in India, TV18 successfully completed its acquisition of Eenuadu channels on January 22nd 2014, post receipt of all regulatory approvals. The acquisition is structured to include 50% interest in ETV Marathi, ETV Kannada, ETV Bangla, ETV Gujarati and ETV Oriya channels. ETV Channels bring forward one of their key strengths of attracting and retaining “loyal” viewers who are regular watchers of the quality content on the channels.

- **ETV Marathi:** The channel is the fastest growing GEC in the genre in FY14, with a current market share of 21% (Source TAM; TG: CS 4+; Market: Maharashtra; April 2013 to March 2014). With popular content like, ‘Kon Hoel Marathi Creopati’, the No.1 non-fiction show in Marathi general entertainment genre, the channel is set to be one of the leaders in the genre.
- **ETV Kannada:** ETV Kannada has witnessed an explosive growth in the last one year and has become the # 2 channel with a market share of 22% (Source: TAM; TG: CS 4+; Market: Karnataka; April 2013 to March 2014). The channel is ranked No.1 GEC in Bangalore with a market share of 25% (Source: TAM; TG: CS 4+; Market: Karnataka; April 2013 to March 2014).With a strong content offering, the channel is ranked No.1 in fiction GRPs and also has the No.1 non-fiction property – ‘Thakdhimita Dancing Star’ in its stable.
- **ETV Bangla:** In a fiercely competitive market, ETV Bangla was the fastest growing GEC in the genre in FY14. The channel introduced remake of hit fiction shows in Hindi & Kannada market in its programming along with adding 3 hours of original programming in the afternoon band.
- **ETV Gujarati:** ETV Gujarati is the leader channel in the genre with a relative market share of 40.4% (Source TAM; TG: CS 4+; Market: Gujarat; April 2013 to March 2014). The channel boasts of shows like “Flavors of Gujarat” and the “Rasoi Show” which have cult following not only in India but across the globe
- **ETV Oriya:** Oriya entertainment genre has significant presence of local regional players wherein ETV Oriya has been successfully making inroads through its quality content offering. Some of the key properties aired this year are, ‘Priya Odiya’ – a platform for people to choose their ‘favourite Odia’

FACTUAL ENTERTAINMENT

We forayed into the Indian factual entertainment space through A+E Networks|TV18, a joint venture between TV18 Broadcast and A+E Networks, the global leader in factual entertainment. This venture launched History TV18 in October 2011. Within a few weeks of launch, History TV18 emerged as India’s No.1 factual entertainment channel with an average weekly viewership share of 31% in 6 metros market cluster (Source: TAM, CS 15+AB, 6 Metros, Week 42, 2011 - Week 13, 2012, 0600-2400 Hrs; Average Weekly Market Share). History TV18 broadcasts award-winning original non-fiction series and event specials that connect history with viewers in an informative, immersive and entertaining manner across multiple platforms.

HISTORY TV18 sustained its superior content performance with increased traction among viewers, ending the year on a high at the No. 1 position in the genre in 6 metros with a 23% market share (Source: TAM, CS AB Male 15+ Yrs, Market Share (basis sum of 30 min TVTs), 01st Mar’14-31st Mar’14, All Days, 24 hrs, 6 Metros). The channel continued to garner the highest time spent per viewer in All India 1 Mn+ with 26.7 minutes this year, a lead it has maintained since its launch (Source: TAM, CS AB 15+ Yrs, All India 1 Mn+, Avg. Time Spent Viewer, Wk 01-10’14, 24 hrs, All Days). Pawn Stars emerged as the leading show in the factual entertainment genre (Source: TAM, Programme TVTs (000s), CS AB 15+, Wk 01-10’14, All Days, 0600-2400 Hrs , All India 1 Mn+) and helped HISTORY TV18 sustain an impressive performance in primetime. ‘Ancient Aliens’, a show which best exemplifies HISTORY TV18’s differentiated content, was one of the most talked about show in the genre on social media through the year.

Network18 Media & Investments Limited

The channel's second local production 'Bollywood@100' hosted by Karan Johar got rave reviews from critics across print & electronic media, with a lakh votes for the 'Greatest' in Hindi cinema being logged in a two week period.

HISTORY TV18 pushed the envelope on social media with healthy engagement on platforms, seeing a doubling of followers on Twitter to over 90,000 and a surge in Facebook fans to over 2 million. In order to remain relevant to the way audiences consume content and stay ahead of competition, HISTORY TV18 launched the first second-screen mobile app in the factual entertainment genre. The app has a user interface that is very flexible, providing a great platform to connect with other viewers and also the channel.

FILM BUSINESS

VIACOM18 MOTION PICTURES: As part of the Viacom18 venture, under the brand name Viacom18 Motion Pictures, we are involved in the acquisition, production, syndication, marketing and distribution of full length feature films within India and the distribution of Indian films in several international markets. Viacom18 Motion Pictures is India's premier full-service motion pictures company, with business spanning development, production, marketing, distribution, merchandising and syndication, worldwide. In just three and a half years of operations, Viacom18 Motion Pictures has emerged as a force to reckon with by delivering a stream of critically and commercially successful films that have appealed to millions of Indians all over the world. Viacom18 Motion Pictures has produced and distributed 30 Hindi, 18 Hollywood films and 7 Regional films in this short span of time. It also holds the rare distinction of having 16 titles in the last three years to have run successfully in theatres for more than 50 days. The Studio has also produced & co-produced several path-breaking and much-appreciated creative works in the form of hits like Bhaag Milkha Bhaag, Madras Café, Chashme Baddoor, Bombay Talkies & Queen. Viacom18 Motion Picture's "Bhaag Milkha Bhaag" & "Madras Café" were commercial success films that won 4 "National Awards" for Bhaag Milkha Bhaag as "Best Popular Film providing wholesome Entertainment" & "Madras Café" as "Best Sound Design & Best Location Sound". 2014's slate includes highly anticipated films such Mary Kom, Gabbar amongst others. Viacom18 Motion Pictures also has a strategic alliance with Paramount Pictures, the leading Hollywood studio, to distribute and market its films in the Indian subcontinent. This has seen blockbusters such as Transformers Dark of the Moon, Mission: Impossible Ghost Protocol, Madagascar 3, Hugo, Paranormal Activity, G.I. Joe: Retaliation, StarTrek- Into Darkness, Noah being released in the country.

CONTENT ASSET MONETISATION - Broadcast & New Media Aggregation

INDIACAST: In July 2012, TV18 and Viacom18 formed a strategic joint venture called IndiaCast, a multi-platform 'content asset monetization' entity mandated to drive domestic distribution, placement services, international channel distribution & ad sales, new media (digital) distribution and content syndication for TV18, Viacom18, A+E Networks | TV18, ETV Channels and other broadcasters. IndiaCast's formation and mandate reflects the rapidly digitising and converging media and consumer landscape in India and abroad. Its operating philosophy is to aggregate and deliver content to distributors across mediums, platforms and geographies. As India's first multi-platform 'Content Asset Monetization' entity, it manages a wide portfolio of services including domestic channel distribution, international business (including channel distribution, advertising sales and content sales) and digital media content sales.

In a short period of time, IndiaCast emerged as one of India's leading and most diversified channel bouquets. It aggregates and distributes over 50 channels spanning genres including General Entertainment (Hindi & Regional), News (Hindi, English, Business & Regional), Music (Hindi & International), Kids (Comedy & Action), Movies (Hindi & English) etc.

Internationally, IndiaCast has a portfolio of close to 10 channels (including Colors, MTV India International, Rishtey and various ETV regional services) that are viewed in over 70 countries as linear services. With a rich content library of 15,000 hours across genres, IndiaCast Syndicates the content from the group in close to 100 countries in over 20 languages (including Hebrew, Russian, Serbian, Bosnian, Albanian, Macedonian, Croatian, Azeri, Kazakh, Swahili, English among others). With many 'First's' to its credit IndiaCast has ensured that the content from the Network 18 group (including linear distribution & syndicated shows) is now available in over 125 countries.

Targeting the fast growing base of Smartphone and PC/tablet users, IndiaCast delivers a wide range of content to various new media platforms including content from over 20 channels across genres of news, music, youth & lifestyle, general entertainment, infotainment in multiple languages. As broadband access expands and the online and mobile consumption of content grows, IndiaCast is well-positioned to deliver content seamlessly across devices and geographies. Apart from TV shows, IndiaCast also offers Indian feature films (both Bollywood & Regional) on digital platforms in India and overseas markets. IndiaCast's new media partners include leading global players such as YouTube, iTunes, apart from a host of domestic and regional platform providers.

DIGITAL CONTENT AND COMMERCE

Our digital content and commerce segment includes some of the leading Internet destinations in India. Our Internet and mobile properties deliver easy-to-use, informative and interactive experiences to users. We are the second most popular Indian online media company, according to Comscore (March 2014), attracting an average of approximately 30 million unique visitors globally per month for the year ended March 31st, 2014. Our digital content and commerce segment includes (i) our content business that includes websites and mobile applications that cover general and business news, entertainment, technology & sports, and (ii) our digital commerce business that includes online and out-of-home shopping and ticketing.

Network18 Media & Investments Limited

Digital Content

moneycontrol.com: moneycontrol.com, which we acquired in June 2000, is one of Asia's popular financial news and services portals which attracted the highest number of unique users of approximately 8.3 million per month globally among the leading Banking/Finance websites (not inclusive of corporate banking websites) in India (Source: Comscore, Period; in the financial year ended March, 2014). With offerings in multiple formats, moneycontrol.com offers comprehensive information, news and in-depth analysis across asset classes and pulls in a wide cross-section of investors. The moneycontrol.com app is India's 1st multilingual finance app that is one of the best financial apps in the business and available across leading platforms like iPhone, iPad, Android etc. As India's leading business and finance platform, it offers investors the latest business news and market updates, along with articles, independent analysis of investment options and financial planning, among other services. During India market hours, our message board, M3, is a popular destination for traders to exchange views on market and stock movements. Among our popular free applications is a live portfolio tracker, through which a user can record, update and analyze his or her financial transactions in real-time. moneycontrol.com also has a robust portfolio of subscription products that include Poweryourtrade – a service that dispenses market tips and advice, GameChangers – a daily newsletter on market movements and Investment Watch – a real-time alert service. Moneycontrol.com is also the online and mobile partner to our television business news services in India.

in.com: The Portal, launched in 2008, is one of India's leading India-based news and entertainment portals, with approximately an average of 13.4 million unique visitors per month globally (Source: Comscore; Period; in the year ended March 31st, 2014). Through this portal we integrate and aggregate content & videos from our network of entertainment channels & websites and popular third party websites. In.com also features live streaming video from our television channels and content partners. We also work closely with our entertainment channels to provide internet audiences with an integrated digital experience showcasing popular programs such as Bigg Boss, Roadies and Khatron Ke Khiladi among others.

Firstpost.com: Launched in 2011, it has doubled its readership every year & attracted approximately an average of 4.7 million unique visitors per month globally (Source: Comscore; Period: year ended March 31st, 2014). Firstpost.com is an exclusive online news and views website that is truly digital and accessible across platforms and devices. Built on the fundamentals of blogging and the quick post, user interaction, discussion and debate, Firstpost presents a digital newsroom powered by expert writer-editors across the country and the globe to capture what we think is a powerfully shifting news and media consumption reality. Firstpost explores forms of curation, opinion writing, long form and short form that will be defined by sharp and insightful questions, strong commentary, breaking views and skilful selection and analysis. Its apps are also available across platforms & devices. As a testament to this the Firstpost iPad app was an official honoree at the 2013 Webby Awards. To further capture the news consumption on digital platforms, Firstpost launched, 'FirstBiz', a standalone business news & views site and also added 'Tech2' to its fold, which focuses on consumer technology news and in depth gadget reviews.

IBNLive.com: IBNLive.com, which was launched in 2006, attracts approximately an average of 5.3 million unique visitors per month globally on its website & 8.3 million unique users per month globally on its mobile application (Source: Google Analytics; Period: in the year ended March 31st, 2014). The portal has leveraged the opportunity of cross media convergence with podcasts and live streaming of definitive news content. Users get access to real time coverage, sports updates, entertainment buzz, anchor blogs & chats and Live TV for CNN-IBN, IBN7 and IBN-Lokmat. Users can access ibnlive on their smartphones via apps for iPhone, iPad, Android, Nokia, BlackBerry and Windows phones and also on WAP.

News18.com: Network18 launched News18.com, which takes news to a local level. It is one of India's first web, mobile & tablet service focus on news at the state & city level. News18.com currently covers seven states: Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Rajasthan, Uttar Pradesh and Uttarakhand. It plans to expand to the remaining states of the country over the next year.

Mobile applications: We have an integrated strategy across our digital and mobile offerings. We have one of the largest mobile internet user bases in India, with an average of over 20 million visits and 150 million page views each month in the year ended Mar 31st, 2014. (Source: Google Analytics) We have built a subscriber base of over 4 million subscribers for more than 70 subscription services across SMS, WAP, IVR and used mobile platforms. Further, we have mobile-enabled versions of some of our websites and popular mobile applications, such as IBNLive, M3, and Markets on Mobile.

Digital Commerce

HomeShop18: HomeShop18 launched India's first 24 hour Home Shopping TV channel in 2008. Today, it provides an integrated virtual shopping experience on Internet, Television and Mobile through HomeShop18.com and the 24x7 TV channel. Since inception, HomeShop18 has acquired a customer base of over 9 Million. It has built an impressive portfolio of over 1000 Indian & International brands across multiple product categories and a logistical reach of over 3,000 locations across India. Homeshop18 is one of India's fastest growing virtual commerce companies.

BookmyShow: Bookmyshow.com, operated by Bigtree Entertainment Private Limited, in which we acquired an interest in 2007, provides online booking for movies, plays, sporting events and shows across India as well as for International events. It is India's largest entertainment ticketing company. The website services approximately 200 cities & 200 screens in India. As of March 31st, 2014, bookmyshow.com saw an increase of ~65% in registered users at 7 million and recorded an average of 33 million visits per month (Source: Google Analytics). We sold an average of over 3 Mn+ tickets per month on bookmyshow.com and through its mobile application in the year ended March 31, 2014 recording a growth of 67% over FY13. BookmyShow

Network18 Media & Investments Limited

also focuses on building its mobile strategy and has close to 5 Mn. Downloads with over 40% of their sales going through the mobile app. To further enhance its market leading position, Bookmyshow has signed a 5 year deal as the online ticketing partner for PVR cinemas across India, which will now give consumers a comprehensive selection of over 2200 screens in India. In addition, BookmyShow is also the authorized distributor for ticket management software developed by Vista Entertainment, a New Zealand based company.”

ALLIED BUSINESSES

Our core businesses strengthen our collection of media offerings, expand our future growth prospects, and provide specialized services to our other business segments, which we refer to as our allied businesses segment.

Publishing:

- **Special interest publications:** In FY14, we streamlined our internal operations & optimised our B2B & B2C product portfolio. As of 31st March 2014, our bouquet includes our well-recognized business-to-consumer publications; Overdrive, Better Photography, Better Interiors and Entrepreneur and our recently launched B2B online properties, MPPonline.in & MMTonline.in which have been well received by the industry. Currently, we are the pioneers in the B2B web space with properties in this genre averaging about 2 lakh unique viewers per month per web property (Source: Google Analytics) and our B2C website, overdrive.in continues to be the preferred destination for all auto enthusiasts and users alike. Our business-to-business publications which were shut down in this year were, Auto Monitor, Modern Pharma, Modern Machine Tools, Search and Modern Medicare.
- **Forbes India:** Among our key business-to-consumer publications is Forbes India, which was launched in May 2009 in partnership with Forbes Media. Since its launch, Forbes India has established itself as one of the leading business magazines in India. Subsequently, we launched Forbes Life India, a quarterly English lifestyle magazine targeting India's affluent and influential individuals, and forbesindia.com. Today, the Forbes India ecosystem, spanning magazines, a web portal and mobile applications and on-ground events is one of the country's most preferred destinations for business leaders and entrepreneurs. In the year, Forbes India continued with its impressive growth deepening its engagement further with consumers and the industry with event properties such as the 'Forbes India Leadership Awards', 'Forbes India Philanthropy Awards' and the launch of inaugural 'Forbes India Art Awards'. Pursuant to Digital18's license agreement with Forbes, we have the right to use Forbes content for publication in Forbes India and forbesindia.com. The existing iPad App continues to receive significant downloads and now boasts over almost 75,000 downloads. We also share Forbes India content with our business news channels, CNBC-TV18 and CNBC Awaaz, the services offered by moneycontrol.com.

Investment advisory and consultancy: Capital18 Media Advisors provides investment advisory and consultancy services, such as searching investment targets, valuation and investment due diligence and advice on structuring investments and transactions related to consultancy and advisory services, to clients in media and other industries in India. We also seek out promising entrepreneurs and growth companies across the media, education and technology industries to invest in the early and growth stages of these companies.

RECENT INDUSTRY AWARDS : NETWORK18 GROUP

COLORS

Awards	Category	Winners	Gold / Silver / Bronze
Buzziest Brands 2014	Media & Entertainment	Colors	Silver
The Advertising Club's Emvies	Best Media Innovation – TV Series	Bigg Boss Season 6 – Vodafone 'Made for You' Innovation	Silver
Out of Home Advertising Awards 2014	Most Effective Outdoor Plan	24 – The Show	Silver
The Smarties India Award	Best Mobile App	Jhalak Dikhla Jaa	-
The Indian Television Awards 2013 - General Awards	Best Serial – Comedy	Comedy Nights with Kapil	-
	Best Actor – Comedy	Kapil Sharma – Comedy Nights with Kapil	-
	GR8! Face of the Year - Male	Sidharth Shukla – Balika Vadhu	-
Big Star Entertainment Awards	Most entertaining Comedy Show	Comedy Nights with Kapil	-
CNN IBN Indian of the Year Awards	Entertainment Category	Kapil Sharma	-

Network18 Media & Investments Limited

VIACOM18 MOTION PICTURES			
Awards	Category	Winners	Film
National Awards	Best Popular Film providing wholesome Entertainment		Bhaag Milkha Bhaag
	Best Choreography	Ganesh Acharya - 'Masto Ka Jhund'	Bhaag Milkha Bhaag
	Best Sound Design		Madras Café
	Best Location Sound		Madras Café
Dada Saheb Phalke Film Festival 14	Best Film - Jury		72 Miles - Ek Pracas-Marathi Film
IIFA Awards	Best Film		Bhaag Milkha Bhaag
	Best Actor (Male)	Farhan Akhtar	Bhaag Milkha Bhaag
	Best Supporting Actor (Female)	Divya Dutta	Bhaag Milkha Bhaag
	Best Director	Rakeysh Omprakash Mehra	Bhaag Milkha Bhaag
	Best Cinematography	Binod Pradhan	Bhaag Milkha Bhaag
	Best Story	Prasoon Joshi	Bhaag Milkha Bhaag
	Best Screenplay	Prasoon Joshi	Bhaag Milkha Bhaag
	Best Dialogue	Prasoon Joshi	Bhaag Milkha Bhaag
	Best Editing	P S Bharti	Bhaag Milkha Bhaag
	Best Sound Design	Nakul Kamte	Bhaag Milkha Bhaag
	Best Sound Mixing	Pranav Shukla	Bhaag Milkha Bhaag
	Best Background Score	Shankar-Ehsaan- Loy	Bhaag Milkha Bhaag
	Best Costume Designing	Dolly Ahluwalia	Bhaag Milkha Bhaag
Best Make-Up	Vikram Gaikwad	Bhaag Milkha Bhaag	
Star Guild Awards 2014	Best Film		Bhaag Milkha Bhaag
	Best Performance in a Leading Role (Male)	Farhan Akhtar	Bhaag Milkha Bhaag
	Best Performance in a Supporting Role (Female)	Divya Dutta	Bhaag Milkha Bhaag
	Best Story	Prasoon Joshi	Bhaag Milkha Bhaag
	Best Screenplay	Prasoon Joshi	Bhaag Milkha Bhaag
	Best Cinematography	Binod Pradhan	Bhaag Milkha Bhaag
	Best Sound Mixing award	Biswadeep Chatterjee	Madras Café
Best Editing award	Chandrashekhar Prajapati	Madras Café	
20th Annual Life OK Screen Awards	Best Film		Bhaag Milkha Bhaag
	Best Actor (Male)	Farhan Akhtar	Bhaag Milkha Bhaag
	Best Child Artist	Japtej Singh	Bhaag Milkha Bhaag
	Best Background Score	Shankar-Ehsaan- Loy	Bhaag Milkha Bhaag
	Best Director	Shoojit Sarcar	Madras Café
	Best Sound Designer	Biswadeep Chatterjee	Madras Café
	Best Action	Manohar Verma	Madras Café
Ram Nath Goenka Memorial		Madras Café	
Big Star Entertainment Awards 2013	Best Actor Female in a Thriller film	Mahie Gill	Saheb Biwi Aur Gangster Returns
	Best Actor Male in a Thriller film	Jimmy Shergill	Saheb Biwi Aur Gangster Returns
	Most Entertaining Thriller Film		Saheb Biwi Aur Gangster Returns & Madras Café
	Most Entertaining Film Award		Bhaag Milkha Bhaag
	Best Singer Male	Siddharth Mahadevan - Zinda Hai Toh	Bhaag Milkha Bhaag

Network18 Media & Investments Limited

Awards	Category	Winners	Film
59th Idea Filmfare Awards 2013:	Best Film		Bhaag Milkha Bhaag
	Best Performance in a Leading Role (Male)	Farhan Akhtar	Bhaag Milkha Bhaag
	Best Director	Rakeysh Omprakash Mehra	Bhaag Milkha Bhaag
	Best Lyrics	Prasoon Joshi	Bhaag Milkha Bhaag
	RD Burman Award for Upcoming New Music Talent	Siddharth Mahadevan	Bhaag Milkha Bhaag
	Best Production Design Award	Acropolis Design	Bhaag Milkha Bhaag
	Best Costume Award	Dolly Ahluwalia	Bhaag Milkha Bhaag
	Best Cinematography Award	Kamaljit Negi	Madras Café
	Best Sound Design Award	Bishwadeep Chatterjee and Nihar Ranjan Samar	Madras Café
Zee Cine Awards 2014	Best Film Jury		Bhaag Milkha Bhaag
	Best Actor (Male) Jury	Farhan Akhtar	Bhaag Milkha Bhaag
	Best Supporting Actor (Female) Jury	Divya Dutta	Bhaag Milkha Bhaag
	Best Director	Rakeysh Omprakash Mehra	Bhaag Milkha Bhaag
	Best Sound Design Award	Bishwadeep Chatterjee	Madras Café
	Best Production Design Award		Bhaag Milkha Bhaag
MTV			
Awards	Category	Winners	Gold / Silver / Bronze
Yahoo Big Idea Chair	Bets 360 Digital Campaign of the Year	MTV Roadies X	-
Abby Awards	Branded Content - Best Use of Integration of Music	Coke Studio @ MTV Season 2	Silver
	Branded Content - Best Use of Integration of Music	MTV Sound Trippin	Silver
	Branded Content & Entertainment (Best Brand All Product Integration into a Feature film)	Drive with MTV	Bronze
Global Youth Marketing Forum	Best Integrated Campaign	MTV Philips mPower Pack	-
	Social Application of the Year	MTV Count your Drinks	-
	Social Media Campaign of the Year	CEAT MTV Chase The Monsoon	-
	Digital Media Campaign of the Year	Nano Drive with MTV	-
Pitch Youth Marketing Summit	Effective Digital Media Strategy	CEAT MTV Chase the Monsoon	Bronze
	Best Use of Brand Ambassador	Sneha Khanwalkar (MTV Sound Trippin)	Gold
	Youth Marketing Company of the Year	MTV India	-
	Media Youth Brand of the Year	MTV India	-
Campaign India Crest Digital Media Awards	Best Use of Online Applications	MTV Roadies X Predictions	Silver
	Best Use of Website Blogs	MTV India Blogs	Silver
NICKELODEON & SONIC			
Awards	Category	Winners	Gold / Silver / Bronze
FICCI - BAF 2014	Best Animated TV Episode (Indian)	Pakdam Pakdai Episode	-
India's Most Attractive Brands -2013- TRA's Report	Most Attractive Brand – TV – Kids Channel 2013	Nick	-
Promax India - 2013	Best Programme Title Sequence	Terror of Horror	Gold
	Best On Air Branding Design	Sonic India	Silver

Network18 Media & Investments Limited

Awards	Category	Winners	Gold / Silver / Bronze
Promax World - 2013 (Nominations)	Holiday/Seasonal/Special Event Program Spot	Nasty Valentines Promo	Finalist
	Holiday/Seasonal/Special Event Program Spot	Power Rangers Super Samurai Contest Announcement Promo	Finalist
	Holiday/Seasonal/Special Event Program Spot	Nick Ninja Hattori Fresh - All new episodes	Finalist
VH1			
Awards	Category	Winners	Gold / Silver / Bronze
Promax India 2013	Best on-air ident design (in-house)	Superheroes	Silver
COMEDY CENTRAL			
Awards	Category	Winners	Gold / Silver / Bronze
Promax India 13	Best comedy promo	The stand-up club "yoga"	Gold
	Best sound design	South park tees "twisted"	Gold
	Best sound design	South park tees "dirty"	Silver
	Best editing	South park tees "dirty"	Gold
	Best editing	South park tees "twisted"	Silver
	Best brand integration promo	South park tees "dirty"	Gold
	Best brand integration promo	South park tees "twisted"	Silver
	Funniest spot	The stand-up club "yoga"	Silver
Promax Asia 2013	Best comedy promo	Anger management "angrier than" -60s (shoot promo)	Silver
	Funniest spot	South park tees "dirty"	Gold
	Funniest spot	South park tees "twisted"	Silver
	Best brand integration promo	South park tees "dirty"	Silver
	Best collateral material	Comedy central annual diary	Gold
Promax World 2013	General channel image spot	Comedy central launch "funny bone"	Gold
	General channel image campaign	Comedy central launch "funny bone"	Gold
	Comedy program spot	The stand-up club "yoga"	Gold
	Comedy program campaign	That 70s show "circle of trust"	Silver
	Entertainment program campaign	The stand-up club "yoga"	Silver
	On-air consumer tie-in/brand integrated spot	South park tees "dirty"	Gold
	Funniest promo	Comedy central launch "funny bone"	Gold
	Funniest promo	South park tees "dirty"	Silver
	Copywriting	Comedy central launch "funny bone"	Gold
	Copywriting	The stand-up club "yoga"	Silver
	Copywriting	South park tees "dirty"	Bronze
	Directing	Comedy central launch "funny bone"	Gold
Directing	The stand-up club "yoga"	Silver	
E4M Youth Awards	Best youth brand of the year	Comedy central brand campaign	Silver
CNBC-TV18			
Awards	Category	Winners	Gold / Silver / Bronze
ENBA Awards 2013	Best business programme- English	Young Turks	-
	Best anchor- English	Shereen Bhan	-
	Best integration of a brand in a news programme- English	Making it big	-

Network18 Media & Investments Limited

Awards	Category	Winners	Gold / Silver / Bronze
	Young professional of the year editorial- English	Sonia Shenoy	-
	Young professional of the year business- English	Sana ally	-
NT Awards 2013	Best news programme - English	India business update	-
ITA Awards 2013	Best talk show - English	The appointment	-
CNBC Awaaz			
NT Awards 2013	TV news network promo - Hindi	Awaaz cycle & Awaaz highdrive	-
	Best use of graphics by a news channel - Hindi	Awaaz life promo	-
	Business news anchor - Hindi	Ashish Verma	-
CNN-IBN			
Awards	Category	Winners	Gold / Silver / Bronze
Indian Television Academy Awards	Best English News Channel	CNN – IBN	-
	Best News / Current Affairs Show	India at 9	-
	Best Anchor – Talk / Chat Show	Sagarika Ghose (Face the People)	-
The Ramnath Goenka Excellence in Journalism Awards	Uncovering India Invisible	Rupashree Nanda	-
	Sports Journalism	Smriti Advani & Priyanka Dube	-
	Reporting from J&K and the Northeast	Mufti Islah	-
News Television Awards	Best Investigative Programme (English)	Girls In Bondage	-
	Best Business Talk Show (English)	Rate the Budget	-
	Best Sports Talk Show (English)	The Big Cricket Poll Debate	-
	Best Awards Initiative by a News Channel (English)	Senior Citizen Awards	-
	Best Daily News Bulletin (English)	India at 9	-
	Best Current Affairs Special (English)	UP's Killing Fields	-
	Best News Debate Show (English)	India at 9	-
	Best Set Design (English)	CNN-IBN Indian of the Year	-
	Channel Packaging of the Year (English)	CNN-IBN	-
	Best Promo Campaign by a News Channel (English)	Putting Journalism First	-
	Best News Videographer (English)	Arul Prakasam	-
	Best TV News Presenter (English)	Suhasini Haidar	-
	Best News Channel Website	IBNLive.com	-
Exchange4Media News Broadcasting Awards	Best Talk Show - English	Muzaffarnagar Chaupal	-
	Best In-Show Graphics – English	World View (Race For White House)	-
	Best News Coverage National - English	Himalayan Tsunami	-
	Best News Coverage International – English	World View (Inside Myanmar)	-
	News Television Editor-in-Chief of the Year (English)	Rajdeep Sardesai	-
Chameli Devi Jain Awards	Outstanding Woman Media Person of the Year	Anubha Bhonsle	-

Network18 Media & Investments Limited

Awards	Category	Winners	Gold / Silver / Bronze
Laadli Awards	Laadli Media Awards for Gender Sensitivity 2013 in the Best Reporting category	Akansha Pradeep	-
Tiger Paw Sports Film Festival	Best News Feature	The Contenders (Women's Special)	-
IBN 7			
Awards	Category	Winners	Gold / Silver / Bronze
News Television Awards 2013 - Programming Awards	Best News Talk Show (Hindi)	Zindagi LIVE – (Living with Cancer)	-
	Awards Initiative by a News Channel (Hindi)	Zindagi Live Awards	-
Ramnath Goenka Excellence In Journalism Award	REPORTING ON POLITICS AND GOVERNMENT CATEGORY	Smita Sharma	-
ENBA AWARDS	Best Talk Show – Hindi	Zindagi Live (Living with Cancer)	-
	Best News Coverage National- Hindi	Salamat Rahein Apne	-
	Best News Coverage International- Hindi	Ground Zero Bangladesh	-
	Best Videographer- Hindi	Nizamuddin Ansari	-
	Young Professional of the Year Editorial- Hindi	Sakshi Khanna	-
	Best Website- Hindi	IBNKhbar	-
Laadli Media Awards For Gender Sensitivity	Best Investigative News Feature	Nishat Shamsi from Mumbai Bureau for his documentary 'YAHA LAGTI HAI DULHAN KI MANDI'	-
	Best Hindi Feature	Rana for her documentary 'SURROGATE MAA'	-
IBN LOKMAT			
Awards	Category	Winners	Gold / Silver / Bronze
Ramnath Goenka Awards	Excellence in Journalism	Kamalakar Devraukhkar- Garja Maharashtra- Vidi Kamgar episode	-
Ladli Media National Awards	Social Issues	Alka Dhupkar - IBNL Stories on Surrogate mothers	-
Sanskriti Kala Darpan Awards-2014	Best Marathi News Channel	IBN-Lokmat	-
NT Awards-2014	Special show	Great Bhet with Prakash Amte	-
	Entertainment Special Show	Great Bhet with Bharat jadhav	-
	Best Investigative Reporting	Silent Killer Fluorosis (Alka Dhupkar)	-
	News Documentary Award	Naraksafai-Reportaaz (Dipti Raut)	-
	Best News Reporter	Prafulla Salunkhe	-
	Social Environment Awareness	Chamatkar Chamatkar (Alka Dhupkar)	-
	Best Entertainment Feature	Ed Mubarak	-
	Special Sports Show	Darna Mana hai (Priyanka Desai)	-
	Show Packaging	Youngistan Zindabad	-
	Best News Graphics	Bheti Lagi Jiva	-
	Best News Anchor Marathi	Alka Dhupkar	-
	Best News presenter	Renuka Joshi	-
	Awards Initiative by News channel	Mukta Sanman Awards	-
	Best promo	Ajacha Sawaal	-
Current Affair special	Petlela Syria	-	

Network18 Media & Investments Limited

History TV18			
Awards	Category	Winners	Gold / Silver / Bronze
Global Youth Marketing Forum	Most Impactful Youth Campaign	Tamas	-
	Best use of Social Networks	Pawn Stars	-
ETV Marathi			
Awards	Category	Winners	Gold / Silver / Bronze
Big Marathi Entertainment Awards 2013	Big Entertaining Series TV Non Fiction	Kon Hoel Marathi Crorepati	-
	Big Entertaining Host TV Non Fiction	Sachin Khedekar	-
MaTa Sanman Awards 2014	Best TV Actress	Asawa Sundar Swapnacha Bangla	-
	Best Supporting Actress	Majhe Mann Tujhe Jhale	-
	Best Title song	Asawa Sundar Swapnacha Bangla	-
ETV Gujarati			
Awards	Category	Winners	Gold / Silver / Bronze
13th Transmedia Gujarati Screen & Stage Awards	Best Serial	Mathabhare Manjula	-
	Best Supporting Role (Female)	Mathabhare Manjula	-
ETV Bangla			
Awards	Category	Winners	Gold / Silver / Bronze
Tele Academy Awards 2014	Best Serial (Popular Choice)	Dui Prithibi	-
	Best Supporting Actor	Ranga Mathay Chiruni	-
	Best Serial & Best Popular Serial	Sadak Bamakhyapa	-
WEB18			
Awards - Website/ Web18	Category	Winners	Gold / Silver / Bronze
Webby 2013	Best Mobile/ Tablet app	Firstpost iPad app	Official Honoree
Abby's 2013	Best Digital Integrated Campaign	moneycontrol.com Budget 2012 Campaign	Silver
Abby's 2013	Best Integrated Campaign	moneycontrol.com Budget 2012 Campaign	Bronze
Olive Crown Awards	Creative Excellence in Communicating Sustainability	Firstpost.com tree commercial	Silver
IAMAI IDMA Awards	Best News Website Award	IBNLive.com	Gold
SIXTH NT Awards	Best News Website Award	IBNLive.com	Gold
WAT Awards	Best Digital Integrated Campaign	moneycontrol.2012 Budget campaign	Gold
Mobby's by World Brand Congress	Best iPad App	moneycontrol.com iPad app	Gold
HOMESHOP18			
Awards	Category	Winners	Gold / Silver / Bronze
Star Retailer Awards 2013	e-Retailer of the Year 2013 by franchise India	HomeShop18	-
Entrepreneur India 2013	Entrepreneur of the year – Innovation & Technology	HomeShop18	-
Business World - India's most respected Companies	Company in the emerging sector	HomeShop18	2 nd Most Respected Company
BCS Ratna	Best Designed Studio & PCR	Organisation	-
CMO Asia	Retailer of the Year – e-Commerce & Online Shopping	HomeShop18	-
Retailer Customer Service Award 2013	Best Customer Service in Retail	HomeShop18	-
BOOKMYSHOW			
Awards	Category	Winners	Gold / Silver / Bronze
IAMAI Awards	Best Innovative Mobile App	Bookmyshow	-
ET Awards	Start up of the Year	Bookmyshow	-

Network18 Media & Investments Limited

Financial Performance Summary

- Consolidated revenues for year 2013-14 stood at Rs. 2692.4 crores on a reported basis, growing by almost 12% over previous year. Operating Profits (EBITDA) turned around from a loss of Rs. 39.3 crores in FY13 to an operating profit of Rs. 87.2 crores in FY14
- Our TV18 Business (both News and Entertainment) was on a strong growth trajectory this year. Reported operating revenues for the television and motion pictures business (including IndiaCast) stood at Rs. 1968.1 crores for the year. Our continuing broadcasting and motion pictures operations turned in a strong performance with reported operating profit (EBITDA) of Rs. 210.5 crores during the year, nearly doubling over Rs. 112.1 crores last year. Our Net Distribution Income continued its strong growth trajectory.
- Reported operating revenues from our digital content and eCommerce business grew to Rs. 530.8 crores, registering a growth of 32%, over the previous year.

NETWORK18 – Key Segmental Highlights

Amount Rs. in crores

Network18 Consolidated Summary		
	FY14 (Audited)	FY13 (Audited)
Revenues	2,692.4	2,400.8
Television and Motion Pictures	1,968.1	1,699.0
Digital Content and eCommerce	530.8	400.9
Allied Businesses*	220.6	373.3
Less: Inter Segmental Eliminations	(27.1)	(72.4)
Operating Profit	87.2	(39.3)
Television and Motion Pictures	210.5	112.1
Digital Content and eCommerce	(80.6)	(125.4)
Allied Businesses*	(52.0)	(46.9)
Less: Inter Segmental Eliminations	9.2	20.9
Operating Margin	3%	-2%
Television and Motion Pictures	11%	7%
Digital Content and eCommerce	-15%	-31%

*FY13 includes revenues and operating profits of discontinued operations and divestitures (Ask Me, Yellow Pages, Webchutney, Events18) and hence, not comparable

Amount Rs. in crores

TV18 Consolidated Summary		
	FY14 (Audited)	FY13 (Audited)
Revenues (A+B+C)	1,968.1	1,699.0
News and Infotainment	556.4	591.3
ETV News*	35.9	0.0
Entertainment - Television	715.4	613.2
ETV Entertainment*	62.9	0.0
IndiaCast (75% from the current year)	729.0	390.2
Less : Intersegmental eliminations (Broadcasting)	(233.3)	(71.9)
Total Broadcasting operations (A)	1,866.4	1,522.8
Total Motion Pictures (B)	130.8	176.2
Less : Intersegmental eliminations (Motion Pictures) (C)	(29.1)	0.0

Network18 Media & Investments Limited

Amount Rs. in crores

	FY14 (Audited)	FY13 (Audited)
Operating Profit (A+B)	210.5	112.1
News and Infotainment	116.9	77.9
ETV News*	14.5	0.0
Entertainment - Television	108.4	36.8
ETV Entertainment*	(9.2)	0.0
IndiaCast (75% from the current year)	3.0	(0.5)
Less : Intersegmental eliminations	(0.0)	0.0
Total Broadcasting operations (A)	233.6	114.2
Total Motion Pictures (B)	(23.0)	(2.1)
Operating Margin (A+B)	11%	7%
News and Infotainment	21%	13%
ETV News*	40%	-
Entertainment - Television	15%	6%
ETV Entertainment *	-15%	-
IndiaCast (75% from the current year)	0%	0%
Total Broadcasting operations (A)	13%	8%
Total Motion Pictures (B)	-18%	-1%

*On January 22nd, post receipt of all regulatory approvals, we have successfully completed our acquisition of (i) 100% interest in regional news channels in Hindi, namely ETV Uttar Pradesh, ETV Madhya Pradesh, ETV Rajasthan, ETV Bihar, ETV Urdu Channel, ETV Bangla, ETV Kannada and ETV Haryana (ETV News Channels); (ii) 50% interest in ETV Marathi, ETV Kannada, ETV Bangla, ETV Gujarati and ETV Oriya (ETV non-Telugu GEC channels); and (iii) 24.50% in ETV Telugu and ETV Telugu News (ETV Telugu News). Please note that in FY13-14, our consolidated reported results reflect the ownership of the above from 22nd January 2014. In accordance with the accounting policies, ETV News and ETV Entertainment have been consolidated at 100% on a line by line basis.

Amount Rs. in crores - 100% Basis

ETV Summary (Non-Telugu)		
	FY14 (Audited)	FY13 (Audited)
Revenue		
ETV News	142.0	107.2
ETV Entertainment	262.3	260.1
Operating Profits		
ETV News	61.9	29.8
ETV Entertainment	(95.2)	24.8
Operating Margin		
ETV News	44%	28%
ETV Entertainment	-36%	10%

IndiaCast is a 50-50 joint venture between TV18 and Viacom18 and has been consolidated as such. IndiaCast commenced operations on July 1st 2012 and is consolidated only from Q2 FY13. For the previous year it was consolidated as a 100% subsidiary. TV18 moved to the Net Distribution Income methodology of accounting for carriage and subscription from Q2FY13. Q1FY13 results had been regrouped to ensure comparability. For Q1FY13, gross subscription and carriage numbers are included in the audited results of FY13. From the current year, we have stopped reporting new operations separately given their vintage. Segmental numbers are based on management accounts and are not audited.

Network18 Media & Investments Limited

Net Distribution Income

In FY14, our Net Distribution Income stood at Rs. 178 crores. The historical context of this key metric is provided in the table below.

Amount Rs. in crores

2013	2014				
FY	Q1	Q2	Q3	Q4	FY
15.7	34.9	39.1	43.6	60.4*	178

*Does not include Net Distribution Income of ETV News and ETV Entertainment.

Effective 1st July 2012, IndiaCast is now managing TV18's and Viacom18's distribution operations. Pursuant to this development, Broadcast operations of TV18 are now reporting net revenues from distribution starting Q2 FY13. Net Distribution Income may be understood as subscription revenues earned by the company minus carriage/placement fees or any promotions/commission paid. Please note that the Net Distribution Income differs from the Subscription Revenues in our consolidated numbers because a few of our entities are still in negative territory and hence, net expenses on account of carriage form a part of the marketing and distribution expenses.

News and Infotainment Operations

News and Infotainment Summary

	<i>Amount Rs. in crores</i>	
	FY14 (Audited)	FY13 (Audited)
Revenues	592.4	591.3
General News	239.7	256.7
Business News	289.3	295.1
Infotainment (AETN18)	27.4	39.5
ETV News	35.9	-
Operating Profit	131.4	77.9
General News	22.0	3.2
Business News	93.3	100.8
Infotainment (AETN18)	1.6	(26.1)
ETV News	14.5	-
Operating Margin	22%	13%
General News	9%	1%
Business News	32%	34%
Infotainment (AETN18)	6%	-66%
ETV News	40%	0%

News Operations

- **Business News Operations - CNBC-TV18, CNBC Awaaz, CNBC-TV18 Prime HD**
 - Our Business News operations sustained healthy operating margins of more than 30% despite the absence of Union Budget in this financial year. Reported annual operating revenues stood at Rs. 289.3 crores, with reported annual operating profits (EBITDA) of Rs. 93.3 crores.
 - Both, CNBC-TV18 and CNBC Awaaz continued to enjoy market leadership positions in FY13-14 (Source: TAM, CS AB Males 25+, All India, weekdays, All days, 24 hours, Period: Wk 14'13-13'14 (31st Mar'13 to 29th Mar'14))
- **General News Operations - CNN-IBN, IBN7, IBN Lokmat**
 - General News operations grew margins significantly over the last year.
 - Reported annual operating profit (EBITDA) at Rs. 22 crores this year, up from Rs. 3.2 crores last year. Reported annual operating revenues stood at Rs. 239.7 crores in this financial year. The growth was achieved through a focus on operational efficiencies and a steady improvement in NDI.

Network18 Media & Investments Limited

▪ Infotainment - HistoryTV18

- o History TV18 broke into positive territory in FY14, as compared to a reported annual operating loss of Rs. 26.1 crores in FY13. Despite a soft advertising environment, the channel registered growth in operating profits (EBITDA) through improvement in net distribution income.

▪ Entertainment Business

- o FY14 operating profits (EBITDA) for Viacom18 grew from Rs.69.4 crores last year to Rs. 172.8 crores this year. Operating Revenue stood at Rs. 1,982.2 crores.
- o Operating Profits (EBITDA) of the television business almost trebled from Rs. 73.6 crores in FY13 to Rs. 216.8 crores in FY14. The segment also witnessed an improvement in annual operating margins from 6% last year to 15% in this financial year. The growth in FY14 was driven by both advertising revenues and distribution income.
- o In FY14, Viacom18 successfully launched Rishtey, a free-to-air Hindi GEC, to cater to audiences in cable and satellite markets and beyond in India.
- o Colors held the No. 2 spot in its genre in FY14 with an 18% market share (*Source: TAM; CS 4+; HSM; All Days*) and was the undisputed leader during weekends with an average market share of 21.7% in FY14 (*Source: TAM; CS 4+; HSM; Sat-Sun*).
- o Viacom 18 also successfully launched MTV Indies, a youth channel themed around local independent and alternative culture in the areas of music, film, art and other content. This further strengthens MTV's position as the No.1 youth brand in India.
- o Viacom18 Motion Pictures saw the release of highly successful and critically acclaimed movies in FY14 such as, 'Queen', 'Bhaag Milkha Bhaag', 'Madras Café', and 'Bombay Talkies'.

▪ ETV News and Entertainment

- o ETV News reported a 108% growth in annual Proforma operating profits (EBITDA) from Rs. 29.8 crores to Rs. 61.9 crores. The growth was led by a strong growth in advertising revenues and a sustained leadership in viewership, aided by the assembly elections in Q3 and the National General Elections in Q4 of FY14. The bouquet of regional news channels was expanded with the launch of ETV Bangla, ETV Kannada and ETV Haryana in Q4 FY14.
- o Strong performance of the ETV entertainment channels has consistently narrowed QoQ operating losses (EBITDA) in the second half of FY14.

▪ Digital Content and eCommerce

Network18 is one of India's largest digital media companies, attracting an average of approximately 30 million monthly unique visitors (*Source: ComScore; Period: FY14, World*). Our digital content businesses (moneycontrol.com, firstpost.com, in.com, ibnlive.com, burrrp.com, News18.com) and ecommerce businesses (HomeShop18 and Bookmyshow.com) continue to innovate and maintain dominant positions in their respective genres.

