



TV 18

TV18 Broadcast Limited

ANNUAL REPORT
2011 - 2012



TV18 Broadcast Limited

BOARD OF DIRECTORS

- | | |
|----------------------------|----------|
| • MR. MANOJ MOHANKA | CHAIRMAN |
| • MR. RAGHAV BAHL | DIRECTOR |
| • MR. SANJAY RAY CHAUDHURI | DIRECTOR |
| • MR. HARI S. BHARTIA | DIRECTOR |
| • MR. SHAHZAAD SIRAJ DALAL | DIRECTOR |

NETWORK18 GROUP CEO & MANAGER (TV18)

- MR. SAIKUMAR GANAPATHY BALASUBRAMANIAN

NETWORK18 GROUP CFO

- MR. R.D.S. BAWA

NETWORK18 GROUP SENIOR VP - CORPORATE AFFAIRS

- MR. ANIL SRIVASTAVA

G.M. FINANCE

- MR. GURDEEP SINGH PURI

**AGM – CORPORATE AFFAIRS
& COMPANY SECRETARY**

- MR. HITESH KUMAR JAIN

AUDITORS

- DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS

BANKERS

- ICICI BANK LTD
- ING VYSYA BANK
- KOTAK MAHINDRA BANK LIMITED
- ORIENTAL BANK OF COMMERCE
- SMALL INDUSTRIAL DEVELOPMENT BANK OF INDIA
- SYNDICATE BANK
- YES BANK

REGISTERED OFFICE

503, 504 & 507, 5TH FLOOR,
'MERCANTILE HOUSE'
15, KASTURBA GANDHI MARG,
NEW DELHI - 110001

CORPORATE OFFICE

EXPRESS TRADE TOWER
PLOT NO. 15 & 16, SECTOR 16A,
NOIDA, - 201 301 (U.P.)
PH. 0120 - 434 1818
FAX. 0120 432 4110

REGISTRAR & SHARE TRANSFER AGENT

LINK INTIME INDIA PRIVATE LTD.
A-40, 2ND FLOOR,
NARAINA INDUSTRIAL AREA, PHASE - II
NEAR BATRA BANQUET HALL,
NEW DELHI - 110 028
Email: delhi@linkintime.co.in

CONTENTS	Page No.
Notice	2
Directors' Report	6
Management Discussion and Analysis	13
Corporate Governance Report	32
FINANCIAL STATEMENTS	
Standalone Financials	
Auditors' Report	48
Balance Sheet	52
Profit & Loss Account	53
Cash Flow	54
Notes	56
Consolidated Financials	
Auditors' Report	97
Balance Sheet	98
Profit & Loss Account	99
Cash Flow	100
Notes	102
Consent for receiving documents through email	149

TV18 Broadcast Limited

Notice

Notice is hereby given that the 7th **Annual General Meeting** of the Members of M/s TV18 Broadcast Limited ("**Company**") will be held on **Friday, the 14th day of September 2012 at 10.00 A.M.** at MPCU, Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Niwas Marg, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi – 110 054 to transact the following businesses: -

ORDINARY BUSINESS

1. To receive, consider & adopt the Audited Balance Sheet as at 31st March 2012, the Statement of Profit & Loss for the financial year ended on that date and the Reports of the Board of Directors & Auditors thereon.
2. To appoint a Director in place of Mr. Manoj Mohanka, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors of the Company and to fix their remuneration and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT subject to the provisions of Sections 224, 225 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. Deloitte Haskins & Sells, Chartered Accountants, (Firm Registration No. 015125N) be and are hereby re- appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of section 314 and all other applicable provisions, if any, of the Companies Act, 1956 ("the **Act**") (including any statutory modifications or re-enactment thereof for the time being in force) and the provisions of the Director's Relatives (Office or Place of Profit) Rules 2011, and subject to the approval of any central / regulatory / government authorities, if required, either in present or in future, and subject to such conditions as may be prescribed or imposed by them while granting such approvals, which may be agreed by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term

shall be deemed to include any Committee already constituted / to be constituted by the Board to exercise its powers, including the powers conferred by this resolution), consent of the Company be and is hereby accorded to Ms. Ritu Kapur, a relative of a Director of the Company for holding / continue to hold the office or place of profit in the Company effective from June 10, 2011 (the date of Scheme of Arrangement becoming effective) or such other date as may be stipulated / directed by any of the central / regulatory / government authorities while according its approval, if any such required, for providing her professional services in the capacity of Producer, Director, Editor etc. for television shows or in any other capacity to the Company and / or any of its subsidiaries companies at a monthly remuneration, as detailed hereunder:

a) Salary:

Basic	Rs. 1,25,000/- per month
HRA	50% of Basic
Special Allowance (by whatever named called)	Rs. 35,000/- per month

b) Perquisites and Allowances:

Ms. Ritu Kapur will also be entitled to perquisites, benefits and allowances like residential accommodation (or house rent allowance in lieu thereof), special allowance, education allowance, reimbursement of telephone expenses, medical allowance, Leave Travel Allowance, health coverage under group mediclaims, personal accident insurance, leave and encashment of leave, contributions to provident fund and superannuation or annuity fund, gratuity and/ or contribution to gratuity fund, chauffeur driven company maintained / leased car (or allowances in lieu thereof) and such other payments in the nature of perquisites, benefits and allowances as per Company Policy in force from time to time or as may otherwise be decided by the Company;

In arriving at the value of perquisites, in so far as there exists a provision for valuation of such perquisites under the prevailing Income Tax Rules, the value shall be determined on the basis of such Income Tax Rules in force from time to time;

RESOLVED FURTHER THAT the consent of the Members of the Company be and is hereby accorded for such annual increments and / or revisions from

TV18 Broadcast Limited

time to time in the Total Remuneration of Ms. Ritu Kapur not exceeding 20% of the last Total Remuneration drawn, as may be considered appropriate by any member of the Board of Directors/Network18 Group CFO/Group Senior Vice President - Corporate Affairs/Group HR Head.

RESOLVED FURTHER THAT the members of the Board of Directors, Network18 Group CFO, Group Senior Vice President - Corporate Affairs and Company Secretary of the Company be and are hereby severally authorized to approach the Central Government or any other authorities, as may be required, for getting requisite approval thereof, in the event the Total Monthly Remuneration exceeds the amount as prescribed by the Central Government from time to time, upon any increment, annual or other, made by the Company and that the total Monthly Remuneration, paid or to be paid in excess during such intervening period, if any, be and is hereby ratified / approved by the members of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the members of the Board of Directors, Network18 Group CFO, Group Senior Vice President - Corporate Affairs and Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things, take necessary steps in the manner as they may in their absolute discretion deem necessary, desirable or expedient, including but not limited to making application(s) to the central government or any other authorities, as may be applicable, for seeking their permission(s) / consent(s), if any such required either in present or in future, for holding / continue to hold office or place of profit by Ms. Ritu Kapur and to settle any questions / difficulties/ doubts that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members of the Company or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by or pursuant to this resolution.

By Order of the Board of Directors
For **TV18 Broadcast Limited**

Hitesh Kumar Jain
AGM-Corporate Affairs
& Company Secretary

Place: Noida

Dated: August 4, 2012

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("THE MEETING") IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. A blank Proxy Form is enclosed with this notice and if intended to be used, the Proxy 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.
3. Members/ Proxies are requested to bring a copy of this notice as no copies will be made available at the Meeting. Under no circumstances, photocopies of the admission slip will be allowed for admission to the Meeting place. Those Members who do not receive copies of Annual Report can collect their copies from the Registered Office of the Company.
4. Members/ Proxies should bring the attendance slips duly filled in for attending the Meeting.
5. Corporate Members are requested to send a duly certified copy of the Board Resolution/ Power of Attorney authorising their representative to attend and vote on their behalf at the Meeting.
6. Members can avail the nomination facility with respect to shares held, by submitting a request in writing to the Company or to M/s Link Intime India Private Limited, the Registrar and Share Transfer Agent of the Company.
7. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 relating to Special Business to be transacted at the Annual General Meeting is annexed.
8. Mr. Manoj Mohanka, a Director, retiring by rotation at the ensuing Meeting and being eligible, offers himself for re-appointment. Brief resume of Mr. Manoj Mohanka, nature of his expertise in specific functional area and names of other Public Limited Companies in which he hold Directorship and Chairmanship / membership of Committees of Board, shareholding and relationship between directors inter-se, as required under Clause 49 of the Listing Agreement entered into with the Stock Exchange(s),

TV18 Broadcast Limited

are provided in the Corporate Governance Report annexed in the Annual Report. The Board of Directors recommends his re-appointment.