Amount Rs. in crores

Network18 Consolidated Summary		
	FY14 (Audited)	FY13 (Audited)
Revenues	530.8	400.9
Digital content	91.1	88.0
Digital Commerce	439.8	276.3
Newswire18	-	36.7
EBITDA	(80.6)	(125.4)
Operating Margin	-15%	-31%

- o Our annual operating revenues were up by 32% to Rs. 530.8 crores led by digital commerce operations, which grew at 60% annually. Operating losses in FY14 narrowed to Rs. 80.6 crores from Rs. 125.4 crores in FY13.
- o We successfully launched FirstBiz. and News18.com in Q4 FY14.
- o Bookmyshow.com, India's premier ticketing platform continued its strong revenue trajectory. The average tickets sold every month grew by 86% (Q4 average) to 2.9 million. Homeshop18 continued to deliver growth while improving operating efficiencies.

Network18 Media & Investments Limited

Allied Businesses

▪ Publishing Operations

- o Allied Businesses recorded revenues of Rs. 220.6 crores and an operating loss of Rs. 52 crores in FY14.
- o In line with macro factors impacting growth of print industry in the future, we optimised our B2B & B2C product portfolio by discontinuing underperforming publications. Further, we plan to migrate some of the existing publications to web in the coming financial year.
- o Forbes Magazine continued to deepen its engagement with readers by launching 'Forbes India Art Awards' adding to its stable of successful events like, 'Forbes India Leadership Awards' and 'Forbes India Philanthropy Awards'. The magazine also increased its online reach through more than 70,000 downloads of its iPad App.

▪ Capital18 Investee Companies

- o Capital18 investee portfolio companies continued to grow both on revenues and profitability.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

Network18 maintains a robust system of internal controls, commensurate with the size & complexity of its business operations, which provides, inter alia, a reasonable assurance of protection against any probable loss of Company's assets caused by the misuse of powers by those who are in a position to have any influence on the working of the business verticals of the organization. It ensures the transactions of its business operation are recorded in all respect in a fair and transparent manner. The Company has an external and independent firm of Internal Auditors which scrutinizes the financials and other operations of the Company. The Internal Auditors report their findings directly to the Audit Committee which are in turn forwarded to the concerned departments/ business verticals for taking corrective measures. Internal audit also ensures that applicable laws are being complied with in true spirit. The Audit Committee actively reviews the effectiveness and adequacy of the Internal Control Systems and takes steps for further strengthening wherever the need is felt.

OUR STRENGTHS

Well-positioned in a digitized environment: Leadership in broadcast, digital content & commerce

We're one of the leading players in news and entertainment broadcasting, digital content and digital commerce business segments in the country positioning us uniquely to capitalise on a fast converging media and consumer landscape. We've an integrated portfolio that attracts a wide spectrum of economic sections and demographic groups in India. We are one of the leading news networks in India, operating news television channels: *CNBC-TV18, CNN-IBN, IBN7, CNBC Awaaz, IBN-Lokmat, and CNBC-TV18 Prime HD*. We also operate entertainment television channels: *Colors, Colors HD, Rishtey, MTV India, MTV Indies, Vh1, Nick, Nick Jr., Sonic, Comedy Central and HistoryTV18*. We have acquired a bouquet of regional news & entertainment channels: *ETV Marathi, ETV Gujarati, ETV Bangla, ETV Oriya, ETV Kannada* in entertainment genre & *ETV UP, ETV MP, ETV Rajasthan, ETV Bihar, ETV Urdu, ETV Kannada, ETV Bangla and ETV Haryana* in news genre. We also hold and operate market-leading digital content and commerce assets, including *moneycontrol.com, ibnlive.com, firstpost.com, in.com, burrrp.com, News18.com, homeshop18.com and bookmyshow.com*. As a television network, we reached an average of approximately 210.8 million television viewers every month in the year ending March 2014 (*Source: TAM CS 4+, Jan'14-Mar'14, All Days, All India, 24 hrs*). We are also the second most popular Indian online media company, according to Comscore, attracting an average of approximately 30 million unique visitors globally per month for the year ended March 31st, 2014.

Strength of our 'Network' and 'Multi-platform' DNA

Our bouquet comprises of leading brands across some of the country's leading media segments. This allows each of our brands to benefit from the synergies that accrue as a result of being a part of a 'network'. We believe that as the Indian media industry expands, with new entrants and services being launched in a digitized environment, future growth will greatly rest with networks and how well each exploits available synergies. Within our existing bouquet, we continue to capitalize on synergies, from both the revenue and content perspective across ad sales, distribution and production.

Strong portfolio of market-leading brands

We have well-established brands across all the key segments we operate in, including television, digital and print publishing, digital commerce etc. As stated in the earlier part of 'Our Business' section in the report, Our business news channels (CNBC TV18 & CNBC Awaaz) enjoy market leadership position & our general news channels (CNN IBN & IBN 7) are not only one of the leading channels in the genre but have created their strong brand & identity. Entertainment genre also provides evidence to our strength as a network, with Colors being one of the top Hindi GEC's in the market and MTV being one of the leading youth brands in the country. Nick, our flagship entertainment television channel in the kids category reached out to more than 13.5 million kids week on week (*Source: TAM, All India, CS 4-14 ABC, Period: FY 13-14, 07:00-22:00 Hrs*). History TV18 continues to engage with the viewers with the highest time spent in the genre, a lead maintained since its launch.

We believe our market-leading brands allow us to cross-promote and cross-pollinate content through our television channels, digital and mobile properties and publications, attracting an increased number of users and greater advertising and subscription revenues. Further, based on our reputation and market-leading brands, if we choose to enter any other complementary media

Network18 Media & Investments Limited

segments or genres, we believe we will be able to grow our advertiser and user base more quickly than many of our competitors. We have invested in, and continue to promote, our brands through a focus on quality content and the use of various promotional and marketing tools.

Experienced management team

Our management team comprises industry executives with a significant number of years of experience in the Indian media and entertainment industry across various functions. Our management's expertise and knowledge of the Indian media and entertainment industry allows us to create products and platforms in response to audience preferences and industry drivers and trends. If we choose to enter a new media segment, or develop a business in one of our existing segments, we believe our management and experienced editorial staff will be well-positioned to successfully implement our strategic plans.

Ability to collaborate strategically with global and local media companies

We have an established track record of entering into successful strategic alliances with leading global and Indian media companies. We have forged partnerships with several leading global media players including *Viacom* in entertainment, *CNN* in English general news, *CNBC* in business news, *Lokmat* in Marathi regional news, *A+E Networks* in factual entertainment. Our latest partnership with ETV channels was successfully completed in January 2014, which brings a bouquet of ETV news & entertainment channels to the network. In case of our global partnerships, we have invested into and built these brands in India over the years and we believe that our partners recognise the value we bring to these alliances which is demonstrated by their willingness to collaborate with us for extended periods. We believe that we derive substantial benefits through the licensing of brands and/or sharing of programming content and market knowledge with our partners where relevant. Our alliances provide us with significant synergy upsides through the sharing of strengths and reputational benefits. We believe that our continuing partnerships will assist us in building our market share in India and internationally.

HUMAN RESOURCES AND DEVELOPMENT

The human capital today is one of the most decisive factors in the success of a company and thus we strive for excellence in the entire employee life cycle. Your Company continuously recruits skilled professionals from various streams and undertake several initiatives to retain the talent pool. Your Company also places emphasis on development and enhancement of skills and capabilities of employees to prepare them for future challenges. The Company focuses on improved Employee Engagement through several enterprise level initiatives. Our detailed employee performance management system not only assesses individual performances, it also identifies areas where team members need training and development. The Company designs various training and development programs to ensure that professionals here continue to breach the productivity benchmarks by acquiring better skills and competencies. The Rewards and Recognition Programs here appreciate outstanding performers for their professionalism, dedication and outstanding contributions. Your Company has built a versatile and inspired pool talent that keeps looking for higher and bigger challenges. Our clutter breaking and innovative content is a result of our differentiated human capital. As on March 31, 2014 we had 495 employees on Company's payroll.

DISCLAIMER

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimate, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include economic developments within the country, demand and supply conditions in the industry, input prices, changes in government regulations, tax laws and other factor such as litigation and industrial relations.

Network18 Media & Investments Limited

Corporate Governance Report

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is about commitment to values and ethical business conduct. We look upon good corporate governance practices as a key driver of sustainable corporate growth and long-term shareholders value creation. Good corporate governance is about enhancing value for all our stakeholders. The Company is committed to adopt global best practices in corporate governance and disclosure. This includes its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. Accordingly, timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company is an important part of corporate governance.

The Company believes that sound corporate governance is critical to enhance and retain investors' trust. The Company's corporate governance philosophy is based on the following principles:

1. Primary responsibility of a good corporate entity is maximizing shareholders value.
2. Be transparent and maintain a high degree of disclosures level.
3. Sound system of risk management and internal control.
4. Principles of integrity, transparency, disclosure, accountability and fairness.
5. Upholding the highest standards of professionalism.
6. Management is the trustee of the shareholders' capital and not the owner.

The Company complies with all statutory and regulatory requirements on corporate governance and has constituted the requisite committees to look into issues of financial reporting, investor grievance and executive remuneration. This attitude of Network18 has strengthened the bond of trust with its stakeholders including the society at large.

PROMOTERS

Independent Media Trust, of which Reliance Industries Limited is the sole beneficiary, has acquired a controlling stake of the promoter group entities (Holding Companies) from Mr. Raghav Bahl and Ms. Ritu Kapur on July 7, 2014. Further, Independent Media Trust, Reliance Industries Limited and Holding Companies are the present promoters of the Company from July 7, 2014.

Consequent to the above change, the Board of the Company has been re-constituted with effect from July 7, 2014.

The disclosures in accordance with Clause 49 of the Listing Agreement are as follows:

BOARD OF DIRECTORS

The constitution of the Board aims at ensuring Directors commitment to participate in the affairs of the Company with understanding and competence to deal with current and emerging business issues to achieve the organizational goals.

(A) Composition of the Board

The Board of Directors of the Company presently consists of five members out of which two are Non-Executive Independent Directors and remaining three are Non-Executive Directors. The Chairman of the Board of Directors is a Non-Executive Independent Director.

Name	Executive/ Non-Executive/ Independent Director	No. of Directorships Held in Other Companies (a)	No. of Chairmanships / Memberships of other Board Committees (b)	
			Chairmanship	Membership
Mr. Adil Zainulbhai*	Non-Executive Independent Chairman	4	-	1
Mr. Raghav Bahl**	Non-Executive Director	13	-	2
Mr. Deepak Parekh*	Non-Executive Independent Director	9	2	3
Mr. Rohit Bansal*	Non-Executive Director	1	-	2
Mr. Vinay Chhajlani*	Non-Executive Director	1	-	-

* Appointed as Additional Director of the Company w.e.f. July 7, 2014.

** Mr. Raghav Bahl who was serving as a Managing Director of the Company upto July 7, 2014 has resigned as the Managing Director and has relinquished all his executive powers. However, he continues as a Non-Executive Director of the Company.

Network18 Media & Investments Limited

Mr. Manoj Mohanka, Mr. Hari S. Bhartia, Mr. Sanjay Ray Chaudhuri, Ms. Vandana Malik and Ms. Subhash Bahl have ceased to be the Directors of the Company w.e.f July 7, 2014.

- a. *For the purpose of considering directorships in other companies, all the Public Limited Companies, whether listed or not have been considered. Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956 have not been included.*
- b. *For the purpose of considering the total number of Memberships/ Chairmanships of committee(s) only Audit Committees and Shareholders'/ Investor Grievance Committees of all Public Limited Companies excluding that of the Company have been considered.*

None of the above director is inter se related to any other director on the Board. None of the Directors is a Member / Chairman in more than 10 / 5 committees of the Board of Directors across all companies in which they are the Directors.

As required under Clause 49 IV (G), particulars of Directors proposed to be appointed / re-appointed are given below:

MR. ADIL ZAINULBHAI

Mr. Adil Zainulbhai is currently Senior Advisor to McKinsey. He retired as Chairman of McKinsey, India after 34 years at McKinsey. He spent the last 10 years in India. Prior to returning to India, he led the Washington office of McKinsey and founded the Minneapolis office. Over the last 10 years in India, Mr. Adil has worked directly with the CEOs and promoters of some of the major companies in India and globally – private companies, MNCs and PSUs. Mr. Adil has also been working with several parts of the government and led efforts around urbanization, inclusive growth and energy.

Recently, Mr. Adil co-edited the book, '**Reimagining India**' which featured 60 authors including prominent businessmen, academics, economists, authors and journalists. The book has been #1 in non-fiction in India on its release and #2 on Amazon's International Business List in the US.

Mr. Adil is currently on the Boards of Reliance Industries Ltd., Larsen & Toubro Ltd. and Cipla. He grew up in Bombay and graduated in Mechanical Engineering from the Indian Institute of Technology. He also has an M.B.A. from Harvard Business School.

Mr. Adil is very active in community and social causes. He is a Board member of the American India Foundation, Saifee Hospital, Board of Trustees at Saifee Burhani Upliftment Trust (redeveloping Bhendi Bazaar in Mumbai), Advisory Board of the Indian Institute of Technology Bombay, Wockhardt Foundation, HMRI (Health Management Research Institute), Harvard Business School Alumni Association of India and on the Global Advisory Board of the Booth School of Business at University of Chicago.

Mr. Adil Zainulbhai joined the Board of the Company as Additional Director designated as Independent Director on July 7, 2014. He does not hold any shares of the Company in his name.

MR. DEEPAK PAREKH

Mr. Deepak Parekh is the Chairman of Housing Development Finance Corporation Limited. In 1970, Mr. Parekh began his career with Ernst & Ernst Management Consultancy Services in New York. Thereafter he worked with Grindlays Bank and Chase Manhattan Bank for about three years each prior to joining HDFC in 1978.

Besides HDFC Group Companies, Mr. Parekh is on the board of several leading corporations across diverse sectors. He is the Non-Executive Chairman of Glaxo Smithkline Pharmaceuticals and Siemens India Ltd. He is also on the boards of Mahindra & Mahindra Ltd., Indian Hotels Company Ltd. and international boards of DP World – UAE and Vedanta Resources plc.. In addition, he is also on the Advisory Boards of several Indian corporates and MNC's.

Mr. Parekh is a recipient of the Padma Bhushan for his contributions to the national economy and public policy. Indian Industry, Government, International organisations and Media have also honoured him with several awards including 'Bundesverdienstkreuz' Germany's Cross of the Order of Merit, one of the highest distinction by the Federal Republic of Germany in 2014, "Knight in the Order of the Legion of Honour", one of the highest distinction by the French Republic in 2010, First international recipient of the Outstanding Achievement Award by Institute of Chartered Accountants in England and Wales, in 2010. In 2008 he was recognized amongst the 'Stars of Asia' by Business Week, listed as one of the top 25 most influential people in business and finance across Asia-Pacific by Asiamoney and was awarded the prestigious Lifetime Achievement Award for his contribution to the Financial Sector by Finance Asia magazine – Hong kong. He was also chosen as the Best Non-Executive Director – 2006 by the Asian Centre for Corporate Governance in recognition of his leadership on the board of several large companies.

Some of the recent prominent awards in India include; "Lifetime Contribution award" at AIMA Managing India Awards 2014. ICSI Life Time Achievement award for the year 2012 for "translating excellence in corporate governance into reality" by the

Network18 Media & Investments Limited

Institute of Company Secretaries, Being inducted in the Hall of fame by India Today Magazine -2012 for being in their power list for 10 consecutive years, 'Lifetime Achievement Award' for his exceptional contribution in developing India's Financial Services Sector - 2012 by Ernst & Young, Business leadership award at Lakshmi Singhania - IIM Lucknow National Leadership awards 2011, Forbes-India person of the year 2010 as "Institution Builder", a special award from NDTV and CNN IBN for being part of the team that revived Satyam – 2009.

Mr. Parekh is widely consulted by the Government of India on a range of issues of national importance and has been a member of various Government appointed Advisory Committees and Task Forces which include housing, financial services, capital markets and infrastructure sector reforms. Mr. Parekh is a Commerce Graduate and holds an FCA degree from England and Wales.

Mr. Deepak Parekh joined the Board of the Company as Additional Director designated as Independent Director on July 7, 2014. Mr. Deepak Parekh does not hold any shares of the Company in his name.

MR. RAGHAV BAHL

Mr. Raghav Bahl holds a Bachelor's Degree in Economics from St. Stephen's College, University of Delhi and has a Master's Degree in Business Administration from the University of Delhi. He began his career as a management consultant with A. F. Ferguson & Company. He founded TV18 (now Network18 Group) in the year 1993. He has been instrumental in crafting successful Joint Ventures with media giants like CNBC, NBC Universal, Viacom, Time Warner, Forbes, A&E Networks and GS Home shopping (Korea). Mr. Bahl has been a widely admired entrepreneur and was hailed as a Global Leader of Tomorrow by the World Economic Forum (WEF) and he has been honored with numerous Industry awards including (a) Sanskriti Award for Journalism in 1994 (b) Entrepreneur of the Year for Business Transformation (Ernst & Young) (2007) (c) AIMA award for the Media person of the year 2011. BMA recognized him as the "Entrepreneur of the year (2011). Mr. Bahl has been conferred with the degree of Doctor of Philosophy (D. Phil), Honoris Causa by Amity University, Uttar Pradesh (2011). He has over 25 years of experience in television and journalism.

Mr. Raghav Bahl resigned from the office of Managing Director and has relinquished all his executive powers and responsibilities w.e.f. July 7, 2014, but continues to be a Non-executive Director. Mr. Raghav Bahl does not hold any shares of the Company in his name.

MR. VINAY CHHAJLANI

Mr. Vinay Chhajlani holds BE(hons) in EEE from BITS Pilani India and MS in Printing Technology from Rochester Institute of Technology (RIT) USA. Mr. Chhajlani began his career in 1986 as a planning executive with Semline Inc. a leading printing company in Boston. Mr. Chhajlani founded Suvi Information Systems Pvt. Ltd., an IT consulting and solutions company in 1988 and set up a subsidiary in US, Diaspark Inc. He serves as Group Chairman of Webdunia.com (India) Pvt. Ltd. and Diaspark Inc. He has keen interest in Technology and Media space with which he has been involved in various Executive and Strategic capacity for last 20 years.

Mr. Vinay Chhajlani joined the Board of the Company as an Additional Director on July 7, 2014. He holds 10,000 shares of the Company in his name.

MR. ROHIT BANSAL

Mr. Rohit Bansal is alum of Harvard Business School and St Stephen's College. He is a British Chevening scholar and has undertaken professional programmes at University of Westminster, The Times Centre for Media Studies, and The European Journalism Centre, Maastricht. Mr. Rohit has served on the board of the News Broadcasters Association and has been Resident Editor of The Financial Express, New Delhi; Managing Editor (and later COO) of Independent News Service; Editor-Business, Zee News; Special Correspondent, Television 18; and Senior Business Correspondent, The Times of India. He is a Trustee on the St Stephen's Alumni Foundation.

Mr. Bansal, in collaboration with Hammurabi & Solomon, advised CEOs across the spectrum of strategy, regulation, advocacy and the media. He served as Treasurer of The Editors Guild of India and Foundation of Media Professionals. His columns reflecting issues before government, financial institutions, private equity, industry leaders, political executive, alumni networks, and global think tanks appears in Governance Now, The Pioneer and exchange4media.

Mr. Bansal joined the Board of the Company as an Additional Director on July 7, 2014. He does not hold any shares of the Company in his name.

Network18 Media & Investments Limited

Other Directorship/Committee Membership of the Directors proposed to be appointed / re-appointed are given below:

Name of Director	Other Directorships/Committee Membership details	
	Name of the Public Limited Companies	Position on the Board and Committee thereof
Mr. Deepak Parekh	Housing Development Finance Corporation Limited	-Chairman
	Mahindra and Mahindra Limited	-Director -Chairman of Audit Committee
	Glaxosmithkline Pharmaceuticals Limited	-Chairman -Chairman of Investor Grievance Committee -Member of Audit Committee
	The Indian Hotels Company Limited	-Director -Member of Audit Committee
	Zodiac Clothing Company Limited	-Alternate Director
	Siemens Limited	-Chairman -Member of Audit Committee
	HDFC Assets Management Company Limited	-Chairman
	HDFC Standard Life Insurance Company Limited	-Chairman
	HDFC Ergo General Insurance Company Limited	-Chairman
Mr. Adil Zainulbhai	Reliance Jio Infocomm Limited	-Director
	Reliance Industries Limited	-Director -Member of Audit Committee
	CIPLA Limited	-Director
	Larsen And Toubro Limited	-Director
Mr. Rohit Bansal	Infomedia Press Limited	- Additional Director -Member of Stakeholders Relationship Committee -Member of Audit Committee
Mr. Vinay Chhajlani	Infomedia Press Limited	-Additional Director
Mr. Raghav Bahl	TV18 Broadcast Limited	-Director -Member of Stakeholders Relationship Committee -Member of Audit Committee
	Digital18 Media Limited	-Director
	Greycells18 Media Limited	-Director
	Network18 Publications Limited	-Director
	TV18 Home Shopping Network Limited	-Director
	Web18 Software Services Limited	-Director
	Capital18 Fincap Private Limited*	-Director
	RRK Finhold Private Limited*	-Director
	RVT Finhold Private Limited*	-Director
	Stargaze Entertainment Private Limited*	-Director
	AETN18 Media Private Limited*	-Director
	Viacom18 Media Private Limited*	-Director
	IndiaCast Media Distribution Private Limited*	-Director

* Subsidiary of Public Company

Network18 Media & Investments Limited

Attendance of Directors at the Board Meetings and the last Annual General Meeting

During the financial year ended on March 31, 2014, four Board Meetings were held and the maximum time gap between any two Board meetings was less than four months. The Agenda and other relevant papers were circulated well in time.

The Board Meetings were held on May 13, 2013, July 29, 2013, October 28, 2013 and February 10, 2014. Attendance of directors at the Board Meetings and Annual General Meeting (AGM) held during the financial year ended on March 31, 2014, are given below:

Name of the Director	No. of Board Meetings attended	Attendance at the last AGM on July 29, 2013
Mr. Manoj Mohanka*	4	Yes
Mr. Raghav Bahl	4	Yes
Ms. Vandana Malik*	Nil	No
Mr. Sanjay Ray Chaudhuri*	4	Yes
Ms. Subhash Bahl*	Nil	No
Mr. Hari S. Bhartia*	3	No

*Ceased to be directors w.e.f. July 7, 2014.

BOARD COMMITTEES

AUDIT COMMITTEE

The primary objective of the Audit Committee of the Company is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

(a) Terms of reference

The Committee deals with various aspects of financial statements, adequacy of internal controls, various audit reports, compliance with accounting standards, related party transactions, Company's financial and risk management policies besides monitoring the utilization of funds raised through Rights Issue. It reports to the Board of Directors about its findings and recommendations pertaining to above matters. The Committee oversees the work carried out in the financial reporting process by the management, the internal auditors and the independent auditor, and notes the processes and safeguards employed by them.

(b) Composition

The Audit Committee presently comprises of three Directors, two being Independent Non-Executive Directors and one is Non-Executive Director. All the members of the Committee possess financial / accounting expertise / exposure. The Company Secretary acts as the Secretary of the Committee.

Name	Executive / Non-executive / Independent	Position held
Mr. Adil Zainulbhai	Non – Executive, Independent	Chairman
Mr. Deepak Parekh	Non – Executive, Independent	Member
Mr. Rohit Bansal	Non-Executive	Member

The Committee's composition meets with the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Network18 Media & Investments Limited

(c) Meetings and Attendance

During the financial year ended on March 31, 2014, the Committee met four times and the maximum time gap between any two meetings was less than four months. The Minutes of the Audit Committee meetings were placed before the Board.

The Committee Meetings were held on May 13, 2013, July 29, 2013, October 28, 2013 and February 10, 2014. Attendance of directors at the Committee Meetings held during the financial year ended on March 31, 2014, are given below:

Name of the Director	No. of Meetings attended
Mr. Manoj Mohanka*	4
Mr. Hari S. Bhartia*	4
Ms. Vandana Malik*	Nil
Mr. Sanjay Ray Chaudhuri*	1

*Ceased to be directors w.e.f. July 7, 2014.

(d) Review of information by the Audit Committee

The Audit Committee reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. Review the appointment, removal and terms of remuneration of the internal auditor.

(e) General

Executives of Finance and Accounts Department, Secretarial Department and representatives of statutory and internal auditors attend Audit Committee Meetings. The due date for filing the cost audit report for the financial year ended March 31, 2013 was September 27, 2013 and the cost audit report was filed by the Cost Auditor on September 17, 2013. The due date for filing the cost audit report for the financial year ended March 31, 2014 is September 27, 2014.

The then Chairman of the Audit Committee was present at the last Annual General Meeting held on July 29, 2013.

REMUNERATION COMMITTEE

(a) Terms of reference

The terms of reference of Remuneration Committee inter alia includes deliberation on the remuneration policy of the Directors including granting options/ equity shares under various Employees Stock Option/ Purchase Plans of the Company, compensation of the Company's executive directors and senior management team, etc. The Committee has overall responsibility for approving and evaluating the executive directors and senior management's compensation plans, policies and programs.

(b) Composition

Mr. Manoj Mohanka, Non-Executive, Independent Director (Chairman of the Committee), Mr. Hari S Bhartia, Non-Executive, Independent Director and Ms. Subhash Bahl, Non-Executive Director comprised the membership of the Remuneration Committee but have ceased to be Directors w.e.f. July 7, 2014. The Committee would be re-constituted in the due course.

(c) Meetings and Attendance

During the financial year ended on March 31, 2014, two meetings of the Committee were held i.e. on May 13, 2013 and October 28, 2013. Attendance of directors at the Committee Meetings held during the financial year ended on March 31, 2014, are given below:

Name of the Director	No. of Meetings attended
Mr. Manoj Mohanka*	2
Mr. Hari S. Bhartia*	2
Ms. Subhash Bahl*	Nil

*Ceased to be directors w.e.f. July 7, 2014.

(d) Remuneration Policy

The Remuneration Policy of the Company is directed towards rewarding and motivating for higher level of individual performance that would have a direct bearing on the Company's performance in a competitive landscape.

Network18 Media & Investments Limited

(e) Details of the remuneration / sitting fees paid to all the Directors

Remuneration of Non-executive Directors:

During the financial year 2013-14, apart from the sitting fees, no remuneration was paid to the Non-Executive Directors.

Sitting fee / remuneration paid to the Directors, for the financial year 2013-14 is given below:

Name	Executive/ Non-Executive/ Independent Director	Business Relationship with Company, if any	Relationship with other Directors	Remuneration (Rs.)	Sitting Fee (Rs.)	Total (Rs.)
Mr. Manoj Mohanka*	Non-Executive Independent Chairman	Nil	-	-	70,000	70,000
Mr. Raghav Bahl#	Executive Managing Director	Nil	Son of Ms. Subhash Bahl and brother of Ms. Vandana Malik	34,74,286	-	34,74,286
Mr. Sanjay Ray Chaudhuri*	Non-Executive Director	Nil	-	-	45,000	45,000
Mr. Hari S. Bhartia*	Non-Executive Independent Director	Nil	-	-	60,000	60,000
Ms. Subhash Bahl*	Non-Executive Director	Nil	Mother of Mr. Raghav Bahl and Ms. Vandana Malik	-	10,000	10,000
Ms. Vandana Malik*	Non-Executive Director	Nil	Sister of Mr. Raghav Bahl and daughter of Ms. Subhash Bahl	-	-	-

*Ceased to be directors w.e.f. July 7, 2014.

Mr. Raghav Bahl ceased to be the Managing Director w.e.f. July 7, 2014. Remuneration of Mr. Raghav Bahl i.e. Rs. 34,74,286 comprises of basic salary of Rs. 22,85,714, House Rent allowances of Rs. 914,286 and contribution to Provident Fund Rs. 274,286. There was no provision for performance linked incentive. Also, no notice period and service contract was executed for his appointment.

The Company has no policy of advancing any loans to Directors. It has not paid, so far, any commission on profits to any Director of the Company.

There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company apart from receiving sitting fee for attending Board Meetings and Committee Meetings.

No ESOPs were granted to any director during the year.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

(a) Terms of reference

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

(b) Composition

The Stakeholders' Relationship Committee presently comprises of three Non-Executive Directors, one being Independent Director:

Name	Executive / Non-executive / Independent	Position held
Mr. Adil Zainulbhai	Non-Executive, Independent	Chairman
Mr. Rohit Bansal	Non-Executive	Member
Mr. Raghav Bahl	Non-Executive	Member

The Committee's composition meets with the requirements of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Network18 Media & Investments Limited

(c) Meetings and the attendance

During the year, no meeting of the Committee was held since all the complaints were disposed off promptly.

(d) Name and Designation of Compliance Officer

Mr. Yug Samrat
 Company Secretary & AVP – Corporate Affairs
 Ph (+91 120) 4341818
 Fax: (+91 120) 4324110
 e-mail: investors.n18@network18online.com

(e) Investors Grievance Redressal

The Company received 34 complaints from the equity shareholders during the year and complaints were promptly resolved and responded. As on March 31, 2014 there was no pending complaint.

Further, the Company has provided an E-mail ID **investors.n18@network18online.com** exclusively for the purpose of registering complaints by the investors.

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

1. Share Transfer Committee
2. Allotment Committee

GENERAL BODY MEETINGS

Details of last three Annual General Meetings

Preceding three Annual General Meeting of the Company were held at M.P.C.U Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Nivas Marg, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi – 110 054.

The date and time of Annual General Meetings held during last three years, and the special resolution(s) passed thereat, are as follows:

Year	Date	Time	Any special resolution
2011	September 9, 2011	12:00 noon	No
2012	September 14, 2012	10:30 a.m.	Yes*
2013	July 29, 2013	04.00 p.m.	No

* One special resolution in regard to appointment of Mr. Raghav Bahl as Managing Director was passed in Annual General Meeting held on September 14, 2012.

Details of Postal Ballot

During the year, the Company had passed a special resolution through Postal Ballot in accordance with the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2011. Postal Ballot Notices containing proposed resolutions and explanatory statements thereto were sent to the registered addresses of the shareholders along with the Postal Ballot form and a postage prepaid envelope containing the address of the Scrutinizer appointed by the Board. The Postal Ballot Forms received within 30 days of dispatch were considered by the Scrutinizer and thereafter Scrutinizer submitted his report to the Company for declaration of results. Details of the voting pattern and resolutions are given below:

Name of the Scrutinizer	Mr. Anil K. Bhayana, Practicing Company Secretary	
Date of Declaration of Postal Ballot Result	Brief particulars of Resolution(s)	Percentage of votes cast in favour of resolution
June 15, 2013	Special Resolution pursuant to Section 372A and other applicable provisions, if any, of the Companies Act, 1956 to approve loans/investments/guarantee to / in other body corporates.	99.99%
	Ordinary Resolution under Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to sell Company's Undertaking comprising of its websites.	99.99%

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

Network18 Media & Investments Limited

DISCLOSURE

I. Disclosure on materially significant related party transactions, i.e. the Company's transactions that are of material nature, with its Promoters, Directors and the management, their relatives or subsidiaries, among others that may have potential conflict with the Company's interests at large

None of the transactions with any of the related parties were in conflict with the interest of the Company. The Company has made full disclosures of transactions with the related parties set out in Note No. 34 of Notes on Accounts, forming part of the Annual Report.

II. Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI, or any other statutory authority, on any matter related to capital markets during last three years.

There have been no instances of non-compliance by the Company on any matter related to capital markets during the last three years and hence no penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other statutory authority.

III. The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement.

IV. The Board reviews adoption of non-mandatory requirements of Clause 49 of the Listing Agreement by the Company from time to time.

COMPLIANCE WITH OTHER MANDATORY REQUIREMENTS

Management's Discussion and Analysis

A Management's Discussion and Analysis report has been provided separately as a part of this Annual Report and includes discussions on various matters specified under Clause 49(IV)(F) of the Listing Agreement.

Disclosure of Accounting Treatment

The financial statements for the year under review have been prepared under historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India and to comply with the Accounting standards prescribed in the Companies (Accounting standards) Rules, 2006 and other applicable provisions and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company.

Code of Conduct

The Board has laid down a Code of Conduct (the Code) for all Directors and Senior Management Personnel of the Company as required under Clause 49-I (D) of the Listing Agreement. The Code is also posted on the website of the Company.

All the Board Members and Senior Management Personnel to whom the Code is applicable have affirmed compliance with the Code.

A declaration signed by the CEO of the Company is given below:

"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 has been posted on the website of the Company – www.network18online.com. 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 during the financial year 2013-2014 and there has been no instances of violation of the Code."

Saikumar Ganapathy Balasubramanian
Group CEO
May 27, 2014

Proceeds from Rights Issue

During the financial year 2012-13, the Company had raised Rs. 2699.62 crore through the Rights Issue and had allotted 899,873,930 Equity Shares of face value of Rs.5/- each for cash at a premium of Rs. 25/- per equity share. During the year, the proceeds of the Rights Issue have been fully utilized in accordance with the objects of the issue as stated in the Letter of Offer.

Network18 Media & Investments Limited

Corporate Social Responsibility

The Company strives to put best efforts towards being socially responsible. The Company has different programs running for the benefit of its employees and their families. Some of them are as follows:

SUCES (Supporting Child Education of Staff): This program is aimed at aiding the education of children of our lowest rung employees, the staff. These are typically our drivers, peons, riders, etc. whose low income does not help much with the well being and education of their children. It is a voluntary program where an employee of the Company can contribute money to the SUCES corpus on a monthly basis. Based on the funds generated, every quarter the eligible children are provided monetary support on submission of proper documentary proof from the school. Children studying in KG to undergraduate college are covered as part of this program. Currently, 200 such children are supported under the program.

Family Healthcare: As part of our Benefits plan, we have covered the employee and their families under a Medical cover which comprises of various illnesses.

The employee is further covered towards Life and Personal Accident. We believe such coverage further reinforces our commitment towards the well being and welfare of our employees and their families.

Voluntary contribution in times of need: As a company we also encourage our employees to contribute money voluntarily towards supporting a colleague's dire need which could be a family crisis or a severe medical reason. The Company also steps in to help in such cases.

Support to NGOs: From time to time, the Company allows various NGOs to put stalls in the Company premises which aid the agencies to sell their products, attain membership of our employees and join hands towards the cause, donate books and clothes, etc. In times of national calamities, the Company has aided the work of various NGOs who provide on the ground support to the victims. Our employees too have stood up to support in such times.

Code of Conduct for Prohibition of Insider Trading

The Company has also adopted the Code of Conduct for Prohibition of Insider Trading of shares of the Company as provided under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time. This Code has also been posted on the website of the Company.

MEANS OF COMMUNICATION

The Company has been sending physical copies of the Annual Reports, notices and other communications through the prescribed modes of postage. However, in case where email id of a shareholder is registered, such communications are sent to the registered email id of the Shareholders.

The Quarterly, Annual Results of the Company as per the statutory requirement under Clause 41 of the Listing Agreement with stock exchanges are generally published in the Financial Express/Business Standard (English Newspapers) and Jansatta/Business Standard (Hindi Newspapers) and are sent to the Stock Exchanges.

The quarterly and Annual Results along with additional information are also posted on the website of the Company www.network18online.com

Official News Releases and Presentations made to Institutional Investors or to the analysts are also displayed on the website of the Company.

GENERAL SHAREHOLDER INFORMATION

Forthcoming Annual General Meeting

Time	11.00 a.m.
Venue	Tivoli Garden Resort, Khasra No. 646-653, Chattarpur Road, Near Chattarpur Mandir, New Delhi-110074.
Day and date	Tuesday, September 30, 2014

Financial Year

April 1 to March 31

Network18 Media & Investments Limited

Financial Calendar: [tentative]

Tentative Calendar for declaration of results for the Financial Year 2014-15 is given below:

Results for the quarter ending	Date of Declaration
June 30, 2014	By second week of August 2014
September 30, 2014	By second week of November 2014
December 31, 2014	By second week of February 2015
March 31, 2015	Unaudited financials by second week of May 2015 or Audited financials by Last week of May 2015.

Dates of Book Closure: The share transfer books and register of members of the Company shall remain closed from September 29, 2014 to September 30, 2014 (both days inclusive).

Dividend Payment date: No Dividend is proposed/declared during the year.

Outstanding GDRs/ADRs/ and Convertible Bonds, Conversion

1. The Company has not issued any ADRs/GDRs during the year under review.
2. There is no outstanding GDRs/ADRs and Convertible Bonds.
3. A disclosure on outstanding Employees Stock Options is given in Annexure I to the Directors' Report.

Corporate Identity Number ('CIN')

The Company's Corporate Identity Number (CIN) allotted by Ministry of Corporate Affairs, Government of India is "L65910DL1996PLC076419". The registered office of the Company is situated in the National Capital Territory of Delhi.

Dematerialization of shares

The Company's shares are admitted into both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). 99.98 % of the total issued capital of the Company is held in dematerialized form.

Listing on Stock Exchanges and Stock Code

Equity Shares of the Company are listed and traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

Stock Exchange	Code - Equity
BSE	532798
NSE	Network18

ISIN of Equity Share	INE870H01013
----------------------	--------------

The Company has paid the annual listing fees to the Stock Exchanges.

Market Price Data: High Low Rates of Equity Shares during each month in the last financial year are as follows:

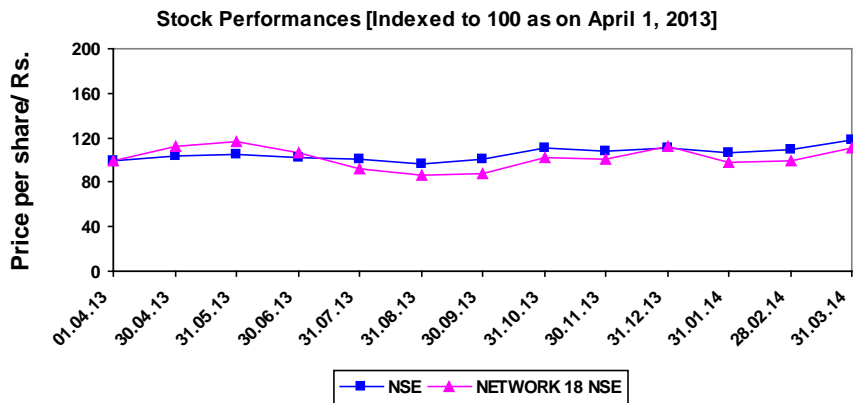
Rs./ Per Share

Month	High		Low	
	NSE	BSE	NSE	BSE
April' 2013	35.45	35.40	28.45	28.45
May' 2013	40.90	40.90	34.15	34.05
June' 2013	36.90	36.85	31.30	31.15
July' 2013	36.00	35.65	27.00	26.90
August' 2013	31.20	31.25	26.15	26.10
September' 2013	30.25	30.20	25.00	25.10
October' 2013	34.00	34.15	26.80	27.10
November' 2013	33.50	33.60	30.00	29.85
December' 2013	36.80	36.70	30.50	30.20
January' 2014	35.70	35.65	29.15	29.20
February' 2014	32.80	32.70	28.00	28.10
March' 2014	34.75	34.65	30.40	30.40

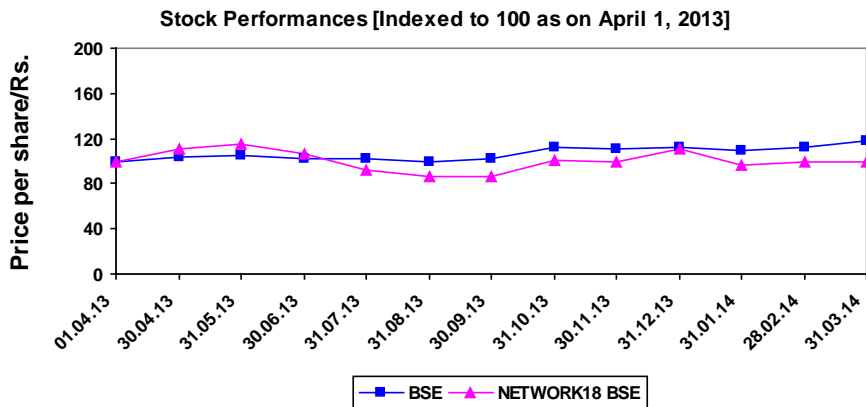
*Source : This information is compiled from the data available on the website of the BSE and NSE.

Network18 Media & Investments Limited

Comparison of the stock performances with NSE NIFTY



Comparison of the stock performances with BSE SENSEX



Registrars & Share Transfer Agents

Karvy Computershare Private Limited,
 Plot no. 17 - 24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081
 Telephone, Fax and E-mail: Tel No: +91 40 2342 0818, Fax No +91 40 2342 0814,
 Email id: einward.ris@karvy.com/Website: www.karvycomputershare.com

Share Transfer System

Share transfers in physical form are registered and returned within the stipulated time, if documents are complete in all respects.

The shares of the Company are freely tradable on BSE and NSE. As on March 31, 2014, there were 2,09,815 shares in physical form constituting 0.02% of the total shareholding of the Company.

Other details are as under:

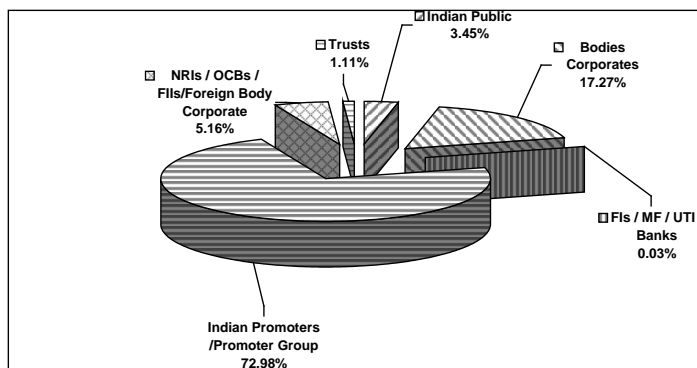
- Approximate time taken for share transfer if the documents are complete in all respects : 15 days
- Total No. of shares dematerialized as on March 31, 2014 : 1,046,456,720
- Total No. of Shares in physical form : 2,09,815
- Total No. of shares transferred in physical form during 2013-2014 : 731
- Number of Shares pending / Rejection for Transfer as on March 31, 2014 : 423

Network18 Media & Investments Limited

Distribution of shareholding as on March 31, 2014

S.No.	Category	No. of Equity shareholders	No. of Equity shares	%age
1.	Indian Public	64,520	3,61,44,874	3.45
2.	Bodies Corporate	1,256	18,07,27,306	17.27
3.	FIs/ Mutual Funds/ UTI/ Banks	21	3,11,352	0.03
4.	Indian Promoters/Promoter Group	18	76,38,96,237	72.98
5.	NRIs/ OCBs/ FIIs/ Foreign Body Corporate	366	5,39,90,706	5.16
6.	Trusts	16	1,15,96,060	1.11
Total		66,197	1,04,66,66,535	100%

Graphic presentation of the Shareholding Pattern as on March 31, 2014



Distribution Schedule as on March 31, 2014

S. No.	Category	No. of Holders	% of Holders	No. of Shares	% of Shares
1	upto 5000	62,790	94.85	6,052,951	0.58
2	5001 - 10000	1,432	2.16	2,140,829	0.20
3	10001 - 20000	801	1.21	2,318,832	0.22
4	20001 - 30000	358	0.54	1,801,023	0.17
5	30001 - 40000	155	0.23	1,091,308	0.10
6	40001 - 50000	147	0.22	1,375,763	0.13
7	50001 - 100000	201	0.30	2,971,954	0.28
8	100001 & ABOVE	313	0.47	1,028,913,875	98.30
Total		66,197	100.00	1,046,666,535	100.00

Registered Office Address

Network 18 Media & Investments Limited

503, 504 and 507, 5th floor,
Mercantile House, 15 K.G. Marg,
New Delhi - 110001
Phone Nos. : (011) 498 12600
Fax No. : (011) 415 06115

Address for Correspondence/Corporate Office

Network 18 Media & Investments Limited

Express Trade Tower,
Plot No. 15-16,
Sector-16A, Noida, U. P.
Phone Nos. : (0120) 434 1818
Fax No. : (0120) 432 4110
E-mail : investors.n18@network18online.com

Network18 Media & Investments Limited

Certificate On Corporate Governance

To the Members,
Network18 Media & Investments Limited
503, 504 & 507, 5th Floor,
Mercantile House,
15, Kasturba Gandhi Marg,
New Delhi-110001.

1. We have reviewed the implementation of the corporate governance procedures by Network18 Media & Investments Limited (the Company) during the year ended March 31, 2014, 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(s) with the Stock Exchanges, as in force.