9. The Registers of Members of the Company will be closed from Monday, the 6th day of August 2012 to Tuesday, the 7th day of August 2012, both days inclusive. The Transfer Books of the Company will also remain closed for the aforesaid period.
10. All documents referred to in the accompanying notice are available for inspection at the Registered Office of the Company on all working days except Saturday, between 11.00 A.M. to 1.00 P.M. upto the date of Meeting.
11. Members are requested to send all the correspondence concerning registration of transfer, transmission, subdivision, consolidation of shares or any other share related matters to the Company's Registrar & Share Transfer Agent, M/s Link Intime India Private Limited, at A - 40, 2nd Floor, Naraina Industrial Area, Phase - II, Near Batra Banquet Hall, New Delhi - 110 028.
12. Members who hold shares in electronic mode are requested to intimate immediately the change in their address and other details to their Depository Participant with whom they are maintaining their demat accounts. Members who hold shares in physical mode are requested to intimate immediately any change in their address and other details to the Company's Registrar & Share Transfer Agent, M/s Link Intime India Private Limited.
13. The details of the Stock Exchanges, on which the securities of the Company are listed, are given separately in the Annual Report of the Company.
14. **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.**
15. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrar and Transfer Agent, M/s Link Intime India Private Limited, for consolidation into a single folio.
16. Non -Resident Indian Members are requested to inform Link Intime India Private Ltd, immediately of change in their residential status on return to India for permanent settlement.
17. **Members are requested to note that the Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing the paperless compliances by the companies vide its circulars no. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 after considering certain provisions of the Information Technology Act, 2000, permitting the companies to send the notices / annual reports etc. through email to its members. A consent form is enclosed with the Annual Report of the Company and the members are requested to provide their consent along with their email ID for receiving the notices / annual reports etc through electronic mode.**
18. Register of Director's Shareholding pursuant to Section 307 of the Companies Act, 1956 shall be kept open and accessible at the meeting for the inspection of person having right to attend the meeting.

TV18 Broadcast Limited

EXPLANATORY STATEMENT WITH RESPECT TO SPECIAL BUSINESS PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956**ITEM No. 4**

The Members of the Company are hereby informed that pursuant to the Scheme of Arrangement between TV18 Broadcast Limited (formerly ibn18 Broadcast Limited), erstwhile Television Eighteen India Limited (Television18), Network18 Media & Investments Limited and other Network18 Group companies as approved by the Hon'ble High Court of Delhi vide its order dated April 26, 2011 (the Scheme), Ms. Ritu Kapur, who was an employee of erstwhile Television18 became an employee of the Company on account of demerger of business news undertaking Inter alia comprising of 'CNBC TV18' and 'CNBC Awaaz' of erstwhile Television18 into the Company.

Television18 had earlier taken all requisite approvals from the appropriate authorities under Section 314 of the Companies Act, 1956 ("the Act") for appointment of Ms. Ritu Kapur for providing professional services. Pursuant to Clause 5.16 of the Scheme, all permissions, approvals obtained by Television18 got vested into the Company, without any further act or deed. Since Ms. Ritu Kapur is relative of a Director of the Company and her total monthly remuneration exceeds the limits prescribed under Section 314(1) of the Act, therefore a matter of abundant caution and as a matter of good corporate governance practice, the Company has decided to seek a fresh consent from its Shareholders under Section 314 of the Act for Ms. Ritu Kapur for holding / continue to hold the office or place of profit in the Company and / or any of its subsidiaries at the Total Monthly Remuneration as detailed in the resolution for rendering professional services. At present the Total Monthly Remuneration of Ms. Ritu Kapur does not exceed the limits prescribed under Section 314(1B) of the Act. However in the event the Total Monthly Remuneration of Ms. Ritu Kapur exceeds

the amount as prescribed by the Central Government under Section 314(1B) read with Director's Relatives (Office or Place of Profit) Rules 2011, from time to time, upon any increment, annual or other, made by the Company, the Company may be seeking the necessary approvals, pursuant to the authority of this resolution, from the Central Government for Ms. Ritu Kapur to hold / continue to hold the office or place of profit as aforesaid.