**For A. K. Bhayana & Associates
Company Secretaries**

**A. K. Bhayana
Proprietor
Membership No. FCS 1585
Certificate of Practice No. 624**

Place: New Delhi
Date : August 12, 2014

Network18 Media & Investments Limited

Independent Auditors' Report

To the Members of
Network18 Media & Investments Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Network18 Media & Investments Limited, ("the Company"), which comprise the Balance Sheet as at 31 March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
 - ii) in the case of Statement of Profit and Loss, of the loss for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 financial statements dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the financial statements comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 ; and
 - e. on the basis of written representations received from the directors, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For **Walker Chandio & Co LLP**
(formerly Walker, Chandio & Co)
Chartered Accountants
Firm Registration No.: 001076N

per **B.P. Singh**
Partner
Membership No.: 70116
Place: Noida
Date: May 27, 2014

Network18 Media & Investments Limited

Annexure to the Independent Auditors' Report of even date to the members of Network18 Media & Investments Limited, on the financial statements for the year ended 31 March 2014

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the Company has disposed off a substantial part of the fixed assets, which, however, in our opinion has not affected the going concern status of the Company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) (a) The Company has granted unsecured loans to three parties covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year is Rs 3,414,069,174 and the year-end balance is Rs 229,858,604.
- (b) In our opinion, the rate of interest and other terms and conditions of such loans are not, *prima facie*, prejudicial to the interest of the Company.
- (c) In respect of loans granted, receipt of the principal amount and the interest is regular.
- (d) There is no overdue amount in respect of loans granted to such companies, firms or other parties.
- (e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act have been so entered.
- (b) Owing to the unique and specialized nature of the items involved and in the absence of any comparable prices, we are unable to comment as to whether the transactions made in pursuance of such contracts or arrangements have been made at the prevailing market prices at the relevant time.
- (vi) In our opinion, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 58A and 58AA and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975, as applicable, with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, in this regard.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act in respect of Company's services and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases.

Network18 Media & Investments Limited

Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

- (b) There are no dues in respect of income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.
- (x) In our opinion, the Company's accumulated losses at the end of the financial year are less than fifty percent of its net worth. *The Company has incurred cash losses in the current year and immediately preceding financial year.*
- (xi) In our opinion, the Company has not defaulted in repayment of dues to any financial institution or a bank or to debenture-holders during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are not, *prima facie*, prejudicial to the interest of the Company.
- (xvi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xvii) *In our opinion and based on an overall examination of the balance sheet of the Company, we report that funds amounting to approximately Rs. 3,356,617,048 raised on short- term basis in the form of short term borrowings and excess of current liabilities over current assets have been used for long term investment for funding the operating losses of the Company.*
- (xviii) During the year, the Company has not made any preferential allotment of shares to companies covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.
- (xix) The Company has created security in respect of debentures issued during the year.
- (xx) We have verified the end use of money raised by public issue as disclosed by the management in the other explanatory information to the financial statements.
- (xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For **Walker Chandiook & Co LLP**
(formerly Walker, Chandiook & Co)
Chartered Accountants
Firm Registration No.: 001076N

per **B.P. Singh**
Partner
Membership No.: 70116

Place: Noida
Date: May 27, 2014

Network18 Media & Investments Limited

Balance Sheet as at 31 March 2014

	Notes	As at 31 March 2014 (Rs.)	As at 31 March 2013 (Rs.)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	5,233,332,675	6,774,822,860
Reserves and surplus	4	28,793,980,666	29,545,204,008
Non-current liabilities			
Long-term borrowings	5	342,232,305	770,080,671
Other long term liabilities	6	34,021,506	51,175,845
Long-term provisions	7	35,012,580	2,427,575,840
Current liabilities			
Short-term borrowings	8	4,376,948,642	1,052,711,000
Trade payables	9	453,679,671	535,460,212
Other current liabilities	10	941,417,692	1,085,348,225
Short-term provisions	11	2,177,920,635	25,862,112
		<u>42,388,546,372</u>	<u>42,268,240,773</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	110,508,170	150,504,992
Intangible assets	13	20,923,858	51,835,785
Capital work-in-progress		-	1,050,000
Intangible assets under development		27,095,398	18,998,828
Non-current investments	14	34,609,915,419	31,245,651,911
Long-term loans and advances	15	5,592,800,363	6,777,460,974
Trade receivables - non current	16	-	5,400,302
Other non-current assets	17	27,772,294	133,354,134
Current assets			
Current investments	18	696,500,001	2,069,955,488
Inventories	19	2,343,281	-
Trade receivables - current	20	251,103,675	430,176,961
Cash and bank balances	21	686,096,404	722,945,215
Short-term loans and advances	22	332,812,988	435,588,741
Other current assets	23	30,674,521	225,317,442
		<u>42,388,546,372</u>	<u>42,268,240,773</u>

Notes 1 to 52 form an integral part of these financial statements

This is the balance sheet referred to in our report of even date

For **Walker Chandio & Co LLP**
(formerly Walker, Chandio & Co)
Chartered Accountants

For and on behalf of the Board of Directors of
Network18 Media & Investments Limited

per **B.P. Singh**
Partner

Raghav Bahl
Managing Director

Sanjay Ray Chaudhuri
Director

Place: Noida
Date : May 27, 2014

R D S Bawa
Group Chief Financial Officer

Yug Samrat
Company Secretary

Network18 Media & Investments Limited

Statement of Profit and Loss for the year ended 31 March 2014

	Notes	Year Ended 31 March 2014 (Rs.)	Year Ended 31 March 2013 (Rs.)
Revenue			
Revenue from operations	24	1,020,191,355	1,948,913,547
Other income	25	510,013,737	831,985,500
Prior period income (net)	26	13,326,650	8,159,846
Total revenue		1,543,531,742	2,789,058,893
Expenses			
Costs of material consumed	27	46,545,294	24,896,904
Employee benefits expense	28	630,427,040	940,720,197
Other operating expenses	29	1,041,788,743	1,624,747,380
Depreciation and amortization expense	30	80,338,624	105,861,505
Finance costs	31	539,267,618	1,068,649,856
Total expenses		2,338,367,319	3,764,875,842
Loss before exceptional items and tax		(794,835,577)	(975,816,949)
Exceptional items	32	(45,393,822)	(676,726,895)
Loss before tax		(749,441,755)	(299,090,054)
Loss for the year from continuing operations before and after tax		(705,059,267)	(692,167,286)
Loss for the period from discontinuing operations before tax	48	(44,382,488)	(111,730,373)
Gain on transfer of assets and liabilities of discontinuing operations		-	504,807,605
Loss for the year from discontinuing operations after tax		(44,382,488)	393,077,232
Loss for the year		(749,441,755)	(299,090,054)
Basic and diluted loss per equity share [nominal value of share Rs.5]	33	(0.72)	(0.52)

Notes 1 to 52 form an integral part of these financial statements

This is the statement of profit and loss referred to in our report of even date

For **Walker Chandiook & Co LLP**
(formerly Walker, Chandiook & Co)
Chartered Accountants

For and on behalf of the Board of Directors of
Network18 Media & Investments Limited

per **B.P. Singh**
Partner

Raghav Bahl
Managing Director

Sanjay Ray Chaudhuri
Director

Place: Noida
Date : May 27, 2014

R D S Bawa
Group Chief Financial Officer

Yug Samrat
Company Secretary

Network18 Media & Investments Limited

Cash Flow Statement for the year ended 31 March 2014

	Year Ended 31 March 2014 (Rs.)	Year Ended 31 March 2013 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(749,441,755)	(299,090,054)
Adjustments for :		
Depreciation and amortization expense	80,338,624	105,861,505
Profit on disposal of assets	(32,180,878)	(74,196,765)
Employee stock compensation expense	(1,781,587)	7,353,010
Finance costs	539,267,618	1,068,649,856
Bad debts /balances written off /provided for	115,511,008	46,812,813
Unrealised (gain)/loss on exchange rate fluctuation (net)	(1,056,782)	549,484
Dividend income from current investments	(22,880,422)	(90,940,281)
Profit on sale of current investments	(2,954,556)	(436,573,055)
Gain on disposal of investments in subsidiaries	(534,900)	(397,680,288)
Fixed assets written off	28,928,090	-
Indemnity provision written back	(202,364,907)	-
Gain on disposal of business/website	(17,302,540)	(504,807,605)
Provision for diminution in the value of investment	-	225,760,998
Excess provisions/ liabilities written back	(38,128,469)	(52,740,256)
Interest income	(280,260,787)	(180,924,328)
Operating loss before working capital changes	(584,842,243)	(581,964,966)
Adjustments for :		
Changes in assets other than fixed assets and investments	441,426,261	189,282,501
Changes in liabilities other than borrowings	(168,006,143)	(210,193,138)
Cash used in operations	(311,422,125)	(602,875,603)
Taxes paid (net of refund)	(71,739,932)	(83,001,720)
Net cash used in operating activities	(383,162,057)	(685,877,323)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital advances)	(75,100,144)	(92,759,403)
Sale of fixed assets	47,419,364	95,265,392
Sale of long term investments		
- in subsidiaries (equity and preference shares)	-	531,224,188
- in other companies	250,000,000	-
Sale/(purchase) of current investments (net)	1,376,410,043	(1,633,382,431)
Purchase of long term investments:		
- in subsidiaries (equity/preference shares/debenture)	(3,614,263,508)	(13,949,868,280)
Redemption of/(investment in) fixed deposits with banks	149,175,755	(173,457,839)
(Increase)/decrease in other bank balances	(526,468)	416,710
Proceeds from sale of business/website	5,000,000	300,000,000
Loan given to subsidiaries / others	(1,794,015,728)	(755,524,211)
Loan received from subsidiaries	2,951,094,303	-
Dividend received on current investments	22,880,422	90,940,281
Interest received	411,013,991	119,009,339
Net cash used in investing activities	(270,911,970)	(15,468,136,254)

Network18 Media & Investments Limited

Cash Flow Statement for the year ended 31 March 2014 (Contd.)

	Year Ended 31 March 2014 (Rs.)	Year Ended 31 March 2013 (Rs.)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(483,393,848)	(1,247,868,838)
Expenses related to issue of securities / restructuring	-	(434,066,509)
Proceeds from issue of equity shares	1,166,666	26,996,217,900
Redemption of preference shares	(1,542,656,850)	-
Repayment of borrowings	(1,500,328,904)	(10,004,765,144)
Proceeds from borrowings	4,291,087,440	1,103,134,676
Net cash flow from financing activities	<u>765,874,504</u>	<u>16,412,652,085</u>
Net increase in cash and cash equivalents	111,800,477	258,638,508
Cash and cash equivalents as at the beginning of the year	492,973,401	234,334,893
Cash and cash equivalents as at the end of the year	<u>604,773,878</u>	<u>492,973,401</u>

This is the cash flow statement referred to in our report of even date

For **Walker Chandio & Co LLP**
(formerly Walker, Chandio & Co)
Chartered Accountants

For and on behalf of the Board of Directors of
Network18 Media & Investments Limited

per **B.P. Singh**
Partner

Raghav Bahl
Managing Director

Sanjay Ray Chaudhuri
Director

Place: Noida
Date : May 27, 2014

R D S Bawa
Group Chief Financial Officer

Yug Samrat
Company Secretary

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

1 Background and Scheme of arrangement

1.1 Background

Network18 Media & Investments Limited ("the Company") was incorporated as SGA Finance and Management Services Private Limited on February 16, 1996. The name was changed to Network 18 Fincap Private Limited on April 12, 2006. The Company was converted into a public company on 20 October 2006. The name was further changed to its current name on 1 December 2007.

1.2 Scheme of arrangement

The Board of Directors of the Company, on 7 July 2010, announced and approved another Scheme of Arrangement ("the Infomedia Scheme") between Infomedia Press Limited (formerly Infomedia 18 Limited ("Infomedia 18")) and the Company and their respective shareholders and creditors. As per the Infomedia Scheme, the Business Directories business, the New Media business and the Publishing business of Infomedia18 have demerged into the Company while the Printing Press business of Infomedia which was eventually closed remained with Infomedia. The Infomedia Scheme was approved by the Hon'ble High Court of Delhi on 22 May 2012 and made effective on 1 June 2012 with an appointed date of 1 April 2010.

Further, in consideration of the demerger of the Business Directories business, the New Media business and the Publishing business of Infomedia18 into the Company, on 19 June 2012, the Company had issued 3,679,356 equity shares to the shareholders of Infomedia18 (in the ratio of 14 equity shares of Rs. 5 for every 100 equity shares in Infomedia 18 of Rs. 10). The demerged undertaking of Infomedia 18 was engaged in publication of Yellow Pages (Business Directories), special interest magazines and operating certain websites.

2. Basis of preparation

The financial statements have been prepared under historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India and to comply with the Accounting standards prescribed in the Companies (Accounting standards) Rules, 2006 notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 1956 ("the Act"). The accounting policies have been consistently applied by the Company.

2.1 Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

b. Revenue recognition

- (i) Advertising and sponsorship revenue from websites is recognized ratably over the contractual period of advertisement, commencing when the advertisement is placed on the website, unless the Company has to meet performance conditions in which case revenue is recognized using the proportionate completion method. Advertising revenue from magazines is recognized in the period in which the magazines are delivered and are accounted net of commission and discounts. Revenue from sponsorships of event is recognized after the completion of event.
- (ii) Revenue from mobile short messaging and other related services are recognized based on usage of services by the mobile subscribers and share of revenue agreed with the mobile network operators.
- (iii) Sale of magazines includes revenue from circulation of magazines and subscription of magazines. Revenue from circulation of magazines includes sales to retail outlets/ newsstands, which are subject to returns. The Company records these retail sales upon delivery, net of estimated returns. These estimated returns are based on historical return rates and are revised as necessary based on actual returns. Revenue from subscription of magazines is recognized on delivery of magazines to subscribers.
- (iv) Transactions that involve the exchange of goods or services for other goods or services in respect of web operations are accounted for in accordance with Guidance Note on Accounting for Dot-com Companies issued by the Institute of Chartered Accountants of India (ICAI). Barter transactions are recorded at fair value, being the value at which similar transactions are executed with other parties.
- (v) Revenue from travel and tour services is recognized after rendering of services as per the terms of the contract.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

- (vi) Revenue from sale of stalls at exhibitions organized by the Company is recognized after completion of exhibition.
- (vii) Business support service income is recognized after rendering of services.
- (viii) Dividend income is accounted for when the right to receive dividend is established.
- (ix) Profit / loss on sale of investments are computed on the basis of weighted average cost on date of disposal of investments.
- (x) Interest income is recognized on time proportionate basis, taking into account the amount outstanding and the rate applicable.

c. Fixed assets

Tangible assets

Fixed assets are stated at their original cost of acquisition and installation less accumulated depreciation. All direct expenses attributable to acquisition and installation of assets are capitalised.

Intangible assets

Acquired brands/domain names and computer software are capitalised at cost of acquisition and disclosed as intangible assets.

Website development costs that provide additional functions or features to the Company's website are capitalised. Maintenance expenses or costs that do not result in new features or functions are expensed as incurred.

d. Depreciation / amortisation

Depreciation /amortisation on fixed assets is calculated on straight line basis using the rates arrived at based on the useful lives estimated by management. The Company has used following useful lives for the fixed assets:

Asset category	Useful life
Building	30 years
Ownership flats	62 years
Plant and equipment	2-21 years
Furniture and fixtures	2-16 years
Vehicles	3-11 years
Information technology and related equipment	2-7 years
Intangible assets:	
-Brands/ trademarks	5 years
-Website costs	2-5 years
-Computer software	3-5 years
Leasehold improvements	Over the lease period or estimated useful life, whichever is shorter.

e. Inventory

Inventory is valued as follows:

Raw materials: Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

Work-in-progress and finished goods: Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

f. Impairment of tangible and intangible assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the statement of profit and loss.

g. Investments

Investments which are readily realizable and intended to be held for not more than a year from the date on which investment made are classified as current investments. All other investments are classified as long-term investments.

Current investments are stated at lower of cost or fair value. Long-term investments are stated at cost however provision for diminution in their value is made to recognize a decline, other than temporary value of investment.

Profit/ loss on sale of investments are computed with reference to the average cost of the investment.

h. Leases

Operating lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

i. Employee benefits

Provident Fund

The Company's Employees Provident Fund scheme is a defined contribution plan. The Company's contribution to the Employees' Provident Fund is charged to the Statement of Profit and Loss during the period in which the employee renders the related service.

Gratuity

The Company provides for gratuity, a defined benefit plan covering eligible employees.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation 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 recognized immediately in the Statement of profit and loss. Gain and loss on curtailment or settlement are recognized when the curtailment or settlement occurs.

Compensated absences

Benefits comprising long term compensated absences constitute other long term employee benefits. The liability for compensated absences is determined using the Projected Unit Credit Method, on the basis of an actuarial valuation at the period end. Actuarial gains and losses are recognized immediately in the Statement of profit and loss. Gain and loss on curtailment or settlement are recognized when the curtailment or settlement occurs.

Short term employee benefits

Short term employee benefits expected to be paid or payable in exchange for the services rendered is recognized on undiscounted basis.

j. Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences on foreign exchange transactions settled during the period are recognized in the Statement of Profit and Loss.

Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the exchange rate prevailing on that date and resulting exchange differences are recognized in the Statement of profit and loss.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

k. Income tax

Income tax expense comprises current tax and deferred tax. Current tax is determined in accordance with the provisions of Income Tax Act, 1961.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situation, where the company has unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

l. Earnings/ (loss) per Share

The Company reports basic and diluted earnings/ (loss) per share in accordance with Accounting Standard 20 on Earnings per Share. Basic earnings/ (loss) per equity share have been computed by dividing the Net Profit / (Loss) after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings / (loss) per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period except where the result would be anti-dilutive.

m. Employee stock options plan

Accounting value of stock options is determined on the basis of "Intrinsic Value" representing the excess of the market price on the date of grant over the exercise price of the options granted under the "Employees Stock Option Scheme" of the Company, and is being amortized as "Deferred employee compensation" on a straight-line basis over the vesting period in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Guidance Note 18 "Share Based Payments" issued by the ICAI.

n. Provisions and contingencies

The Company makes provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made.

A disclosure is made for a contingent liability when there is a:

- Possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company; or
- Present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- Present obligation, where a reliable estimate cannot be made.

o. Borrowing costs

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

p. Segment reporting

Identification of segments:

The Company's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that serves different markets. The Company operates only in India and accordingly there are no geographical segments.

Intersegment transfers:

Inter segment revenues have been accounted for based on the transaction price agreed to between segments which is primarily market led.

Allocation of costs:

Direct revenues and direct expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenues and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis are presented as "Unallocable" in the segment disclosure.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

	As at 31 March 2014 (Rs.)	As at 31 March 2013 (Rs.)
3 Share capital		
a. Authorized share capital		
i. 5,000,000,000 (5,000,000,000) equity shares of Rs. 5 each	25,000,000,000	25,000,000,000
ii. 1,100,000 (1,100,000) preference shares of Rs. 100 each	110,000,000	110,000,000
iii. 10,500,000 (10,500,000) preference shares of Rs. 200 each	2,100,000,000	2,100,000,000
iv. 15,500,000 (15,500,000) preference shares of Rs. 10 each	155,000,000	155,000,000
b. Issued, subscribed and paid-up capital		
i. 1,046,666,535 (1,046,433,202) equity shares of Rs. 5 each fully paid up	5,233,332,675	5,232,166,010
ii. Nil (10,284,379) 5% Non Convertible Cumulative Redeemable Preference shares (NCCRPS) of Rs. 150 each	-	1,542,656,850
Total issued, subscribed and fully paid-up share capital	<u>5,233,332,675</u>	<u>6,774,822,860</u>

c. Reconciliation of the share capital

i. Equity shares	Year ended 31 March 2014		Year ended 31 March 2013	
	Number of shares	Amount (Rs.)	Number of shares	Amount (Rs.)
At the beginning of the year	1,046,433,202	5,232,166,010	142,879,916	714,399,580
Issued during the year				
- Issue under Scheme of arrangement (refer note 1.2)		-	3,679,356	18,396,780
- Exercise of employee stock options	233,333	1,166,665	-	-
- Issue of shares in rights issue		-	899,873,930	4,499,369,650
Outstanding at the end of the year	1,046,666,535	5,233,332,675	1,046,433,202	5,232,166,010

ii. 5% Non Convertible Cumulative Redeemable Preference shares	Year ended 31 March 2014		Year ended 31 March 2013	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	10,284,379	1,542,656,850	10,284,379	1,542,656,850
Reedemed during the year	(10,284,379)	(1,542,656,850)	-	-
Outstanding at the end of the year	-	-	10,284,379	1,542,656,850

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

d. Description of the rights, preferences and restrictions attached to each class of shares

Equity shares : The Company has only one class of equity shares having a face value of Rs. 5 per share. All the existing equity shares rank pari passu in all respects including but not limited to entitlement for dividend, bonus issue and rights issue. These equity shares are listed on the National Stock Exchange of India and the Bombay Stock Exchange Limited.

Preference shares : The preference shareholders were, subject to profitability and at the discretion of the Board of Directors, entitled to a cumulative annual dividend @ 5%. These preference shares carried preferential right in respect of dividends and also carried preferential right in regard to repayment of capital in case of winding up.

e. Details of shares allotted for consideration other than cash

(Within 5 years preceding the Balance Sheet date)

Particulars	Year (Aggregate No. of Shares)					
	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Equity Shares :						
Allotted as fully paid up under Scheme of arrangement	-	3,679,356	23,695,044	-	-	-
		(refer note 1.2)				

f. Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at 31 March 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of Rs. 5 each Fully Paid up				
RRB Mediasoft Private Limited	108,515,123	10.37	108,515,123	10.37
RB Mediasoft Private Limited	127,560,417	12.19	127,560,417	12.19
RB Media Holdings Private Limited	127,528,586	12.18	127,528,586	12.19
Watermark Infratech Private Limited	127,528,287	12.18	127,528,287	12.19
Colorful Media Private Limited	127,528,287	12.18	127,528,287	12.19
Adventure Marketing Private Limited	127,528,287	12.18	127,528,287	12.19
Non Convertible Cumulative Redeemable Preference shares of Rs. 150 each				
Keyman Financial Services Private Limited	-	-	4,710,000	45.80
RB Investments Private Limited	-	-	1,627,771	15.83
Reliance Capital Limited	-	-	675,343	6.57

g. Shares reserved for issue under options and other commitments

As on 31 March 2014, 708,841 (1,182,712) Employees Stock Options were outstanding under the Employee Stock Option Plans of the Company. Each option would entitle the holder thereof to subscribe to one Equity Share of Rs. 5 each in the Company

h. Share forfeited

In the financial year 2009-10, 12,072 Partly Convertible Cumulative Redeemable Preference shares on which call money was unpaid were forfeited.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

	As at 31 March 2014	As at 31 March 2013
	(Rs.)	(Rs.)
4 Reserves and surplus		
a. Capital reserve	6,906,827	6,906,827
b. Securities premium account		
Balance at the beginning of the year	33,291,908,045	11,529,409,772
Add : Amount received pursuant to exercise of employee stock options	75,284,891	-
Add : Premium received on issue of shares on rights basis	-	22,496,848,250
Less : Expenses incurred on issue of shares on rights basis	-	(468,915,000)
Less : Difference of book value and fair value of assets adjusted pursuant to the Scheme of arrangement (refer note below)	-	(265,434,977)
Balance at the end of the year	33,367,192,936	33,291,908,045
c. Employee stock options outstanding		
Gross employee stock compensation for options granted in earlier years	18,041,988	96,503,930
Less: Deferred employee stock compensation	(2,236,477)	(3,631,941)
Balance at the end of the year	15,805,511	92,871,989
d. General reserve		
Balance at the beginning of the year	113,410,049	103,825,177
Add: Amount transferred from employee stock option reserve	-	9,584,872
Balance at the end of the year	113,410,049	113,410,049
e. Deficit in the statement of profit and loss		
Deficit at the beginning of the year	(3,959,892,902)	(3,660,802,848)
Loss for the year	(749,441,755)	(299,090,054)
Deficit in the statement of profit and loss	(4,709,334,657)	(3,959,892,902)
Total reserves and surplus	28,793,980,666	29,545,204,008

Note:

During the year 31 March 2013 based on accounting prescribed in the Infomedia scheme referred to in Note 1.2, the Company has fair valued its investment in Infomedia Press Limited (formerly Infomedia18 Limited) and debited Rs. 265,434,977 the resultant impact to the Securities Premium Account, which otherwise as per Accounting Standards would have been debited to the Statement of Profit and Loss. If the said amount would have been debited to the Statement of Profit and Loss instead of debiting the Securities premium account, the loss before tax for the year ended 31 March 2013 would have increased from Rs. 299,090,054 to Rs 564,525,031 representing a 89% increase and the balance in Securities Premium Account would have increased from Rs. 33,291,908,045 to Rs. 33,557,343,022 representing a 1% increase.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

	As at 31 March 2014 (Rs.)	As at 31 March 2013 (Rs.)
5 Long-term borrowings		
Secured		
Vehicle loans:		
- From banks	7,338,305	5,458,671
	<u>7,338,305</u>	<u>5,458,671</u>
Unsecured		
- Public deposits (Deposits are repayable at the time of maturity ranging from 1 to 2 years) - interest rate ranging from 11% to 12% per annum	334,894,000	764,622,000
	<u>334,894,000</u>	<u>764,622,000</u>
Total	<u><u>342,232,305</u></u>	<u><u>770,080,671</u></u>
Security details for borrowings covered under Note 5 and Note 10 is as follows:		
I. Term loans under Long term borrowings	7,338,305	5,458,671
II. Term loans under Other current liabilities	5,157,364	3,626,125
	<u>12,495,669</u>	<u>9,084,796</u>
Security details for borrowings outstanding as at 31 March 2014 are as follows:		
i Vehicle loans are secured by the hypothecation of vehicles financed.	12,495,669	9,084,796
	<u>12,495,669</u>	<u>9,084,796</u>
6 Other long-term liabilities		
Advance from customers	3,686,714	5,100,802
Interest accrued but not due on borrowings	30,334,792	46,075,043
	<u>34,021,506</u>	<u>51,175,845</u>
7 Long-term provisions		
Provision for employee benefits (refer note 35)	35,012,580	52,591,211
Provision for indemnity (refer note 11)	-	2,374,984,629
	<u>35,012,580</u>	<u>2,427,575,840</u>
8 Short-term borrowings		
Secured		
- From banks - Bank overdraft	203,571,642	-
Unsecured		
- Public deposits (Deposits are repayable at the time of maturity ranging from 1 to 2 years) - interest rate ranging from 11% to 12% per annum	4,173,377,000	1,052,711,000
	<u>4,376,948,642</u>	<u>1,052,711,000</u>
Total	<u><u>4,376,948,642</u></u>	<u><u>1,052,711,000</u></u>
Security details for borrowings outstanding as at 31 March 2014 are as follows:		
Bank overdraft from ICICI bank secured by first pari passu charge on all the current assets and movable fixed assets of the Company (both present and future)	51,933,820	-
Bank overdraft from Yes bank secured by second pari passu charge on all the current assets and movable fixed assets of the Company (both present and future)	151,637,822	-
	<u>203,571,642</u>	<u>-</u>

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

	As at 31 March 2014 (Rs.)	As at 31 March 2013 (Rs.)
9 Trade payables		
(a) Due to Micro and Small Enterprises (refer note 45)	-	-
(b) Due to others	<u>453,679,671</u>	<u>535,460,212</u>
	<u>453,679,671</u>	<u>535,460,212</u>
10 Other current liabilities		
Current maturities of long - term borrowings (refer note 5 for the details of security)		
Term loans - Secured		
- from Banks	5,157,364	3,626,125
Public deposits (unsecured)	421,199,000	484,613,000
Interest accrued but not due on borrowings	239,006,978	167,392,957
Unpaid dividends	1,091,251	1,453,048
Unpaid preference shares redemption amount	688,350	-
Unclaimed matured deposits and interest accrued thereon	84,896,007	128,643,986
Statutory dues payable	36,455,541	48,081,319
Employee dues	63,605,852	61,374,169
Magazine subscription money refundable	6,459,038	-
Payable for capital goods	6,536,275	19,325,612
Advance from customers	58,207,149	114,139,184
Security deposits	13,317,749	14,695,344
Advance received for sale of fixed assets	1,800,000	-
Others	2,997,138	42,003,481
Total	<u>941,417,692</u>	<u>1,085,348,225</u>
11 Short term provisions		
Provision for employee benefits (refer note 35)	932,689	15,362,349
Provision for sales returns (refer note a below)	4,368,224	10,499,763
Provision for indemnity (refer note b below)	<u>2,172,619,722</u>	-
	<u>2,177,920,635</u>	<u>25,862,112</u>

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

	As at 31 March 2014 (Rs.)	As at 31 March 2013 (Rs.)
Note a		
* Provision for sales returns		
Opening balance	10,499,763	19,415,009
Addition during the year	31,307,170	34,956,827
Amount utilized during the year	<u>(37,438,709)</u>	<u>(43,872,073)</u>
Closing balance	<u>4,368,224</u>	<u>10,499,763</u>

A provision is recognised for expected returns on products sold during the year based on past experience of level of returns. It is expected that most of this provision will be utilised in the next financial year.

Note b

Provision for indemnity

Opening balance	2,374,984,629	2,374,984,629
Amount reversed during the year	<u>(202,364,907)</u>	-
Closing balance	<u>2,172,619,722</u>	<u>2,374,984,629</u>

During the year ended 31 March 2011, Roptonal Limited, Cyprus ("Roptonal") a subsidiary of the Company's jointly controlled entity, Viacom18 Media Private Limited made a public offer for purchase of entire issued capital of The Indian Film Company Limited, Guernsey ('TIFC'). The Company and its subsidiary, Network18 Holdings Limited, Mauritius ("Network18 Holdings"), in their capacity as shareholders in TIFC accepted the public offer. Further, pursuant to an agreement between Roptonal and Network18 Holdings, Network18 Holdings has agreed to indemnify Roptonal against the amount, if any, by which the net cash generated by TIFC from its existing film library in respect of the period from the date on which the aforementioned public offer becomes unconditional up to 21 July 2014 is less than the net asset value of the film library as per the TIFC's therein mentioned accounts for the year ended 31 March 2010.

Network18 Holdings has also agreed to indemnify Roptonal against certain Indian tax liabilities that may potentially arise in TIFC or Roptonal in respect of certain withholding tax recoveries stated in TIFC's financial statements and other taxes relating to the sale of Network18 Holding' shares in TIFC. The aforementioned agreement further provided that if Network18 Holding does not undertake the indemnity obligations agreed in the agreement, the indemnity shall be provided by the Company.

During the year ended 31 March 2012, the Company carried out a fair valuation exercise of the aforementioned film library and accordingly provided an amount of Rs. 2,374,984,629 towards the said indemnity obligation. In the current year based on the assessment of estimated cash flow of the indemnified assets the company has estimated the liability of Rs 2,172,618,722 and accordingly Rs 202,364,907 has been reversed and recognised as exceptional income.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

12 Tangible assets

	Land	Leasehold land	Leasehold improvements	Buildings	Ownership flats	Plant and equipment	Furniture and fixtures	Vehicles	Information technology and related equipments	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Gross block										
Balance as at 1 April 2012	609,980	40,000	109,809,032	14,583,299	23,741,895	85,263,309	109,177,773	41,759,301	436,099,973	821,084,562
Additions	-	-	1,090,765	814,830	4,717,030	1,363,073	1,523,700	9,854,613	27,836,177	47,200,188
Disposals / adjustments	-	-	(19,939,446)	-	(20,038,332)	(6,171,035)	(18,396,471)	(7,769,882)	(22,394,264)	(94,709,430)
Balance as at 1 April 2013	609,980	40,000	90,960,351	15,398,129	8,420,593	80,455,347	92,305,002	43,844,032	441,541,886	773,575,320
Additions	-	-	12,308,104	2,170,000	-	4,202,182	4,757,682	10,333,478	3,087,052	36,858,498
Disposals / adjustments	-	-	(3,726,561)	-	(8,420,593)	(30,292,640)	(44,429,217)	(10,786,614)	(51,362,290)	(149,017,915)
Balance as at 31 March 2014	609,980	40,000	99,541,894	17,568,129	-	54,364,889	52,633,467	43,390,896	393,266,648	661,415,903
Accumulated depreciation										
Balance as at 1 April 2012	-	-	104,882,263	5,836,002	6,333,328	47,040,198	81,018,459	14,240,319	365,167,488	624,518,057
Charge for the year	-	-	2,459,735	479,258	393,191	7,691,866	6,702,738	5,210,975	32,343,773	55,281,536
Disposals / adjustments	-	-	(19,259,215)	-	(5,021,753)	(2,686,137)	(14,625,026)	(3,187,747)	(11,949,387)	(56,729,265)
Balance as at 1 April 2013	-	-	88,082,783	6,315,260	1,704,766	52,045,927	73,096,171	16,263,547	385,561,874	623,070,328
Charge for the year	-	-	1,045,321	572,241	19,091	3,944,751	2,702,049	6,206,571	20,678,250	35,168,274
Disposals / adjustments	-	-	(3,110,617)	-	(1,723,857)	(21,690,367)	(32,784,440)	(6,976,780)	(41,044,808)	(107,330,869)
Balance as at 31 March 2014	-	-	86,017,487	6,887,501	-	34,300,311	43,013,780	15,493,338	365,195,316	550,907,733
Net Block										
Balance as at 31 March 2013	609,980	40,000	2,877,568	9,082,869	6,715,827	28,409,420	19,208,831	27,580,485	55,980,012	150,504,992
Balance as at 31 March 2014	609,980	40,000	13,524,407	10,680,628	-	20,064,578	9,619,687	27,897,558	28,071,332	110,508,170

13 Intangible assets

	Brands/ trademarks (Rs.)	Computer software (Rs.)	Website costs (Rs.)	Total (Rs.)
Gross block				
Balance as at 1 April 2012	97,849,269	43,400,692	17,775,464	159,025,425
Additions	-	54,713,258	13,662,590	68,375,848
Disposals / adjustments	(34,269,600)	(20,514,694)	-	(54,784,294)
Balance as at 1 April 2013	63,579,669	77,599,256	31,438,054	172,616,979
Additions	4,050,121	8,924,899	3,763,026	16,738,046
Disposals / adjustments	-	(7,695,867)	-	(7,695,867)
Balance as at 31 March 2014	67,629,790	78,828,288	35,201,080	181,659,158
Accumulated amortization				
Balance as at 1 April 2012	67,949,387	19,581,325	17,775,464	105,306,176
Charge for the year	15,285,469	29,604,649	5,689,851	50,579,969
Disposals / adjustments	(28,346,871)	(6,758,080)	-	(35,104,951)
Balance as at 1 April 2013	54,887,985	42,427,894	23,465,315	120,781,194
At 1 April 2013	-	-	-	-
Charge for the year	8,607,915	29,333,772	7,228,663	45,170,350
Disposals / adjustments	-	(5,216,244)	-	(5,216,244)
Balance as at 31 March 2014	63,495,900	66,545,422	30,693,978	160,735,300
Net Block				
Balance as at 31 March 2013	8,691,684	35,171,362	7,972,739	51,835,785
Balance as at 31 March 2014	4,133,890	12,282,866	4,507,102	20,923,858

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

	As at 31 March 2014 (Rs.)	As at 31 March 2013 (Rs.)
14 Non-current investments		
Equity shares : Quoted		
i. Investment in Subsidiaries		
(a) 877,035,062 (Previous year 877,035,062) equity shares of Rs 2 each in TV18 Broadcast Limited	25,622,360,137	25,622,360,137
(b) 23,913,061 (Previous year 23,913,061) equity shares of Rs 10 each fully paid up in Infomedia Press Limited (formerly known as "Infomedia 18 Limited")	2,461,895,030	2,461,895,030
Less:-Provision for diminution	(2,461,895,030)	(2,461,895,030)
ii. Investment in others		
Beneficiary interest in Network 18 Media Trust (11,586,762 (Previous year 11,586,762) shares of the Company)	1,815,746,185	1,815,746,185
Aggregate amount of quoted investments	27,438,106,322	27,438,106,322
Market value of quoted investments	22,687,113,743	25,102,547,021
Equity shares : Unquoted		
i. Investment in Subsidiaries		
(a) 1,500,000 (Previous year 1,500,000) equity shares of USD 1 each fully paid up in Network18 Holdings Limited, Mauritius	67,890,000	67,890,000
(b) Nil (Previous year 33,000) equity shares of Rs 10 each fully paid up in Setpro18 Distribution Limited	-	50,000,000
Less:-Provision for diminution	-	(50,000,000)
(c) 100,001 (Previous year 100,001) equity shares of USD 1 each fully paid up in Television Eighteen Media and Investments Limited, Mauritius	3,996,790	3,996,790
(d) 2,581 (Previous year 2,581) equity shares of Rs. 10 each fully paid up in Big Tree Entertainment Private Limited	48,982,218	48,982,218
(e) 50,000 (Previous year 50,000) equity shares of Rs 10 each fully paid up in Digital18 Media Limited	500,000	500,000
(f) 12,295,000 (Previous year 12,295,000) equity shares of USD 1 each fully paid up in Television Eighteen Mauritius Limited, Mauritius	160,631,581	160,631,581
(g) 10,000 (Previous year 10,000) equity shares of Rs. 10 each fully paid up in Capital18 Fincap Private Limited	100,000	100,000
Less:-Provision for diminution	(100,000)	(100,000)
(h) Nil (Previous year 10,000) equity shares of Rs. 10 each fully paid up in RRB Investments Private Limited	-	100,000
Less:-Provision for diminution	-	(100,000)
ii. Investment in Joint Ventures		
Nil (Previous year 4,900,000) shares of Rs 10 each fully paid up in Reed Infomedia India Private Limited (49% of total issued capital)	-	49,000,000
Less:-Provision for diminution	-	(49,000,000)
iii. Investment in others		
6 years National Savings Certificates	5,500	5,500
	282,006,089	282,006,089

Network18 Media & Investments Limited

	As at 31 March 2014 (Rs.)	As at 31 March 2013 (Rs.)
Preference shares : Unquoted		
i. Investment in Subsidiaries		
(a) 49,118,691 (Previous year 49,118,691) preference shares of USD 1 fully paid up in Television Eighteen Media and Investments Limited, Mauritius	2,010,338,250	2,010,338,250
(b) Nil (Previous year 2,000,000) 0.01% Cumulative Convertible Redeemable Preference Shares of Rs 10 each in RRB Investments Private Limited	-	200,000,000
Less:-Provision for diminution	-	(200,000,000)
(c) 2,548,000 (Previous year 2,548,000) 15% Cumulative Redeemable Convertible Preference Shares of Rs 10 each in Capital18 Fincap Private Limited	1,100,727,161	1,100,727,161
Less:-Provision for diminution	(1,100,727,161)	(1,100,727,161)
(d) 244,497 (Previous year Nil) 0.001% Non-cumulative Compulsorily Convertible Preference Shares of Rs 100 each in TV18 Home Shopping Network Limited	2,493,873,508	-
ii. Investment in others		
Nil (Previous year 2,500,000) 8% Cumulative Redeemable Non Convertible Preference Shares of Rs 100 each in BK Media Private Limited	-	250,000,000
	4,504,211,758	2,260,338,250
Debentures & Bonds - Unquoted		
(a) 11,55,702 (Previous year 1,041,002) Zero coupon Optionally Redeemable Convertible Debentures of Capital18 Fincap Private Limited of Rs. 1,000 each	945,201,250	830,501,250
(b) 4,32,000 (Previous year 396,500) Zero coupon Optionally Redeemable Convertible Debentures of Digital18 Media Limited of Rs. 1,000 each	432,000,000	396,500,000
(c) 2,60,400 (Previous year 8,200) Zero coupon Optionally Redeemable Convertible Debentures of RRB Investments Private Limited of Rs. 1,000 each	260,400,000	8,200,000
(d) 12,000,000 (Previous year Nil) 0.01% Optionally Convertible Debentures of Network18 Holdings Limited of USD. 1 each	717,990,000	-
(d) 30 (Previous year 30) unsecured Redeemable Non-Convertible, Upper Tier II Bonds of Yes Bank Limited of Rs. 1,000,000 each	30,000,000	30,000,000
	2,385,591,250	1,265,201,250
Aggregate amount of unquoted investments (net of provision for diminution)	7,171,809,097	3,807,545,589
Total	34,609,915,419	31,245,651,911
Aggregate provision for the diminution in value of investments	3,562,722,191	3,861,822,191

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

	As at 31 March 2014 (Rs.)	As at 31 March 2013 (Rs.)
15 Long-term loans and advances (unsecured, considered good)		
Capital advances	3,787,500	429,583
Security deposits	11,332,976	113,930,107
Loans and advances to related parties (refer note 34)	5,233,845,636	6,390,924,211
Loans and advances to staff	1,746,582	1,298,828
- Income tax paid (net of provisions Rs. 29,825,706 (previous year Rs. (29,825,706))	341,017,622	269,277,690
- Prepaid expenses	939,993	1,470,501
- Others	130,054	130,054
Total	5,592,800,363	6,777,460,974
16 Trade receivables - non current		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	6,852
Unsecured, considered good	-	5,393,450
Unsecured, considered doubtful	-	69,803,845
Less: Provision for doubtful debts	-	(69,803,845)
Total	-	5,400,302
17 Other non-current assets		
Interest accrued but not due on loans	27,558,604	133,354,134
Restricted fixed deposits	213,690	-
Total	27,772,294	133,354,134
18 Current investments (Quoted)		
Equity shares		
698,288 (Previous year 698,288) equity shares of Rs. 10 each in DEN Networks Limited	1	1
Mutual Funds		
Nil (Previous year 1,148,087) units of Birla Sun Life Cash Plus - Daily Dividend - Reinvestment	-	115,032,664
338,360 (Previous year Nil) units of Birla Sun Life Cash Plus - Growth - Regular Plan	68,500,000	-
356,651 (Previous year Nil) units of Birla Sunlife Floating Rate Fund Short Term Plan - Growth - Regular Plan	60,000,000	-
Nil (Previous year 78,153) units of IDFC Cash Fund - Plan C - Daily Dividend	-	78,172,412
Nil (Previous year 105,893) units of Baroda Pioneer Liquid Fund - Daily Dividend Plan	-	105,960,124

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

	As at 31 March 2014 (Rs.)	As at 31 March 2013 (Rs.)
Nil (Previous year 146,846) units of Religare Ultra Short Term Fund - Institutional Daily Dividend	-	147,097,982
70,483 (Previous year Nil) units of Religare Invesco Liquid Fund - Direct Plan - Growth	123,500,000	-
Nil (Previous year 1,009,207) units of DWS Insta Cash Plus Fund - Super Institutional Plan - Daily Dividend - Reinvestment	-	101,227,516
Nil (Previous year 10,138,240) units of JM High Liquidity Fund - Daily Dividend Option (39)	-	105,743,874
Nil (Previous year 35,649) units in Principal Cash Management Fund-Dividend Plan Daily-Reinvestment	-	35,651,538
Nil (Previous year 115,798) units of TLSD01 TATA Liquid Fund Plan A - Daily Dividend	-	129,059,904
Nil (Previous year 129,182) units of Templeton India Treasury Management Account Super Institutional Plan - Daily Dividend Reinvestment	-	129,269,022
Nil (Previous year 89,291) units of Reliance Liquidity Fund - Treasury Plan - Daily Dividend Option	-	136,502,078
33,516 (Previous year Nil) units of Reliance Liquid Fund - Treasury Plan - Growth Plan - Growth option - LF - IG	103,500,000	-
Nil (Previous year 99,047) units of Axis Liquid Fund - Institutional Daily Dividend Reinvestment(CFDD)	-	99,057,814
Nil (Previous year 78,487) units of Kotak Liquid Scheme Plan A - Daily Dividend	-	95,974,177
41,110 (Previous year Nil) units of Kotak Floater Short term growth	85,500,000	-
Nil (Previous year 48,538) units of UTI Liquid Cash Plan Institutional - Daily Income Option - Re-investment	-	49,482,099
43,969 (Previous year Nil) units of UTI Money Market Fund - Institutional Plan - Growth	62,000,000	-
Nil (Previous year 103,175) units of Premerica Liquid Fund - Daily Dividend Option - Reinvestment	-	103,200,480
21786 (Previous year Nil) units of Premerica Liquid Fund - Growth Option	29,500,000	-
Nil (Previous year 14,692,253) units of Peerless Liquid Fund - Super Institutional Daily Dividend - Reinvestment	-	146,944,567
Nil (Previous year 116,350) units of L&T Liquid Fund Daily Dividend Reinvestment Plan	-	117,703,253
33,907 (Previous Year Nil) units of L & T Liquid Fund - Growth	59,000,000	-
Nil (Previous year 10,368,191) units of 3002/ HDFC Liquid Fund - Dividend - Daily Reinvestment	-	105,736,882
Nil (Previous year 112,725) units of Taurus Liquid Fund - Super Institutional Daily Dividend Reinvestment	-	112,735,456
Nil (Previous year 51,419) units of Daiwa Liquid Fund - Regular Plan – Daily Dividend Option	-	51,445,911
Nil (Previous year 103,394) DSP BlackRock Liquidity Fund - Institutional Plan - Daily Dividend	-	103,957,734
458,620 (Previous year Nil) units of ICICI Prudential Money Market Fund -Regular Plan - Growth	80,000,000	-
10,775 (Previous year Nil) LIC Nomura Liquid Fund - Growth plan	25,000,000	-
Total	<u>696,500,001</u>	<u>2,069,955,488</u>
Market value of quoted current investments	838,590,060	2,209,459,815