Ms. Ritu Kapur, holding a Masters Degree in Mass Communication, has enriched experience in the field of media and journalism. Ms. Kapur has worked for lifestyle magazine show – 'THE INDIA SHOW'; Real life docu-drama series – 'BHANWAR', 'HAADSA'; Horror show – 'KHAUFF'; in various capacities viz – Director, Associate Director, Correspondent, Screenplay Writer. She has also produced various shows for television including 'REAL HEROES', 'CITIZENS FOR EARTH', 'INDIA ROCKS' and many others. She has won Screen Award for 'BHANWAR' and Asian Television Award for 'CITIZEN JOURNALIST'.

Your Directors, therefore, recommend this resolution be passed by the shareholders as a special resolution.

Except Mr. Raghav Bahl, none of Directors and Manager of the Company is in any way concerned or interested in this resolution except to the extent of their shareholdings in the Company.

By Order of the Board of Directors
For **TV18 Broadcast Limited**

Hitesh Kumar Jain
AGM-Corporate Affairs
& Company Secretary

Place: Noida
Dated: August 4, 2012

TV18 Broadcast Limited

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 7th Annual Report together with the audited accounts of M/s TV18 Broadcast Limited (herein after referred as the 'Company' or 'TV18') for the financial year ended March 31, 2012.

FINANCIAL PERFORMANCE

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

(Rs. in lakhs)

Particulars	Financial Year ended March 31, 2012	Financial Year ended March 31, 2011
Total Revenues	68,735	26,216
Profit / (loss) before interest and depreciation	12,197	251
Interest	8,540	4,008
Depreciation	2,446	1,169
Profit / (loss) before tax	1,211	(4,926)
Provision for taxes / deferred tax	287	-
Net Profit / (Loss) after tax	924	(4,926)

OPERATIONS

General news operations of your Company performed particularly well in a highly competitive market and revenue grew by ~20%. Business news operations, which demerged to your Company during the year pursuant to the Scheme of Arrangement, continue to perform well. During the financial year 2011-12 the revenues of your Company was Rs. 68,735 lakhs as against Rs. 26,216 lakhs in the previous year. Your Company has earned profit of Rs. 924 lakhs during the period under review as against loss of Rs. 4,926 lakhs during the previous year ended March 31, 2011. However, previous year figures are not strictly comparable with the current year figures, as current year figures also includes income from operations of news business undertaking of erstwhile Television Eighteen India Limited comprising of channels, 'CNBC TV18' and 'CNBC Awaaz' which got merged into the Company, pursuant to Scheme of Arrangement w.e.f. June 10, 2011.

Audited Consolidated Financial Statements for the year ended March 31, 2012 also forms part of this Annual Report.

NEW LAUNCHES

Financial Year 2011-12 has been another year full of actions and events for your Company. Five channels were successfully launched during the year –

- premier business news channel 'CNBC TV18 Prime HD';

- 'HISTORY TV18' (through 51 – 49 JV - AETN18 Media Private Limited), an Infotainment channel, launched in October 2011, in 6 languages was well taken by the viewers. Currently it is available in 8 languages.

Following channels were launched from the stable of Viacom18 Media Pvt. Ltd.:

- 'COMEDY CENTRAL' - a comedy channel;
- 'SONIC' – a channel for action loving generations; both the above channels were launched in December 2011.
- Further popular general entertainment channel 'COLORS' was launched in HD format.

DIVIDEND

In order to conserve the resources, your Directors do not recommend any Dividend for the financial year ended March 31, 2012.

TRANSFER TO RESERVES

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

DEPOSITS

Your Company continues to enjoy the confidence reposed by its investors for its Fixed deposit Scheme and has accepted deposits from the public and the shareholders of the Company under Section 58A of the Companies Act, 1956 within the limits as prescribed under Companies (Acceptance of Deposits) Rules, 1975.

As at March 31, 2012, your Company has received an aggregate sum of Rs. 274.06 crores under its fixed deposits scheme. There was no failure in repayment of interest due on Fixed Deposits by the Company. Your Company has sent reminders to 322 Deposit holders, who have not claimed repayment of their matured fixed deposits, which became due till March 31, 2012 amounting to Rs. 2.02 crores.

The Credit rating Agency, ICRA has affirmed the credit rating for the Fixed Deposit Scheme of your Company as "MA-" (pronounced as MA minus) watch with developing implications.

Your Company conveys its thanks to the deposit holders for the great response shown by them for the Fixed Deposit Scheme of the Company.

SCHEME OF ARRANGEMENT

The Hon'ble High Court of Delhi vide its order dated April 26, 2011 had approved the Scheme of Arrangement (the "Scheme") between M/s Television Eighteen India Limited (Television Eighteen), TV18 Broadcast Limited (formerly ibn18 Broadcast Limited), Network18 Media & Investments Limited and other Network18 Group Companies. A copy of the Court order was filed with the Office of Registrar of Companies, NCT of Delhi & Haryana on June 10, 2011 and accordingly the Scheme has come into effect from June 10, 2011 (the "Effective Date") with the appointed date being April 1, 2010.

TV18 Broadcast Limited

Pursuant to the Scheme, the business news undertaking comprising of English business news channel 'CNBC TV18' and Hindi business news channel 'CNBC –Awaaz' including teleports were demerged from erstwhile Television Eighteen and merged with your Company. Further IBN18 Media & Software Limited, a 100 % WOS of your Company and iNews.com Limited, a 100% WOS of Television Eighteen were merged with your Company.

Consequent to the Scheme, the Company had allotted 12,39,43,303 fully paid up equity shares of face value of Rs. 2/- each on June 23, 2011 to the shareholders of Television Eighteen in the ratio of 17:25 i.e. 17 fully paid-up equity shares of face value of Rs. 2/- each of the Company for every 25 fully paid-up equity shares of face value of Rs. 5/- each held in Television Eighteen as on the record date i.e. June 22, 2011.

CHANGE OF NAME OF THE COMPANY PURSUANT TO SCHEME OF ARRANGEMENT

As an integral part of the Scheme the name of the Company was changed from 'ibn18 Broadcast Limited' to 'TV18 Broadcast Limited' w.e.f. June 17, 2011. A fresh Certificate of Incorporation confirming the change of name of the Company was issued by the Registrar of Companies, NCT of Delhi & Haryana on June 17, 2011.

ACQUISITION OF ETV CHANNELS

The Board of Directors of your Company at its meeting held on January 3, 2012 approved the entry of the Company into the fast growing space of regional television, through acquisition of 100 % of the securities of Equator Trading Private Limited which holds 99.96 % equity interest in Panorama News Private Limited (which runs four regional Hindi news channel and one Urdu channel), 49.98% equity interest in Prism TV Private Limited (which owns five general entertainment channels in Kannada, Bangla, Marathi, Gujarati and Oriya) and 24.5% equity interest in Eenadu Television Pvt. Ltd. (which owns one entertainment channel in Telugu and one news channel in Telugu) (all aforesaid collectively referred to as "ETV Channels"). Your Company will have Board and Management control of ETV News and non- Telugu general entertainment channels. TV18 has an option to acquire, either by itself or through any of its affiliates, the balance 50.02 % interest in ETV non –Telugu GEC channels and additional 24.5 % interest in ETV Telugu channels.

After the acquisition of ETV channels, your Company would be able to offer a unique mix of national and regional channels, catering to diverse genres like Hindi and regional entertainment, general as well as business news in English, Hindi and regional languages; music, kids, devotional and infotainment channels.

RIGHTS ISSUE(S)

- **Rights Issue (2012)**

During the period under review the Board of Directors of the Company at its meeting held on January 3, 2012 approved the issue of equity shares on Rights Basis upto Rs. 2,700 crores and has filed

the Draft Letter of Offer dated March 1, 2012 with the Securities and Exchange Board of India and approval is awaited. Proceeds of this Rights Issue will be utilized for (i) acquisition of ETV channels; (ii) repayment of existing debts; and (iii) general corporate purposes.

- **Rights Issue (2010)**

During the financial year 2010-11, the Company had issued equity shares on rights basis to generate funds amounting to Rs. 50953.23 lacs. However on account of forfeiture of 49,036 partly paid up equity shares on January 19, 2012 for non payment of full and final call money, the Company had actually received Rs. 509,22.59 lacs. After the aforesaid forfeiture, no amount was pending as calls in arrears as on March 31, 2012.