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

	As at 31 March 2014 (Rs.)	As at 31 March 2013 (Rs.)
19 Inventories		
Raw materials and components	5,222,898	-
Less : Provision for obsolete inventory	(2,879,617)	-
Total	<u>2,343,281</u>	<u>-</u>
20 Trade receivables - current		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	636,877	3,906
Unsecured, considered good	37,553,763	82,855,175
Unsecured, considered doubtful	153,783,278	81,872,107
Less: Provision for doubtful receivables	(153,783,278)	(81,872,107)
Other receivables		
Secured, considered good	8,360,757	12,160,820
Unsecured, considered good	204,552,278	335,157,060
Unsecured, considered doubtful	1,972,444	-
Less: Provision for doubtful receivables	(1,972,444)	-
Total	<u>251,103,675</u>	<u>430,176,961</u>
21 Cash and bank balances		
Cash and cash equivalents		
On current accounts	353,561,680	483,893,598
on deposit accounts	250,000,000	1,267,354
Cheques/drafts on hand	953,214	7,534,500
Cash on hand	258,984	277,949
	<u>604,773,878</u>	<u>492,973,401</u>
Other bank balances		
Unrestricted deposits (with original maturity of more than 3 months)	-	20,197,823
Balances in current accounts		
unpaid dividend accounts	641,879	754,587
unpaid Zero Coupon Partly Convertible Debenture accounts	457,318	506,492
unpaid rights issue money	70,233	70,234
unpaid NCCRPS account	688,350	-
Balance with bank held as per Rule 3A of Companies (Acceptance of Deposits) Rules, 1975	79,464,746	208,442,678
	<u>81,322,526</u>	<u>229,971,814</u>
	<u>686,096,404</u>	<u>722,945,215</u>

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

	<u>As at 31 March 2014</u> (Rs.)	<u>As at 31 March 2013</u> (Rs.)
22 Short-term loans and advances (unsecured, considered good, unless otherwise stated)		
Security deposits - considered good	35,377,275	59,194,979
Loans and advances to related parties (refer note 34)	76,778,607	107,477,752
Advances recoverable in cash or in kind		
Considered good	96,197,927	36,512,154
Considered doubtful	51,243,896	11,971,742
Less: Provision for doubtful advances	(51,243,896)	(11,971,742)
	<u>96,197,927</u>	<u>36,512,154</u>
Loans and advances to staff	13,280,474	23,148,090
Other loans and advances		
Service tax input credit	100,897,622	130,202,181
Prepaid expenses	10,281,083	24,053,585
Others	-	55,000,000
Total	<u><u>332,812,988</u></u>	<u><u>435,588,741</u></u>
23 Other current assets		
Unbilled revenue	27,479,504	40,974,456
Recoverable on account of sale of businesses	-	150,000,000
Interest accrued but not due on advances	3,195,017	28,152,692
Others	-	6,190,294
Total	<u><u>30,674,521</u></u>	<u><u>225,317,442</u></u>
	<u>Year Ended 31 March 2014</u> (Rs.)	<u>Year Ended 31 March 2013</u> (Rs.)
24 Revenue from operations		
Advertising and sponsorship revenue	670,653,998	1,453,725,402
Mobile short messaging and other related services	112,919,109	176,047,999
Sale of magazines	71,409,838	111,951,705
Sale of stalls at exhibitions	82,393,256	84,496,264
Income from travel and tour services	19,014,971	46,092,630
Other operating revenue	63,800,183	76,599,547
Total	<u><u>1,020,191,355</u></u>	<u><u>1,948,913,547</u></u>

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

	<u>Year Ended</u> <u>31 March 2014</u>	<u>Year Ended</u> <u>31 March 2013</u>
	(Rs.)	(Rs.)
25 Other income		
Interest income		
- Interest on bank deposits	14,471,698	56,214,011
- Interest on long-term investments	2,842,191	2,842,192
- Interest on loans and advances	262,946,898	121,868,125
Dividend income from current investments	22,880,422	90,940,281
Profit on sale of current investments	2,954,556	436,573,055
Excess provision/sundry balances written back	38,128,469	16,983,213
Exchange difference (net)	1,323,052	-
Profit on disposal fixed of assets	32,180,878	74,196,765
Profit on sale of website	17,302,540	-
Business support services	104,833,138	14,341,349
Reversal of employee stock compensation expenses	1,781,587	-
Miscellaneous income	8,368,308	18,026,509
Total	<u>510,013,737</u>	<u>831,985,500</u>
26 Prior period income (net)		
Processing and brokerage charges	-	(221,672)
Miscellaneous expenses	-	(5,521)
Event expenses	-	(2,810,619)
Advertising and sponsorship revenue	(2,369,374)	-
Power and fuel	(4,000)	-
Communication costs	(2,420)	-
Repairs and maintenance - others	(519,263)	-
Legal and professional expenses	(95,168)	(802,342)
Income from subscription	-	12,000,000
Salaries, wages and bonus*	16,345,989	-
Interest income	(29,114)	-
Total	<u>13,326,650</u>	<u>8,159,846</u>

* The same represents the amount received back by the Company in respect of the managerial remuneration paid by the it in excess of the limits prescribed under the Act.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

	Year Ended 31 March 2014	Year Ended 31 March 2013
	(Rs.)	(Rs.)
27 Cost of materials consumed		
Opening stock		
Raw material	-	16,265,131
Work in progress	-	2,426,779
Add : Transfer from subsidiary (refer note 49)	51,768,192	6,204,994
	51,768,192	24,896,904
Less : Closing stock		
Raw material	5,222,898	-
	46,545,294	24,896,904
Details of raw material and components consumed		
Sheet paper and reel paper	46,545,294	24,896,904
	46,545,294	24,896,904
Details of transfer of raw material and components		
Sheet paper and reel paper	51,768,192	6,204,994
	51,768,192	6,204,994
Details of inventory of raw material and components		
Sheet paper and reel paper	5,222,898	-
	5,222,898	-
28 Employee benefits expense		
Salaries, wages and bonus	550,839,798	787,449,705
Contribution to provident fund and employees' state insurance	29,045,674	40,204,741
Employee stock compensation expense	-	7,353,010
Staff welfare expenses	45,759,317	78,164,065
Gratuity and compensated absences	4,782,251	27,548,676
Total	630,427,040	940,720,197

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

	<u>Year Ended</u> <u>31 March 2014</u>	<u>Year Ended</u> <u>31 March 2013</u>
	(Rs.)	(Rs.)
29 Other operating expenses		
Consumption of stores and spares	3,151,356	5,591,009
Power and fuel	21,640,483	32,350,168
Distribution, advertising and business promotion	115,740,897	248,267,420
Rent	124,782,513	185,514,159
Repairs and maintenance - Plant and equipments	15,906,672	17,553,767
Repairs and maintenance - Building	22,059	288,815
Repairs and maintenance - Others	14,834,637	19,791,960
Insurance	2,953,708	4,055,635
Rates and taxes	40,177,054	41,971,289
Legal and professional expenses	85,129,421	95,751,284
Directors sitting fee	195,000	340,000
Site support cost	76,821,533	78,617,861
Bad debts /advances written off /provided for	41,168,606	46,812,813
Studio and equipment hire charges	20,058,415	47,543,346
Event expenses	165,925,725	224,698,463
Content and franchise expenses	69,129,538	101,354,755
Media professional fee	3,090,108	31,529,193
License fees	5,150,831	6,808,437
Travelling and conveyance	85,686,915	134,821,192
Communication costs	22,309,019	41,710,704
Printing and stationery	4,602,894	9,543,821
Vehicle running and maintenance	21,703,868	25,658,467
Membership and subscription expenses	2,297,270	1,470,786
Payment to auditor (Refer details below)	9,378,299	7,265,032
Printing cost	51,524,350	181,285,247
Exchange difference (net)	-	549,484
Miscellaneous expenses	38,407,572	33,602,273
	<u>1,041,788,743</u>	<u>1,624,747,380</u>
Payment to auditor		
As auditor	8,350,000	7,000,000
for reimbursement of expenses	1,028,299	265,032
	<u>9,378,299</u>	<u>7,265,032</u>

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

	<u>Year Ended</u> <u>31 March 2014</u>	<u>Year Ended</u> <u>31 March 2013</u>
	(Rs.)	(Rs.)
30 Depreciation and amortization expenses		
Depreciation of tangible assets	35,168,274	55,281,536
Amortization of intangible assets	45,170,350	50,579,969
	<u>80,338,624</u>	<u>105,861,505</u>
31 Finance costs		
Interest expense on:		
Term Loan	1,221,730	351,125,756
Cash credit/bank overdraft facilities	29,567,303	20,141,996
- Public deposits	392,690,182	449,868,335
Interest on secured optionally fully convertible debentures	-	159,452,024
Other financial charges	115,788,403	88,061,745
	<u>539,267,618</u>	<u>1,068,649,856</u>
32 Exceptional items		
Gain on disposal of investment in subsidiaries	534,900	397,680,288
Gain on disposal of business	-	504,807,605
Indemnity provision written back (refer note 11)	202,364,907	-
Balances written off related to discontinuing operations	(32,560,094)	-
Termination benefits and related consultancy charges	(54,235,493)	-
Fixed assets written off	(28,928,090)	-
Balances written off	(41,782,308)	-
Provision for diminution in the value of investments in subsidiaries	-	(225,760,998)
	<u>45,393,822</u>	<u>676,726,895</u>
33 Loss per share		
Loss after tax attributable to equity shareholders	(749,441,755)	(299,090,054)
Weighted average number of equity shares in calculating basic loss per share	1,046,644,161	569,701,990
Nominal value of equity share	5	5
Loss per share (basic and diluted)*	(0.72)	(0.52)

* since the potential equity shares are anti-dilutive, diluted loss per share is same as basic loss per share

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

34. Related party disclosures

a. List of related parties

i. Direct subsidiaries

- Television Eighteen Mauritius Limited
- Capital18 Fincap Private Limited
- Television Eighteen Media and Investments Limited
- Network 18 Holdings Limited (domicile changed from Cayman Islands to Mauritius with effect from 19 April 2012 vide certificate of registration dated 7 August 2012)
- Digital 18 Media Limited
- RRB Investments Private Limited (upto 2 January 2014)
- Newswire18 Limited (upto 27 December 2012)
- Setpro18 Distribution Limited (upto 8 January 2014)
- TV18 Broadcast Limited
- Infomedia Press Limited

ii. Subsidiary companies of subsidiaries

- NW 18 HSN Holdings Plc (formerly TV18 HSN Holdings Limited) Cyprus
- BK Holdings Limited, Mauritius
- Namono Investments Limited, Cyprus (upto 12 March 2014)
- TV 18 UK Limited (Liquidated on 14 January 2014)
- Capital 18 Limited, Mauritius
- RRK Finhold Private Limited
- RVT Finhold Private Limited
- Greycells 18 Media Limited
- Colosceum Media Private Limited
- Stargaze Entertainment Private Limited
- Web 18 Holdings Limited, Cyprus (de-registered from Cayman Islands and get registered in Cyprus w.e.f 25 April 2013)
- E-18 Limited, Cyprus
- Web 18 Software Services Limited
- e - Eighteen.com Limited
- Moneycontrol Dot Com India Limited
- ibn18 (Mauritius) Limited
- AETN18 Media Private Limited
- RVT Media Private Limited
- TV18 Home Shopping Network Limited
- Blue Slate Media Private Limited (upto 23 May 2013)
- IndiaCast Media Distribution Private Limited (formerly Sun18 Media Services North Private Limited) (upto 31 March 2013)
- IC Media Distribution Services Private Limited (upto 31 March 2013)
- Capital18 Acquisition Corporation, Cayman Islands (upto 28 September 2012)
- Juxt Consult Research and Consulting Private Limited (upto 31 October 2012)
- Big Tree Entertainment Private Limited
- IndiaCast UK Limited (upto 31 March 2013)
- IndiaCast US Limited (upto 31 March 2013)
- RRB Investments Private Limited (w.e.f. 3 January 2014)
- Setpro18 Distribution Limited (w.e.f. 9 January 2014)

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

- Web Chutney Studio Private Limited (upto 23 May 2013)
 - Reed Infomedia India Private Limited (w.e.f. 14 March 2014)
 - Equator Trading Enterprise Private Limited (w.e.f. 22 January 2014)
 - Panorama Television Private Limited (w.e.f. 22 January 2014)
 - Prism TV Private Limited (w.e.f. 22 January 2014)
- iii. Associates and joint ventures of the subsidiaries**
- Viacom18 Media Private Limited
 - IBN Lokmat News Private Limited
 - Ubona Technologies Private Limited
 - Reed Infomedia India Private Limited (upto 13 March 2014)
 - 24 X 7 Learning Private Limited
 - Viacom 18 US Inc.
 - Roptonal Limited, Cyprus
 - Viacom 18 Media (UK) Limited
 - The Indian Film Company Limited, Guernsey
 - The Indian Film Company (Cyprus) Limited
 - Wespro Digital Private Limited
 - IFC Distribution Private Limited
 - Aeon Learning Private Limited (w.e.f. 29 November 2013)
 - Eenadu Television Private Limited (w.e.f. 22 January 2014)
 - IndiaCast Media Distribution Private Limited (formerly Sun18 Media Services North Private Limited) (w.e.f. 1 April 2013)
 - IC Media Distribution Services Private Limited (w.e.f. 1 April 2013)
 - IndiaCast UK Limited (w.e.f 1 April 2013)
 - IndiaCast US Limited (w.e.f 1 April 2013)
- iv. Key Management Personnel**
- Raghav Bahl (Also exercises control by virtue of having a substantial interest in the voting power of the Company)
- v. Relatives of Key Management Personnel (with whom transactions have been undertaken during the year)**
- Vandana Malik
- vi. Entities over which persons listed above are able to exercise significant influence/control (with whom transactions have been undertaken during the period/balance at the end of the year)**
- Network 18 Publications Limited
 - VT Softech Private Limited
 - Adventure Marketing Private Limited
 - Watermark Infratech Private Limited
 - Colorful Media Private limited
 - RB Media Holdings Private Limited
 - RB Holdings Private Limited
 - Web18 Securities Private Limited
 - BK Media Mauritius Private Limited
 - Network18 Group Senior Professional Welfare Trust
 - Network18 Employees Welfare Trust
 - B K Media Private Limited
 - VT Media Private Limited

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

Transactions during the year

Particulars	Subsidiaries	Associates	Joint Ventures	Entity under significant influence / control of KMP or their relatives	Amount in Rs.	
					Key Management Personnel and their relatives	
Income from operations and other income						
TV18 Broadcast Limited	101,021,239 (66,472,391)	- (-)	- (-)	- (-)	- (-)	- (-)
e-Eighteen.com Limited	13,360,966 (1,985,000)	- (-)	- (-)	- (-)	- (-)	- (-)
Viacom18 Media Private Limited	- (-)	- (-)	23,415,312 (21,453,651)	- (-)	- (-)	- (-)
Digital 18 Media Limited	23,165,686 (5,741,980)	- (-)	- (-)	- (-)	- (-)	- (-)
Others	38,276,722 (13,276,628)	- (-)	- (935,453)	- (-)	- (-)	- (-)
Finance cost						
RB Media Holdings Private Limited	- (-)	- (-)	- (-)	- (26,575,336)	- (-)	- (-)
Watermark Infratech Private Limited	- (-)	- (-)	- (-)	- (26,575,336)	- (-)	- (-)
Colorful Media Private Limited	- (-)	- (-)	- (-)	- (26,575,336)	- (-)	- (-)
Adventure Marketing Private Limited	- (-)	- (-)	- (-)	- (26,575,336)	- (-)	- (-)
RB Holdings Private Limited	- (-)	- (-)	- (-)	- (53,150,680)	- (-)	- (-)
Interest income from						
Infomedia Press Limited	29,519,302 (991,233)	- (-)	- (-)	- (-)	- (-)	- (-)
TV18 Home Shopping Network Limited	200,538,231 (115,710,577)	- (-)	- (-)	- (-)	- (-)	- (-)
Others	21,982,491 (2,574,886)	- (-)	- (-)	- (-)	- (-)	- (-)
Reimbursement of expenses (paid)						
TV18 Broadcast Limited	30,761,025 (42,016,009)	- (-)	- (-)	- (-)	- (-)	- (-)
e-Eighteen.com Limited	34,256,220 (28,086,306)	- (-)	- (-)	- (-)	- (-)	- (-)
Others	2,755,003 (366,212)	- (-)	423,678 (1,100,602)	- (-)	- (-)	- (-)
Reimbursement of expenses (Received)						
e-Eighteen.com Limited	108,622,011 (68,717,190)	- (-)	- (-)	- (-)	- (-)	- (-)
TV18 Broadcast Limited	56,660,964 (97,043,376)	- (-)	- (-)	- (-)	- (-)	- (-)
Others	27,955,026 (50,968,925)	- (-)	7,514,022 (2,119,426)	- (-)	- (-)	- (-)
Expenditure for services received						
TV18 Broadcast Limited	41,724,381 (56,442,529)	- (-)	- (-)	- (-)	- (-)	- (-)
Raghav Bahl*	- (-)	- (-)	- (-)	- (-)	7,596,000 (10,944,000)	- (-)
Infomedia Press Limited	- (148,762,168)	- (-)	- (-)	- (-)	- (-)	- (-)
Viacom18 Media Private Limited	- (-)	- (-)	2,151,500 (25,460,449)	- (-)	- (-)	- (-)
Others	4,153,154 (8,977,446)	- (-)	1,044,195 (11,127,815)	- (-)	7,200,000 (7,200,000)	- (-)

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

Particulars	Amount in Rs.				
	Subsidiaries	Associates	Joint Ventures	Entity under significant influence / control of KMP or their relatives	Key Management Personnel and their relatives
Refund of remuneration received					
Raghav Bahl	-	-	-	-	20,167,703
	(-)	(-)	(-)	(-)	(-)
Loans/advances given during the year					
TV18 Home Shopping Network Limited	901,145,728 (761,000,000)	- (-)	- (-)	- (-)	- (-)
Infomedia Press Limited	81,300,000 (134,000,000)	- (-)	- (-)	- (-)	- (-)
Network18 Group Senior Professional Welfare Trust	- (-)	- (-)	- (-)	(64,624,211)	- (-)
RRB Investments Private Limited	811,500,000 (-)	- (-)	- (-)	- (-)	- (-)
Loans/advances received back given during the year					
TV18 Broadcast Limited	- (-)	- (-)	- (-)	- (-)	- (-)
Network18 Group Senior Professional Welfare Trust	- (-)	- (-)	- (-)	(204,100,000)	- (-)
Infomedia Press Limited	13,000,000 (-)	- (-)	- (-)	- (-)	- (-)
RRB Investments Private Limited	811,500,000 (-)	- (-)	- (-)	- (-)	- (-)
TV18 Home Shopping Network Limited	2,178,645,728 (-)	- (-)	- (-)	- (-)	- (-)
Debenture application money received during the period					
RVT Media Private Limited	- (885,000,000)	- (-)	- (-)	- (-)	- (-)
Debenture application money refunded					
RVT Media Private Limited	- (885,000,000)	- (-)	- (-)	- (-)	- (-)
Debenture application money paid					
Capital18 Fincap Private Limited	- (60,950,000)	- (-)	- (-)	- (-)	- (-)
Debenture application money received back					
Capital18 Fincap Private Limited	- (60,950,000)	- (-)	- (-)	- (-)	- (-)
Investments made during the year					
TV18 Broadcast Limited	- (13,830,168,280)	- (-)	- (-)	- (-)	- (-)
Digital 18 Media Limited	35,500,000 (94,000,000)	- (-)	- (-)	- (-)	- (-)
Capital18 Fincap Private Limited	144,500,000 (17,500,000)	- (-)	- (-)	- (-)	- (-)
RRB Investments Private Limited	252,200,000 (8,200,000)	- (-)	- (-)	- (-)	- (-)
TV18 Home Shopping Network Limited	2,493,873,508 (-)	- (-)	- (-)	- (-)	- (-)
Network18 Holdings Limited	717,990,000 (-)	- (-)	- (-)	- (-)	- (-)
Investment in debentures redeemed					
Capital18 Fincap Private Limited	29,800,000 (-)	- (-)	- (-)	- (-)	- (-)
Sale of Fixed Assets					
India Cast Media Distribution Private Limited	- (-)	- (-)	163,218 (-)	- (-)	- (-)

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

Particulars	Subsidiaries	Associates	Joint Ventures	Entity under significant influence / control of KMP or their relatives	Amount in Rs.	
					Key Management Personnel and their relatives	
Investments sold during the year to						
Capital 18 Fincap Private Limited	534,900	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
VT Media Private Limited	-	-	-	250,000,000	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Redemption of Preference Share Capital						
Keyman Financial Services Private Limited	-	-	-	706,500,000	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
RB Investments Private Limited	-	-	-	244,165,650	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Repayment of secured optionally fully convertible debentures						
RB Media Holdings Private Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(499,999,872)	(-)	(-)
Watermark Infratech Private Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(499,999,872)	(-)	(-)
Colorful Media Private Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(499,999,872)	(-)	(-)
Adventure Marketing Private Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(499,999,872)	(-)	(-)
RB Holdings Private Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(999,999,905)	(-)	(-)
Corporate guarantee given						
TV18 Broadcast Limited	-	-	-	-	-	-
	(3,000,000,000)	(-)	(-)	(-)	(-)	(-)
TV18 Home Shopping Network Limited	250,000,000	-	-	-	-	-
	(500,000,000)	(-)	(-)	(-)	(-)	(-)
Corporate guarantee released						
TV18 Broadcast Limited	337,500,000	-	-	-	-	-
	(5,282,100,000)	(-)	(-)	(-)	(-)	(-)
BK Holdings Limited	2,311,575,000	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Amounts due from						
Network18 Group Senior Professional Welfare Trust	-	-	-	5,029,424,211	-	-
	(-)	(-)	(-)	(5,029,424,211)	(-)	(-)
TV 18 Home Shopping Network Limited	5,067,525	-	-	-	-	-
	(1,412,686,409)	(-)	(-)	(-)	(-)	(-)
Others	376,378,570	-	23,392,114	28,786,906	-	-
	(248,465,618)	(-)	(2,095,378)	(28,786,906)	(-)	(-)
Amounts due to						
RB Holdings Private Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Network18 Holdings Limited	2,172,018,818	-	-	-	-	-
	(2,374,440,816)	(-)	(-)	(-)	(-)	(-)
Others	134,329,220	280,900	-	245,931	-	-
	(72,221,915)	(280,900)	(1,912,415)	(679,316)	(-)	(-)
Corporate/personal guarantee						
TV18 Broadcast Limited	232,200,000	-	-	-	-	-
	(457,992,716)	(-)	(-)	(-)	(-)	(-)
TV 18 Home Shopping Network Limited	352,431,343	-	-	-	-	-
	(500,000,000)	(-)	(-)	(-)	(-)	(-)
B K Holdings Limited, Mauritius	-	-	-	-	-	-
	(1,087,800,000)	(-)	(-)	(-)	(-)	(-)
Raghav Bahl	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(250,000,000)

* Does not include gratuity and compensated absences as these are provided in the books on the basis of actuarial valuation for the Company as a whole and hence individual figures cannot be determined.

Figures in bracket () represent previous year figure

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

35 Employee benefits

Net employee benefit expense

Amount in Rs.

Particulars	Year ended 31 March 2014		Year ended 31 March 2013	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Current service cost	4,094,985	3,859,699	5,937,493	5,108,305
Past service cost	-	-	-	-
Interest cost	3,294,232	2,282,204	3,661,353	2,493,702
Expected return on plan assets	-	-	(1,590,097)	-
Gain on curtailments	-	(2,348,435)	-	-
Net actuarial (gain)/loss recognized in the year	(6,008,068)	(392,366)	6,480,154	5,457,766
Net benefit expense	1,381,149	3,401,102	14,488,903	13,059,773

Changes in the present value of the defined benefit obligation are as follows:

Amount in Rs.

Particulars	Year ended 31 March 2014		Year ended 31 March 2013	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Present value of obligations as at the beginning of the year	38,755,678	29,197,882	42,760,331	32,565,568
Current service cost	4,094,985	3,859,699	5,937,493	5,108,305
Gain on curtailments	-	(2,348,435)	-	-
Interest cost	3,294,232	2,282,204	3,661,353	24,93,702
Benefits paid	(18,083,902)	(18,751,640)	(23,323,000)	(16,427,459)
Actuarial (gain)/losses on obligation	(6,008,068)	(392,366)	9,719,501	5,457,766
Present value of obligations as at the end of the year	22,097,925	13,847,344	38,755,678	29,197,882

Changes in the fair value of plan assets are as follows:

Gratuity

	Gratuity	
	31 March 2014	31 March 2013
Fair value of plan assets at the beginning of the year	-	-
Transfer on account of amalgamation	-	18,707,022
Expected return	-	1,590,097
Contributions by employer	-	(3,447,519)
Benefits paid	-	(20,088,947)
Actuarial gain	-	3,239,347
Closing fair value of plan assets	-	-

	31 March 2014	31 March 2013
Return on plan assets		
Expected return on plan assets	-	1,590,097
Actuarial gains/(losses)	-	3,239,347
Actual return on plan assets	-	4,829,444

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

Net liability amount recognized in the balance sheet

Amount in Rs.

Particulars	Year ended 31 March 2014		Year ended 31 March 2013	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Present value of defined benefit obligation	22,097,925	13,847,344	38,755,678	29,197,882
Fair value of plan assets	-	-	-	-
Net liability recognized in the balance sheet	22,097,925	13,847,344	38,755,678	29,197,882

Amount in Rs.

Particulars	As at 31 March 2014		As at 31 March 2013	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Non-current liability	21,562,979	13,449,601	35,381,005	17,210,206
Current liability	534,946	397,743	3,374,673	11,987,676

The present value of defined benefit obligations and experience adjustments arising on plan liabilities in current and previous four annual periods is as below:

Amount in Rs.

	As at March 31, 2010	As at March 31, 2011	As at March 31, 2012	As at March 31, 2013	As at March 31, 2014
Present value of defined benefit obligation	5,539,871	10,295,310	42,760,331	38,755,678	22,097,925

The principal assumptions used in determining liability towards gratuity and compensated absences are shown below:

Amount in Rs.

Particulars	Year ended 31 March 2014		Year ended 31 March 2013	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Discount rate	8.50	8.50	8.50	8.50
Expected salary escalation rate	6.00	6.00	6.00	6.00
Mortality table	IALM (2006-08)		LIC (1994-96)	
Withdrawal rate	Age	Percentage	Age	Percentage
	Upto 30 years	3	Upto 30 years	3
	Upto 44 years	2	Upto 44 years	2
	Above 44 years	1	Above 44 years	1

Estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Defined contribution plan

The Company has contributed Rs. 29,045,674 (previous year Rs. 40,204,741) to Contribution to provident fund and employees' state insurance.

Other long term employee benefits

The Company, along with its subsidiary company, TV18 Broadcast Limited, has jointly established an Employee Welfare Plan dated 2 February 2009 for the benefit of their existing and future employees and to administer the same, a Trust named Network18 Group Senior Professional Welfare Trust has been constituted under the Indian Trusts Act, 1881 vide Trust Deed dated 19 February 2009.

The Employee Welfare Plan provides that any accretion to the corpus of the Trust (like dividends, profit on sale of investments, interest income, etc.) will be utilized for the benefit of beneficiaries upon occurrence of certain specific events. It further provides that the amount of benefit to be provided out of such accretion will be at the discretion of the trustees.

During the year ended 31 March 2014 and 31 March 2013, there were no net accretions to the corpus of the aforementioned Trust and accordingly no liability or plan assets have been provided/recognized in these financial statements.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

36 Obligation on long term, non-cancellable operating leases

The Company has taken various office premises under operating lease agreements. The lease term of these leases ranges between 1 to 5 years and they are renewable by mutual consent. There are no sub leases or restrictions imposed by lease arrangements. There are certain lease agreements with escalation clauses during the initial lease term. Lease payments during the period recognized in the statement of profit and loss amount to - Rs 124,782,513 (Rs. 195,336,226)

Particulars	As at 31 March 2014 (Rs.)	As at 31 March 2013 (Rs.)
Payable not later than one year	62,498,999	154,213,364
Payable later than one year but not later than five years	53,470,821	222,604,635
Payable later than five years	-	-
Total	115,969,820	376,817,999

37 Contingent liabilities and other commitments

	As at 31 March 2014 (Rs.)	As at 31 March 2013 (Rs.)
(i) Capital commitments	25,071,188	21,676,619
(ii) The Company has issued letters of financial support to certain subsidiary companies - E-18 Limited, Web18 Software Services Limited, Moneycontrol Dot com India Limited, TV Home shopping Network Limited and Infomedia Press Limited.		
(iii) Corporate guarantees given in connection with borrowings of subsidiaries		
TV18 Broadcast Limited (Formerly ibn18 Broadcast Limited)	232,200,000	457,992,716
TV18 Home Shopping Network Limited	352,431,343	500,000,000
B K Holdings Limited, Mauritius	-	1,087,800,000
	584,631,343	2,045,792,716
(iv) Claims against company not acknowledged as debts: -Demand for stamp duty on transfer of property Rs 8,677,617		
(v) Contingent payments under agreements for sale of subsidiaries- Rs. 16,993,598 (previous year Rs. 16,993,598).		
(vi) Income tax demand in relation to acquisition of subsidiaries Rs 13,212,381 (previous year Rs 13,212,381)		

Other litigations:

Mr. Victor Fernandes and others ("plaintiffs") had, on 25 August 2006, filed a suit as derivative action on behalf of e-Eighteen.com Limited before the High Court of Bombay against Mr. Raghav Bahl, Television Eighteen India Limited (TV18, now merged with the Company) and other TV18 group entities. The plaintiffs are minority shareholders of e-Eighteen.com Limited and have alleged that Mr. Raghav Bahl, TV18, ICICI Global Opportunities Fund and e-Eighteen.com Limited had entered into a subscription cum shareholders agreement dated 12 September 2000 under which Mr. Raghav Bahl and TV18 had, inter alia, undertaken that any opportunity offered to them shall only be pursued or taken up through e-Eighteen.com Limited or its wholly owned subsidiaries. The plaintiffs have alleged that Mr. Raghav Bahl and TV18 have promoted and developed various businesses through various entities which should have, under the aforesaid agreement, rightfully been undertaken by e-Eighteen.com Limited or its wholly owned subsidiaries. The plaintiffs have alleged that by not doing so Mr. Raghav Bahl and TV18 have caused monetary loss to e-Eighteen.com Limited as well as to the plaintiffs. The plaintiffs have valued their claim in the suit at Rs. 31,140,600,000 and have, inter alia, prayed that Mr. Raghav Bahl, TV18 and other TV18 group entities be ordered to transfer to e-Eighteen.com Limited all their businesses, activities and ventures along with all assets and intellectual property.

The plaintiffs had filed a notice of motion on 18 September 2006 seeking an interim relief. A reply had been filed with the Bombay High Court on 14 November 2006. The said notice of motion was dismissed on 8 August 2008 against which the plaintiffs have filed an appeal before the division bench of the Bombay High Court. The said appeal was dismissed by the High Court on 21 September 2011.

Mr. Victor Fernandes has also filed an appeal before the Hon'ble Supreme court against the order of Hon'ble Securities Appellate Tribunal. The appeal relates to the grant of listing approval by NSE for the rights issue.

Based on the legal advice by the legal counsel, management is of the view that the above claim made by the plaintiffs is unlikely to succeed and has accordingly made no provisions for the same in the financial statements.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

38 Value of imported and indigenous material consumed

Paper, inks, printing and binding materials :	Year ended 31 March 2014 (Rs.)	Year ended 31 March 2013 (Rs.)
Raw materials and components		
Imported		
- Amount	45,349,006	-
- Percentage	97%	-
Indigenous		
- Amount	1,196,287	24,896,904
- Percentage	3%	100%
Total	46,545,293	24,896,904
Analysis of material consumed		
Paper sheets	92,82,195	3,585,160
Paper reels	37,332,398	18,702,254
Inks	-	1,242,663
Operating supplies	-	1,366,827
Other ancillary costs	-	-
Total	46,545,293	24,896,904

39 Particulars of unhedged foreign currency exposure as at the reporting date

As at 31 March 2014

Particulars	Amount (Rs.)
Import trade payable	USD 81,829 (Rs. 4,917,952) GBP 1,358 (Rs 135,570) S\$ 1,598 (Rs. 76,852) C\$ 461 (Rs 25,333)
Export trade receivable	USD 322,857 (Rs.19,403,734) GBP 2,615 (Rs. 2,61,102)
Trade advance paid	USD 4,948 (Rs. 301,766) GBP 70 (Rs. 7,148)

As at 31 March 2013

Particulars	Amount
Import trade payable	USD 66,818 (Rs. 3,634,223)
Export trade receivable	USD 383,373 (Rs. 20,694,152) GBP 3,063 (Rs. 252,161) EURO 32,143 (Rs.2,247,613)
Trade advance paid	USD 273,952 (Rs. 11,164,508) EURO 32,889 (Rs. 2,066,741) S\$ 48,552 (Rs. 2,132,719)

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

40 Expenditure in foreign currency (accrual basis)

	Year ended 31 March 2014 (Rs.)	Year ended 31 March 2013 (Rs.)
Legal and professional expenses	9,459,257	82,330,023
Travelling and conveyance	2,639,166	13,787,331
Membership and subscription expenses	23,383	25,772
Event expenses	18,334,675	2,465,983
Distribution, advertising and business promotion	3,827,751	4,699,363
Content and franchise expenses	14,941,445	12,820,920
License fees	5,135,042	4,453,416
Communication expenses	929,897	-
Repairs and maintenance	10,922	-
Miscellaneous expenses	2,083	4,056,456
Total	55,303,691	124,639,264

41 Earnings in foreign currency (accrual basis)

	Year ended 31 March 2014 (Rs.)	Year ended 31 March 2013 (Rs.)
Advertising and sponsorship revenue	75,493,895	70,891,961
Other operating revenue	3,130,787	-
Total	78,624,682	70,891,961

42. Employee Stock Option Plans

- a. The Company's Employee Stock Option Plans (ESOPs) framed in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines") which have been approved by the Board of Directors and the Shareholders are listed below. Schemes listed at serial (i) to (vii) were established as mirror schemes of the then existing ESOP schemes in Television Eighteen India Limited, in terms of the Scheme of Arrangement.
- i) The Network18 Employees Stock Option Plan 2002 (ESOP 2002)
 - ii) The Network18 Employees Stock Option Plan 2004 (ESOP 2004)
 - iii) The Network18 Senior Employees Stock Option Plan 2004 (Senior ESOP 2004)
 - iv) The Network18 Employees Stock Option Plan 2005 (ESOP 2005)
 - v) The Network18 Long Term Retention Employees Stock Option Plan 2005 (Long Term Retention ESOP 2005)
 - vi) The Network18 Employees Stock Option Plan C 2007 (ESOP C 2007)
 - vii) The Network18 Employees Stock Option Plan 2007 (ESOP 2007)

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

b. Salient terms of the ESOP schemes of the Company, in force, are:

Particulars	ESOP 2002	ESOP 2004	Senior ESOP 2004
Number of options granted	40,020	573,600	575,976
Vesting date	1. 50% of the options, after one year from the date of grant. 2. Balance 50% of the options two years after from the date of grant.	After three years from the date of grant except as follows in respect of 213,000 options whose terms have been modified : (i) 50% on 11 February 2010 (ii) 50% on 11 February 2011	Except for 143,994 options, vesting details are as follows 1. One third after two years from the date of grant 2. Remaining two third after 4 years from the grant date. In respect of 143,994 options, vesting details are as follows : (i) 50% on 11 February 2010 (ii) 50% on 11 February 2011
Vesting requirements	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed
Exercise period	During three years after the vesting date.	During two years after the vesting date.	During two years after the vesting date.
Method of settlement	Equity settled	Equity settled	Equity settled

Particulars	ESOP 2005	Long Term Retention ESOP 2005	ESOP (C) 2007	ESOP 2007
Number of options granted	915,600	300,000	700,000	3,962,736
Vesting date	Except for 51,200 options, to vest equally over three years from the date of grant. 51,200 options to vest as follows: (i) 50% on 11 February 2010 (ii) 50% on 11 February 2011	At any time at the end of 4 years from the date of grant.	Equally over a period of six years from the date of grant.	After one year from the date of grant. The vesting shall happen in one or more tranches as may be decided by the Board
Vesting requirements	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed
Exercise period	During one year after vesting date.	During one year after vesting date.	During four years after vesting date.	Exercise period will commence from the vesting date and extended upto the expiry period of the option as may be decided by the Board
Method of settlement	Equity settled	Equity settled	Equity settled	Equity settled

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

During the current year ESOP shares were modified by the Company. The details of modifications are given below:

ESOP 2007	- Exercise price of 180,071 options was reduced from Rs. 37.55 to Rs. 31.90 and exercise period was extended upto 2 March 2015. - Exercise period of 5,507 options was extended upto 5 February 2015
ESOP 2004 and Senior ESOP 2004	- Exercise period of was extended upto 5 February 2015

During the year the Company modified the terms of certain stock options by reducing the exercise price to bring the same in line with the market price

	Modification date -28 October 2013	
	Pre modification	Post modification
Dividend yield	0.00%	0.00%
Expected volatility	55.40%	55.40%
Risk-free interest rate	8.33%	8.33%
Weighted average share price (Rs.)	31.90	31.90
Weighted average exercise price (Rs.)	34.88	29.91
Expected life of options granted (in years)	1.40	1.78

The volatility of the options is based on the historical volatility of the share price since the Company's equity shares are publicly traded.

C. Details of options and weighted average prices

Particulars	ESOP 2002		ESOP 2004		SENIOR ESOP 2004	
	Options	Weighted Average Price	Options	Weighted Average Price	Options	Weighted Average Price
a) Outstanding at the beginning of the period	-	-	14,700	20.00	10,000	13.34
	(-)	(-)	(30,900)	(45.31)	(172,673)	(36.15)
b) Granted during the period	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
c) Exercised during the period	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
d) Forfeited during the period	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
e) Expired during the period	-	-	5,400	20.00	-	-
	(-)	(-)	(16,200)	(37.55)	(162,673)	(37.55)
f) Outstanding at the end of the period	-	-	9,300	20.00	10,000	13.34
	(-)	(-)	(14,700)	(20.00)	(10,000)	(13.34)
g) Exercisable at the end of the period	-	-	9,300	20.00	10,000	13.34
	(-)	(-)	(14,700)	(20.00)	(172,673)	(36.15)

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

Particulars	ESOP 2002		ESOP 2004		SENIOR ESOP 2004	
	Options	Weighted Average Price	Options	Weighted Average Price	Options	Weighted Average Price
h) Weighted average share price at the date of exercise	- (-)	N.A. N.A.	- (-)	N.A. (N.A.)	- (-)	N.A. (N.A.)
i) Weighted average remaining contractual life (years)	- ()	N.A. N.A.	0.85 (0.85)	N.A. N.A.	0.85 (0.85)	N.A. N.A.
j) Unvested Option outstanding at the end of the period	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)

Particulars	LONG TERM RETENTION ESOP 2005		ESOP 2005		ESOP 2007 (C)	
	Options	Weighted Average Price	Options	Weighted Average Price	Options	Weighted Average Price
a) Outstanding at the beginning of the period	300,000 (300,000)	37.55 (37.55)	3,600 (5,400)	20.00 (20.00)	233,334 (233,334)	5.00 (5.00)
b) Granted during the period	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
c) Exercised during the period	- (-)	- (-)	- (-)	- (-)	233,334 (-)	5.00 (-)
d) Forfeited during the period	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
e) Expired during the period	37,500 (-)	37.55 (-)	3,600 (1,800)	20.00 (20.00)	- (-)	- (-)
f) Outstanding at the end of the period	262,500 (300,000)	37.55 (37.55)	- (3,600)	- (20.00)	- (233,334)	- (5.00)
g) Exercisable at the end of the period	262,500 (300,000)	37.55 (37.55)	- (3,600)	- (20.00)	- (116,667)	- (5.00)
h) Weighted average share price at the date of exercise	- (-)	N.A. N.A.	- (-)	N.A. N.A.	233,334 (-)	34.85 (-)
i) Weighted average remaining contractual life (years)	0.56 (0.62)	N.A. N.A.	- (0.85)	N.A. N.A.	- (0.51)	N.A. N.A.
j) Unvested Option outstanding at the end of the period	- (-)	- (-)	- (-)	- (-)	- (116,667)	N.A. (5.00)

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

Particulars		ESOP 2007	
		Options	Weighted Average Price
a)	Outstanding at the beginning of the period	621,078 (771,644)	33.10 (33.51)
b)	Granted during the period	- (-)	- (-)
c)	Exercised during the period	- (-)	- (-)
d)	Forfeited during the period	- (-)	- (-)
e)	Expired during the period	194,037 (150,566)	31.60 (35.19)
f)	Outstanding at the end of the period	427,041 (621,078)	28.20 (33.10)
g)	Exercisable at the end of the period	368,541 (544,588)	31.06 (36.40)
h)	Weighted average share price at the date of exercise	- (-)	- (-)
i)	Weighted average remaining contractual life (years)	1.79 (2.38)	N.A N.A
j)	Unvested Option outstanding at the end of the period	58,500 (76,490)	28.20 (33.10)

The Company has adopted the intrinsic value method as promoted by the SEBI Guidelines and the Guidance Note on Accounting for Employee Share Based Payment issued by the Institute of Chartered Accountants of India for measuring the cost of the options granted.

Had the Company used the fair value method in accordance with Black Scholes Model to determine employee stock compensation, its loss after tax and loss per share as reported would have changed to the amounts indicated below:

	Year ended 31 March 2014 Rs.	Year ended 31 March 2013 Rs.
Loss after tax as reported	(749,441,755)	(299,090,054)
Add: ESOP cost using the intrinsic value method	(1,384,722)	7,353,010
Less: ESOP cost using the fair value method	(4,477,255)	7,892,229
Pro forma loss after tax	(752,137,424)	(299,629,273)
Loss per share		
Basic		
As reported	(0.72)	(0.52)
Pro forma	(0.72)	(0.53)
Diluted		
As reported	(0.72)	(0.52)
Pro forma	(0.72)	(0.53)

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs in the year 31 March 2014:

	31 March 2014
Dividend yield	0.00%
Expected volatility	66.93 %
Risk-free interest rate	5.19%
Weighted average share price (Rs.)	109.35
Weighted average exercise price (Rs.)	113.44
Expected life of options granted (in years)	1.32

43. Segment information

Business segments

Year ended 31 March 2014						(Rs.)
Particulars	Event Management	Web Operations	Publishing Business	Others	Eliminations	Total
Revenue						
External sales	188,503,147	423,144,319	378,931,386	20,612,502	-	1,020,191,355
Total revenue	188,503,147	432,144,319	378,931,386	20,612,502	-	1,020,191,355
Segment results	(36,067,411)	(329,111,111)	(163,580,356)	(4,078,880)		(532,837,757)
Unallocated corporate income net of unallocated expense.	-	-	-	-	-	277,269,798
Exceptional items	-	-	-	-	-	45,393,822
Finance costs	-	-	-	-	-	(539,267,618)
Net loss before and after tax	(36,067,411)	(329,111,111)	(163,580,355)	(4,078,880)	-	(749,441,755)
As at 31 March 2014						
Segment assets	40,681,722	265,494,203	238,187,961	17,270,299	-	561,634,185
Unallocated Corporate assets	-	-	-	-		41,826,912,186
Total assets	40,681,722	265,494,203	238,187,961	17,270,299	-	42,388,546,371
Segment liabilities	278,159,618	2,383,799,761	1,032,179,444	126,335,393	-	3,820,474,216
Unallocated Corporate liabilities	-	-	-	-		4,540,758,815
Total liabilities	278,159,618	2,383,799,761	1,032,179,444	126,335,393	-	8,361,233,031

Other segment information

Particulars	Event Management	Web Operations	Publishing Business	Others
Capital expenditure	65,418	15,618,977	6,866,896	42,000
Depreciation	1,171,049	45,253,962	27,129,946	410,250
Non Cash	7,864,679	17,160,599	17,385,776	-

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

Year ended 31 March 2013						(Rs.)
Particulars	Event Management	Web Operations	Publishing Business	Others	Eliminations	Total
Revenue						
External sales	367,573,722	488,768,275	1,092,567,561	12,003,989	-	1,960,913,547
Inter segment sales	212,750	40,525	-	-	(253,275)	-
Total revenue	367,786,472	488,808,800	1,092,567,561	12,003,989	(253,275)	1,960,913,547
Segment results	(43,720,225)	(428,832,925)	(79,674,969)	(36,330,884)		(588,559,003)
Unallocated corporate income net of unallocated expense	-	-	-	-	-	681,391,910
Exceptional items	-	-	-	-	-	676,726,895
Finance costs	-	-	-	-	-	(1,068,649,856)
Net loss before and after tax	(43,720,225)	(428,832,925)	(79,674,969)	(36,330,884)	-	(299,090,054)
As at 31 March 2013						
Segment assets	124,011,731	346,291,647	524,932,422	9,376,668	-	1,014,612,468
Unallocated Corporate assets	-	-	-	-	-	41,253,628,305
Total assets	124,011,731	346,291,647	524,932,422	9,376,668	-	42,268,240,773
Segment liabilities	321,046,611	2,120,059,997	1,086,900,980	111,842,636	-	3,639,850,224
Unallocated Corporate liabilities	-	-	-	-	-	2,308,363,681
Total liabilities	321,046,611	2,120,059,997	1,086,900,980	111,842,636	-	5,948,213,905
Other segment information						
Capital expenditure	734,502	51,928,803	53,070,690	123,618	-	
Depreciation	1,287,933	58,051,055	39,899,369	414,692	-	
Non Cash	3,262,612	8,751,388	26,688,985	-	-	

44. Due to Micro and Small Enterprises

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2014 has been made in the financial statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the MSMEDA is not expected to be material.

45. Information pursuant to clause 32 of the listing agreements with stock exchanges

(Rs.)