CHANGES IN CAPITAL STRUCTURE

- **INCREASE IN THE AUTHORISED SHARE CAPITAL**

Pursuant to the Scheme of Arrangement between M/s Television Eighteen India Limited, TV18 Broadcast Limited (formerly IBN18 Broadcast Limited), Network18 Media & Investments Limited and other Network18 Group Companies, the authorised share capitals of iNews.com Limited & IBN18 Media & Software Limited got merged into the Company and consequently the Authorised Share Capital of the Company increased from Rs. 55,00,00,000/- (Rupees Fifty Five crores only) to Rs. 76,00,00,000/- (Rupees Seventy Six crores Only) w.e.f. June 10, 2011, the 'Effective Date'. During the period under review the consent of the shareholders of the Company was sought to increase the Authorized Share Capital from Rs. 76,00,00,000/- (Rupees Seventy Six crores only) to Rs. 292,00,00,000/- (Rupees Two Hundred Ninety Two crores only) vide Postal Ballot Notice dated January 16, 2012 and later on further to increase the same to Rs. 10,00,00,00,000/- (Rupees One Thousand crores Only) vide postal ballot notice dated May 24, 2012. The shareholders of the Company had approved the aforesaid increases in the Authorised Share Capital of the Company with requisite majority.

- **INCREASE IN THE PAID-UP SHARE CAPITAL**

During the year ended March 31, 2012, the paid-up equity share capital of your Company increased from Rs. 47,56,29,097.50 comprising of 23,77,96,965 fully paid up equity shares of Rs. 2/- each and 70,335 partly paid-up equity shares (Rs. 0.50 paid up per share) to Rs. 72,41,63,742/- comprising of 36,20,81,871 fully paid up equity shares of Rs. 2/- each. The increase in the paid up share capital of the Company was consequent to conversion of 21,299 partly paid-up shares into fully paid-up, allotment of 3,20,304 equity shares under ESOP Scheme and 12,39,43,303 equity shares pursuant to Scheme of Arrangement. Further 49,036 partly paid-up equity shares (Rs. 0.50 paid up per share) were forfeited for non-payment

TV18 Broadcast Limited

of full and final call money and therefore the paid-up equity share capital of the Company has been reduced from Rs. 72,41,88,260/- to Rs. 72,41,63,742/-.

The Company has received the listing and trading approval for the aforesaid equity shares from BSE Limited and National Stock Exchange of India Limited.

EMPLOYEES STOCK OPTION SCHEME

'The GBN Employee Stock Option Plan 2007' ("ESOP 2007") implemented in accordance with the provisions of Companies Act, 1956 and the Securities and Exchange Board of India (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (SEBI Guidelines) as amended from time to time, is one of the Company's instrument to reward employees of the Company / Holding Company / Subsidiary Companies for their dedication, support and hard work.

Remuneration / Compensation Committee ("the Committee") of the Board of Directors of the Company grants the options to the eligible employees of the Company and its holding and subsidiary companies. During the financial year ended on March 31, 2012 the Committee granted 22,11,207 options under ESOP 2007 to the employees of erstwhile Television Eighteen, who became employees of the Company pursuant to the Scheme of Arrangement.

Consequent to the exercise of options granted to eligible employees of the Company 3,20,304 fully paid-up equity shares were allotted during the financial year 2011-12. The details as required to be disclosed under Clause 12 & 19 of SEBI Guidelines are detailed in the Annexure - A to this Report.

During the year ended March 31, 2012, the Company, in interest of its employees, has revised the exercise price of the options from Rs. 55/- per option to Rs. 27.70 per option as the prevailing market price of the underlying shares have rendered the options unattractive and the entire object of rewarding the deserving employees was defeated.

A Certificate from the Statutory Auditor of the Company for implementation of the 'ESOP 2007' in accordance with the SEBI Guidelines and the resolutions passed by the members of the Company will be made available for inspection by the members at the ensuing Annual General Meeting of the Company.

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

In year 2007, your Company made Initial Public Offering (the Issue) of its equity shares in demat mode and had credited the demat accounts of allottees with respective shares allotted under the Issue. However demat credit of 250 equity shares of Rs. 2 each (50 equity shares of Rs. 10 each), for two allottees could not happen till date, due to incorrect particulars of accountholders. The Company through its Registrar and Share Transfer Agent, M/s Link

Intime India Private Limited, had sent several reminders to these allottees and in the absence of any response from any of them, had finally transferred the aforesaid equity shares to 'TV18 Broadcast Limited – Unclaimed Securities Suspense Account'. As required under clause 5A of the Listing Agreement, following is the status of outstanding shares lying in the aforesaid account as on March 31, 2012:

Particulars	Number of share-holders	Number of Equity shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year i.e. 1st April, 2011 / transferred to Account during the year ended 31st March, 2012	2	250
Number of shareholders who approached to the Company / RTA for transfer of shares from Unclaimed Suspense Account during the year ended 31st March, 2012	-	-
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year ended 31st March, 2012.	-	-
Aggregate Number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e. as on 31st March, 2012.	2	250

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

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

DIRECTORS

Mr. Manoj Mohanka and Mr. Shahzaad Siraj Dalal, Directors of the Company, are liable to retire by rotation at the ensuing Annual General Meeting. Mr. Manoj Mohanka, being eligible, has offered himself for the re-appointment. The relevant details of his directorships are provided in the Corporate Governance Report of the Company forming a part of this Annual Report. However Mr. Shahzaad Siraj Dalal, due to his busy schedule and other commitments, has expressed his unwillingness to be re-appointed at the ensuing Annual General Meeting of the Company.

TV18 Broadcast Limited

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) that in the preparation of the annual accounts for the financial year ended March 31, 2012, the applicable Accounting Standards have been followed;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of profit or loss of the Company for the year under review;
- iii) that the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the accounts for the financial year ended March 31, 2012 on a 'going concern' basis.

SUBSIDIARY COMPANIES

During the Financial Year 2011-12, your Company through its WOS RVT Media Private Limited, joined hand with A&E Network LLC (A&E) whereby A&E acquired 49% stake in AETN18 Media Private Limited (AETN18). However since your company effectively holds 51% stake in it, AETN18 is being consolidated as a subsidiary. Further ibn18 (Mauritius) Limited and RVT Media Private Limited continues to be subsidiaries of your Company.

A statement of your Company's interest in its subsidiary companies as on March 31, 2012 is attached as Annexure – B in terms of provisions of Section 212 of the Companies Act, 1956.

The Ministry of Corporate Affairs vide its circular no. 51/12/2007-CL-III dated February 8, 2011 has granted a general exemption under section 212(8) of the Companies Act, 1956 from attaching the balance sheet, profit & loss account, Reports of Directors and Auditors of subsidiary companies with the Balance Sheet of the Holding Company, subject to fulfillment of certain conditions. Consequently the Board of Directors in their meeting held on August 4, 2012 had resolved to avail the aforesaid exemption and the balance sheet, statement of profit & loss, Reports of Directors and Auditors of RVT Media Private Limited, ibn18 (Mauritius) Limited and AETN18 Media Private Limited, subsidiary companies of the Company, are not being published in this Annual Report of the Company. The annual accounts of these subsidiary companies will be made available to the shareholders of the Company and to the shareholders of the subsidiary

companies seeking such information at any point of time and the annual accounts of the subsidiary companies shall also be kept open for inspection by any shareholders at the registered office of the Company and of the subsidiary companies.

JOINT VENTURES

- **Viacom18 Media Private Limited** – (Through 50:50 JV of the Company with Viacom Inc.) Owns and operates 'Colors', leading Hindi General Entertainment Channel (GEC), 'MTV', the leading Youth Entertainment destination, 'Nick', leading Kids channel, 'Vh1', leading Premier English channel, 'Sonic', multi-platform for animation & live action shows, 'Comedy Central', English comedy channel and 'Viacom18 Motion Pictures', a film division which focuses on film distribution.
- **IBN Lokmat News Private Limited** – (Through 50:50 JV of the Company with Lokmat group) Operates 'IBN Lokmat', the leading Marathi language news channel.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Accounting Standard (AS)-21 on Consolidated Financial Statements read with Accounting Standard (AS)-27 on Accounting on Joint Ventures, prescribed by the Companies (Accounting Standards) Rules, 2006, the Audited Consolidated Financial Statements are provided in this Annual Report.