Loans and advances in the nature of loans to Subsidiaries		Balance (including interest accrued) as on		Maximum balance during the year ended	
Name of the entity	Status	31 March 2014	31 March 2013	31 March 2014	31 March 2013
TV18 Home Shopping Network Limited	Subsidiary	-	1,409,862,901	2,350,738,930	1,412,686,409
RRB Investments Private Limited	Subsidiary	-	-	833,471,640	-
Infomedia Press Limited (formerly known as Infomedia 18 Limited)	Subsidiary	229,858,605	134,991,233	229,858,605	174,597,011

There are no transactions of loans and advances to subsidiaries, associate firms/ companies in which directors are interested other than as disclosed above.

There are no loans and advances in the nature of loans where there is no repayment schedule or repayment beyond seven years or no interest or interest below section 372A of the Companies Act 1956.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

46. Barter transactions

The Company enters into barter transactions, which are recorded at the fair value of consideration receivable or payable. The statement of profit and loss for the year 31 March 2014 reflects revenue from barter transactions of Rs 16,781,698 (for the year ended 31 March 2013 Rs 73,968,497) and expenditure of Rs 16,781,698 (for the year ended 31 March 2013 Rs 79,441,768) being the fair value of barter transactions provided and received

47. The Company has foreign currency receivables aggregating to Rs. 54,689,694 (previous year Rs. 54,766,913 which are outstanding for more than nine months and foreign currency payables aggregating to Rs.2,047,652 (previous year Rs. 1,910,268) which are outstanding for more than six months. The Company is in the process of dealing with the statutory implications of these delays. As the aforementioned in currently not ascertainable the same shall be provided at the earliest practicable.

48. Pursuant to the business transfer agreement dated 27 February 2013 the Yellow Pages and AskMe business undertakings, forming part of the 'Publishing' segment of the Company, have been disposed off to Getit Infoservices Private Limited. As at 31 March 2013, the carrying amount of such assets and liabilities of discontinuing operations which were not disposed off was Rs. Nil (previous year Rs. 7,597,686) and Rs. Nil (previous year Rs. 96,959,325) respectively. The following statement shows the revenue and expenses of continuing and discontinuing operations:

Particulars	Continuing Operations		Discontinuing Operations		Total	
	Year ended 31 March 2014 (Rs.)	Year ended 31 March 2013 (Rs.)	Year ended 31 March 2014 (Rs.)	Year ended 31 March 2013 (Rs.)	Year ended 31 March 2014 (Rs.)	Year ended 31 March 2013 (Rs.)
Revenue						
Revenue from operations	1,020,191,355	1,416,224,539	-	532,689,008	1,020,191,355	1,948,913,547
Other income	510,009,527	818,497,226	4,210	13,488,274	510,013,737	831,985,500
Prior period income	13,326,650	8,159,846	-	-	13,326,650	8,159,846
Revenue	1,543,527,532	2,242,881,611	4,210	546,177,282	1,543,531,742	2,789,058,893
Expenses						
Cost of material consumed	46,545,294	17,746,429	-	7,150,475	46,545,292	24,896,904
Employee benefits expense	62,247,520	638,515,563	7,951,836	302,204,634	630,427,040	940,720,197
Other operating expenses	1,037,913,975	1,295,355,666	3,874,768	329,391,714	1,041,788,743	1,624,747,380
Depreciation and amortization expense	80,338,624	91,464,093	-	14,397,412	80,338,624	105,861,505
Finance costs	539,267,618	1,063,886,437	-	4,763,419	539,267,618	1,068,649,856
Expenses	2,326,540,715	3,106,968,188	11,826,604	657,907,654	2,338,367,319	3,764,875,842
Loss before exceptional items and tax	(783,013,183)	(864,086,577)	(11,822,394)	(111,730,372)	(794,835,577)	(975,816,949)
Exceptional items *	(77,953,916)	(171,919,290)	(32,560,094)	(504,807,605)	(45,393,822)	(676,726,895)
Loss before tax	(705,059,267)	(692,167,287)	(44,382,488)	393,077,233	(749,441,755)	(299,090,054)

* Exceptional items

Gain on disposal of investment in subsidiary	(534,900)	(397,680,288)	-	-	(534,900)	(397,680,288)
Gain on disposal of business	-	-	-	(504,807,605)	-	(504,807,605)
Less : Provision for diminution in the value of investments in subsidiaries	-	225,760,998	-	-	-	225,760,998
Balances written off	41,782,308	-	32,560,094	-	74,342,309	-
Termination benefit	54,235,400	-	-	-	54,235,400	-
Fixed assets written off	28,928,090	-	-	-	28,928,090	-
Indemnity provision written back	(202,364,907)	-	-	-	(202,364,907)	-
Total	(77,953,916)	(171,919,290)	32,560,094	(504,807,605)	(45,393,822)	(676,726,895)

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

49. The Board of Directors, at their meeting held on 3 January 2012 decided to raise Rs. 27,000,000,000 by issuing shares on rights basis for, inter alia (a) Investment in subsidiary, TV18 Broadcast Limited (b) Repayment/prepayment of certain loans, redemption of Secured Optionally Fully Convertible Debentures, redemption of Preference shares and repayment of public deposits and (c) General corporate purposes. Pursuant to the approval by the Securities and Exchange Board of India (SEBI) for the Rights Issue, the Issue was opened on 18 September 2012 and closed on 04 October 2012. The Issue was fully subscribed. The Company has allotted 899,873,930 equity shares on 12 October 2012 at a price of Rs. 30 per share (face value of Rs. 5 and securities premium of Rs. 25) and the new shares started trading from 16 October 2012 in the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The status for the utilisation of total proceeds of Rs. 26,996,217,900 from the Rights Issue of the Company is set out below:

(Rs.)

Objects of the Issue	Proposed utilisation	Actual utilisation
Repayment of loans*	11,122,700,000	11,409,834,620
Investment in Subsidiary	13,840,000,000	13,830,168,280
General corporate purposes	1,287,300,000	1,287,300,000
Rights issue expenses	746,217,900	468,915,000
Total	26,996,217,900	26,996,217,900

* Surplus of Rs. 277,302,900 available after actual expenses incurred on rights issue and surplus of Rs. 9,831,720 available after investment in subsidiary have been utilized towards repayment of Public deposits.

50. Pursuant to the Scheme of arrangement between Infomedia Press Limited and the Company, approved by the High Court of Delhi on 22 May 2012 (refer note 1.2), all properties and assets, rights and licenses, registrations (including Registrar of Newspapers of India) of the demerged undertaking stand transferred to the Company. Pending approval from Registrar of Newspapers of India for transfer of titles in its name, all the purchases of paper are being made by Infomedia Press Limited on behalf of the Company.
51. The Company is in the process of addressing the matters specified in Circular No. CIR/CFD/DIL/E/2013 dated January 17, 2013 read together with Circular No. CIR/CFD/DIL/7/2013 dated May 13, 2013 and Circular No. CIR/CFD/POLICYCELL/14/2013 dated November 29, 2013 issued by the Securities and Exchange Board of India in respect of certain shares held by Network18 Group Senior Professional Welfare Trust.
52. Previous year figures have been regrouped, wherever necessary, to confirm to current year presentation.

For **Walker Chandiook & Co LLP**
(formerly Walker, Chandiook & Co)
Chartered Accountants

For and on behalf of the Board of Directors of
Network18 Media & Investments Limited

per **B.P. Singh**
Partner

Raghav Bahl
Managing Director

Sanjay Ray Chaudhuri
Director

Place: Noida
Date : May 27, 2014

R D S Bawa
Group Chief Financial Officer

Yug Samrat
Company Secretary

Network18 Media & Investments Limited

Independent Auditors' Report

To the Board of Directors of Network18 Media and Investments Limited

1. We have audited the accompanying consolidated financial statements of Network18 Media & Investments Limited, ("the Company") and its subsidiaries, associates and joint ventures (hereinafter collectively referred to as the "Group"), which comprise the consolidated Balance Sheet as at 31 March 2014, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, associates and joint ventures as noted below, 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 2014;
- ii) in the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- iii) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

7. We did not audit the financial statements of certain subsidiaries, associates and joint ventures included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of Rs. 44,835,513,845 as at 31 March 2014; total revenues (after eliminating intra-group transactions) of Rs. 21,368,257,211 and net cash flows aggregating to Rs. (700,441,994) for the year then ended. These financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our audit opinion on the consolidated financial statements of the Group for the year then ended to the extent they relate to the financial statements not audited by us as stated in this paragraph is based solely on the audit reports of the other auditors. Our opinion is not qualified in respect of this matter.

For **Walker Chandio & Co LLP**
(formerly Walker, Chandio & Co)
Chartered Accountants
Firm Registration No.: 001076N

per **B.P. Singh**
Partner
Membership No. 70116

Place: Noida
Date: May 27, 2014

Network18 Media & Investments Limited

Consolidated Balance Sheet as at 31 March 2014

(All amounts in Rupees unless otherwise stated)

	Notes	As at 31 March 2014	As at 31 March 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	5,233,332,675	6,774,822,860
Reserves and surplus	5	21,618,767,460	21,570,254,867
		<u>26,852,100,135</u>	<u>28,345,077,727</u>
Minority interest		17,839,247,420	16,419,013,477
Non-current liabilities			
Long-term borrowings	6	1,524,652,740	2,449,868,476
Deferred tax liabilities	16	372,277	574,649
Other long-term liabilities	7	42,504,654	81,219,294
Long-term provisions	8	312,704,564	1,586,721,999
		<u>1,880,234,235</u>	<u>4,118,384,418</u>
Current liabilities			
Short-term borrowings	9	7,832,307,994	4,757,574,384
Trade payables	10	6,861,539,898	6,335,187,269
Other current liabilities	11	3,868,847,822	4,979,064,711
Short-term provisions	12	1,322,549,536	84,460,455
		<u>19,885,245,250</u>	<u>16,156,286,819</u>
TOTAL		<u>66,456,827,040</u>	<u>65,038,762,441</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	13	2,510,166,307	2,045,315,903
Intangible assets	14	1,409,455,974	374,737,722
Capital work-in-progress		56,804,134	47,103,965
Intangible assets under development		40,571,258	30,100,061
		<u>4,016,997,673</u>	<u>2,497,257,651</u>
Goodwill on consolidation		26,265,104,866	11,851,425,653
Non-current investments	15	7,497,516,291	3,098,796,108
Deferred tax assets	16	61,955,739	10,346,463
Long-term loans and advances	17	8,844,194,010	8,088,550,468
Trade receivables - non current	18	-	5,400,302
Other non-current assets	19	48,486,330	19,655,266,676
		<u>46,734,254,909</u>	<u>45,207,043,321</u>
Current assets			
Current investments	20	941,784,357	3,326,555,435
Inventories	21	3,366,494,671	2,903,528,981
Trade receivables - current	22	5,435,421,870	5,478,211,972
Cash and bank balances	23	4,762,465,653	4,207,317,933
Short-term loans and advances	24	4,415,810,305	3,376,116,765
Other current assets	25	800,595,275	539,988,034
		<u>19,722,572,131</u>	<u>19,831,719,120</u>
TOTAL		<u>66,456,827,040</u>	<u>65,038,762,441</u>

The accompanying notes form an integral part of these consolidated financial statements

This is the Consolidated Balance Sheet referred to in our report of even date

For **Walker Chandio & Co LLP**
(formerly Walker, Chandio & Co)
Chartered Accountants

For and on behalf of the Board of Directors of
Network18 Media & Investments Limited

per **B.P. Singh**
Partner

Raghav Bahl
Managing Director

Sanjay Ray Chaudhuri
Director

Place: Noida
Date : May 27, 2014

R D S Bawa
Group Chief Financial Officer

Yug Samrat
Company Secretary

Network18 Media & Investments Limited

Consolidated Statement of Profit and Loss for the year ended 31 March 2014

(All amounts in Rupees unless otherwise stated)

	Notes	Year ended 31 March 2014	Year ended 31 March 2013
REVENUE			
Revenue from operations	26	26,923,893,760	23,826,942,640
Other income	27	571,570,428	1,050,106,525
Prior period income (net)	33	79,727,450	-
Total revenue		27,575,191,638	24,877,049,165
EXPENSES			
Cost of materials consumed and traded goods sold	28	162,389,283	301,559,986
Employee benefits expense	29	4,780,977,693	4,813,275,317
Finance costs	30	1,224,748,406	2,719,771,099
Depreciation and amortization expense	31	827,898,382	714,268,747
Other expenses	32	21,184,562,896	19,330,733,425
Prior period expense (net)	33	-	13,727,916
Total expenses		28,180,576,660	27,893,336,490
Loss before exceptional items, tax, minority interest and share in profit/(loss) of associates		(605,385,022)	(3,016,287,325)
Exceptional items	34	765,673,248	1,647,438,462
Profit/(loss) before tax, minority interest and share in profit/(loss) of associates		160,288,226	(1,368,848,863)
Profit/ (loss) for the year from continuing operation before tax		215,790,705	(2,242,387,770)
Income tax expense of continuing operation			
Current tax expense		304,126,209	10,260,889
Less: MAT Credit		(32,667,800)	-
(Excess)/short provision for tax relating to prior years		(4,271,975)	12,356,411
Net current tax expense		267,186,434	22,617,300
Deferred tax (credit)/charge		(27,537,258)	111,511,917
Loss from continuing operation after tax		(23,858,471)	(2,376,516,987)
Loss for the year from discontinuing operation before and after tax	47	(153,530,314)	(275,879,646)
Gain on transfer of assets and liabilities of discontinuing operations		98,027,835	1,149,418,553
Income tax expense of discontinuing operation			
Current tax		-	7,758,954
(Loss)/profit from discontinuing operation after tax		(55,502,479)	865,779,953
Loss after tax for the year before minority interest and share in profit/(loss) of associates		(79,360,950)	(1,510,737,034)
Minority interest in profit/(loss)		325,764,057	(462,800,757)
Share in profit/(loss) of associates		37,410,405	(6,619,806)
Loss for the year		(367,714,602)	(1,054,556,083)
Loss per share (basic and diluted)	35	(0.35)	(1.85)

The accompanying notes form an integral part of these consolidated financial statements

This is the Consolidated Statement of Profit and Loss referred to in our report of even date

For **Walker Chandio & Co LLP**
(formerly Walker, Chandio & Co)
Chartered Accountants

For and on behalf of the Board of Directors of
Network18 Media & Investments Limited

per **B.P. Singh**
Partner

Raghav Bahl
Managing Director

Sanjay Ray Chaudhuri
Director

Place: Noida
Date : May 27, 2014

R D S Bawa
Group Chief Financial Officer

Yug Samrat
Company Secretary

Network18 Media & Investments Limited

Consolidated Cash Flow Statement for the year ended 31 March 2014

(All amounts in Rupees unless otherwise stated)

	Year ended 31 March 2014	Year ended 31 March 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ Loss before tax	160,288,226	(1,368,848,863)
Adjustments for :		
Depreciation and amortisation expenses	827,898,382	714,268,746
(Profit)/loss on sale/disposal of fixed assets	(33,421,138)	(74,236,545)
Loss on sale/ diminution in value of long term investments	4,067,591	9,438,417
Employee stock compensation expenses	75,750,115	44,131,514
Finance costs	1,224,748,406	2,719,771,099
Bad debts and advances written off/ provided for	521,954,099	315,395,163
Profit on sale of website	(17,302,540)	-
Exchange fluctuation (net)	(48,923,642)	102,594,203
Dividend on current investments	(73,674,292)	(186,286,428)
Dividend on long term investments	(11,019,785)	(50,000)
Profit on sale of current investments	(17,523,238)	(445,561,298)
Profit on sale of long term investments	-	(6,402,064)
Excess provisions written back	(176,460,797)	(107,591,129)
Interest income	(161,611,501)	(222,121,641)
Gain on dilution of stake/disposal of investment(s) in subsidiary / subsidiaries	(1,660,371,199)	(1,293,144,364)
Gain on disposal of business	-	(504,807,605)
Loss relating to impairment of goodwill/other assets	484,919,385	49,676,690
Operating (loss)/ profit before working capital changes	1,099,318,070	(253,774,105)
Adjustments for :		
Increase in assets other than fixed assets and goodwill	(307,936,073)	(201,494,662)
Decrease in liabilities other than borrowings	418,906,303	1,075,543,020
Cash flow from operations	1,210,288,301	620,274,253
Taxes paid (net of refund)	(1,063,780,208)	(684,255,048)
Net cash from/(used in) operating activities	146,508,093	(63,980,795)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital advances)	(1,170,199,268)	(698,735,136)
Sale of fixed assets	76,917,087	117,331,531
Sale of other long term investments	-	24,838,865
Disposal of interest/investments in subsidiaries	9,263,557	1,227,379,005
Sale/(purchase) of current investments (net)	2,398,226,725	(2,840,276,601)
Proceeds from sale of website/business	155,000,000	300,000,000
Purchase of long term investments:		
- in subsidiaries	(1,140,035,000)	(100,000)
Advance against purchase of shares	-	(19,500,000,000)
Increase in other bank balances	(1,198,440,939)	(46,763,613)
Loans and advances received back (net)	-	190,100,000
Interest received	183,256,720	220,099,514
Dividend received on current investments	73,674,292	186,286,428
Dividend received on long term investments	11,019,785	50,000
Net cash used in investing activities	(601,317,040)	(20,819,790,006)

Network18 Media & Investments Limited

Consolidated Cash Flow Statement for the year ended 31 March 2014 (Contd...)

(All amounts in Rupees unless otherwise stated)

	<u>Year ended 31 March 2014</u>	<u>Year ended 31 March 2013</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Finance costs	(1,276,647,993)	(2,892,547,523)
Expenses on issue/proposed issue of shares	(92,867,867)	(469,782,814)
Proceeds from issue of equity shares (including securities premium)	1,166,666	26,996,217,900
Redemption of preference shares	(1,542,656,851)	-
Proceeds from issue of shares by subsidiary	1,670,410,554	12,954,488,152
Proceeds from issue/(repayment) of debentures and bonds	-	(2,999,999,393)
Repayment of borrowings (including changes in short-term borrowings) (net)	(8,854,661,499)	(11,783,860,103)
Proceeds from borrowings	8,808,511,934	1,354,681,676
Net cash (used in)/flow from financing activities	<u>(1,286,745,056)</u>	<u>23,159,197,896</u>
Net (decrease)/increase in cash and cash equivalents	(1,741,554,004)	2,275,427,095
Cash and cash equivalents as at the beginning of the year	3,712,290,791	1,281,042,075
Exchange differences on cash and cash equivalents	73,968,712	9,119,269
Cash balances of subsidiaries acquired/consolidated during the year	917,511,726	146,702,352
Cash and cash equivalents as at the end of the year	<u>2,962,217,226</u>	<u>3,712,290,791</u>

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. During the current year share application money amounting to Rs. 19,500,000,000 has been converted to Long-term investments.
4. Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

This is the Consolidated Cash Flow Statement referred to in our report of even date.

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

For and on behalf of the Board of Directors of
Network18 Media & Investments Limited

per **B.P. Singh**
Partner

Raghav Bahl
Managing Director

Sanjay Ray Chaudhuri
Director

Place: Noida
Date : 27 May 2014

R D S Bawa
Group Chief Financial Officer

Yug Samrat
Company Secretary

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

1. These consolidated financial statements comprise a consolidation of the financial statements of Network18 Media & Investments Limited ("the Company" or "Network18" or "the parent"), its subsidiaries, joint ventures and associates (the "Group") as listed below.

S. No.	Name of consolidated entity	Country of Incorporation	Percentage of holding as at 31 March 2014
Direct subsidiaries			
1	Network18 Holdings Limited	Mauritius	100.00
2	Capital18 Fincap Private Limited	India	100.00
3	Television Eighteen Mauritius Limited (TEML)	Mauritius	100.00
4	Television Eighteen Media and Investments Limited (TEMIL)	Mauritius	100.00
5	RRB Investments Private Limited (upto 3 January 2014)	India	100.00
6	Digital18 Media Limited	India	100.00
7	Setpro18 Distribution Limited (upto 8 January 2014)	India	66.00
8	TV18 Broadcast Limited	India	51.24
9	Newswire18 Limited (upto 27 December 2012)	India	100.00
Subsidiary by virtue of control of composition of Boards of Directors			
10	Big Tree Entertainment Private Limited	India	39.75*
11	Infomedia Press Limited	India	47.64
Subsidiaries of subsidiary companies			
Subsidiaries of TV18 Broadcast Limited			
12	RVT Media Private Limited	India	100.00
13	Ibn18 Mauritius Limited	Mauritius	100.00
14	Equator Trading Enterprises Private Limited (wef 22 January 2014) (Equator)	India	100.00
15	Indiacast Media Distribution Private Limited (upto 31 March 2013)	India	100.00
Subsidiary of RVT Media Private Limited			
16	AETN18 Media Private Limited	India	51.00
Subsidiaries of Equator Trading Enterprises Private Limited			
17	Panorama Television Private Limited (wef 22 January 2014)	India	100.00
18	Prism Tv Private Limited (wef 22 January 2014) **	India	50.00
Subsidiaries of Television Eighteen Mauritius Limited, Mauritius			
19	Namono Investments Limited (upto 12 March 2014)	Mauritius	100.00
20	TV18 UK Limited (upto 14 January 2014)	UK	100.00
21	Capital18 Limited	Mauritius	100.00
22	BK Holdings Private Limited (upto 26 January 2014)	India	100.00
Subsidiary of Television Eighteen Media & Investments Limited, Mauritius			
23	Web18 Holdings Limited ***	Cyprus	100.00#
Subsidiary of Web18 Holdings Limited, Cyprus			
24	E-18 Limited	Cyprus	100.00
Subsidiaries of E-18 Limited, Cyprus			
25	e-Eighteen.com Limited	India	91.95
26	Web18 Software Services Limited	India	100.00

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

S. No.	Name of consolidated entity	Country of Incorporation	Percentage of holding as at 31 March 2014
Subsidiary of e-Eighteen.com Limited			
27	Moneycontrol Dot Com India Limited	India	100.00
Subsidiaries of Network18 Holdings Limited, Mauritius			
28	Network18 HSN Plc Limited (formerly TV18 HSN Holdings Limited)	Cyprus	53.71 ^{##}
29	BK Holdings Private Limited (wef 27 January 2014)	India	100.00
Subsidiaries of Network18 HSN Plc Limited, Cyprus			
30	TV18 Home Shopping Network Limited	India	100.00
Subsidiaries of Capital18 Fincap Private Limited			
31	RRK Finhold Private Limited	India	100.00
32	RVT Finhold Private Limited	India	100.00
33	RRB Investments Private Limited (wef 4 January 2014)	India	100.00
34	Setpro18 Distribution Limited (wef 9 January 2014)	India	100.00
35	Stargaze Entertainment Private Limited	India	88.89
36	Reed Infomedia India Private Limited (wef 3 January 2014)	India	100.00
37	Colosceum Media Private Limited	India	100.00
Subsidiaries of RVT Finhold Private Limited			
38	Greycells18 Media Limited	India	74.14 ^{###}
Subsidiaries of Capital18 Limited, Mauritius			
39	Webchutney Studio Private Limited (upto 23 May 2014)	India	70.60 [^]
40	Capital18 Acquisition Corporation, Cayman Islands (upto 28 September 2012)	Cayman Islands	98.00
Subsidiaries of Webchutney Studio Private Limited			
41	Blue Slate Media Private Limited (upto 23 May 2014)	India	100.00
42	Juxt Consult Research and Consulting Private Limited (upto 31 October 2012)	India	60.00
Joint ventures of TV18 Broadcast Limited			
43	IBN Lokmat News Private Limited	India	50.00
44	Viacom18 Media Private Limited	India	50.00
45	Viacom18 Media (UK) Limited ^{^^}	UK	50.00
46	Viacom18 US Inc. ^{^^}	US	50.00
47	Roptonal Limited ^{^^}	Cyprus	50.00
48	The Indian Film Company (Cyprus) Limited (upto 6 November 2013) ^{^^^}	Cyprus	50.00
49	The Indian Film Company Limited ^{####}	Cyprus	50.00
50	Indiacast Media Distribution Private Limited (wef 1 April 2013)	India	50.00
51	Indiacast UTV Media Distribution Private Limited [®]	India	100.00
52	Indiacast UK Ltd ^{®®}	UK	100.00
53	Indiacast US Ltd ^{®®}	US	100.00
Joint Venture of Network18 Media & Investments Limited			
54	Reed Infomedia India Private Limited (upto 2 January 2014)	India	49.00

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

S. No.	Name of consolidated entity	Country of Incorporation	Percentage of holding as at 31 March 2014
Joint Venture of Capital18 Fincap Private Limited			
55	Ubona Technologies Private Limited	India	50.00
Associates of Capital18 Fincap Private Limited			
56	Aeon Learning Private Limited (wef 29 November 2013)	India	33.33
57	24 X 7 Learning Private Limited	India	37.73
Associate of RRK Finhold Private Limited			
58	Wespro Digital Private Limited	India	44.00
Associate of Equator Trading Enterprises Private Limited			
59	Eenadu Television Private Limited (wef 22 January 2014)	India	24.50

* The Company holds 12.10% of the shareholding directly and 27.65% of the shareholding through E-18 Limited, Cyprus.

** The Company is subsidiary of Equator Trading Enterprises Private Limited by virtue of control of composition of Boards of Directors.

*** The Company has deregistered from Cayman Island vide certificate of deregistration dated 18 September 2012 and has got registered in Cyprus with effect from 25 April 2013 vide certificate of continuation dated 10 May 2013.

The Company holds 95.31% of the shareholding through TEMIL and 4.69% of the shareholding through TEMPL.

Percentage determined as per shareholders agreement between SAIF II Mauritius Company Limited, G S Home Shopping Inc., Makira SP5 Limited, Orchard Centar Master Limited and Network18 Holdings Limited.

The Company holds 72.71% of the shareholding through RVT Finhold Private Limited and 1.43% through Capital18 Fincap Private Limited.

^ The company holds 49.42% of shareholding through Capital18 Limited, Mauritius and 20.64% through Capital18 Fincap Private Limited.

^^ Subsidiary of Viacom18 Media Private Limited.

^^^ Subsidiary of Roptonal Limited.

@ The company, a wholly owned Subsidiary of The Indian Film Company has been redomiciled from Guernsey to Cyprus on 20 December 2012.

@@ Subsidiary of Indiacast Media Distribution Private Limited.

Network18 Group Senior Professional Welfare Trust, a trust formed for the welfare of specified employees of the Company and its subsidiaries has not been consolidated since no economic benefit will flow to the Company from this trust.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

2. Background

A. In relation to Network18 Media & Investments Limited

The Company was incorporated as SGA Finance and Management Services Private Limited in 1996. The name was changed to Network18 Fincap Private Limited in April 2006. The Company was converted into a Public Company on 20 October 2006. The name was further changed to Network18 Media & Investments Limited on 1 December 2007.

B. Brief description of significant subsidiaries and joint ventures

- i. TV18 Broadcast Limited (TV18), formerly known as "ibn18 Broadcast Limited (IBN18)", was incorporated on 6 June 2005. TV18 is in the business of broadcasting, telecasting, relaying and transmitting general news programmes and operates the news channel "CNN IBN" (consequent to a licensing and content sharing agreement with Turner Broadcasting System Asia Pacific, Inc.). The commercial operations of TV18 commenced on 17 December 2005. After merger of ibn7 undertaking of Jagran TV Private limited, TV18 is broadcasting, telecasting, relaying and transmitting Hindi general news programmes and operates the news channel "IBN7". Further, pursuant to the merger of business news undertaking of Television Eighteen India Limited with TV18, it is also broadcasting business news channels CNBC TV18 and CNBC Awaaz. The name of IBN18 has been changed to TV18 Broadcast Limited with effect from 17 June 2011. Television Eighteen India Limited was incorporated in 1993 and was primarily engaged in content production and broadcasting. During the year TV18 has launched a new channel News18 India. The content and news broadcasting business was transferred to TV18 Broadcast Limited and the residual business was merged with the Company as per the Scheme of Arrangement. During the year TV18 has also launched a new channel 'News18 India'.
- ii. e-Eighteen.com Limited (E-18) was incorporated on 28 March 2000 as a subsidiary of the Company with the primary objective of setting up of business and finance internet portal. E-18 acquired the business of an established personal finance portal Moneycontrol Dot Com India Limited (MCD) on 21 May 2000. Shares of E-18 were sold to E-18 Limited, Cyprus on 15 June 2006 and subsequent to the sale, E-18 became a subsidiary of E-18 Limited, Cyprus.
- iii. Digital 18 Media Limited was incorporated on 16 April 2007, and is engaged in the business of printing and publishing business magazine.
- iv. IBN Lokmat News Private Limited, a 50% joint venture with Lokmat Newspapers Private Limited, is in the business of broadcasting, telecasting, relaying and transmitting general news programmes and operates the news channel "IBN Lokmat".
- v. Viacom18 Media Private Limited (Viacom18), a joint venture of TV18 (with 50% shareholding), operates six general entertainment TV channels ("Colors", "MTV" (India), "Nickelodeon", "VH1", "Sonic", "Comedy Central" and film business through Viacom18 Motion Pictures that produces, acquires and distributes Hindi films.
- vi. Equator Trading Enterprises Private Limited, a 100% subsidiary of TV18 wef 22 January, 2014, operates fifteen TV channels ("ETV-Rajasthan, ETV-Bihar, ETV-MP, ETV-UP, ETV-Urdu, ETV-Bangla, ETV-Kannada, ETV-Haryana/HP, ETV-Marathi, ETV-Bangla, ETV-Gujarati, ETV-Kannada and ETV-Oriya, ETV-Telugu, ETV-Telugu News") is engaged in the business of programmes production and broadcasting satellite television channels and distributed satellite channels on cable networks, Direct to Home and other service providers. The consolidated financial statements of Equator includes the financial statements of its 100% subsidiary namely Panorama Television Private Limited, 50% subsidiary Prism TV Private Limited and an associate of Eenadu Television Private Limited.
- vii. Indiacast Media Distribution Private Limited, was originally incorporated on 25 April 2008 and is engaged in the business of telecasting and distribution of television channels, through, but not limited to any cable and satellite channels on cable networks, Direct to Home, Internet and Interactive Television.
- viii. TV18 Home Shopping Network Limited (TV18 HSN), was incorporated on 13 June 2006. TV18 HSN is primarily engaged in providing the platform to vendors for the distribution of consumer goods through its television channel, website and call centres.
- ix. Stargaze Entertainment Private Limited is in the business of multiplex operation and management business under the brand GLITZ Cinemas.
- x. Big Tree Entertainment Private Limited is in the business of offering online ticketing solution through www.bookmyshow.com.
- xi. Colosseum Media Private Limited is engaged in the business of conceptualization and creation of multimedia assets and IPs. It offers content development capabilities for television and film entertainment as well as consulting, strategic and research advisory services to clients.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

3. Significant accounting policies

The consolidated financial statements are prepared under the historical cost convention, on the accrual basis of accounting, 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 notified under Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 1956, ("the Act") as adopted consistently by the Group.

A. Use of estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

B. Basis of consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries, joint ventures and associates. The consolidated financial statements of the Group have been prepared in accordance with Accounting Standard (AS 21) 'Consolidated Financial Statements', AS 23 'Accounting for Investments in Associates in Consolidated Financial Statements' and AS 27 'Financial Reporting of Interests in Joint Ventures' (as applicable) notified pursuant to the Companies (Accounting Standards) Rules, 2006. The consolidated financial statements are prepared on the following basis:

- i. Consolidated financial statements include consolidated balance sheet, consolidated statement of profit and loss, consolidated statement of cash flows and notes forming part of the consolidated financial statements. The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent for standalone financial statements.
- ii. The consolidated financial statements include the financial statements of the Company and all its subsidiaries, which are more than 50 per cent owned or whose composition of Board of Directors is controlled by the Company. Investments in entities that were not more than 50 per cent owned or controlled during the year have been accounted for in accordance with the provisions of Accounting Standard 13 'Accounting for Investments', or Accounting Standard 23 'Accounting for Investments in Associates in Consolidated Financial Statements', or Accounting Standard 27 'Financial Reporting of Interests in Joint Ventures (as applicable) notified pursuant to the Companies (Accounting Standards) Rules, 2006.
- iii. The consolidated financial statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/ transactions and resulting elimination of unrealised profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the entity to be consolidated. Financial interest in joint ventures has been accounted for under the proportionate consolidation method.
- iv. Investments in associates are accounted for using the equity method. The excess of cost of investment over the proportionate share in equity of the associate as at the date of acquisition of stake is identified as goodwill and included in the carrying value of the investment in the associate. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the associate. However, the share of losses is accounted for only to the extent of the cost of investment. Subsequent profits of such associates are not accounted for unless the accumulated losses (not accounted for by the Group) are recouped.
- v. Minority interest represents the amount of equity attributable to minority shareholders at the date on which investment in a subsidiary is made and its share of movements in equity since that date. Any excess consideration received from minority shareholders of subsidiaries over the amount of equity attributable to the minority on the date of investment is reflected under Reserves and Surplus.
- vi. Notes forming part of the consolidated financial statements, represents notes involving items which are considered material and are accordingly duly disclosed. Materiality for the purpose is assessed in relation to the information contained in the consolidated financial statements.

C. Revenue recognition

Revenue comprises revenue from media operations, commission income, income from sale of products and services and other operating revenue.

Revenue is recognised when it is measurable, at the time of sale or rendering of service, it would not be unreasonable to expect ultimate collection, and when the criteria of recognition for each of the Group's different activities have been met. These activity-specific recognition criteria are described below.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

Revenue from media operations

Advertisement revenue

The Group's advertisement revenue comprises of revenue from sale of advertising time/space in electronic media, sale of advertising space in business directories/special interest magazines and revenue from sponsorship contracts.

Revenue from sale of advertising time/space in electronic media is recognised when advertisements are telecast or displayed in accordance with contractual obligations.

Revenue from sale of advertising space in business directories/special interest magazines is recognized in the period in which the directories/magazines are delivered.

Revenue from sponsorship contracts is recognised when the contractual obligation in respect of key milestone in sponsorship contract are fulfilled.

Subscription revenue

The Group's subscription revenue comprises of income from distribution of channels, income from Group's print publications and income from providing information in connection with the Indian stock markets and commodities markets to a registered user base.

Subscription revenue from distribution of channels is recognised on accrual basis in accordance with the terms of the contract.

Subscription revenue from the Group's print publications is recognised as earned, on a per issue basis over the subscription period.

Subscription revenues from providing information in connection with the Indian stock markets and commodities markets is recognised ratably over the period of the subscription.

Licensing and merchandising revenue

- Revenue from licensing and merchandising are recognised as per the terms of the arrangement
- Revenue from licensing of content is recognised in accordance with the licensing agreement or on physical delivery of content, whichever is later.

Sale of film rights and programmes

- Revenues from theatrical distribution of movies are recognised in accordance with the licensing agreement as the films are screened and are recognised at the minimum guarantee due and where applicable, the Group's share of box office receipts in excess of the minimum guarantee. Revenue from sale of rights such as satellite, broadcasting, or music rights is recognised in accordance with the licensing arrangements, when the Group has no remaining obligations to perform and all other conditions for sale have been met.
- Revenue from sale of television content is recognised on the acceptance of the related content by the customer.
- Revenue from media related professional and consultancy services is recognised in accordance with contracts on rendering of services.

Circulation revenue

Revenue from circulation of magazines includes sales to retail outlets/ news-stands, which are subject to returns. The Company records these retail sales upon delivery, net of estimated returns. These estimated returns are based on historical return rates and are revised as necessary based on actual returns.

Revenue from events

Revenue from events is recognised after the completion of event.

Barter transactions

Barter transactions are recorded at fair value, being the value at which similar transactions are executed with other parties.

Program Revenue

Program revenue is accounted for on dispatch of programs to customers in accordance with contractual commitments.

Commission income

Commission on sale of product is recognized at the time of delivery of products by the courier companies to customer in accordance with contracted terms with the vendors.

Revenue from convenience fee on online ticket sale is recognised when a tickets are confirmed. Out of the convenience fee, certain portion of revenue share of the cinema owners is recognised as an expense.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

Sale of products and services

Revenue from printing jobs is recognized when the printed material is dispatched and is accounted net of taxes.

Revenue from reimbursement of freight and collection expenses is recognized at the time of delivery of products by the courier companies to customer in accordance with contracted terms with the vendors.

Revenue from sale of entry tickets is recognised on receipt basis.

Rental income

Equipment rental is accounted for on an accrual basis over the period of use by the customer.

Dividend income

Dividend income is recognised when the right to receive dividend is established.

Investment income

Profit / loss on sale of investments are computed on the basis of weighted average cost on the date of disposal of investments.

Interest income

Interest income is recognized on time proportionate basis, taking into account the amount outstanding and the rate applicable.

D. Fixed assets

Tangible assets

Tangible assets are stated at historical cost less accumulated depreciation. Cost comprises the purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses.

Intangible assets

Intangible assets are stated at historical cost less accumulated amortization.

Acquired brands/domain names are capitalised at cost of acquisition and disclosed as intangible assets.

Website development costs that provide additional functions or features to the Company's website are capitalised. Maintenance expenses or costs that do not result in new features or functions are expensed as incurred.

E. Depreciation and amortisation

Depreciation and amortisation on fixed assets is calculated on straight line basis using the rates arrived at based on the useful lives estimated by management. The Group has used following useful lives for the fixed assets:

Tangible assets

Leasehold Land	Over the lease period
Building	30 years
Ownership flats	62 years
Plant and equipment	2-21 years
Furniture and fixtures	2-16 years
Vehicles	3-11 years
Information technology and office equipment	2-7 years
Leasehold improvements	Over the initial lease period or estimated useful life which ever is shorter.

Intangible assets

Brands/trademarks	5 years
Computer Software	3-5 years
News archives	21 years
Programming costs	0-2 years
Acquired goodwill	5 years
Film Telecast Rights	10 years
Customer Relationships	3 years
Syndicated Programmes	3 years

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

F. Goodwill on consolidation

The difference between the cost of investment to the Group in subsidiaries, associates and joint ventures and the proportionate share in the equity of the investee company as at the date of acquisition of stake is recognised in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be.

G. Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset (including goodwill) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the Statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the Statement of profit and loss.

H. Inventory valuation

Inventory excluding programme rights, is valued as follows:

Raw materials and consumables: Lower of cost and net realizable value., Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis except in case of video tapes cost of which is determined using First in First out (FIFO) method.

Work-in-progress and finished goods: Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Program costs are expensed over the license period or as determined in this policy as mentioned hereunder, whichever is earlier:

- Cost of shows are amortised at 90% in the first year of telecast and balance is amortised evenly in the subsequent financial year. However, short format shows are expensed in the year of production and telecast.
- Acquired rights of shows are amortised evenly over the license period.
- In-house produced animated shows/movies are amortised evenly over four years and live action shows are amortised equally over the period of two years.
- In case of events where the rights are for more than one year, 60% of the cost are amortised in the year of telecast and the balance is amortised equally in the subsequent years. In case the right is for a single year, the entire amount is expensed in the year of telecast.
- Cost of cable and satellite movie rights acquired are amortised on the exploitation of such rights based on the management estimates of future revenue potential.
- In case of film production and distribution, the Group amortises film cost using the individual-film-forecast method. Under this method, such costs are amortised for each film in the ratio that current period revenue for such films bears to management's estimate of remaining unrecognised ultimate revenue as at the beginning of the current fiscal year. Management regularly reviews and revises, where necessary, its total estimates on a film-by-film basis, which may result in a change in the rate of amortisation and/or a write down of the inventory to recoverable amount.
- The Group evaluates the realizable value and /or revenue potential of inventory on an ongoing basis and appropriate write down is made in cases where accelerated write down is warranted.
- Serials and programs purchased or produced in house which are yet to be telecasted are carried at cost by Equator. Cost includes amount payable to the producers for serials and programs purchased. Cost of programs produced in-house includes remuneration to artists, directors and technicians, location expenses and other production costs. Provision for impairment is made for episodes of serials and programs not telecast for more

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

than a year. Serials and programs purchased and the costs of serials and programs produced in-house are expensed off based on number of episodes telecast during the period. Cost of news/current affairs/one-time events are fully expensed off on first telecast.

- Inventories for final episode are stated at cost, which includes direct episode cost, other direct expenses like, media professional, editing charges, animation cost, pilot cost, salary and other expenses of content and production staff etc which has been added in the episode cost on pro-rata basis. The stock of episodes written off over its useful life of these episodes, which is estimated at three years.
- Channel packaging are stated at cost and written off over its useful life of these packaging, which is estimated at three years.

I. Investments

Investments are classified as non-current or current, based on management's intention at the time of purchase. Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments.

Current investments are stated at lower of cost and fair value determined on an individual investment basis. Non-current investments are stated at cost and provision for diminution in their value, other than temporary, is made in the consolidated financial statements.

Profit/loss on sale of investments is computed with reference to the average cost of the investment.

J. Employee benefits

Provident fund

The Employees Provident Fund scheme of entities within the Group is a defined contribution plan. The Group's contribution to the Employees' Provident Fund is charged to the Statement of profit and loss during the period in which the employee renders the related service.

Gratuity

The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees.

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

Certain entities within the Group make contributions to funds administered and managed by the insurance companies based on the amount notified by the said insurance companies.

Compensated absences

Benefits comprising long term compensated absences are other long term employee benefits. The liability for compensated absences is determined using the Projected Unit Credit Method, on the basis of an actuarial valuation at the period end. Actuarial gains and losses are recognised immediately in the Statement of profit and loss.

Short term employee benefits

Short term employee benefits expected to be paid or payable in exchange for the services rendered is recognised on undiscounted basis.

Voluntary retirement compensation is fully charged off in the year of severance of service of the employee.

K. Foreign currency transactions

Relating to overseas entities

Indian Rupee is the reporting currency for the Group. However, reporting currencies of certain non-integral overseas subsidiaries are different from the reporting currency of the Group. The translation of local currencies into Indian Rupee is performed for assets and liabilities (excluding share capital and opening reserves and surplus), using the exchange rate as at the balance sheet date.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

Revenues, costs and expenses are translated using weighted average exchange rate during the reporting period. The resultant currency translation exchange gain/ loss is carried as foreign currency translation reserve under reserves and surplus. Investments in foreign entities are recorded at the exchange rate prevailing on the date of making the investment.

Relating to Indian entities

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of the transaction. All monetary items denominated in foreign currency are converted into Indian Rupees at the year-end exchange rate. The exchange differences arising on such conversion and on settlement of the transactions are recognised in the Statement of profit and loss.

L. Borrowing costs

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset when it is probable that they will result in future economic benefits to the Group and the costs can be measured reliably.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

M. Employee Stock Option Plan

Accounting value of stock options is determined on the basis of "intrinsic value" representing the excess of the market price on the date of grant over the exercise price of the options granted, and is being amortised as "Deferred employee compensation" on a straight-line basis over the vesting period in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and/ or Guidance Note 18 "Share Based Payments" issued by the Institute of Chartered Accountants of India ("ICAI"), as applicable.

N. Income tax

Income tax comprises current tax and deferred tax. Current tax is determined in accordance with the provisions of Income Tax Act, 1961.

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. In situation, where the company has unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. 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.

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 as an adjustment to current tax when it is certain that the Group will be able to set off the same.

Tax provisions for overseas subsidiaries/ joint ventures are determined in accordance with the tax laws of their respective country of incorporation.

O. Website development costs

Costs incurred in the planning or conceptual development of websites are expensed as incurred. Once the planning or conceptual development of a web site has been achieved, and the project has reached the application development stage, the Group capitalises all costs related to web site application and infrastructure development including costs relating to the graphics and content development stages. Training and routine maintenance costs are expensed as incurred.

P. Provisions and contingencies

The Group makes provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made.

A disclosure is made for a contingent liability when there is a:

- Possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Group; or
- Present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- Present obligation, where a reliable estimate cannot be made.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

Q. Leases

i. Operating lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognised as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

ii. Finance lease

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. The lower of fair value of assets and present value of minimum lease rentals is capitalised as fixed assets with the corresponding amount shown as lease liability. The principal component in the lease rentals is adjusted against the lease liability and the interest component is charged to the Statement of profit and loss.

R. Earnings/ (loss) per share

The Group reports basic and diluted earnings/ (loss) per share in accordance with Accounting Standard 20 'Earnings per Share'. Basic earnings/ (loss) per equity share have been computed by dividing the Net Profit /(loss) after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings/ (loss) per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period except where the result would be anti-dilutive.

S. Segment information

i. Identification of Segments:

The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

ii. Intersegment transfers

Inter segment revenue have been accounted for based on the transaction price agreed to between the segments which is primarily market led.

iii. Segment policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparation and presenting the financial statements of the Group as a whole.

The accounting policies adopted for segment reporting are in line with those of the Group with the following additional policies for segment reporting:

- a) Inter segment revenues have been accounted for based on the transaction price agreed to between segments at estimated cost of the transferor segment
- b) Revenues and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.
- c) Revenues and expenses, which relate to the group as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses". Unallocated corporate expense also includes taxes and finance charges and other unallocable corporate expenses.
- d) Assets and liabilities, which relate to the group as a whole and are not allocable to segments on a reasonable basis, are shown as unallocated corporate assets and liabilities respectively.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

	As at 31 March 2014 (Rs.)	As at 31 March 2013 (Rs.)
4 Share capital		
a. Authorized share capital		
i. 5,000,000,000 (5,000,000,000) equity shares of Rs. 5 each	25,000,000,000	25,000,000,000
ii. 1,100,000 (1,100,000) preference shares of Rs. 100 each	110,000,000	110,000,000
iii. 10,500,000 (10,500,000) preference shares of Rs. 200 each	2,100,000,000	2,100,000,000
iv. 15,500,000 (15,500,000) preference shares of Rs. 10 each	155,000,000	155,000,000
b. Issued, subscribed and paid-up capital		
i. 1,046,666,535 (1,046,433,202) equity shares of Rs. 5 each fully paid up	5,233,332,675	5,232,166,010
ii. Nil (10,284,379) 5% Non Convertible Cumulative Redeemable Preference shares of Rs. 150 each	-	1,542,656,850
Total issued, subscribed and fully paid-up share capital	5,233,332,675	6,774,822,860

c. Reconciliation of the share capital

i. Equity shares	Year ended 31 March 2014		Year ended 31 March 2013	
	Number of shares	Amount (Rs.)	Number of shares	Amount (Rs.)
At the beginning of the year	1,046,433,202	5,232,166,010	142,879,916	714,399,580
Issued during the year				
- Issue under Scheme of arrangement (refer note 36)	-	-	3,679,356	18,396,780
- Exercise of employee stock options	233,333	1,166,665	-	-
- Issue of shares in rights issue	-	-	899,873,930	4,499,369,650
Outstanding at the end of the year	1,046,666,535	5,233,332,675	1,046,433,202	5,232,166,010
ii. Preference shares	Year ended 31 March 2014		Year ended 31 March 2013	
	Number of shares	Amount (Rs.)	Number of shares	Amount (Rs.)
At the beginning of the year	10,284,379	1,542,656,850	10,284,379	1,542,656,850
Redeemed during the year	(10,284,379)	(1,542,656,850)	-	-
Outstanding at the end of the year	-	-	10,284,379	1,542,656,850

d. Description of the rights, preferences and restrictions attached to each class of shares

Equity shares : The Company has only one class of equity shares having a face value of Rs. 5 per share. All the existing equity shares rank pari passu in all respects including but not limited to entitlement for dividend, bonus issue and rights issue. These equity shares are listed on the National Stock Exchange of India and the Bombay Stock Exchange Limited.

Preference shares : The preference shareholders were, subject to profitability and at the discretion of the Board of Directors, entitled to a cumulative annual dividend @ 5%. These preference shares carried preferential right in respect of dividends and also carried preferential right in regard to repayment of capital in case of winding up.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

e. Details of shares allotted for consideration other than cash

(Within 5 years preceding the Balance Sheet date)

Particulars	Year (Aggregate No. of Shares)				
	2013-14	2012-13	2011-12	2010-11	2009-10
Equity Shares :					
Allotted as fully paid up under Scheme of arrangement	-	3,679,356 (refer note 36(i))	23,695,044	-	-

f. Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at 31 March 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity shares of Rs. 5 each fully paid up				
RRB Mediasoft Private Limited	108,515,123	10.37	108,515,123	10.37
RB Mediasoft Private Limited	127,560,417	12.19	127,560,417	12.19
RB Media Holdings Private Limited	127,528,586	12.18	127,528,586	12.19
Watermark Infratech Private Limited	127,528,287	12.18	127,528,287	12.19
Colorful Media Private Limited	127,528,287	12.18	127,528,287	12.19
Adventure Marketing Private Limited	127,528,287	12.18	127,528,287	12.19
Non Convertible Cumulative Redeemable Preference shares of Rs. 150 each				
Keyman Financial Services Private Limited	-	-	4,710,000	45.80
RB Investments Private Limited	-	-	1,627,771	15.83
Reliance Capital Limited	-	-	675,343	6.57

g. Shares reserved for issue under options and other commitments

As on 31 March 2014, 708,841 (1,182,712) Employees Stock Options were outstanding under the Employee Stock Option Plans of the Company. Each option would entitle the holder thereof to subscribe to one Equity Share of Rs. 5 each in the Company.

h. Share forfeited

In the financial year 2009-10, 12,072 Partly Convertible Cumulative Redeemable Preference shares on which call money was unpaid were forfeited.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

(All amounts in Rupees unless otherwise stated)

	As at 31 March 2014	As at 31 March 2013
5 Reserve and surplus		
a. Capital reserve	201,116,274	201,116,274
Less: Adjustment in goodwill on account of further investment in subsidiary	(12,975,547)	-
Balance at the end of the year	<u>188,140,727</u>	<u>201,116,274</u>
b. Securities premium account		
Balance at the beginning of the year	30,949,315,725	8,894,551,605
Add: Premium received on issue of shares on rights basis	-	22,496,848,250
Add: Amount received pursuant to exercise of employee stock options	75,284,892	-
Less :Expenses incurred on issue of shares on rights basis	-	(442,084,130)
Balance at the end of the year	<u>31,024,600,617</u>	<u>30,949,315,725</u>
c. Employee stock options outstanding		
Gross employee stock compensation for options granted	209,749,019	151,921,353
Less: Deferred employee stock compensation	5,348,510	8,810,273
	<u>204,400,509</u>	<u>143,111,080</u>
d. General reserve		
Balance at the beginning of the year	104,438,291	89,162,358
Add: Amount transferred from employee stock option reserve	-	15,275,933
Balance at the end of the year	<u>104,438,291</u>	<u>104,438,291</u>
e. Foreign currency translation reserve		
Balance at the beginning of the year	178,802,591	163,162,094
Additions during the period (net)	254,576,954	15,640,497
Balance at the end of the period	<u>433,379,545</u>	<u>178,802,591</u>
f. Capital reserve on consolidation of subsidiaries	1,103,212,648	1,103,212,648
g. Foreign currency monetary item translation difference account		
Balance at the beginning of the year	(38,051,467)	(113,817,008)
Add: Amount recognised during the year	38,051,467	634,513
Less: Amount amortised during the year	-	(75,131,028)
Balance at the end of the year	<u>-</u>	<u>(38,051,467)</u>
h. Deficit in the statement of profit and loss		
Deficit at the beginning of the year	(11,071,690,275)	(9,497,458,488)
Loss for the year	(367,714,602)	(1,054,556,083)
Less: Adjustment on account of scheme of arrangement (refer note 36)	-	(148,986,103)
Less: Expenses incurred on issue of shares on rights basis by a subsidiary company	-	370,689,601
Net deficit in the statement of profit and loss	<u>(11,439,404,876)</u>	<u>(11,071,690,275)</u>
	<u>21,618,767,460</u>	<u>21,570,254,867</u>

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

(All amounts in Rupees unless otherwise stated)

	As at 31 March 2014	As at 31 March 2013
6 Long-term borrowings		
Secured		
Term loans		
- from banks	1,039,082,740	960,710,296
- from others	98,600,000	242,593,250
Long term maturities of finance lease obligations (refer note 40) (Secured by hypothecation of fixed assets purchased under finance lease arrangements)	-	5,885,358
	<u>1,137,682,740</u>	<u>1,209,188,904</u>
Unsecured		
Term loans		
- from banks	-	367,425
- from others	-	3,857,147
- Public deposits (Deposits are repayable at the time of maturity ranging from 1 to 2 years) carry interest rate ranging from 11% to 12% per annum	386,970,000	1,236,455,000
	<u>386,970,000</u>	<u>1,240,679,572</u>
	<u>1,524,652,740</u>	<u>2,449,868,476</u>
Security details for borrowings covered under note no. 6 and note no. 11 is as follows:		
I. Term loans under Long-term borrowings	1,137,682,740	1,203,303,546
II. Term loans under Other current liabilities	284,415,373	1,383,056,926
	<u>1,422,098,113</u>	<u>2,586,360,472</u>
i Term loan from bank is secured by first pari passu charge over fixed assets and current assets of a Joint Venture company.	950,000,000	990,000,000
ii The term loan from bank is secured by hypothecation on movable fixed assets and entire current assets (including loan and advances) and further by way of corporate guarantee by the Company.	161,302,922	
iii Term loan from others is secured by first pari passu charge on movable fixed assets of the existing CNBC division of the subsidiary company and is collaterally secured by pledge of shares up to the previous year by the promoters/ group entities and personal guarantee of the promoter of the Company and corporate guarantee of the Company.	232,200,000	365,800,000
iv The term loan is secured by a pari passu charge on the entire fixed and current assets of a subsidiary present and future.	37,500,000	-
v Term loan from bank is secured by first charge over entire fixed assets of the subsidiary company and unconditional and irrevocable corporate guarantee of the Company.	-	1,087,800,000
vi Vehicle loans are secured by the hypothecation of vehicles financed.	40,328,201	35,057,279
vii Term loan is secured by first charge over entire fixed assets as on 31 March 2014 of a joint venture company, and unconditional and irrevocable corporate guarantee of a subsidiary and joint venture partner.	766,990	20,203,193
viii The term loan is secured by (a) a pari passu charge on the entire fixed and current assets of the subsidiary company, present and future (b) Personal Guarantee of a Director.	-	87,500,000
	<u>1,422,098,113</u>	<u>2,586,360,472</u>

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

(All amounts in Rupees unless otherwise stated)

	As at 31 March 2014	As at 31 March 2013
7 Other long-term liabilities		
Advance from customers	3,686,714	5,100,802
Interest accrued but not due on borrowings	35,614,296	75,474,880
Other payables	3,203,644	643,612
	<u>42,504,654</u>	<u>81,219,294</u>
8 Long-term provisions		
Provision for employee benefits	312,693,806	246,050,695
Provision for indemnity (refer note 12)	-	1,340,662,656
Proposed preference dividend	10,758	8,648
	<u>312,704,564</u>	<u>1,586,721,999</u>
9 Short-term borrowings		
Secured		
Cash credit	1,512,807,872	773,123,247
Working capital demand loan/Overdraft facilities	1,903,909,795	2,278,175,938
Deferred buyers credit	64,240,890	-
	<u>3,480,958,557</u>	<u>3,051,299,185</u>
Unsecured		
Loan from banks	177,972,437	232,185,321
Public deposits (Deposits are repayable at the time of maturity ranging from 1 to 2 years) carry interest rate ranging from 11% to 12% per annum	4,173,377,000	1,474,089,878
	<u>4,351,349,437</u>	<u>1,706,275,199</u>
Total	<u>7,832,307,994</u>	<u>4,757,574,384</u>

Security details for term loans covered under Note no. 9 is as follows:

I	The cash credit including working capital demand loans is repayable on demand and is secured against first pari passu hypothecation charge on all existing and future current assets of subsidiary's channels CNN IBN and IBN7.	347,264,406	-
II	The cash credit including working capital demand loans is repayable on demand and is secured against first pari passu hypothecation charge on all existing and future current assets of subsidiary's channels CNBC TV18 and CNBC Awaaz.	598,776,708	-
III	The cash credit including working capital demand loans is repayable on demand and is secured against second pari passu charge by way of hypothecation of the subsidiary's entire current assets and second pari passu charge of all the subsidiary's present and future movable assets.	241,220,886	-
IV	The cash credit including working capital demand loans is secured by a first pari passu charge over fixed assets and current assets of the joint venture and fixed deposit are provided as collateral security.	1,700,338,154	1,878,175,938
V	The cash credit is secured by first pari passu charge on all the current assets of the joint venture and additionally secured by unconditional and irrevocable corporate guarantee of the Company and joint venture partner.	3,140,135	3,429,824
VI	The cash credit including working capital demand loans is repayable on demand and is secured by a first pari passu charge over fixed assets and current assets of Panorama TV Private Limited and Prism Television Private Limited.	160,000,000	-

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

(All amounts in Rupees unless otherwise stated)

	As at 31 March 2014	As at 31 March 2013
VII Working capital borrowings from bank (including buyers credit) are secured by exclusive charge on the current and movable assets including loans and advances of the subsidiary company and corporate guarantee of the Company.	187,438,069	499,946,979
VIII Loan is secured against first pari passu charge on current assets and movable fixed assets of the borrower and personal guarantee of the promoter of the Company.	39,208,557	68,681,167
IX Working capital loan is secured by second pari passu charge on all the current assets & movable fixed assets of the Company (both present & future).	203,571,642	-
X The cash credit is secured against first pari passu charge on all the current assets of CNN IBN and IBN7 divisions of the subsidiary company and additionally secured by unconditional and irrevocable corporate guarantee of the Company. Further out of the total secured amount, Rs. 155,014,479 is additionally secured by second charge on movable fixed assets of CNN IBN and IBN7 divisions of the subsidiary company.	-	314,748,556
XI The cash credit is secured against hypothecation of book debts of the subsidiary company.	-	91,070
XII The cash credit including working capital demand loans is secured against first pari passu charge on all current assets of the CNBC division of the subsidiary company with other working capital lenders.	-	286,225,651
	<u>3,480,958,557</u>	<u>3,051,299,185</u>
10 Trade payables		
Due to micro and small enterprises	135,090	423,473
Due to others	<u>6,861,404,808</u>	<u>6,334,763,796</u>
	<u>6,861,539,898</u>	<u>6,335,187,269</u>

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

(All amounts in Rupees unless otherwise stated)

	As at 31 March 2014	As at 31 March 2013
11 Other current liabilities		
Current maturities of long - term borrowings (refer note 6 for the details of security, rate of interest and guarantee)		
-Public deposits (unsecured)	827,021,932	972,175,000
Term loans - secured		
- from banks	141,965,373	1,153,188,999
- from others	142,450,000	229,867,927
Current maturities of finance lease obligations	5,885,358	2,567,496
Interest accrued but not due on borrowings	300,865,111	312,904,114
Advance from customers	861,167,985	667,685,576
Unpaid dividends	1,497,231	2,105,054
Unpaid preference share redemption amount	688,350	-
Amount collected on behalf of vendors	344,124,834	462,940,974
Unpaid matured deposits and interest accrued thereon	113,650,296	237,754,242
Employees dues	36,224,878	-
Statutory dues payable	475,944,022	494,363,935
Book overdraft	449,345,124	100,357,848
Payable for capital goods	55,522,756	41,515,583
Security deposits	23,394,840	23,045,559
Payable on account of business acquisition*	-	27,500,000
Other payables	89,099,732	251,092,404
	<u>3,868,847,822</u>	<u>4,979,064,711</u>

*During the year ended 31 March 2012, a subsidiary company acquired an online books portal named CoinJoos.com for a total consideration of Rs. 50,000,000 (out of which payment of Rs. 40,000,000 is contingent upon the promoter of CoinJoos.com continuing in the subsidiary company's employment). The acquisition was made to enhance the Group's position in books selling category. Since no identified tangible/intangible fixed assets were acquired from CoinJoos.com, the entire purchase consideration has been accounted for as goodwill and is being amortised over a period of 5 years.

Further, as per the subsidiary company's agreement with the promoters of CoinJoos.com, the contingent consideration is payable upon achievement of certain milestones. As per management's forecast, the future milestones as per the aforementioned agreement are likely to be achieved and the agreed payments upon achievement of those milestones shall be paid as stipulated in the agreement. Accordingly, the consideration payable on achievement of these milestones amounting to Rs. 27,500,000 has been presented as a current liability in these financial statements.

During the year, on account of non-achievement of the milestones contingent consideration of Rs. 20,000,000 (Previous year Rs. 5,000,000) has been written back as other income.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

(All amounts in Rupees unless otherwise stated)

	As at 31 March 2014	As at 31 March 2013
12 Short-term provisions		
Provision for employees benefits	55,977,382	58,368,231
Provision for sales returns *	4,368,224	10,499,763
Provision for indemnity (refer note A below)	1,086,309,860	-
Provision for tax (net of advance tax)	175,894,070	15,592,461
	<u>1,322,549,536</u>	<u>84,460,455</u>
* Provision for sales returns		
Opening balance	10,499,763	19,415,009
Addition during the year	31,307,170	34,956,827
Amount utilized during the year	(37,438,709)	(43,872,073)
Closing balance	<u>4,368,224</u>	<u>10,499,763</u>

A provision is recognised for expected returns on products sold during the year based on past experience of level of returns. It is expected that most of this provision will be utilised in the next financial year.

Note A

Provision for indemnity

Opening balance	1,340,662,656	1,332,141,415
Written back during the year	(101,182,454)	-
Foreign exchange fluctuation	(115,118,875)	8,521,241
Adjusted against foreign currency monetary item translation difference account	(38,051,467)	-
Closing balance	<u>1,086,309,860</u>	<u>1,340,662,656</u>

During the year ended 31 March 2011, Roptonal Limited, Cyprus ("Roptonal") a subsidiary of the Company's jointly controlled entity, Viacom18 Media Private Limited made a public offer for purchase of entire issued capital of The Indian Film Company Limited, Guernsey ('TIFC'). The Company and its subsidiary, Network18 Holdings Limited, Mauritius ("Network18 Holdings"), in their capacity as shareholders in TIFC accepted the public offer. Further, pursuant to an agreement between Roptonal and Network18 Holdings, Network18 Holdings has agreed to indemnify Roptonal against the amount, if any, by which the net cash generated by TIFC from its existing film library in respect of the period from the date on which the aforementioned public offer becomes unconditional up to 21 July 2014 is less than the net asset value of the film library as per the TIFC's therein mentioned accounts for the year ended 31 March 2010.

Network18 Holdings has also agreed to indemnify Roptonal against certain Indian tax liabilities that may potentially arise in TIFC or Roptonal in respect of certain withholding tax recoveries stated in TIFC's financial statements and other taxes relating to the sale of Network18 Holding' shares in TIFC. The aforementioned agreement further provided that if Network18 Holding does not undertake the indemnity obligations agreed in the agreement, the indemnity shall be provided by the Company.

During the year ended 31 March 2012, the Company carried out a fair valuation exercise of the aforementioned film library and accordingly recognised its share of the said indemnity obligation. In the current year based on the assessment of estimated cash flow of the indemnified assets Rs. 101,182,454 has been reversed and recognised as exceptional income.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

13 Tangible assets

	Freehold Land	Leasehold land	Leasehold improvements	Buildings	Ownership flats	Plant and equipments	Plant and equipments on finance lease	Furniture and fixtures	Vehicles	Information technology and related equipments	Information technology equipments on finance lease	Total	Previous year
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Gross block													
Balance as at 1 April 2013	3,740,544	1,913,125	873,637,759	49,283,645	8,420,593	3,402,819,146	11,754,532	240,509,193	143,840,693	1,008,205,997	684,119	5,744,809,345	6,040,040,006
Transfer pursuant to the acquisition of new subsidiaries	-	-	67,263,580	315,040	-	1,508,549,486	-	38,261,221	12,803,397	124,631,672	-	1,751,824,396	14,470,079
Additions	-	-	147,066,075	2,170,000	-	464,432,470	-	14,893,572	39,078,850	119,507,993	-	787,148,961	322,474,657
Deletions / Adjustments	-	-	(9,576,109)	-	(8,420,593)	(795,203,612)	-	(49,425,860)	(26,991,440)	(110,637,584)	-	(1,000,255,199)	(632,175,397)
Assets written off	-	-	(638,212)	-	-	-	-	(8,534,706)	(1,247,150)	(12,759,344)	-	(23,179,412)	-
Balance as at 31 March 2014	3,740,544	1,913,125	1,077,753,092	51,768,685	-	4,580,597,490	11,754,532	235,703,420	167,484,350	1,128,948,734	684,119	7,260,348,091	5,744,809,345
Accumulated depreciation/ impairment													
Balance as at 1 April 2013	-	874,129	560,899,368	34,417,636	1,704,765	2,188,622,613	1,327,200	124,330,149	51,627,456	735,419,883	270,242	3,699,493,442	3,726,048,104
Transfer pursuant to the acquisition of new subsidiaries	-	-	48,648,288	315,040	-	1,293,729,632	-	31,057,754	11,502,225	116,500,449	-	1,501,753,388	6,705,939
Charge for the year	-	31,219	119,487,830	1,826,062	19,091	247,979,884	765,866	14,992,398	16,550,711	89,587,094	110,895	491,351,049	495,030,808
Disposal / adjustments	-	-	(9,561,650)	-	(1,723,856)	(766,482,940)	-	(42,012,815)	(14,192,114)	(100,538,112)	-	(934,511,487)	(528,291,409)
Assets written off	-	-	(638,212)	-	-	-	-	-	(1,974,214)	(5,292,182)	-	(7,904,608)	-
Balance as at 31 March 2014	-	905,348	718,835,625	36,558,738	-	2,963,849,189	2,093,066	128,367,485	63,514,064	835,677,132	381,137	4,750,181,783	3,699,493,442
Net Block													
Balance as at 31 March 2013	3,740,544	1,038,996	312,738,390	14,866,009	6,715,828	1,214,196,534	10,427,332	116,179,044	92,213,236	272,786,114	413,877	2,045,315,903	2,313,991,902
Balance as at 31 March 2014	3,740,544	1,007,777	358,917,467	15,209,947	-	1,616,748,301	9,661,466	107,335,934	103,970,286	293,271,603	302,982	2,510,166,307	2,045,315,903

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

14 Intangible assets

	News archives	Computer software	Programming cost	Goodwill	Brands/ trademarks	Licenses	Copyrights and Operating Rights	Total	Previous year
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Gross block									
Balance as at 1 April 2013	20,498,422	572,726,730	233,913,573	217,617,439	181,556,009	-	-	1,226,312,173	988,335,371
Transfer pursuant to the acquisition of new subsidiaries	-	34,612,786	-	-	-	-	3,286,646,858	3,321,259,644	11,363,520
Additions	-	114,685,719	170,377,590	-	4,050,121	9,646,234	7,500,000	306,259,664	332,284,869
Deletions / adjustments	-	(16,642,310)	(105,493,600)	-	14,274,998	-	-	(107,860,911)	(105,671,587)
Balance as at 31 March 2014	20,498,422	705,382,925	298,797,563	217,617,439	199,881,128	9,646,234	3,294,146,858	4,745,970,569	1,226,312,173
Accumulated amortization									
Balance as at 1 April 2013	15,172,931	375,099,923	104,265,046	184,894,670	172,141,880	-	-	851,574,451	714,272,592
Transfer pursuant to the acquisition of new subsidiaries	-	33,826,475	-	-	-	-	2,218,713,492	2,252,539,967	4,779,987
Charge for the year	973,675	93,073,020	154,684,569	10,000,000	8,771,052	1,738,964	67,306,053	336,547,333	219,237,939
Deletions / adjustments	-	(11,844,885)	(105,493,600)	(1,277,231)	14,468,561	-	-	(104,147,155)	(86,716,067)
Balance as at 31 March 2014	16,146,606	490,154,533	153,456,015	193,617,439	195,381,493	1,738,964	2,286,019,545	3,336,514,595	851,574,451
Net Block									
Balance as at 31 March 2013	5,325,491	197,626,806	129,648,527	32,722,769	9,414,129	-	-	374,737,722	274,062,779
Balance as at 31 March 2014	4,351,816	215,228,392	145,341,548	24,000,000	4,499,635	7,907,270	1,008,127,313	1,409,455,974	374,737,722

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

(All amounts in Rupees unless otherwise stated)

	As at 31 March 2014	As at 31 March 2013
15 Non Current Investments		
1 Investment in equity shares : Quoted		
474,308 (Previous year 474,308) equity shares Rs. 4 each fully paid up in KSL and Industries Limited	8,869,562	8,869,562
275,000 (Previous year 275,000) equity shares of Rs. 10 each fully paid up in Refex Refrigerants Limited	55,000,000	55,000,000
Less : Diminution in value of investment	(54,999,999)	(54,999,999)
220,000 (Previous year 220,000) equity shares of Rs. 10 each fully paid up in Royal Traders Limited	1	2,200,000
8,100 (Previous year 8,100) equity shares of Rs. 10 each fully paid up in Inca Finlease Limited	1	1,513,960
Beneficiary interest in Network18 Media Trust (11,586,762 (Previous year 11,586,762) shares of the Company)	1,815,746,185	1,815,746,185
2 Investments in equity shares : Unquoted		
(a) Investments in associates		
6,094,190 (Previous year Nil) equity shares of Rs.10 each fully paid up in Eenadu Television Private Limited (Including Goodwill of Rs. 2,986,770,290)	4,496,335,822	-
Add: Share in Profit /(Loss)	91,796,102	-
107,593 (Previous year 107,593) equity shares of Rs. 10 each fully paid up in 24x7 Learning Private Limited	1	197,845,698
8,014 (Previous year 9,800) equity shares of Rs. 10 each fully paid up in Wespro Digital Private Limited	46,219,929	55,149,928
Add: share in loss of associate	(28,375)	
10,000 (Previous year Nil) equity shares of Rs. 10 each fully paid up in Aeon Learnings Private Limited	100,000	-
Add: Share in loss of Associate	(100,000)	-
(b) Investments in others		
898,500 (Previous year 898,500) equity shares of Rs. 10 each fully paid up in Delhi Stock Exchange Association Limited	62,895,000	62,895,000
Less: Diminution in value of investment	(62,894,999)	(62,894,999)
3,192 (Previous year 3,192) equity shares of Rs. 10 each fully paid up in Skorydove Systems Private Limited	60,000,000	60,000,000
Less: Diminution in value of investment	(59,999,999)	(59,999,999)
83,763 (Previous year 83,763) equity shares of Rs. 10 each fully paid up in Ensemble Infrastructure India Limited	60,000,000	60,000,000
Less: Diminution in value of investment	(59,999,999)	(59,999,999)
2,700,000 (Previous year 2,700,000) ordinary shares of USD 0.0001 each in Yatra Online Inc.	133,842,700	121,126,530
301,876 (Previous year 301,876) equity shares of Rs. 10 each fully paid up in MobileNXT Teleservices Private Limited	1	151,190,000
27,500 (Previous year Nil) equity shares of Rs. 100 each fully paid up in Ushodaya Enterprises Private Limited	373,803,480	-

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

(All amounts in Rupees unless otherwise stated)

	As at 31 March 2014	As at 31 March 2013
3 Investments in Preference shares : Unquoted		
(a) Investment in Joint Venture		
250,000 (Previous year 250,000) 0.10% Non Cumulative Redeemable Preference Shares of Series "II" of Rs. 100 each fully paid up in IBN Lokmat News Private Limited	25,000,000	25,000,000
(b) Investment in others		
Nil (Previous year 2,500,000) 8% Cumulative Redeemable Non Convertible Preference Shares of Rs. 100 each fully paid up in BK Media Private Limited	-	250,000,000
2,500,000(Previous year 2,500,000) Preference shares of Rs. 10 each fully paid up in Den Entertainment Network Private Limited	25,000,000	25,000,000
1,500,015 (Previous year 1,500,015) Series A Preference Shares of USD 0.0001 each fully paid up in Yatra Online Inc.	39,448,378	35,700,454
975,700 (Previous year 975,700) Series B Preference shares of USD 0.0001 each fully paid up in Yatra Online Inc.	75,125,000	67,987,500
437,459 (Previous year 437,459) Series C Preference Shares of USD 0.0001 each fully paid up in Yatra Online Inc.	84,658,001	76,614,787
4 Government securities - Unquoted		
National Saving Certificates	1,699,500	974,500
5 In Debentures and Bonds - Unquoted		
30 (Previous year 30) Unsecured redeemable non convertible, Upper Tier II Bonds of Yes Bank Limited of Rs. 1,000,000 each	30,000,000	30,000,000
Nil (Previous year 43) Loan Bonds of USD 100,000 each	-	233,877,000
250,000 (Previous year Nil) Unsecured Zero (Coupon) Optionally redeemable/ convertible debentures of VT Media Private Limited of Rs.1,000 each	250,000,000	-
	<u>7,497,516,291</u>	<u>3,098,796,108</u>
Aggregate amount of quoted investments	1,824,615,750	1,828,329,708
Aggregate amount of unquoted investments	5,672,900,541	1,270,466,400
Aggregate provision for the diminution in value of investments	237,894,996	237,894,996

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

(All amounts in Rupees unless otherwise stated)

	As at 31 March 2014	As at 31 March 2013
16 Deferred tax (liability)/ assets		
Deferred tax liability arising on account of		
Depreciation, amortization and impairment	(1,127,690)	(2,299,098)
Inventory amortisation	(237,765,818)	(205,087,116)
Gross deferred tax liability	(238,893,508)	(207,386,214)
Deferred tax assets arising on account of		
Expenditure charged to the statement of profit and loss but allowable for tax purpose in subsequent years	165,201,507	129,441,730
Provision for diminution in the value of investments	-	771,162
Provision for doubtful debts and advances	84,906,875	35,106,719
Depreciation and amortisation	-	51,387,163
Provision for employee benefits	14,157,876	451,254
Provision for compensated absences	36,210,712	-
Gross deferred tax assets	300,476,970	217,158,028
Net deferred tax assets	61,583,462	9,771,814
Recognised as deferred tax asset	61,955,739	10,346,463
Recognised as deferred tax liability	(372,277)	(574,649)
17 Long-term loans and advances (unsecured, considered good, unless otherwise stated)		
Capital advances	123,662,303	24,503,618
Security deposits		
Considered good	413,150,441	460,528,023
Considered doubtful	-	2,122,360
Less: Provision for doubtful deposits	-	(2,122,360)
	413,150,441	460,528,023
Loans and advances to related parties (refer note 42)	5,029,454,639	5,029,454,639
Advances recoverable in cash or in kind		
Considered good	331,321,530	171,411,518
Considered doubtful	87,050,113	47,867,195
Less: Provision for doubtful advances	(87,050,113)	(47,867,195)
	331,321,530	171,411,518
Income tax paid (net of provisions)	2,808,341,720	2,320,810,321
MAT Credit entitlement	54,273,463	-
Prepaid expenses	23,383,857	1,698,667
Loans and advances to employees		
Considered good	60,606,057	80,143,682
Considered doubtful	47,017,187	56,478,188
Less: Provision for doubtful advances to employees	(47,017,187)	(56,478,188)
	60,606,057	80,143,682
	8,844,194,010	8,088,550,468

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

(All amounts in Rupees unless otherwise stated)

	As at 31 March 2014	As at 31 March 2013
18 Trade receivables - non current		
Secured, considered good	-	6,852
Unsecured, considered good	-	5,393,450
Unsecured, considered doubtful	-	69,803,845
Less: Provision for doubtful receivables	-	(69,803,845)
	<u>-</u>	<u>5,400,302</u>
19 Other non current assets		
Advance against purchase of shares (refer note 45B)	-	19,500,000,000
Fixed deposits with banks*	48,486,330	155,266,676
	<u>48,486,330</u>	<u>19,655,266,676</u>

* Fixed deposits of Rs. 48,272,640 (previous year Rs.155,266,676) are under lien with banks against bank guarantees to certain authorities to meet export obligation and is restricted from being exchanged or used to settle a liability for more than 12 months from the balance sheet date.

20 Current investments - Quoted

(Valued at cost)

1 Investment in equity shares : Quoted

Investments in others

698,288 (Previous year 698,288) equity shares of Rs 10 each fully paid up in Den Networks Limited	7,072,645	7,072,645
	<u>7,072,645</u>	<u>7,072,645</u>

2 Mutual Fund

2,617,385 (Previous year 10,273,811) units of Birla Sun Life mutual fund	208,500,000	285,596,066
2,052,369 (Previous year 6,579,522) units of IDFC Cash Fund	25,254,610	158,172,412
Nil (Previous year 105,893) units of Baroda Pioneer Liquid Fund	-	105,960,124
70,483 (Previous year 263,164) units of Religare Mutual Fund	123,500,000	263,615,685
658,460 (Previous year 11,253,367) units of DWS Mutual Fund	9,130,946	194,719,884
Nil (Previous year 10,138,240) units of JM High Liquidity Fund	-	105,743,874
Nil (Previous year 35,649) units in Principal Mutual Fund	-	35,651,538
Nil (Previous year 191,822) units of TATA Mutual Fund	-	215,021,664
905,016 (Previous year 9,181,791) units of Templeton India Mutual Fund	15,000,000	241,948,422
33,516 (Previous year 111,947) units of Reliance Liquidity Mutual Fund	103,500,000	171,136,607
5,716,712 (Previous year 5,815,759) units of Axis Mutual Fund	70,000,000	169,057,814
41,110 (Previous year 78,487) units of Kotak Mutual Fund	85,500,000	95,974,177
43,969 (Previous year 48,538) units of UTI Mutual Fund	62,000,000	49,482,099
21,786 (Previous year 103,175) units of Premerica Liquid Fund	29,500,000	103,200,480
Nil (Previous year 14,692,253) units of Peerless Mutual Fund	-	146,944,567
33,907 (Previous year 212,631) units of L&T Mutual Fund	59,000,000	215,104,684
342 (Previous year Nil) units of Tata Liquid Fund	800,000	-
1,271,600 (Previous year 12,311,217) units of HDFC Mutual Fund	12,968,036	126,323,991
5,572 (Previous year Nil) units of JM Mutual Fund	58,120	-
485,620 (Previous year 458,630) units of ICICI Prudential Mutual Fund	80,000,000	48,493,276
Nil (Previous year 160,421) units of DSP BlackRock Liquidity Fund	-	161,002,533

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

(All amounts in Rupees unless otherwise stated)

	As at 31 March 2014	As at 31 March 2013
10,775 (Previous year Nil) units of LIC Nomura Liquid Fund - Growth plan	25,000,000	-
Nil (Previous year 721,643) units of Deutsche Mutual Fund	-	65,489,466
Nil (Previous year 63,193) units of Morgan Mutual Fund	-	63,224,208
1,632,512 (Previous year Nil) units of SBI Dynamic Bond Fund	25,000,000	-
Nil (Previous year 194,866) units of Taurus Liquid Fund	-	194,884,202
Nil (Previous year 102,681) units of Daiwa Liquid Fund	-	102,735,017
	934,711,712	3,319,482,790
	941,784,357	3,326,555,435
21 Inventories		
Raw materials and components	9,802,725	24,915,416
Projects-in-progress	627,656,115	751,980,197
Work-in-progress	22,364,971	112,607,242
Stock-in-trade	-	2,448,911
Stores and spares	8,023,532	2,500,000
Tapes and compact discs	7,079,233	15,711,359
Programming and film rights	2,691,568,095	1,993,365,856
	3,366,494,671	2,903,528,981
22 Trade receivables - current		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	3,636,877	3,906
Unsecured, considered good	1,019,777,594	333,263,911
Unsecured, considered doubtful	781,372,088	452,958,615
Less: Provision for doubtful receivables	(781,372,088)	(452,958,615)
	1,023,414,471	333,267,817
Other receivables		
Secured, considered good	8,360,757	74,880,709
Unsecured, considered good	4,403,646,642	5,070,063,446
Unsecured, considered doubtful	80,928,232	49,941,457
Less: Provision for doubtful receivables	(80,928,232)	(49,941,457)
	4,412,007,399	5,144,944,155
	5,435,421,870	5,478,211,972
23 Cash and bank balances		
Cash and cash equivalents		
Balances with banks:		
In current accounts	1,723,100,182	1,871,146,929
In deposit accounts	351,818,305	1,175,950,706
Cheques/drafts in hand	882,201,270	637,582,652
Cash in hand	5,097,469	27,610,504
	2,962,217,226	3,712,290,791

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

(All amounts in Rupees unless otherwise stated)

	As at 31 March 2014	As at 31 March 2013
Other bank balances		
Deposits with original maturity of more than 3 months	1,570,960,904	204,690,054
In current account - Earmarked balances	2,232,080	1,331,313
In deposit account - Held as security	1,592,788	1,218,100
Balance with banks held as per Rule 3A of Companies (Acceptance of deposits) Rules, 1975	140,408,419	208,442,675
Balances held as margin money against borrowings	79,345,000	79,345,000
Cheques in hand in respect of unclaimed buy back money	5,709,236	-
	<u>1,800,248,427</u>	<u>495,027,142</u>
	<u>4,762,465,653</u>	<u>4,207,317,933</u>
24 Short-term loans and advances (unsecured, considered good, unless otherwise stated)		
Security deposits	51,819,812	107,215,944
Loans and advances to related parties (refer note 42)	867,216,290	592,269,936
Advances recoverable in cash or in kind		
Considered good	1,347,001,973	1,087,467,027
Considered doubtful	74,258,914	11,971,742
Less: Provision for doubtful loans and advances	(74,258,914)	(11,971,742)
	<u>1,347,001,973</u>	<u>1,087,467,027</u>
Income tax paid (net of provisions)	425,277,955	3,267,726
Service tax input credit	614,072,771	616,768,013
Loans and advances to employees	33,914,127	95,002,520
Prepaid expenses	263,300,477	246,131,667
Other loans and advances	813,206,900	627,993,932
	<u>2,149,772,230</u>	<u>1,589,163,858</u>
	<u>4,415,810,305</u>	<u>3,376,116,765</u>
25 Other current assets		
Expenditure incurred on scheme of arrangement and offering of equity shares	155,415,041	62,547,175
Unbilled revenue	558,171,982	230,108,934
Interest receivable	50,195,557	71,840,776
Recoverable on account of sale of business	-	150,000,000
Others	36,812,696	25,491,149
Total	<u>800,595,275</u>	<u>539,988,034</u>

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

(All amounts in Rupees unless otherwise stated)

	Year ended 31 March 2014	Year ended 31 March 2013
26 Revenue from operations		
Income from media operations	22,312,684,843	20,341,906,185
Commission income	3,971,837,836	2,230,697,325
Income from sale of products and services	556,648,082	972,399,981
Other operating revenue	82,723,000	281,939,149
	26,923,893,760	23,826,942,640
27 Other income		
Interest income on		
- Long-term investments	-	2,294,905
- Others	161,611,501	219,826,736
Dividend income on		
- Current investments	73,674,292	186,286,428
- Long-term investments	11,019,785	50,000
Profit on sale of current investments	17,523,238	445,561,298
Profit on sale of long term investments	-	6,402,064
Profit on sale of website	17,302,540	-
Excess provision written back	176,460,797	107,591,129
Profit on sale of fixed assets	33,421,138	74,236,545
Miscellaneous income	80,557,137	7,857,420
	571,570,428	1,050,106,525
28 Cost of materials consumed and traded goods sold		
a. Cost of materials consumed		
Opening balance		
- Raw material	24,915,416	23,912,284
- Add : Purchase of paper, inks and binding material	33,138,792	227,574,179
	58,054,208	251,486,463
Less: Closing balance		
- Raw material	9,802,725	24,915,416
	9,802,725	24,915,416
	48,251,483	226,571,047
b. Cost of traded products		
Opening balance	2,448,911	3,187,226
Add : Purchased during the year	21,446,618	29,863,435
Less: Closing balance	-	2,448,911
	23,895,529	30,601,750
c. Change in inventory of work-in-progress		
Work-in-progress at the beginning of the year	112,607,242	156,994,431
Less :Work in progress at the end of the year	22,364,971	112,607,242
	90,242,271	44,387,189
	162,389,283	301,559,986

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

(All amounts in Rupees unless otherwise stated)

	Year ended 31 March 2014	Year ended 31 March 2013
29 Employee benefits expense		
Salaries, wages and bonus	4,152,808,828	4,222,469,599
Contribution to provident fund and other funds	200,900,803	193,828,294
Employee stock compensation expenses	75,750,115	44,131,514
Staff welfare expenses	286,097,389	273,662,717
Employee benefits	65,420,558	79,183,193
	<u>4,780,977,693</u>	<u>4,813,275,317</u>
30 Finance costs		
Interest expenses	1,096,112,523	2,621,951,415
Other financial charges	128,635,883	97,819,684
	<u>1,224,748,406</u>	<u>2,719,771,099</u>
31 Depreciation and amortization expense		
Depreciation on tangible assets	491,351,049	495,030,808
Amortization of intangible assets	336,547,333	219,237,939
	<u>827,898,382</u>	<u>714,268,747</u>
32 Other expenses		
Programming, film production and shoot expenses	5,224,744,697	4,846,220,623
Studio and equipment hire charges	241,122,765	293,515,913
Telecast and uplinking fee	495,603,875	145,546,490
Content and franchise expenses	581,600,568	641,643,655
Media professional fees	213,425,366	317,914,787
Other production expenses	158,098,980	101,896,215
Event expenses	494,079,743	443,042,489
Site support cost	149,493,795	147,830,763
Consumption of stores and spares	160,054,838	73,582,757
Distribution, advertising and business promotion	8,931,770,677	8,156,899,399
Electricity, power and fuel expenses	213,016,625	179,010,292
Rent	701,922,647	672,763,369
Repairs and maintenance - Plant and equipment	157,291,304	133,514,142
Repairs and maintenance - Building	22,059	1,688,325
Repairs and maintenance - Others	110,158,805	127,718,864
Insurance	59,475,617	39,797,332
Rates and taxes	107,684,175	95,763,102
Legal and professional expenses	575,555,798	527,647,972
Directors sitting fee	435,000	570,000
Bad debts and advances written off/ provided for	521,954,099	315,395,163
Office upkeep and maintenance expenses	94,884,533	90,124,322
Revenue share	159,357,677	96,934,072
Travelling and conveyance	816,364,365	730,119,421
Postage and communication costs	268,023,325	255,390,468
Printing and stationery	13,240,589	17,240,628
Outwork and ancillary printing	51,524,350	93,062,938
Exchange difference (net)	24,810,053	102,594,203
Vehicle running and maintenance	122,102,040	114,591,722
Loss on sale / diminution in value of investments	4,067,591	9,438,418
Miscellaneous expenses	532,676,940	559,275,581
	<u>21,184,562,896</u>	<u>19,330,733,425</u>

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

(All amounts in Rupees unless otherwise stated)

	Year ended 31 March 2014	Year ended 31 March 2013
33 Prior period expenses / (income)		
Salaries, wages and bonus*	(16,345,989)	-
Rent	-	1,518,957
Distribution, advertising and business promotion	-	2,184,364
Other financial charges	-	327,120
Miscellaneous expenses	(9,746,682)	(64,294)
Event expenses	-	2,810,619
Content and franchise expenses	1,336,120	200,000
Repairs and maintenance - Plant and equipments	-	(22,341)
Travelling and conveyance	8,574	12,462
Postage and communication costs	2,420	12,111
Electricity expenses	4,000	(1,463,155)
Other production expenses	370,788	3,689,195
Bad debts and advances written off/ provided for	-	5,490,455
Repairs and maintenance - Others	519,263	-
Rates and taxes	12,734,731	12,257,462
Insurance	-	128,088
Employee stock compensation expenses	8,499,424	-
Legal and professional expenses	408,109	817,981
Exchange difference (net)	(82,233,119)	-
Inventory written off	1,438,516	-
Equipment hire charges	-	(2,171,108)
Income from subscription	-	(12,000,000)
Advertising and sponsorship revenue	2,369,374	-
Interest expense	907,021	-
	<u>(79,727,450)</u>	<u>13,727,916</u>
* The same represents the amount received back by the Company in respect of the managerial remuneration paid by it in excess of the limits prescribed under the Act.		
34 Exceptional items		
Gain on dilution of stake/disposal of investment(s) in subsidiary / subsidiaries	1,660,371,199	1,293,144,363
Gain on disposal of business	-	504,807,605
Gain on disposal of fixed assets	24,573,615	-
Indemnity provision written back	101,182,454	-
Provision for bad debts/amounts written back	11,784,497	-
	<u>1,797,911,765</u>	<u>1,797,951,968</u>
Less: Loss relating to impairment of goodwill/other assets	-	49,676,690
Less: Termination benefits and related consultancy charges	234,636,981	100,836,816
Less: Investments written off	519,477,510	-
Less: Balances written off	77,871,527	-
Less: Fixed assets written off	28,928,184	-
Less: Amount paid as one time professional expense for integration and acquisition of business of subsidiary	171,324,315	-
	<u>1,032,238,517</u>	<u>150,513,506</u>
	<u>765,673,248</u>	<u>1,647,438,462</u>

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

35. Loss per share

Basic and diluted loss per equity share have been computed by dividing the net loss after tax by the number of equity shares outstanding for the year, as below.

Particulars		Year ended 31 March 2014 (Rs.)	Year ended 31 March 2013 (Rs.)
a.	Loss after tax attributable to equity shareholders	367,714,602	1,054,556,083
b.	Weighted average number of equity shares in calculating basic loss per share	1046,666,535	569,701,990
c.	Nominal value of equity share	5	5
d.	Loss per share (basic and diluted)*	0.35	1.85

*since the potential equity shares are anti-dilutive, diluted loss per share is same as basic loss per share

36. Schemes of arrangement

- (i) The Board of Directors of the Company, on 7 July 2010, announced and approved a Scheme of Arrangement ('the Infomedia Scheme') between Infomedia18 Limited ("Infomedia 18") and the Company and their respective shareholders and creditors. As per the Infomedia Scheme, the Business Directories business, the New Media business and the Publishing business of Infomedia18 stands demerged into the Company while the Printing Press business of Infomedia 18 continues to remain with Infomedia 18. The Infomedia Scheme has been approved by the Hon'ble High Court of Delhi on 22 May 2012 and made effective on 1 June 2012 with an appointed date of 1 April 2010.

Further, in consideration of the demerger of the Business Directories business, the New Media business and the Publishing business of Infomedia 18 into the Company, on 19 June 2012, the Company had issued 3,679,356 equity shares to the shareholders of Infomedia 18 (in the ratio of 14 equity shares of Rs. 5 for every 100 equity shares in Infomedia 18 of Rs. 10). The demerged undertaking of Infomedia 18 is engaged in publication of Yellow Pages (Business Directories), special interest magazines and operating certain websites.

The amalgamation has been accounted for under the pooling of interests method as modified for the provisions of scheme of arrangement. Since the aforementioned scheme of arrangement was entered into with the subsidiary of the Group, from the perspective of consolidated financial statements, no consideration was transferred to or net identifiable assets were acquired from outside the Group.

- (ii) In case of Viacom18 (For the jointly controlled entity):

During the year, as per the order of "District Court of Nicosia, Republic of Cyprus, The Indian Film Company (Cyprus) Limited has been merged with its parent company The Indian Film Company Limited ("TIFC") in accordance with section 198 - 200 of Cyprus Companies Law, Cap 113. Further, the true copy of the court order was filed with the Registrar of Companies, Cyprus to give effect of the merger as on 6 November 2013. Pursuant to the merger of significant integral entity, TIFC has been reclassified as an integral operation of the Group and accordingly, foreign exchange translation differences are taken through statement of profit and loss effective from 6 November 2013. Exchange translation difference prior to merger, was taken to foreign currency translation reserve as a part of consolidation adjustment.

During the previous year ended 31 March 2013:

- a) The Hon'ble High Court of Bombay vide its order dated 02 November, 2012 had approved the Scheme of Arrangement (the "Viacom Scheme") between Viacom18 Media Private Limited ("Viacom18") and its indirect wholly owned subsidiary IFC Distribution Private Limited ("IFC") inter-alia involving the merger of IFC with Viacom18. A copy of the Court order was filed with the Office of Registrar of Companies, Mumbai on 1 December, 2012 and accordingly the Scheme has come into effect from 1 December, 2012 (the "Effective Date") with the Appointed Date being 1 January, 2012 (the "Appointed Date"). The accounting has been done as per the "Pooling of Interests method" in accordance with AS-14 "Accounting for Amalgamations" as notified by the Companies (Accounting Standards) Rules, 2006. No shares were issued pursuant to the Scheme given that IFC was an indirect wholly owned subsidiary of Viacom18.
- b) Pursuant to the aforesaid Scheme, the debit balance in the Statement of Profit and Loss of Viacom18 to the extent of Rs. 1,339,745,600 as at 31 March, 2011 had been adjusted from the Securities Premium Account. Had the Scheme not prescribed the aforesaid accounting treatment, the balance in Securities Premium Account would have been higher by Rs. 1,339,745,600 for Viacom18 as at 31 March 2013.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

- c) The Viacom18 Group had fair valued its assets and liabilities on the effective date in accordance with the Scheme (such assets and liabilities comprise Film Rights, Trade Receivables, Loans and Advances and Deferred Tax Liability) and had in accordance with the Scheme, debited Rs. 290,761,326 to the Securities Premium Account being the differential between the book value and the fair value. Had the Viacom Scheme not prescribed the aforesaid accounting treatment, the said amount would have been debited to the Statement of Profit and Loss instead of debiting the securities premium account, the loss for the year ended 31 March, 2013 would have increased from Rs. 202,765,022 to Rs. 493,526,348.

Note: The figures above are equivalent to Group's share (i.e. 50%) in the jointly controlled entity.

37. Contingent liabilities and commitments not provided for

Particulars	31 March 2014 (Rs.)	31 March 2013 (Rs.)
(i) Contingent liabilities		
Liabilities under export obligation in "Export Promotion Capital Goods Scheme"	109,251,793	109,251,793
Corporate guarantees given on behalf of joint ventures	82,814,250	48,016,037
Guarantees for loans to employees	35,562,492	47,460,025
Demand in excess of provisions		
- Income Tax	1,606,534,617	996,993,078
- Sales/ Works contract matters	299,987,328	54,968,422
- Service tax	16,993,598	16,993,598
Claims not acknowledged as debt	4,637,374,717	4,131,890,788
Income Tax demand on acquisition of subsidiaries	13,212,381	13,212,381
(ii) Capital commitments		
Capital expenditure commitments	267,083,173	103,323,297
Other commitments for non-cancellable agreement with the vendors	88,635,000	113,560,000

Entity wise detail of the same is as below:

A. In the case of the Company

Contingent payments under agreements for sale of subsidiaries amount to Rs 16,993,598 (previous year Rs.16,993,598)

B In the case of TV 18 Broadcast Limited

- i. TV18 Broadcast Limited has purchased capital equipment under the 'Export Promotion Capital Goods Scheme'. As per the terms of the licenses granted under the scheme, TV18 Broadcast Limited has undertaken to achieve an export commitment of Rs. 874,014,347 (Previous year Rs. 874,014,347) over a period of 8 years commencing from 10 August, 2005. In the event TV18 Broadcast Limited is unable to execute its export obligations, it shall be liable to pay customs duty of Rs. 109,251,793 (Previous year Rs. 109,251,793) and interest on the same at the rate of 15 per cent compounded annually. The banks have given a guarantee amounting to Rs. 104,947,427 (Previous year Rs. 136,247,427) on behalf of TV18 Broadcast Limited to the customs authorities for the same. The Company has made applications of Rs. 874,014,347 (Previous year Rs. 143,460,616) to the Director General of Foreign Trade for issuance of the export obligation discharge certificate (EODC) towards fulfilment of its export obligation and has received the EODC for Rs. 332,263,040 in respect thereof during the year and EODC for balance of Rs. 541,751,307 is awaited as at the year end.
- ii. TV18 Broadcast Limited has given corporate guarantees of Rs. 249,000,000 (Previous year Rs. 249,000,000) towards credit facility given by banks to IBN Lokmat News Private Limited. As at the year end Rs. 7,814,250 (Previous year Rs. 47,266,037) was outstanding in respect of such loans.
- iii. Claims against TV18 Broadcast Limited not acknowledged as debts include demands raised by Income Tax authorities aggregating to Rs. 272,629,554 (Previous year Rs. 424,978,295). Amount deposited by TV18 Broadcast Limited against these claims is Rs. 82,406,373 (Previous year Rs. 82,406,373) which is included in Advance Income Tax. No provision has been made in the accounts for these demands as TV18 Broadcast Limited expects a favourable decision in appeal.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

- iv. TV18 Broadcast Limited has extended corporate guarantee of Rs. 50,900,000 in favour of ICICI Home Finance Company Limited in consideration of loan facility extended by ICICI Home Finance Company Limited to the employees of TV18 Broadcast Limited. As at the year end, Rs. 35,562,492 (Previous year Rs. 47,460,025) was outstanding in respect of such loan. This liability is related to operations of Television Eighteen India Limited transferred to TV18 Broadcast Limited pursuant to the Scheme.
- v. TV18 Broadcast Limited has received legal notices of claims / lawsuits filed against it relating to infringement of copyrights, objectionable contents and defamation suits in relation to the programmes produced by it, the aggregate claim being Rs. 3,100,405,000 (Previous year Rs. 3,115,238,072). In the opinion of the management, no material liability is likely to arise on account of such claims/law suits and thus no provision has been made against these in the consolidated financial statements.
- vi. TV18 Broadcast Limited has received legal notice of claims/ lawsuits filed by Rahmat Fatima Amanullah ("Plaintiff") against IBN7 Hindi News channel, Mr Sukesh Ranjan, Mr. Ashutosh, Mr Chandra Mohan Kumar, Mr Rajdeep Sardesai and Mr Raghav Bahl ("Defendants") thereby alleging that the news broadcasted by the Defendants has damaged the Plaintiff's reputation and caused her extreme mental agony and trauma standing before her family, friends, peers, society. The Plaintiff has prayed for a claim of Rs. 1,000,000,000 against the Defendants along with the cost of litigation. In the opinion of the management, no material liability is likely to arise on account of such claims/law suits and thus no provision has been made against these in the financial statements.
- vii. The Group has entered into certain non - cancellable agreement with the vendors of Rs. 88,635,000 (Previous year nil), the cancellation of which entail substantial monetary compensations.

C. In the case of Viacom18 Media Private Limited

Particulars	Year ended 31 March 2014 (Rs.)		Year ended 31 March 2013 (Rs.)	
	Total	Group's share	Total	Group's share
Claims against Viacom18 not acknowledge as debts	30,780,000	15,390,000	33,305,432	16,652,716
Taxation matters in respect of which appeals are pending	1,261,960,485	630,980,243	710,653,218	355,326,609
Guarantee given	150,000,000	75,000,000	1,500,000	750,000

D. In the case of Infomedia Press Limited ('Infomedia')

- i. Infomedia has received demands of Rs. 97,416,646 (Previous year Rs. 97,416,646) towards Income Tax for the Assessment Year 2005-06, 2006-2007, 2007-2008 and 2010-2011. Infomedia has disputed the demands and has preferred / is in the process of preferring appeals before appellate authorities, to set aside the demands and carry out necessary rectifications.
- ii. Sales tax / Works Contract tax matters disputed by Infomedia relating to issue of applicability, allowability, etc. aggregating to Rs. 299,987,328 (Previous year Rs. 35,368,422) for the F.Y 2000-01, 2001-02, 2002-03, 2003-04, 2004-05, 2006-07, 2008-09 and 2009-10

In respect of the demands/claims described in paragraphs (i) and (ii) above, Infomedia has also assessed that the possibility of these cases being decided against the Company and the demand crystallizing on Infomedia is not probable and hence no provision is required.

E. In the case of Big Tree Entertainment Private Limited ('Big Tree')

Claim against Big Tree not acknowledged as debts include demands raised by Income Tax authorities aggregating to Rs. 8,472,142 (Previous year Rs. 22,068,586). No provision has been made in the accounts for these demands as Big Tree expects a favourable decision in appeal.

F. In case of Equator:

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
	(Rs.)	(Rs.)
Claims against Equator not acknowledge as debts	1,512,902,100	-
Taxation matters in respect of which appeals are pending	597,036,032	-

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

Other significant litigations against the Group

Mr. Victor Fernandes and other ("plaintiffs") had on 25 August 2006 filed a suit as derivative action on behalf of e-Eighteen.com Limited before the High Court of Bombay against Mr. Raghav Bahl, TV 18 and other TV18 group entities (now subsidiaries of the Company). The plaintiffs are minority shareholders of e-Eighteen.com Limited and have alleged that Mr. Raghav Bahl, TV18, ICICI Global Opportunities Fund and e-Eighteen.com Limited had entered into a subscription cum shareholders agreement dated 12 September 2000 under which Mr. Raghav Bahl and TV18 had inter alia undertaken that any opportunity offered to them shall only be pursued or taken up through e-Eighteen.com Limited or its wholly owned subsidiaries. The plaintiffs have alleged that Mr. Raghav Bahl and TV18 have promoted and developed various businesses through various entities which should have under the aforesaid agreement rightfully been undertaken by e-Eighteen.com Limited or its wholly owned subsidiaries. The plaintiffs have alleged that by not doing so Mr. Raghav Bahl and TV18 have caused monetary loss to e-Eighteen.com Limited as well as to the plaintiffs. The plaintiffs have valued their claim in the suit at Rs. 31,140,600,000 and have inter alia prayed that Mr. Raghav Bahl, TV18 and other TV18 group entities be ordered to transfer to e-Eighteen.com Limited all their businesses, activities and ventures along with all assets and intellectual property.

The plaintiffs had filed a notice of motion on 18 September 2006 seeking an interim relief. A reply had been filed with the Bombay High Court on 14 November 2006. The said notice of motion was dismissed on 8 August 2008 against which the plaintiffs have filed an appeal before the division bench of the Bombay High Court. The said appeal was dismissed by the High Court on 21 September 2011.

Mr. Victor Fernandes has also filed an appeal before the Hon'ble Supreme court against the order of Hon'ble Securities Appellate Tribunal. The appeal relates to the grant of listing approval by NSE for the rights issue.

Based on the legal advice by the legal counsel, management is of the view that the above claim made by the plaintiffs is unlikely to succeed and has accordingly made no provisions in the consolidated financial statements

38. Employee Stock Option / Stock Purchase / Stock Awards/ Stock Appreciation Rights Plans

A) Employee share-based payment plans of Network18 Media & Investments Limited

- a. The Company's Employee Stock Option Plans (ESOPs) framed in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines") which have been approved by the Board of Directors and the Shareholders are listed below. Schemes listed at serial (i) to (vii) were established as mirror schemes of the then existing ESOP schemes in Television Eighteen India Limited, in terms of the Scheme of Arrangement.
 - i. The Network18 Employees Stock Option Plan 2002 (ESOP 2002)
 - ii. The Network18 Employees Stock Option Plan 2004 (ESOP 2004)
 - iii. The Network18 Senior Employees Stock Option Plan 2004 (Senior ESOP 2004)
 - iv. The Network18 Employees Stock Option Plan 2005 (ESOP 2005)
 - v. The Network18 Long Term Retention Employees Stock Option Plan 2005 (Long Term Retention ESOP 2005)
 - vi. The Network18 Employees Stock Option Plan C 2007 (ESOP C 2007)
 - vii. The Network18 Employees Stock Option Plan 2007 (ESOP 2007)

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

- b. Salient terms of the ESOP schemes of the Company, in force, are:

Particulars	ESOP 2002	ESOP 2004	Senior ESOP 2004
Number of options granted	40,020	573,600	575,976
Vesting date	1. 50% of the options, after one year from the date of grant. 2. Balance 50% of the options two years after from the date of grant.	After three years from the date of grant except as follows in respect of 213,000 options whose terms have been modified : (i) 50% on 11 February 2010 (ii) 50% on 11 February 2011	Except for 143,994 options, vesting details are as follows 1. One third after two years from the date of grant 2. Remaining two third after 4 years from the grant date. In respect of 143,994 options, vesting details are as follows : (i) 50% on 11 February 2010 (ii) 50% on 11 February 2011.
Vesting requirements	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed
Exercise period	During three years after the vesting date.	During two years after the vesting date.	During two years after the vesting date.
Method of settlement	Equity settled	Equity settled	Equity settled

Particulars	ESOP 2005	Long Term Retention ESOP 2005	ESOP (C) 2007	ESOP 2007
Number of options granted	915,600	300,000	700,000	3,962,736
Vesting date	Except for 51,200 options, to vest equally over three years from the date of grant. 51,200 options to vest as follows: (i) 50% on 11 February 2010 (ii) 50% on 11 February 2011	At any time at the end of 4 years from the date of grant.	Equally over a period of six years from the date of grant.	After one year from the date of grant. The vesting shall happen in one or more tranches as may be decided by the Board
Vesting requirements	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed
Exercise period	During one year after vesting date.	During one year after vesting date.	During four years after vesting date.	Exercise period will commence from the vesting date and extended upto the expiry period of the option as may be decided by the Board
Method of settlement	Equity settled	Equity settled	Equity settled	Equity settled

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

During the current year ESOP shares were modified by the Company. The details of modifications are given below:

ESOP 2007	- Exercise price of 180,071 options was reduced from Rs. 37.55 to Rs. 31.90 and exercise period was extended upto 2 March 2015. - Exercise period of 5,507 options was extended upto 5 February 2015
ESOP 2004 and Senior ESOP 2004	- Exercise period of was extended upto 5 February 2015

During the year the Company modified the terms of certain stock options by reducing the exercise price to bring the same in line with the market price

	Modification date -28 October 2013	
	Pre modification	Post modification
Dividend yield	0.00%	0.00%
Expected volatility	55.40%	55.40%
Risk-free interest rate	8.33%	8.33%
Weighted average share price (Rs.)	31.90	31.90
Weighted average exercise price (Rs.)	34.88	29.91
Expected life of options granted (in years)	1.40	1.78

The volatility of the options is based on the historical volatility of the share price since the Company's equity shares are publicly traded.

c. Details of options and weighted average prices

Particulars	ESOP 2002		ESOP 2004		SENIOR ESOP 2004	
	Options	Weighted Average Price	Options	Weighted Average Price	Options	Weighted Average Price
a) Outstanding at the beginning of the period	-	-	14,700 (30,900)	20.00 (45.31)	10,000 (172,673)	13.34 (36.15)
b) Granted during the period	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
c) Exercised during the period	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
d) Forfeited during the period	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
e) Expired during the period	- (-)	- (-)	5,400 (16,200)	20.00 (37.55)	- (162,673)	- 37.55
f) Outstanding at the end of the period	(-)	(-)	9,300 (14,700)	20.00 (20.00)	10,000 (10,000)	13.34 (13.34)
g) Exercisable at the end of the period	(-)	(-)	9,300 (14,700)	20.00 (20.00)	10,000 (172,673)	13.34 (36.15)
h) Weighted average share price at the date of exercise	- (-)	N.A. N.A.	- -	N.A. -	- -	N.A. -
i) Weighted average remaining contractual life (years)	- (-)	N.A. N.A.	0.85 (0.85)	N.A. N.A.	0.85 (0.85)	N.A. N.A.
j) Unvested Option outstanding at the end of the period	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

Particulars	LONG TERM RETENTION ESOP 2005		ESOP 2005		ESOP 2007 (C)	
	Options	Weighted Average Price	Options	Weighted Average Price	Options	Weighted Average Price
a) Outstanding at the beginning of the period	300,000 (300,000)	37.55 (37.55)	3,600 (5,400)	20.00 (20.00)	233,334 (233,334)	5.00 (5.00)
b) Granted during the period	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
c) Exercised during the period	- (-)	- (-)	- (-)	- (-)	233,334 (-)	5.00 (-)
d) Forfeited during the period	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
e) Expired during the period	37,500 (-)	37.55 (-)	3,600 (1,800)	20.00 (20.00)	- (-)	- (-)
f) Outstanding at the end of the period	262,500 (300,000)	37.55 (37.55)	- (3,600)	- (20.00)	- (233,334)	- (5.00)
g) Exercisable at the end of the period	262,500 (300,000)	37.55 (37.55)	- (3,600)	- (20.00)	- (116,667)	- (5.00)
h) Weighted average share price at the date of exercise	- (-)	- (-)	- (-)	- (-)	233,334 (-)	5.00 (-)
i) Weighted average remaining contractual life (years)	0.56 (0.62)	N.A. N.A.	- (0.85)	N.A. N.A.	- (0.51)	N.A. N.A.
j) Unvested Option outstanding at the end of the period	- -	31.90 -	- (-)	- (-)	- (116,667)	N.A. (5.00)

Particulars	ESOP 2007	
	Options	Weighted Average Price
a) Outstanding at the beginning of the period	621,078 (771,644)	33.10 (33.51)
b) Granted during the period	- -	- -
c) Exercised during the period	- -	- -
d) Forfeited during the period	- (-)	- (-)
e) Expired during the period	194,037 (150,566)	31.60 (35.19)
f) Outstanding at the end of the period	427,041 621,078	28.20 33.10
g) Exercisable at the end of the period	368,541 (544,588)	31.06 (36.40)
h) Weighted average share price at the date of exercise	-	-
i) Weighted average remaining contractual life (years)	1.79 (2.38)	N.A. N.A.
j) Unvested Option outstanding at the end of the period	58,500 (76,490)	28.20 (33.10)

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

Note

The Company has adopted the intrinsic value method as promoted by the SEBI Guidelines and the Guidance Note on Accounting for Employee Share Based Payment issued by the Institute of Chartered Accountants of India for measuring the cost of the options granted.

During the current year, the Company has modified the exercise period for one year of 91,540 shares of employee stock option schemes ESOP 2004, 2005 and 2007 the grand price range of 91,540 shares is Rs. 10 to 37.55.

B) Employee share based payment plans of Infomedia Press Limited

The Company has provided share based payment schemes to its employees. During the year ended 31 March 2014 the following schemes were in operation:

Employee Stock Option Plan 2004 (ESOP 2004):

Particulars	Grant 1		Grant 2		Grant 3		Grant 4		Grant 5		Grant 6	
Date of grant/ Board approval	25 October 2004		10 May 2005		28 October 2005		27 June 2006		27 October 2006		22 November 2007	
No of options granted	164,000		100,000		155,500		17,500		18,500		38,500	
Exercise price per Option (Rs)	86.85		141.45		150.80		180.50		154.05		209.85	
Revised exercise price per option (Rs.) vide board approval dated 15 July 2010	-		-		10		10		10		10	
Method of settlement	Equity		Equity		Equity		Equity		Equity		Equity	
Vesting period	Date	Option	Date	Option	Date	Option	Date	Option	Date	Option	Date	Option
	24 October 2005 (1 Year)	40,000	30 May 2006 (1 Year & 21 days)	20,000	27 October 2006 (1Year)	77,750	26 June 2007 (1 Year)	8,750	26 October 2007 (1 Year)	9,250	21 November 2008 (1 Year)	19,250
	30 May 2006 (1 Year & 217 days)	60,000	30 May 2006 (2 Year & 21 days)	80,000	27 October 2007 (2 Years)	77,750	26 June 2008 (2 Years)	8,750	26 October 2008 (2 Years)	9,250	21 November 2009 (1 Year)	19,250
	31 March 2006 (1 Year & 157 days)	32,000										
	31 March 2007 (2 Years & 157 days)	32,000										
Exercise period	Three Years		Three Years		Three Years		Three Years		Three Years		Three Years	

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

This scheme (ESOP 2004) is covered under the approval of the shareholders vide their Annual General Meeting held on 28 July 2004 as modified at Extra Ordinary General Meeting held on 20 January 2005 and Annual General Meeting held on 10 October 2006 and further modified through postal ballot resolution, results whereof were declared on 15 July 2010.

The details of activity under the plan are summarized below:

Particulars	Year ended 31 March 2014		Year ended 31 March 2013	
	No. of Shares	Weighted Average Exercise Price (Rs.)	No. of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	-	-	1,750	10.00
Grant during the year	-	-	-	-
Exercised during the year	-	-	-	-
No. of options lapsed during the year	-	-	1,750	10.00
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years)	-	-	-	-
Weighted average fair value of the options granted (Rs.)	-	-	-	-

Employee Stock Option Plan 2007 (ESOP 2007):

Particulars	Grant 1		Grant 2		Grant 3	
Date of Grant/ Board Approval	2 April 2009		26 October 2010		16 June 2011	
No of Options Granted	967,500		200,000		130,000	
Exercise Per Option (Rs.)	Exercise price of 667,500 options was revised from Rs. 57.30/- to Rs.10 vide Compensation Committee approval dated 25 February 2010		Rs. 10		Rs. 10	
Method of Settlement	Equity		Equity		Equity	
Vesting Period	Date	Options	Date	Options	Date	Options
	1 April 2010 (1 Year)	387,000	26 October 2011 (1 Year)	80,000	16 June 2012 (1 Year)	52,000
	1 April 2011 (2 Years)	290,250	26 October 2012 (2 Years)	60,000	16 June 2013 (2 Years)	39,000
	1 October 2011 (2 Years 6 months)	290,250	26 October 2013 (3 Years)	60,000	16 June 2014 (3 Years)	39,000
Exercise Period	Three Years		Three Years		Three Years	

This scheme (ESOP 2007) is covered under the approval of the shareholders vide their Extra-Ordinary General Meeting held on 10 January 2008 and further modified through postal ballot resolution, results whereof were declared on 7 May 2010.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

The details of activity under the plan are summarized below:

Particulars	Year ended 31 March 2014		Year ended 31 March 2013	
	No. of Shares	Weighted Average Exercise Price (Rs.)	No. of Shares	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	452,400	10.00	538,500	10.00
Grant during the year	-	-	-	-
Exercised during the year	-	-	-	-
No of options lapsed during the year	407,250	10.00	86,150	10.00
Outstanding at the end of the year	45,150	10.00	452,350	10.00
Exercisable at the end of the year	45,150	10.00	314,350	10.00
Weighted average remaining contractual life (in years)	0.30	-	2.35	-

Employee Stock Purchase Plan 2010 (ESPP 2010):

During the year 2010-2011, the Company had also introduced an Employee Stock Purchase Plan, 2010 (ESPP 2010) which was approved by shareholders vide postal ballot resolution, results whereof were declared on 7 May 2010. However, there has been no activity under this Scheme till balance sheet date.

The Company has adopted the intrinsic value method as stipulated under the SEBI Guidelines and the Guidance Note on Accounting for Employee Share Based Payment issued by the Institute of Chartered Accountants of India for measuring the cost of the options granted.

C) Share based payment plans of TV18 Broadcast Limited

I. GBN Employees Stock Option Plan 2007 ("ESOP 2007")

- a. TV18 Broadcast Limited had established an Employee Stock Option Plan (ESOP 2007) 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 independent, non-executive members of the Board of Directors administer the ESOP 2007. All options under the ESOPs are exercisable for equity shares. TV18 Broadcast Limited plans to grant upto 51,484,727 options to eligible employees and directors of the TV18 Broadcast Limited and its subsidiaries and the Company.

TV18 Broadcast Limited has increased maximum number of options that can be granted under GBN ESOP 2007 from 8,500,000 to 12,500,000 options at Annual General Meeting held on 09 September, 2011 and further increased to 51,484,727 pursuant to Rights Issue vide Remuneration/Compensation Committee resolution dated 30 October 2012.

- b. Options which have been granted under ESOP 2007 shall vest with the grantee over the vesting period from the date of grant. The exercise period of the options is a period of two years after the vesting of the options. Each option is exercisable for one equity share of Rs. 2 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.
- c. During the previous year the Remuneration/Compensation Committee of the Board of Directors has granted 7,500,000 options of TV18 Broadcast Limited under GBN Employee Stock Option Plan 2007 to the eligible employees.

The vesting period, vesting terms and exercise period for these options are as follows:

Particulars	Employee Stock Option Plan 2007	Employee Stock Option Plan 2007
Options granted	2,500,000	5,000,000
Vesting date	Options to vest equally over 2 years (50% options to vest each year) from the date of grant	Options to vest equally over 5 years (20% options to vest each year) from the date of grant.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

Particulars	Employee Stock Option Plan 2007	Employee Stock Option Plan 2007
Vesting requirements	Two years of service from the date of grant of option.	Five years of service from the date of grant of option.
Exercise Period	During two years after vesting date.	During two years after vesting date.

TV 18 Broadcast Limited has granted 14,731,849 options upto 31 March, 2014.

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

Particulars		ESOP 2007	
		Year ended 31.03.14	
		Options	Weighted Average Price
		(Numbers)	(Rupees)
a.	Outstanding at the beginning of the year	10,959,207 (3,999,979)	31.70 (25.40)
b.	Granted during the year	- (7,500,000)	- (26.00)
c.	Exercised during the year	- (-)	- (-)
d.	Forfeited during the year	1,894,217 (442,137)	43.46 (24.01)
e.	Expired during the year	72,168 (98,635)	27.70 (27.70)
f.	Outstanding at the end of the year	8,992,822 (10,959,207)	22.49 (31.70)
g.	Exercisable at the end of the year	3,436,822 (2,763,568)	23.30 (42.69)
h.	Number of equity shares of Rs. 2 each fully paid up to be issued on exercise of option	8,992,822 (10,959,207)	22.49 (31.70)
i.	Weighted average share price at the date of exercise	- (-)	- (-)
j.	Weighted average remaining contractual life (years)	2.76 (2.62)	NA (NA)

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

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Risk free interest rates	8.18%	7.38%
Expected life (in years)	6.21 years	4.50 years
Volatility	33.43%	94.19%
Dividend yield	0%	0%

The volatility of the options is based on the historical volatility of the share price since TV 18 Broadcast Limited's equity shares are publicly traded, which may be shorter than the term of the options.

D) Share based payment plans of NW18 HSN Holdings Plc (formerly known as TV18 HSN Holding Ltd)

a. Employee stock appreciation rights

The Board of Directors, vide written resolution dated 6 August 2012, adopted a Stock Appreciation Rights Scheme named the TV18 HSN Employee Stock Appreciation Rights Scheme, 2012 ('SARs Scheme') that allows NW18 HSN Holdings Plc to grant stock appreciation rights to the eligible employees of NW18 HSN Holdings Plc and its subsidiaries, whether working in India or out of India. The SARs Scheme will be administered by a Compensation Committee of the Board of Directors of NW18 HSN Holdings Plc.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

As per the terms of the SARs Scheme, each stock appreciation right may be settled either in cash or by the issue of shares at the sole option of the Compensation Committee.

The Compensation Committee is entitled to determine the vesting schedule for stock appreciation rights as the committee deems fit. Stock appreciation rights that are not exercised within the applicable exercise period will automatically lapse. The stock appreciation rights granted under the SARs Scheme can be exercised within a period of 48 months from vesting date. In case of staggered vesting (as determined by the Compensation Committee), the period of 48 months shall be considered from each vesting date. The stock appreciation rights can be exercised only after a liquidity event (as defined in the SARs Scheme) and in the absence of a liquidity event during the exercise period, stock appreciation rights granted shall automatically lapse.

A description of the SAR Scheme of NW18 HSN Holdings Plc is given below:

Particulars	TV18 HSN Employee Stock Appreciation Right Scheme 2012
Exercise price	The exercise price in respect of the options shall be decided by the Compensation Committee
Vesting conditions	250,000 rights on the grant date 686,250 rights on the expiry of one year from the grant date 766,250 rights on the expiry of two years from the grant date 446,250 rights on the expiry of three years from the grant date 436,250 rights on the expiry of four years from the grant date For remaining rights- graded vesting - 25% on the expiry of one year from the grant date, 25% on the expiry of two years from the grant date, 25% on the expiry of three years from the grant date and 25% on the expiry of four years from the grant date.
Exercise Period	The SARs can be exercised within a period of 48 months from the date of vesting post occurrence of liquidity event (i.e. Initial Public Offering).

The number and weighted average exercise price of stock appreciation rights are as follows:

Particulars	Stock appreciation rights (nos.)	Weighted average exercise price (US\$)
<i>Year ended 31 March 2014</i>		
Outstanding as of 1 April 2013	2,210,000	0.87
Granted	325,000	2.00
Forfeited	390,000	1.37
Exercised	-	-
Outstanding as of 31 March 2014	2,145,000	0.95
Exercisable as of 31 March 2014	-	-
Weighted average remaining contractual life (in years)	4.88	
<i>Year ended 31 March 2013</i>		
Outstanding as of 1 April 2012	-	-
Granted	2,260,000	0.87
Forfeited	50,000	0.87
Exercised	-	-
Outstanding as of 31 March 2013	2,210,000	0.87
Exercisable as of 31 March 2013	-	-
Weighted average remaining contractual life (in years)	5.8	

b. Employee stock options

NW18 HSN Holding Plc has implemented an equity-settled employee share based payment arrangement by offering employee stock options to the employees of its subsidiary company in India viz. TV18 Home Shopping Network Limited.

In 2008, NW18 HSN Holding Plc established a share option programme in Cyprus, named the TV18 HSN Holdings Limited Employee Stock Option Plan, 2008 ("ESOP 2008"), which was approved by the shareholders of NW18 HSN Holding Limited vide shareholders resolution dated 7 April 2008. The ESOP 2008 entitles the eligible employees to

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

purchase ordinary shares of NW18 HSN Holding Plc. A description of the share based payment arrangement of NW18 HSN Holding Plc is given below:

Particulars	TV18 HSN Holdings Limited Share Option Plan 2008
Exercise price	The exercise price in respect of the options shall be decided by the Compensation Committee
Vesting conditions	<p>Options granted till 22 October 2010: Graded vesting - 25% on the expiry of one year from the grant date, 25% on the expiry of two years from the grant date, 25% on the expiry of three years from the grant date and 25% on the expiry of four years from the grant date.</p> <p>Options granted after 22 October 2010: Options will vest on the expiry of one year from the grant date.</p>
Exercise period	The stock options can be exercised within a period of 48 months from the date of vesting.

The number and weighted average exercise price of share options are as follows:

Particulars	Options (nos.)	Weighted average exercise price (US\$)
<i>Year ended 31 March 2014</i>		
Outstanding as of 1 April 2013	2,156,000	0.12
Granted	375,000	2.00
Forfeited	119,500	0.12
Exercised	-	-
Outstanding as of 31 March 2014	2,411,500	0.41
Exercisable as of 31 March 2014	2,036,500	0.12
Weighted average remaining contractual life (in years)	0.33	
<i>Year ended 31 March 2013</i>		
Outstanding as of 1 April 2012	2,177,000	0.12
Granted	-	
Forfeited	13250	0.10
Exercised	7,750	0.10
Outstanding as of 31 March 2013	2,156,000	0.12
Exercisable as of 31 March 2013	2,068,500	0.12
Weighted average remaining contractual life (in years)	1.54	

c. Pro forma Accounting for Stock Option Grants and Stock Appreciation Rights

NW18 HSN Holding PLC has adopted the intrinsic value method as per the Guidance Note on Accounting for Employee Share Based Payments issued by the Institute of Chartered Accountants of India for measuring the cost of the options granted.

The black-scholes valuation model has been used for computing the weighted average fair value considering the following inputs :

Year ended March 31,2014 Vesting Date	375,000	81,250	81,250	81,250	81,250
	27-Jul-13	26-Jul-13	26-Jul-13	26-Jul-13	26-Jul-13
	27-Jul-14	26-Jul-14	26-Jul-15	25-Jul-16	25-Jul-17
Fair value of right at grant date (US\$)	1.09	1.09	1.17	1.23	1.26
Weighted average equity value (US\$)	2.15	2.15	2.15	2.15	2.15
Exercise price	2	2	2	2	2
Expected volatility	55.98%	55.98%	55.14%	53.21%	50.64%
Life of right (in years)	1	5	6	7	8
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Risk-free Interest rate	1.37%	1.37%	1.68%	1.99%	2.18%

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

E) Employee share based payments of Big Tree Entertainment Private Limited

a. Employee stock appreciation rights

The Shareholders, vide Extra-ordinary General Meeting (EOGM) dated 22 October 2013, approved a Stock Appreciation Rights Scheme named the Big Tree Stock Appreciation Rights Scheme ('SARs Scheme') that allows the Company to grant stock appreciation rights to the eligible employees of the Company. The SARs Scheme will be administered by a Compensation Committee of the Board of Directors of the Company.

As per the terms of the SARs Scheme, each stock appreciation right may be settled either in cash or by the issue of shares at the sole option of the Compensation Committee. Based on management estimate these have been accounted as equity settled.

The Compensation Committee is entitled to determine the vesting schedule for stock appreciation rights as the committee deems fit. Stock appreciation rights that are not exercised within the applicable exercise period will automatically lapse.

A description of the SAR Scheme of the Company is given below:

Particulars	Big Tree Stock Appreciation Rights Scheme				
Number of options granted	69,761	118,200	126,269	87,354	87,354
Vesting date	22 November 2013	22 November 2014	22 November 2015	22 November 2016	22 November 2017
Vesting requirements	Continuation of services and such other conditions as may be prescribed				
Exercise Period	In case of an Initial Public Offer of the Company, the exercise period is 48 months from the date the shares of the Company are first traded on a stock exchange or from 48 months from the date of vesting whichever is later. In case of an acquisition as defined in para 3.1 of the Scheme, the vested options will have to be mandatorily exercised irrespective of Exercise period and all unvested options will automatically lapse.				

The number and weighted average exercise price of share options are as follows:

Particulars	Options (nos.)	Weighted average exercise price (Rs.)
<i>Year ended 31 March 2014</i>	488,938	150.97
Outstanding at the beginning of the period	-	-
Granted during the year	488,938	150.97
Exercised during the year	-	-
Forfeited during the year	-	-
Expired during the year	-	-
Outstanding as at the end of the year	488,938	150.97
Exercisable as at the end of the year	-	-
Weighted average share price at the date of exercise	-	-
Weighted average remaining contractual life (in years)	-	7.13
Unvested option outstanding at the end of year	488,938	150.97

The following principal assumptions were used in the valuation:

Black Scholes Model has been used for computing the weighted average fair value considering the following inputs:

For the year ended 31 March 2014 (*previous year figures are in brackets*)

	Network18 Media & Investments Limited	TV18 Broadcast Limited	NW18 HSN Holdings PLC	
			ESOP	SAR
Dividend yield	- (0.00%)	0% (0%)	0% (0%)	0% (-)
Expected volatility	- 39.93 %	33.43% (94.19%)	55.98% (57.93%)	59.01- 74.97% (-)
Risk-free interest rate	- (8.26%)	8.18% (7.85%)	1.37% (1.97%)	1.61-2.53% (-)
Weighted average share price (Rs. unless otherwise specified)	- (109.35)	- (-)	\$1.76 (\$1.95)	\$2.13-2.20 (-)

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

	Network18 Media & Investments Limited	TV18 Broadcast Limited	NW18 HSN Holdings PLC	
			ESOP	SAR
Weighted average exercise price (Rs. unless otherwise specified)	- (113.44)	(-) (-)	\$0.13-1.37 (\$0.10)	\$0.09-0.10 (-)
Expected life of options granted (in years)	- (1.32)	6.21 (4.50)	1 (5)	5-8 (-)

In respect of Big Tree Entertainment:

Year ended 31 March 2014					
Particulars					
Number of rights	69,761	118,200	126,269	87,354	87,354
Grant Date	22 November 2013				
Vesting Date	22 November 2013	22 November 2014	22 November 2015	22 November 2016	22 November 2017
Fair value of right at grant date	145.52	145.52	145.52	145.52	145.52
Weighted average equity value					
Exercise price	150.97	150.97	150.97	150.97	150.97
Expected volatility	10.90%	10.90%	10.90%	10.90%	10.70%
Life of right (in years)	7.36	7.36	7.36	7.36	8.01
Dividend yield	0%	0%	0%	0%	0%
Risk-free interest rate	8.99%	8.99%	8.99%	8.99%	9.15%

In respect of the companies whose shares are publically traded, the volatility of the options is based on the historical volatility of the share price.

In respect of other companies, the expected volatility has been determined by reference to the average volatility for the comparable companies for the corresponding option term.

Pro Forma Accounting for Stock Options Grants

The Group has adopted the intrinsic value method as promoted by the SEBI Guidelines and the Guidance Note on Accounting for Employee Share Based Payment issued by the Institute of Chartered Accountants of India for measuring the cost of the options granted.

Had the Group used the fair value method in accordance with Black Scholes Model to determine employee stock compensation, its loss after tax and loss per share as reported would have changed to the amounts indicated below:

		Year ended 31 March 2014 (Rs.)	Year ended 31 March 2013 (Rs.)
a.	Loss after tax as reported	(367,714,602)	(1,054,556,083)
i.	Add: Stock based employee compensation expense debited to statement of Profit and Loss	78,982,639	12,844,005
ii.	Less: Stock based employee compensation expense based on fair value	104,593,336	28,563,606
b.	Difference between (i) and (ii)	25,610,697	15,719,601
c.	Adjusted Pro forma loss	(393,325,299)	1,070,275,682
d.	Difference between (a) and (c)	25,610,697	15,719,601
e.	Basic loss per share as reported	(0.35)	(1.85)
f.	Proforma basic loss per share	(0.38)	(1.87)
g.	Diluted loss per share as reported	(0.35)	(1.85)
h.	Proforma diluted loss per share as reported	(0.38)	(1.87)

* The amount includes Rs. 8,499,424 included in prior period expense.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

39. Disclosures as required by Accounting Standard 15

(i) Defined benefit plan

The following table sets out the funded / unfunded status of the defined benefits plans and the amount recognised in the financial statements:

Changes in defined benefit obligation:

Particulars	Gratuity	
	Year ended 31 March 2014 (Rs.)	Year ended 31 March 2013 (Rs.)
Opening balance	234,618,190	229,330,527
Present value of obligation at the beginning of the period pertaining to liability received received on account of acquisition of Equator and conversion of Indiacast from subsidiary to joint venture / In previous year pertaining to liability received liability received on acquisition of Indiacast	93,825,500	1,577,189
Adjustment on sale of subsidiary	-	(5,290,587)
Liability on transfer of employee	-	472,718
Current service cost	39,193,249	40,589,582
Interest cost	19,891,673	15,899,164
Actuarial loss/ (gain)	2,339,949	15,967,496
Benefits paid	(86,885,857)	(63,927,899)
Closing balance	302,982,704	234,618,190

Change in plan assets:

Particulars	Gratuity	
	Year ended 31 March 2014 (Rs.)	Year ended 31 March 2013 (Rs.)
Opening balance	54,128,073	53,741,363
Fair value of plan assets at the beginning of the year (pertaining to liability received on account of acquisition of Equator and conversion of Indiacast from subsidiary to joint venture from TV18)	54,269,776	12,080,594
Fair value of plan assets from acquisition of new business	-	(71,091)
Expected return on plan assets	2,591,613	8,521,873
Employer's contributions	5,446,409	(667,519)
Benefits paid	(30,073,006)	(23,023,182)
Actuarial (gain)/loss	(1,084,808)	3,546,035
Closing balance	85,278,057	54,128,073

Return on Plan Assets	Year ended 31 March 2014	Year ended 31 March 2013
Expected return on plan assets	2,591,613	8,521,871
Actuarial gain / (loss)	(1,084,808)	3,546,035
Actual return on plan assets	1,506,806	12,067,908

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

Net liability/asset :

Particulars	Gratuity	
	Year ended 31 March 2014 (Rs.)	Year ended 31 March 2013 (Rs.)
Present value of obligation at the year end	302,982,704	234,618,190
Fair value of plan assets at the year end	85,278,057	54,128,073
Net liability	214,417,403	180,490,117
Net asset	4,088,587	14,140,223

Cost for the year:

Particulars	Gratuity	
	Year ended 31 March 2014 (Rs.)	Year ended 31 March 2013 (Rs.)
Current service cost	39,193,249	40,589,582
Interest cost	19,891,673	15,899,164
Actuarial loss	3,424,757	12,421,461
Expected return on plan assets	(2,591,613)	(8,521,873)
Net cost *	59,918,066	60,388,334

* Includes Rs. 7,249,877 disclosed as exceptional cost.

Actuarial assumptions used:

Particulars	Gratuity			
	Year ended 31 March 2014		Year ended 31 March 2013	
Discount rate	8.5% - 9.31%		8% - 8.5%	
Expected salary escalation rate	6% - 8%		5.5% - 6%	
Mortality table	IALM(2006-08) duly Modified		LIC(1994-96) duly Modified	
Retirement Age	60 Years		60 Years	
Withdrawal Rates	Age	Percentage	Age	Percentage
	Upto 30 Year	3	Upto 30 Year	3
	Upto 44 Year	2	Upto 44 Year	2
	Above 44 year	1	Above 44 year	1

Notes:

- The discount rate is based on the prevailing market yield of Indian Government Securities as at the balance sheet date for the estimated term of obligations.
- The expected return is based on the expectation of the average long term rate of return on investments of the fund during the estimated term of the obligations.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
- Plan assets of the Group mainly comprise funds managed by the insurer i.e. Life insurance Corporation of India.

(ii) Defined contribution plan

The Group has contributed Rs. 195,352,818 (previous year Rs. 193,828,294) to Provident Fund and Employee State Insurance and the same is recognised as an expense in the Statement of Profit and Loss.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

(iii) Other long term employee benefits

The Company, along with its subsidiary company, TV18 Broadcast Limited, has jointly established an Employee Welfare Plan dated 2 February 2009 for the benefit of their existing and future employees and to administer the same, a Trust named Network18 Group Senior Professional Welfare Trust has been constituted under the Indian Trusts Act, 1881 vide Trust Deed dated 19 February 2009.

The Employee Welfare Plan provides that any accretion to the corpus of the Trust (like dividends, profit on sale of investments, interest income, etc.) will be utilized for the benefit of beneficiaries upon occurrence of certain specific events. It further provides that the amount of benefit to be provided out of such accretion will be at the discretion of the trustees.

During the year ended 31 March 2014 and 31 March 2013, there were no net accretions to the corpus of the aforementioned Trust and accordingly no liability or plan assets have been provided/recognized in these consolidated financial statements.

40. Leases

Operating leases (as lessee)

- i. The Group has taken various office premises under operating lease agreements. These are generally non-cancellable and are renewable by mutual consent on mutually agreed terms.
- ii. Lease payments for the year in respect of non-cancellable operating leases: Rs. 701,922,647 (previous year Rs. 672,763,369)
- iii. The future minimum lease payments under non-cancelable operating leases are:

Particulars	As at 31 March 2014 (Rs.)	As at 31 March 2013 (Rs.)
Not later than one year	598,196,508	647,802,881
Later than one year but not later than five years	1,496,966,493	1,563,846,809
Later than five years	748,446,831	831,752,654

Finance leases (as lessee)

The Group has entered into finance lease arrangements for certain equipments which provide the Group an option to purchase the assets at the end of the lease period. Minimum lease payments amounting to Rs. 3,734,517 (Previous year Rs. 3,869,805) have been made during the year. The details of future minimum lease payments under finance leases are as under:

Particulars	As at 31 March 2014	As at 31 March 2013
Not later than one year	6,277,838	3,734,517
Later than one year but not later than five years	-	6,277,838
More than five years	-	-
Total	6,277,838	10,012,355

Present value of minimum lease payments

Particulars	As at 31 March 2014	As at 31 March 2013
Not later than 1 year	5,885,358	2,567,496
Later than 1 year but not later than 5 years	-	5,885,358
Total	5,885,358	8,452,854

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

Reconciliation

Particulars	As at 31 March 2014	As at 31 March 2013
Total Minimum Lease Payments as above	6,277,838	10,012,355
Less: Future Finance charges	392,480	1,559,501
Net Present Value	5,885,358	8,452,854

41. Segment Reporting

	Year ended 31 March 2014					Year ended 31 March 2013				
	Media operations	Film Production and Distribution	Others	Unallocable	Total	Media operations	Film Production and Distribution	Others	Unallocable	Total
Revenue										
Income from operations	26,206,861,630	1,017,661,306	370,824	-	27,224,893,760	22,018,424,617	1,734,321,969	432,152,317		24,184,898,903
Inter segment Revenue				-	(301,000,000)				(176,127,935)	(176,127,935)
Total revenue	26,206,861,630	1,017,661,306	370,824	-	26,923,893,760	22,018,424,617	1,734,321,969	432,152,317	-	24,008,770,968
Segment results	557,707,709	(242,045,698)	(35,129,376)	-	280,532,335	(1,510,934,870)	(4,207,977)	(242,261,261)	-	(1,757,404,108)
Add: Unallocated income				571,570,428	571,570,428				2,501,989,397	2,501,989,397
Less: Unallocated expenses				232,739,379	232,739,379				1,041,101,515	1,041,101,515
Less: Finance cost				1,224,748,406	1,224,748,406				2,719,771,099	2,719,771,099
Add: Exceptional items	(328,616,460)		(48,940,620)	1,143,230,328	765,673,248			(100,836,816)	1,748,275,278	1,647,438,462
(Loss)/ profit before tax	229,090,949	(242,045,698)	(84,069,996)	257,312,971	160,288,226	(1,510,934,870)	(4,207,977)	(343,098,077)	489,392,061	(1,368,848,863)
Tax expense					239,649,176				141,888,171	141,888,171
(Loss)/ profit after tax and before minority interest and share in profit of associates	229,090,949	(242,045,698)	(84,069,996)	257,312,971	(79,360,950)	(1,510,934,870)	(4,207,977)	(242,261,261)	246,667,074	(1,510,737,034)
Segment assets	44,521,377,875	2,083,304,715	105,604,326		46,710,286,916	28,536,600,185	2,754,652,028	176,335,992	-	31,467,588,205
Unallocated assets				19,746,540,124	19,746,540,124				33,571,174,236	33,571,174,236
Total assets	44,521,377,875	2,083,304,715	105,604,326	19,746,540,124	66,456,827,040	28,536,600,185	2,754,652,028	176,335,992	33,571,174,236	65,038,762,441
Segment liabilities	9,309,689,599	249,352,162	17,262,130	-	9,576,303,891	10,552,668,884	344,200,333	272,724,342	-	11,169,593,559
Unallocated liabilities				12,189,175,594	12,189,175,594				9,105,077,678	9,105,077,678
Total liabilities	9,309,689,599	249,352,162	17,262,130	12,189,175,594	21,765,479,485	10,552,668,884	344,200,333	272,724,342	9,105,077,678	20,274,671,237
Capital expenditure					1,170,199,268					698,735,136
Depreciation and amortization					827,898,382					714,268,747
Non-cash expenditure other than depreciation and amortization					1,086,691,190					418,641,783

Notes:

The accounting policies adopted for segment reporting are in line with those of the Group with the following additional policies for segment reporting:

- Inter segment revenues have been accounted for based on the transaction price agreed to between segments at estimated cost of the transferor segment.
- Revenues and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.
- Revenues and expenses, which relate to the group as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses". Unallocated corporate expense also includes taxes and finance charges and other unallocable corporate expenses.
- Assets and liabilities, which relate to the group as a whole and are not allocable to segments on a reasonable basis, are shown as unallocated corporate assets and liabilities respectively.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

42. Related party disclosures

A. List of related parties (other than direct/ indirect subsidiaries of the company)

i. Joint ventures

- IBN Lokmat News Private Limited
- Viacom 18 Media Private Limited
- Ubona Technologies Private Limited
- Reed Infomedia India Private Limited (upto 2 January 2014)
- Viacom18 Media (UK) Limited
- Viacom18 Media US Inc.
- Roptonal Limited
- The Indian Film Company (Cyprus) Limited
- The Indian Film Company Limited, Guernsey (upto 6 November 2013)
- Indiacast Media Distribution Private Limited (wef 1 April 2013)
- Indiacast UTV Media Distribution Services Private Limited (wef 1 April 2013)
- Indiacast US Limited (wef 1 April 2013)
- Indiacast UK Limited (wef 1 April 2013)

ii. Associates

- 24X7 Learnings Private Limited
- Wespro Digital Private Limited
- Eenadu Television Private Limited (wef 22 January 2014)
- Aeon Learnings Private Limited (wef 29 November 2013)

iii. Key Management Personnel (KMP)

- Raghav Bahl (Also exercises control by virtue of having a substantial interest in the voting power of the Company)

iv. Relatives of Key Management Personnel (with whom transactions were undertaken during the year or previous year)

- Vandana Malik

v. Enterprises over which KMP is able to exercise significant influence or control (with whom transactions were undertaken during the previous year)

- Adventure Marketing Private Limited
- B.K. Media Mauritius Private Limited
- B.K. Capital Limited
- B.K. Ventures Limited
- Colorful Media Private Limited
- Network18 Employee Welfare Trust
- Network18 Group Senior Professional Welfare Trust
- Network18 Publications Limited
- Network18 Shareholders Trust
- RB Holdings Private Limited
- RB Media Holdings Private Limited
- RVT Holdings Private Limited
- VT Softech Private Limited
- VT Media Private Limited
- Keyman Financial Services Private Limited
- RB Investments Private Limited
- Watermark Infratech Private Limited
- Web18 Securities Private Limited

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

A. Related party transactions and balances (figures in brackets represents figures for previous year)

(Rs.)					
PARTICULARS	Joint Ventures	Associates	Enterprises over which KMP is able to exercise significant influence or control	Key Management Personnel	Relatives of Key Management Personnel
Income from operations and other income					
Viacom18 Media Private Limited	134,399,988 (102,066,529)	- (-)	- (-)	- (-)	- (-)
IBN Lokmat News Private Limited	3,636,000 (10,221,483)	- (-)	- (-)	- (-)	- (-)
Wespro Digital Private Limited	- (-)	24,491,121 (2,780,413)	- (-)	- (-)	- (-)
Network18 Publications Limited	- (-)	- (-)	2,500,000 (2,514,981)	- (-)	- (-)
Indiacast UTV Media Distribution Services Private Limited	232,610,131 (-)	- (-)	- (-)	- (-)	- (-)
Indiacast UK Limited	2,087,609 (-)	- (-)	- (-)	- (-)	- (-)
Indiacast Media Distribution Private Limited	13,836,449 (-)	- (-)	- (-)	- (-)	- (-)
Indiacast US Limited	527,999 (-)	- (-)	- (-)	- (-)	- (-)
Interest income					
Wespro Digital Private Limited	- (-)	2,574,000 (2,574,000)	- (-)	- (-)	- (-)
BK Capital Limited	- (-)	- (-)	1,115,080 (997,790)	- (-)	- (-)
BK Ventures Limited	- (-)	- (-)	1,115,080 (997,790)	- (-)	- (-)
Expenditure for services received					
Viacom18 Media Private Limited	708,937,863 (311,950,660)	- (-)	- (-)	- (-)	- (-)
IBN Lokmat News Private Limited	1,769,617 (7,115,507)	- (-)	- (-)	- (-)	- (-)
Network18 Publications Limited	- (-)	- (-)	3,969,269 (3,499,568)	- (-)	- (-)
Raghav Bahl	- (-)	- (-)	- (-)	7,596,000 (10,944,000)	- (-)
Vandana Malik	- (-)	- (-)	- (-)	- (-)	1,009,924 (7,200,000)
Interest expense					
RB Media Holdings Private Limited	- (-)	- (-)	- (26,575,336)	- (-)	- (-)
Watermark Infratech Private Limited	- (-)	- (-)	- (26,575,336)	- (-)	- (-)
Colorful Media Private Limited	- (-)	- (-)	- (26,575,336)	- (-)	- (-)

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

(Rs.)					
PARTICULARS	Joint Ventures	Associates	Enterprises over which KMP is able to exercise significant influence or control	Key Management Personnel	Relatives of Key Management Personnel
Adventure Marketing Private Limited	- (-)	- (-)	- (26,575,336)	- (-)	- (-)
RB Holdings Private Limited	- (-)	- (-)	- (53,150,680)	- (-)	- (-)
Reimbursement of expenses (received)					
Wespro Digital Private Limited	- (-)	4,541,188 (1,246,611)	- (-)	- (-)	- (-)
IBN Lokmat News Private Limited	33,502,700 (52,584,414)	- (-)	- (-)	- (-)	- (-)
Viacom18 Media Private Limited	35,432,697 (85,020,563)	- (-)	- (-)	- (-)	- (-)
Indiacast UTV Media Distribution Services Private Limited	- (-)	- (-)	1,005,488 (-)	- (-)	- (-)
Reimbursement of expenses (paid)					
IBN Lokmat News Private Limited	4,109,827 (5,089,870)	- (-)	- (-)	- (-)	- (-)
Viacom18 Media Private Limited	29,729,465 (11,831,231)	- (-)	- (-)	- (-)	- (-)
Indiacast UTV Media Distribution Services Private Limited	- (-)	- (-)	581,744 (-)	- (-)	- (-)
Loans/advances given during the year					
Network18 Group Senior Professional Welfare Trust	- (-)	- (-)	- (64,624,211)	- (-)	- (-)
Loans/advances received back during the year					
Network18 Group Senior Professional Welfare Trust	- (-)	- (-)	- (204,100,000)	- (-)	- (-)
Redemption of Preference Share Capital					
Keyman Financial Services Private Limited	- (-)	- (-)	706,500,000 (-)	- (-)	- (-)
RB Investments Private Limited	- (-)	- (-)	244,165,650 (-)	- (-)	- (-)
Investments sold during the year to					
VT Media Private Limited	- (-)	- (-)	250,000,000 (-)	- (-)	- (-)
Assets Transferred					
Indiacast Media Distribution Private Limited	- (-)	- (-)	40,805 (-)	- (-)	- (-)

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

(Rs.)					
PARTICULARS	Joint Ventures	Associates	Enterprises over which KMP is able to exercise significant influence or control	Key Management Personnel	Relatives of Key Management Personnel
Loan repaid during the year					
Raghav Bahl	-	-	-	238,500	(-)
	(-)	(-)	(-)	(-)	
Repayment of Secured Optionally Fully Convertible Debentures					
RB Media Holdings Private Limited	-	-	-	-	-
	(-)	(-)	(499,999,872)	(-)	(-)
Watermark Infratech Private Limited	-	-	-	-	-
	(-)	(-)	(499,999,872)	(-)	(-)
Colorful Media Private Limited	-	-	-	-	-
	(-)	(-)	(499,999,872)	(-)	(-)
Adventure Marketing Private Limited	-	-	-	-	-
	(-)	(-)	(499,999,872)	(-)	(-)
RB Holdings Private Limited	-	-	-	-	-
	(-)	(-)	(999,999,905)	(-)	(-)
Refund of remuneration received					
Raghav Bahl	-	-	-	20,167,703	-
	(-)	(-)	(-)	(-)	(-)
Collection on behalf of					
Wespro Digital Private Limited	-	93,175,173	-	-	-
	(-)	(16,932,796)	(-)	(-)	(-)
Balances outstanding at the year end					
Amount due from (Trade receivables)					
Viacom18 Media Private Limited	27,882,170	-	-	-	-
	(7,443,868)	(-)	(-)	(-)	(-)
IBN Lokmat News Private Limited	941,251	-	-	-	-
	(22,320,050)	(-)	(-)	(-)	(-)
Network18 Employee Welfare Trust	-	-	700,000	-	-
	(-)	(-)	(700,000)	(-)	(-)
Network18 Publications Private Limited	-	-	31,823,725	-	-
	(-)	(-)	(15,504,700)	(-)	(-)
RVT Holdings Private Limited	-	-	-	-	-
	(-)	(-)	(2,816,613)	(-)	(-)
Indiacast UTV Media Distribution Services Private Limited	114,599,688	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Indiacast UK Limited	900,637	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Indiacast Media Distribution Private Limited	24,392,767	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Indiacast US Limited	289,337	-	289,337	-	-
	(-)	(-)	(-)	(-)	(-)

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

(Rs.)					
PARTICULARS	Joint Ventures	Associates	Enterprises over which KMP is able to exercise significant influence or control	Key Management Personnel	Relatives of Key Management Personnel
Loans/advances receivable at the year end					
Network18 Group Senior Professional Welfare Trust	- (-)	- (-)	5,557,350,285 (5,557,350,285)	- (-)	- (-)
VT Softech Private Limited	- (-)	- (-)	7,010,397 (7,010,397)	- (-)	- (-)
Web18 Securities Private Limited	- (-)	- (-)	21,072,000 (21,072,000)	- (-)	- (-)
Vicom18 Media Private Limited	10,002,582 (17,806,098)	- (-)	- (-)	- (-)	- (-)
Wespro Digital Private Limited	- (-)	30,532,263 (29,883,474)	- (-)	- (-)	- (-)
Network18 Publications Limited	- (-)	- (-)	11,571,276 (27,797,486)	- (-)	- (-)
IBN Lokmat News Private Limited	9,421,832 (3,097,094)	- (-)	- (-)	- (-)	- (-)
RVT Holdings Private Limited	- (-)	- (-)	2,816,613 (-)	- (-)	- (-)
Others	259,981 (-)	- (-)	4,509 (4,509)	- (-)	- (-)
Amounts due to					
Network18 Publications Limited	- (-)	- (-)	62,000 (-)	- (-)	- (-)
B.K. Media Mauritius Private Limited	- (-)	- (-)	41,005,931 (40,982,566)	- (-)	- (-)
Vicom18 Media Private Limited	437,707,383 (321,690,754)	- (-)	- (-)	- (-)	- (-)
IBN Lokmat News Private Limited	561,112 (2,471,666)	- (-)	- (-)	- (-)	- (-)
Wespro Digital Private Limited	- (-)	1,707,044 (4,976,628)	- (-)	- (-)	- (-)
BK Capital Limited	- (-)	- (-)	41,314,363 (36,393,926)	- (-)	- (-)
BK Ventures Limited	- (-)	- (-)	41,314,363 (36,393,926)	- (-)	- (-)
Roptonal Limited	- (1,340,471,410)	- (-)	- (-)	- (-)	- (-)
Others	180,486 (-)	- (-)	- (456,750)	- (-)	- (-)
Corporate guarantees at the year end to secure the debts of					
IBN Lokmat News Private Limited	124,500,000 (124,500,000)	- (-)	- (-)	- (-)	- (-)
Investments at year end					
IBN Lokmat News Private Limited	25,000,000 (25,000,000)	- (-)	- (-)	- (-)	- (-)

Figures in bracket () represent previous year figure

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

43. Details of foreign currency exposures that are not hedged by derivative instruments in entities where the reporting currency is INR - (figures in brackets represents figures for previous year)

Currency	Payable (Rs.)	Rupee equivalent (Rs.)	Receivable (Rs.)	Rupee equivalent (Rs.)	Loans & Advances (Rs.)	Rupee equivalent (Rs.)
USD	10,097,732 (4,428,942)	606,859,562 (240,884,738)	8,491,883 (4,715,366)	511,212,818 (256,369,549)	929,111 (345,952)	55,838,721 (15,080,519)
GBP	45,880 (31,905)	4,581,117 (2,626,477)	1,261,811 (119,847)	125,991,895 (9,871,952)	11,140 (10,557)	1,112,477 (869,069)
EURO	17,410 (15,664)	1,437,660 (1,104,977)	33,353 (32,143)	2,754,133 (2,247,613)	20,771 (49,725)	1,715,180 (3,237,553)
AUD	289,173 (2,413)	4,800,411 (135,383)	148,644 (67,080)	8,251,558 (3,764,530)	- (-)	- (-)
BDT	10,349,300 (-)	8,000,000 (-)	- (-)	- (-)	- (-)	- (-)
SGD	20,633 (13,853)	1,087,722 (606,938)	98,395 (59,652)	4,672,245 (2,613,350)	141 (48,811)	6,668 (2,144,081)
CAD	461 -	25,333 -	8,415 (28,725)	454,575 (1,518,404)	-	-
AED	95,172 (-)	1,547,990 (-)	- (-)	- (-)	66,535 (34,823)	1,082,198 (513,701)
MYR	- (-)	- (-)	84,375 (-)	1,545,320 (-)	- (-)	- (-)

In case of TV18 Home Shopping Network Limited, cross currency forward contract is used to hedge risks associated with fluctuations in foreign currency and interest rates relating to foreign liabilities. The following are outstanding derivatives contracts as on 31 March 2014.

Currency	Payable (Rs.)	Rupee equivalent (Rs.)	Receivable (Rs.)	Rupee equivalent (Rs.)	Loans & Advances (Rs.)	Rupee equivalent (Rs.)
USD	1,079,101 (-)	64,847,967 (-)	- (-)	- (-)	- (-)	- (-)

44. Interests in Joint Ventures

The Group's interests in joint ventures are as follows:

Name of the entity	Country of incorporation	Group's share
IBN Lokmat News Private Limited	India	50%
Ubona Technologies Private Limited	India	50%
Viacom18 Media Private Limited	India	50%
Indiacast Media Distribution Private Limited	India	50%
Reed Infomedia India Private Limited (upto 2 January 2014)	India	49%

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

The financial statements of the jointly controlled entities have been incorporated into the consolidated financial statements using the proportionate consolidation method. The aggregate amounts relating to those joint ventures are as follows:

Particulars	31 March 2014 (Rs.)	31 March 2013 (Rs.)
Current assets	9,205,904,302	6,536,993,523
Non- current assets	2,564,937,213	2,899,954,236
Total assets	11,770,841,515	9,436,947,759
Current liabilities	6,186,725,705	4,658,051,902
Non- current liabilities	859,698,352	954,234,841
Total liabilities	7,046,424,058	5,612,286,743
Revenue	14,307,955,907	8,091,864,792
Expenses	13,019,766,083	8,213,161,070
Profit/(loss) before tax	1,288,189,823	(121,296,278)
Income tax expenses	86,514,287	113,273,989
Profit/(loss) after tax	1,201,675,537	(234,570,267)

45. Utilisation of rights issue proceeds

A. In relation to the Company

(a) Rights issue

The Board of Directors, at their meeting held on 3 January 2012 decided to raise Rs. 27,000,000,000 by issuing shares on rights basis for, inter alia (a) Investment in subsidiary, TV18 Broadcast Limited (b) Repayment/prepayment of certain loans, redemption of Secured Optionally Fully Convertible Debentures, redemption of Preference shares and repayment of public deposits and (c) General corporate purposes. Pursuant to the approval by the Securities and Exchange Board of India (SEBI) for the Rights Issue, the Issue was opened on 18 September 2012 and closed on 4 October 2012. The Issue was fully subscribed. The Company has allotted 899,873,930 equity shares on 12 October 2012 at a price of Rs. 30 per share (face value of Rs. 5 and securities premium of Rs. 25) and the new shares started trading from 16 October 2012 in the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The status for the utilisation of total proceeds of Rs. 26,996,217,900 from the Rights Issue of the Company is set out below:

	(Rs.)	
Objects of the Issue	Proposed utilization	Actual Utilisation
Repayment of loans*	11,122,700,000	11,409,834,620
Investment in Subsidiary	13,840,000,000	13,830,168,280
General corporate purposes	87,300,000	1,287,300,000
Rights issue expenses	746,217,900	468,915,000
Total	26,996,217,900	26,996,217,900

*Surplus of Rs. 277,302,900 available after actual expenses incurred on right issue and surplus of Rs.9,831,720 available after investment in subsidiary have been utilized towards repayment of public deposits.

B. In relation to TV18 Broadcast Limited

(a) Rights issue – I (Year ended 31 March 2011)

TV18 Broadcast Limited had allotted 54,495,443 partly paid shares on rights basis to its equity shareholders during the year ended 31 March 2011. Out of this 54,446,407 shares were converted into fully paid up shares till 31 March 2012 upon receipt of full and final call money and balance 49,036 shares have been forfeited in the Board Meeting dated 19 January 2012 for non-payment of full and final call money amounting to Rs. 3,064,750. The status of utilization of rights issue proceeds is set out below:

	(Rs.)	
Objects of the issue	Proposed utilisation	Actual utilisation
Repay certain loans	2,150,000,000	2,150,000,000
Investment in Viacom18*	1,500,000,000	1,500,000,000
Investment in IBN Lokmat Private Limited	250,000,000	250,000,000

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

Objects of the issue	Proposed utilisation	Actual utilisation
General corporate purposes	995,324,000	995,324,000
Rights issue expenses#	200,000,000	196,935,250
Total	5,095,324,000	5,092,259,250

*Surplus available after actual expenses incurred including provisions on right issue has been utilized towards investment in Viacom18 Media Private Limited.

The difference between proposed and actual utilisation of Rs. 3,064,750 is on account of non-payment of full and final call money on 49,036 shares.

The right issue proceeds have been fully utilized for the objects of the issue as at 31 March 2013.

(b) Rights issue II (Year ended 31 March 2013)

Pursuant to the approval from SEBI, the subscription to the current Rights Issue of TV18 Broadcast Limited opened on 25 September 2012 and closed on 15 October 2012. This Rights Issue was for acquisition of ETV channels, repayment of certain loans and general corporate purposes. The Rights Issue subscribed to the extent of 130.08% (net of rejections) of the issue size in terms of number of shares. On 23 October 2012 Capital Issues Committee of the Board of Directors of TV18 Broadcast Limited allotted 1,349,577,882 equity shares of Rs. 2 each amounting to Rs. 2,699,155,764 at a premium of Rs. 18 each aggregating to Rs. 24,292,401,876. During the previous year, TV18 Broadcast Limited had received the entire proceeds from the rights issue amounting to Rs. 26,991,557,640, the status of utilization of rights issue proceeds till the previous year is set out below:

(Rs.)

Objects of the issue	Proposed utilisation	Actual utilisation
ETV Acquisition *	19,250,000,000	19,250,000,000
Repayment/Pre-payment, in full or in part, of certain loans availed by us and repayment of Public Deposits	4,216,000,000	4,216,000,000
General corporate purposes	2,784,000,000	2,784,000,000
Rights issue expenses **	741,557,640	741,557,640
Total	26,991,557,640	26,991,557,640

* As at 31 March 2013, TV18 Broadcast Limited paid Rs. 19,500,000,000 to Arimas Trading Private Limited for acquisition of 100% stake of Equator Trading Private Limited (Promoters of ETV). The shares got transferred in the name of Company on 22 January, 2014 after legal compliances and Equator Trading Enterprises Private Limited has become a wholly owned subsidiary of the Company, since that date (refer note 36).

** Surplus of Rs 20,817,124 available after actual expenses incurred (including provisions) on rights issue have been utilized towards repayment of public deposits.

46. Barter transactions

During the year ended 31 March 2014, the Group had entered into barter transactions, which were recorded at the fair value of consideration receivable or payable. The statement of profit and loss for the year 31 March 2014 reflects revenue from barter transactions of Rs. 172,220,646 (previous year Rs 202,654,284) and expenditure of Rs. 118,394,059 (previous year Rs. 207,822,419) being the fair value of barter transactions provided and received.

47. During the year, the operations of Webchutney Studio Private Limited were transferred vide agreement dated 22 May 2013. Also during the previous year, the board of directors of the Company in their meeting held on 21 February 2013 passed a resolution and the Company decided to divest its undertaking comprising of premier local search businesses – Infomedia Yellow Pages and AskMe. As per the Business transfer agreement dated 27 February 2013 the Yellow Pages and AskMe business of the Company has been transferred to Getit Infoservices Private Limited. The management of Infomedia Press Limited is evaluating various options, including starting a new line of business in the Company. The Company has given VRS to its permanent employees. In view of this printing operations have been considered as discontinuing operations.

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

The following statement shows the revenue, expenses, assets and liabilities of discontinuing operation:

(Rs.)

Particulars	Continuing Operations		Discontinuing Operations		Total	
	Year ended 31 March 2014	Year ended 31 March 2013	Year ended 31 March 2014	Year ended 31 March 2013	Year ended 31 March 2014	Year ended 31 March 2013
Revenue						
Revenue from operations	26,912,612,923	22,570,078,960	21,280,838	1,438,507,261	26,923,893,760	23,826,942,640
Other income	555,016,827	1,029,002,674	16,553,601	22,885,755	571,570,428	1,050,106,525
Prior Period Income	79,727,450	-	-	-	79,727,450	-
Total Revenue	27,547,357,200	23,599,081,634	37,834,439	1,461,393,016	27,575,191,638	24,877,049,165
Expenses						
Cost of material consumed	162,389,283	87,269,958	-	214,290,028	162,389,283	301,559,986
Employee benefits expense	4,751,847,932	4,209,681,728	29,129,760	603,593,589	4,780,977,693	4,813,275,317
Other operating expenses	1,147,258,333	1,949,100,969	77,490,073	770,670,130	1,224,748,406	2,719,771,099
Depreciation and amortization expense	827,023,092	863,557,634	875,290	32,354,694	827,898,382	714,268,747
Finance costs	21,183,384,830	19,322,478,378	1,178,067	10,036,951	21,184,562,896	19,330,733,425
Prior period expenses / (income)	(1,190,848)	8,237,461	11,90,848	5,490,455	-	13,727,916
Total Expenses	28,070,712,622	26,440,326,129	109,864,039	1,636,435,846	28,180,576,660	27,893,336,490
Loss before exceptional items and tax	(523,355,422)	(2,841,244,495)	(72,029,600)	(175,042,928)	(605,385,022)	(3,016,287,325)
Exceptional items	739,146,127	598,856,726	(16,527,120)	1,048,581,7	765,673,248	1,647,438,462
Loss before tax	(215,790,705)	(2,242,387,769)	(55,502,478)	873,538,808	160,288,226	(1,368,848,863)
Current tax expenses earlier years	267,186,434	22,617,290	-	7,758,964	267,186,434	30,376,254
Deferred tax	(27,537,258)	111,511,917	-	-	(27,537,258)	111,511,917
Loss for the period	(23,858,471)	(2,376,516,976)	(55,502,479)	865,779,844	(79,360,950)	(1,510,737,034)
Assets	66,356,719,813	64,659,873,587	100,107,227	335,777,185	66,456,827,040	65,038,762,439
Liabilities	21,629,509,013	19,948,276,999	76,616,301	283,282,569	21,765,479,485	20,274,671,235

48. Subsequent to receipt of all regulatory approvals, TV18 Broadcast Ltd (TV18) has successfully completed the acquisition of 100% equity securities of Equator Trading Enterprises Private Limited (Promoters of ETV) wef 22 January 2014. TV18 has paid a sum of Rs. 3,050,000,000 for equity shares and Rs. 17,480,000,000 for debentures to complete the transaction as per Share Purchase Agreement. TV18 is holding 50% interest in ETV Non Telugu General Entertainment Channels, as an asset held for sale as this is proposed to be transferred to a Group Company. On 22 January, 2014 the TV18 through acquisition of 100% interest in Equator Trading Enterprises Private Limited has successfully completed the acquisition of (i) 100% interest in Panorama Television Private Limited which is engaged in the business of program production and broadcast of satellite television channels in Hindi and Urdu languages predominantly to India viewers namely ETV Uttar Pradesh, ETV Madhya Pradesh, ETV Rajasthan, ETV Bihar and ETV Urdu channel ("ETV News Channel) (ii) 50% interest in Prism TV Private Limited which is engaged in the business of program production and broadcast of satellite television in various languages predominantly to India viewers namely ETV Marathi, ETV Kannada, ETV Bangla, ETV Gujarati and ETV Oriya ("ETV non Telegu GEC Channels") and (iii) 24.50% interest in Eenadu Television Private Limited which is

Network18 Media & Investments Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

engaged in the business of program production and broadcast of satellite television channels namely ETV Telugu and ETV Telugu News ("ETV Telugu Channels"). TV18 will have Board and Management Control of ETV News Channels and ETV Non Telugu GEC Channels.

49. TV18 Home Shopping Network Limited is subject to the uplinking and downlinking guidelines issued by the Ministry of Information and Broadcasting ('MIB'), Government of India and has obtained approval from MIB dated 23 November 2007 to uplink and downlink "HomeShop18" television channel for a period of ten and five years respectively. On 21 November 2012, TV18 Home Shopping Network Limited applied for the renewal of the downlinking license for its television channel under the Downlinking Guidelines, which is currently pending for approval of the MIB. It has received a show cause notice dated 13 March 2014 from the MIB intimating that it has not been compliant with minimum positive net worth requirements as per the Uplinking Guidelines issued by the MIB. The MIB, through this show cause notice, has requested information from TV18 Home Shopping Network Limited on why penalties ranging from suspension of permission and prohibition of broadcast/ transmission for a certain number of days, to revocation of permission and prohibition of broadcast for the remaining period of the permission, to disqualification from holding any fresh permission in future for a period of five years, be not imposed. TV18 Home Shopping Network Limited has addressed the net worth requirements as on date and is hopeful that the aforesaid penalties will not be imposed by the MIB. It does not expect any adverse impact of the pending downlinking application arising from any restriction to continue to uplink and downlink its television channel.
50. Figures pertaining to the subsidiaries, associates and joint ventures have been reclassified wherever necessary to bring them in line with the Group's financial statements.
51. Additional statutory information disclosed in the separate financial statements of Network18 Media & Investments Limited and its subsidiaries having no material bearing on the true and fair view of these consolidated financial statements and the information pertaining to the items which are not material have not been disclosed in the consolidated financial statements.
52. The Company is in the process of addressing the matters specified in Circular No. CIR/CFD/DIL/E/2013 dated 17 January 2013 read together with Circular No. CIR/CFD/DIL/7/2013 dated 13 May 2013 and Circular No. CIR/CFD/POLICYCELL/14/2013 dated 29 November 2013 issued by the Securities and Exchange Board of India in respect of certain shares held by Network18 Group Senior Professional Welfare Trust.
53. The accumulated losses of the Infomedia Press Limited have resulted in the erosion of its net worth. Infomedia has been legally advised that in view of closure of its printing operations, the provisions of Sick Industrial Companies (Special provisions) Act, 1985 are not applicable to it.
54. Previous year's figures have been regrouped /reclassified, wherever necessary to conform to the current year's presentation.

For **Walker Chandio & Co LLP**
(formerly Walker, Chandio & Co)
Chartered Accountants

For and on behalf of the Board of Directors of
Network18 Media & Investments Limited

per **B.P. Singh**
Partner

Raghav Bahl
Managing Director

Sanjay Ray Chaudhuri
Director

Place: Noida
Date : 27 May 2014

R D S Bawa
Group Chief Financial Officer

Yug Samrat
Company Secretary

FINANCIAL DETAILS OF SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED MARCH 31, 2014.

Sr. No.	Name of Subsidiary Company	Capital	Reserves	Total Assets	Total Liabilities	Investments (Except in case of Investment in subsidiaries)	Turnover	Profit before taxation	Provision for taxation	Profit after taxation
1	TV 18 Broadcast Limited	3,423,344,024	31,312,210,293	37,912,584,954	3,177,030,637	-	5,314,526,358	595,472,746	3,367,246	592,105,500
2	RVT Media Private Limited	3,423,344,024	30,722,318,827	38,231,903,729	4,086,240,878	9,092,794,809	5,704,683,186	114,581,834	12,348,241	102,233,593
3	ibn18(Mauritius) Limited, Mauritius	966,150	345,031,144	661,799,822	315,802,528	-	-	(200,100)	-	(200,100)
4	Setpro 18 Distribution Limited	966,150	345,231,244	555,399,922	209,202,528	-	-	(202,548)	-	(202,548)
5	Network 18 Holding Ltd, Mauritius	5,075	(2,887,063)	2,820,056,369	2,822,938,357	-	79,133,686	77,929,160	2,337,902	75,591,258
6	NW18 HSN Holdings PLC (name of TV18 HSN Holdings Limited changed w.e.f. March 31, 2014)	5,075	(337,986,459)	2,484,251,007	2,822,232,391	-	62,561,784	61,666,113	1,849,985	59,816,128
7	Television Eighteen Mauritius Limited	3,400,000	(13,020,908)	120,379,725	130,000,633	-	5,331,796	4,896,776	1,582,378	3,314,398
8	Television Eighteen Media and Investment Limited	500,000	(16,335,307)	153,406,743	169,242,050	-	360,319,214	5,125,416	1,021,985	4,103,431
9	Television Eighteen Media and Investment Limited	67,890,000	1,266,071,362	4,400,476,537	3,066,515,175	-	281,791,757	280,689,737	1,170,596	279,519,141
10	RRK Finhold Private Limited	67,890,000	881,255,715	3,763,356,448	2,814,210,689	-	23,048,052	(137,518,712)	-	(137,518,712)
11	RVT Finhold Private Limited	370,364,640	3,784,360,709	4,339,492,052	184,766,703	-	234,877	(93,992,782)	89,595,685	(183,588,467)
12	Capital 18 Limited Mauritius	519,695,390	2,223,041,684	2,817,929,827	75,192,753	-	27,699	(35,722,475)	5,364,389	(41,086,864)
13	Capital 18 Fincap Private Limited	89,675,510	1,780,765,195	3,500,260,017	1,629,819,312	-	3,682,542,005	(838,581,261)	-	(838,581,261)
14	Capital 18 Holdings Limited, Mauritius	51,725,810	(1,282,954,266)	1,825,573,598	3,056,802,054	-	2,253,986,950	(1,200,513,791)	-	(1,200,513,791)
15	Capital 18 Holdings Limited, Mauritius	568,131,581	(515,345,540)	564,983,272	512,197,231	-	8,879,811	(154,736,228)	-	(154,736,228)
16	Capital 18 Holdings Limited, Mauritius	568,131,581	(227,685,147)	652,193,320	311,746,886	233,877,000	3,015,916	(68,644,617)	(5,110,433)	(63,534,184)
17	Capital 18 Holdings Limited, Mauritius	2,014,313,595	(230,715,366)	4,812,088,109	3,028,469,880	-	2,258,497	(54,562,751)	-	(54,562,751)
18	Capital 18 Holdings Limited, Mauritius	2,014,313,595	502,593,751	4,353,690,375	1,836,783,029	-	2,024,493	(49,147,153)	-	(49,147,153)
19	Capital 18 Holdings Limited, Mauritius	100,000	(25,796,610)	40,215,469	65,912,079	-	3,836	(3,963,921)	-	(3,963,921)
20	Capital 18 Holdings Limited, Mauritius	100,000	(21,832,689)	49,014,437	70,747,126	-	-	(39,766)	-	(39,766)
21	Capital 18 Holdings Limited, Mauritius	100,000	(46,773,316)	264,958,451	331,631,767	-	-	(616,788)	-	(616,788)
22	Capital 18 Holdings Limited, Mauritius	2,400,000	(46,116,528)	183,536,721	227,253,249	-	-	(2,194,465)	-	(2,194,465)
23	Capital 18 Holdings Limited, Mauritius	116,380,050	(67,811,494)	82,194,073	33,625,517	-	66,645,810	(12,151,166)	-	(12,151,166)
24	Capital 18 Holdings Limited, Mauritius	96,400,610	(110,680,888)	81,928,446	96,208,724	-	117,909,322	(12,588,809)	-	(12,588,809)
25	Capital 18 Holdings Limited, Mauritius	45	(785,343,949)	39,222,162	824,566,065	-	79,241,318	55,641,998	-	55,641,998
26	Capital 18 Holdings Limited, Mauritius	45	(760,391,204)	89,291,779	849,682,938	-	2,627	(30,960,023)	-	(30,960,023)
27	Capital 18 Holdings Limited, Mauritius	25,580,000	(9,226,853)	1,181,191,807	1,164,838,660	800,000	48,465,237	(303,314,672)	(9,070,660)	(294,244,012)
28	Capital 18 Holdings Limited, Mauritius	25,580,000	303,158,479	1,369,807,895	1,041,069,416	2,600,000	-	(21,508,127)	-	(21,508,127)
29	Capital 18 Holdings Limited, Mauritius	223,250	(1,817,883,104)	951,449,050	2,769,108,904	-	24,441,571	(73,288,394)	-	(73,288,394)
30	Capital 18 Holdings Limited, Mauritius	223,250	(1,579,709,225)	978,256,992	2,557,742,966	-	25,233,915	(135,912,518)	-	(135,912,518)
31	Capital 18 Holdings Limited, Mauritius	25,545,544	2,056,170,829	2,085,094,375	3,378,002	-	119,138	(1,978,600)	-	(1,978,600)
32	Capital 18 Holdings Limited, Mauritius	25,545,544	1,862,583,429	1,888,285,423	156,451	-	-	(23,838,717)	-	(23,838,717)
33	Capital 18 Holdings Limited, Mauritius	12,846,010	104,943,834	190,594,582	72,804,738	-	736,784,904	23,079,402	-	18,561,464
34	Capital 18 Holdings Limited, Mauritius	12,846,010	86,382,369	264,419,716	165,191,336	-	377,711,924	(23,270,264)	4,517,938	(23,147,698)
35	Capital 18 Holdings Limited, Mauritius	4,818,000	316,712,091	420,456,878	98,926,787	-	483,429,523	11,411,617	(122,566)	(11,411,617)
36	Capital 18 Holdings Limited, Mauritius	21,548,000	226,576,066	394,710,350	146,586,284	969,000	459,080,614	3,329,953	-	3,329,953

Network18 Media & Investments Limited

Sr. No.	Name of Subsidiary Company	Capital	Reserves	Total Assets	Total Liabilities	Investments (Except in case of Investment in subsidiaries)	Turnover	Profit before taxation	Provision for taxation	Profit after taxation
19	E-18 Limited Cyprus	1,220,550,163 1,220,550,163	746,598,861 (287,570,536)	761,731,741 933,975,235	(1,205,417,283) 995,609	-	5,645,725 469,561,702	(273,461,973) 465,038,438	2,171,719	(275,633,692) 465,038,438
20	Web 18 Software Services Limited	10,533,690 10,533,690	(14,065,845) (13,697,265)	847,868 3,418,891	4,380,023 6,582,466	-	2,189,794 1,400,000	(367,583) (916,434)	1,000	(368,583) (916,434)
21	Big Tree Entertainment Private Limited	2,967,480 2,967,480	449,634,775 489,960,862	779,841,355 843,054,045	327,239,100 350,125,703	-	840,247,457 527,597,201	(39,837,766) 32,221,029	488,321	(40,326,087) 32,221,029
22	Moneycontrol Dot Com India Limited	500,000 500,000	(2,309,153) (1,160,251)	316,670 835,919	2,125,823 1,496,170	-	594,786 1,291,192	(1,148,902) (933,822)	(34,707)	(1,148,902) (899,115)
23	e-Eighteen.com Limited	54,040,000 54,040,000	180,606,915 131,458,502	383,762,871 328,753,402	149,115,956 143,254,900	-	512,315,294 439,201,135	51,599,604 8,794,042	2,451,191 4,700,000	49,148,413 4,094,042
24	Digital18 Media Limited	500,000 500,000	(435,348,180) (373,478,985)	84,255,443 86,039,627	519,103,623 459,018,612	-	239,390,890 256,567,363	(61,869,195) (20,067,926)	-	(61,869,195) (20,067,926)
25	Infomedia Press Limited (formally Infomedia 18 Limited)	501,941,720 501,941,720	(702,812,300) (598,330,070)	105,604,325 168,568,214	306,474,905 264,956,564	-	15,337,235 366,222,815	(99,215,339) (242,261,261)	-	(99,215,339) (242,261,261)
26	RRB Investment Private Limited	20,100,000 20,100,000	(218,971,811) (215,415,398)	283,016,315 34,686,126	481,888,126 230,001,524	-	22,390,360 29,121	(3,464,913) (819,518)	91,500	(3,556,413) (819,518)
27	AETN18 Media Private Limited	482,684,660 469,957,479	(248,082,399) (238,623,653)	429,284,409 434,732,917	194,682,148 203,399,091	-	286,242,209 407,510,656	(136,718,306) (342,656,305)	13,040	(136,731,346) (342,656,305)
28	India Cast Media Distribution Private Limited	4,560,000	133,404,666	1,070,893,450	932,928,784	-	953,535,065	15,734,166	7,125,940	8,608,226
29	India Cast UTV Media Distribution Private Limited	2,280,000 50,000,000 100,000	53,660,440 11,175,765 (587,600)	2,303,845,092 2,061,532,956 3,933,043	2,247,904,652 2,000,357,191 4,420,643	-	4,721,706,224 8,214,125,601 -	(2,574,873) 17,413,816 (587,600)	1,024,224 5,650,451 -	(3,599,097) 11,763,365 (587,600)
30	India Cast UK Limited	4,939,200 4,939,200	7,003,379 (203,742)	297,721,447 4,944,139	285,778,868 208,681	-	470,548,443	8,749,021 (213,147)	1,683,679	7,065,342 (213,147)
31	India Cast US Limited	5,439,000 5,439,000	3,091,784 (189,005)	173,332,186 5,439,000	164,801,402 189,005	-	335,444,352	4,485,489 (189,492)	1,138,725	3,346,764 (189,492)
32	Equator Trading Enterprises private limited #	2,000,000,000	(24,364,840)	14,982,380,122	13,006,744,962	-	338,669	(906)	-	(906)
33	Panorama Television Private Limited #	249,596,080	1,063,970,398	2,093,485,061	779,918,583	-	1,467,173,252	623,270,760	214,809,055	408,461,705
34	Prism TV Private Limited #	250,513,400	1,245,443,637	2,952,719,537	1,456,762,500	-	2,692,473,821	(1,269,693,385)	-	(1,269,693,385)
35	Reed Infomedai India Private limited #	100,000,000	(89,822,003)	211,706	33,709	-	1,255,779	(1,778,492)	-	(1,778,492)

1. Figures in bold and italics represent financial year ended March 31,2013.

2. # These Companies were not the subsidiaries of the company in the previous year, hence only current year figures are given.

NETWORK18 MEDIA & INVESTMENTS LIMITED

(CIN - L65910DL1996PLC076419)

Regd. Office: 503, 504 & 507, 5th Floor, Mercantile House, 15, Kasturba Gandhi Marg, New Delhi - 110 001

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id*

Folio No.

Client Id*

No. of Shares

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the **19th Annual General Meeting** of the Company held on Tuesday, September 30, 2014 at 11:00 a.m. at Tivoli Garden Resort, Khasra No. 646-653, Chattarpur Road, Near Chattarpur Mandir, New Delhi-110074.

Signature of Shareholder/proxy

* Applicable for investors holding shares in electronic form.

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

NETWORK18 MEDIA & INVESTMENTS LIMITED

(CIN - L65910DL1996PLC076419)

Regd. Office: 503, 504 & 507, 5th Floor, Mercantile House, 15, Kasturba Gandhi Marg, New Delhi - 110 001

Name of the member(s) :		e-mail Id:	
Registered address:		Folio No/*Client Id:	
		*DP Id:	

* Applicable for investors holding shares in electronic form.

I/We, being the member(s) of _____ shares of Network18 Media & Investments Limited, hereby appoint:

- 1) _____ of _____ having e-mail id _____ or failing him
- 2) _____ of _____ having e-mail id _____ or failing him
- 3) _____ of _____ having e-mail id _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **19th Annual General Meeting** of the Company, to be held on Tuesday, September 30, 2014 at 11:00 a.m. at Tivoli Garden Resort, Khasra No. 646-653, Chattarpur Road, Near Chattarpur Mandir, New Delhi-110074 and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions		For	Against
1.	Consideration and Adoption of:		
	a) Audited Financial Statement, Reports of the Board of Directors and Auditors		
	b) Audited Consolidated Financial Statement		
2.	Re-appointment of Mr. Raghav Bahl as a Director who retires by rotation		
3.	Appointment of Auditors and fixing their remuneration		
4.	Appointment of Mr. Rohit Bansal as a Director		

5.	Appointment of Mr. Vinay Chhajlani as a Director		
6.	Appointment of Mr. Deepak Parekh as an Independent Director		
7.	Appointment of Mr. Adil Zainulbhai as an Independent Director		
8.	Approval of the Remuneration of the Cost Auditors		
9.	Approval of Borrowing power not exceeding an amount Rs.1800 Crores over and above the paid-up capital, free reserves and securities premium account		
10.	Approval of offer or invitation to subscribe to Non-Convertible Debentures on private placement.		
11.	Adoption of new Articles of Association of the Company		

Affix
Re. 1
Revenue
Stamp

Signed this _____ day of _____

Signature of shareholder

Signature of First proxy holder

Signature of Second proxy holder

Signature of Third proxy holder

Notes:

(1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

(2) A Proxy need not be a member of the Company.

(3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

** (4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

(5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

(6) In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.

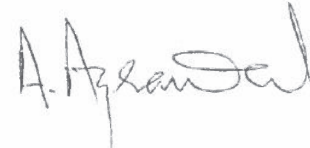

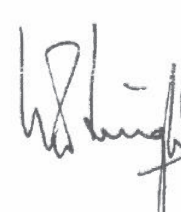




NETWORK18 MEDIA & INVESTMENTS LIMITED

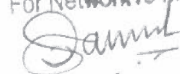
503, 504 & 507, 5th Floor, 'Mercantile House',
15, Kasturba Gandhi Marg, New Delhi - 110001.

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company	Network18 Media & Investments Limited
2	Annual financial statements for the year ended	31 March 2014
3	Type of audit observation	Un-qualified
4	Frequency of observation	Not Applicable
5	To be signed by	
	<ul style="list-style-type: none"> Chief Executive Officer/ Managing Director <p>Mr. Alok Agrawal Group COO</p>	
	<ul style="list-style-type: none"> Chief Financial Officer <p>Mr. Sanjiv Kulshreshtha Finance Head</p>	
	<ul style="list-style-type: none"> Auditor of the Company: <p>For Walker Chandiook & Co LLP <i>(formerly Walker, Chandiook & Co)</i> Chartered Accountants Firm Registration No.: 001076N/N500013</p> <p>per B.P. Singh Partner Membership No. 70116</p>	 
	<ul style="list-style-type: none"> Audit Committee Chairman <p>Mr. Adil Zainulbhai</p>	
	Place: NOIDA	
	Date: 5-9-2014	

CERTIFIED TRUE COPY

For Network18 Media & Investments Limited

 Yug Samrat
 Company Secretary & AVP-Corporate Affairs