STATUTORY AUDITORS

The term of M/s. Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of your Company, expires at the ensuing Annual General Meeting. The Company has received a certificate from them to the effect that their appointment, if made, would be within the prescribed limit as mentioned under Section 224 (1B) of the Companies Act, 1956 and they are not disqualified for such re-appointment within the meaning of section 226 of such Act.

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

EXPLANATION TO STATUTORY AUDITORS COMMENTS:

Auditor's qualification: Refer para no. 4 of the Auditors Report on standalone financial statements of the Company.

Management's Reply:

The Company is of the view that having regard to the long term strategic involvement, no provision is considered necessary for 'other than temporary diminution' in the value of these Investments of the Company made in IBN Lokmat News Private Limited.

TV18 Broadcast Limited

COST AUDITORS

Pursuant to the Cost Audit Order as notified by the Ministry of Corporate Affairs (Cost Audit Branch) vide circular dated May 2, 2011 read with Cost Accounting Records (Telecommunication Industry) Rules 2011 as notified by the Ministry of Corporate Affairs vide GSR 869(E) dated December 7, 2011, the Company has appointed, M/s Pramod Chauhan & Associates, Cost Accountants, as the Cost Auditor of the Company for the financial year 2012-13 for conducting the audit of the Cost Records of the Company.

CORPORATE GOVERNANCE

Your Company has been practicing principles of good Corporate Governance over the years. The endeavor of the Company is not only to comply with the regulatory requirements but also practice good Corporate Governance that lays strong emphasis on integrity, transparency and overall accountability. A separate section on Corporate Governance along with a certificate from the Practicing Company Secretary confirming the compliance as stipulated in Clause 49 of the Listing Agreement is annexed and forms part of this Annual Report.

PARTICULARS OF EMPLOYEES

The names and other particulars of employees are required to be set out as an annexure to the Directors Report as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended by Companies (Particulars of Employees) Rules, 2011. In terms of the provisions of section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid annexure is being sent out to the members and others entitled to receive the Annual Report of the Company. However any member who is interested in obtaining such information may send a written request for the same, to the Company Secretary at the Corporate Office address of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

A. Conservation of Energy

Your Company is not an energy intensive unit; however possibilities are continuously explored to conserve energy and to reduce energy consumption at production & editing facilities, studios, workstations of the Company.

B. Technology absorption

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

C. Foreign Exchange Earnings and Outgo

Disclosure of foreign exchange earnings and outgo as required under Rule 2(C) is given in note no. 30 of "Notes forming part of the financial statements" forming part of the Audited Annual Accounts.

The total foreign exchange earning was of Rs. 1,088.86 lakhs in the financial year 2011-12 as against Rs. 5.58 lakhs during the previous financial year. The total foreign exchange expenditure during the year under review was Rs. 3,943.74 lakhs as against Rs. 1,155.37 lakhs during the previous financial year ended March 31, 2011.

ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their sincere appreciation for the continuous support given by all the employees, shareholders of the Company, various Government Departments and Bankers towards conducting the operations of Company efficiently.

For and on behalf of the Board of Directors

Place: Noida
Date: August 4, 2012

Chairman

TV18 Broadcast Limited

Annexure - A

Information regarding 'The GBN Employee Stock Option Plan 2007' during the year ended on March 31, 2012 in terms of Regulation 12 and 19 of SEBI (Employees Stock Option and Employees Stock Purchase Scheme) Guidelines, 1999 is as under:

Sl. No.	Particulars	Details
1	Options Granted	*22,11,207
2	Pricing Formula	To grant the option at 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
3	Options Vested	18,82,829
4	Options Exercised	3,20,304
5	Total No. of Shares arising as a result of exercise of Options	3,20,304
6	Options Lapsed	3,41,641
7	Variation in terms of Options	There was no variation in the terms of the options granted. However grant price revised from Rs. 55/- per option and Rs. 86/- per option to Rs. 45.40 per option and further to Rs. 27.70 per option.
8	Money realized by exercise of Options	Rs. 1,76,16,720/-
9	Total number of Options in force as on March 31, 2012	39,99,979
10	Employee wise details of Options granted during the year to - *Senior Management Personnel	Mr. Saikumar, Network18 Group CEO & Manager (TV18) – 3,13,594 options, Mr. Anil Uniyal, CEO – CNBC TV18 & CNBC Awaaz – 17,000 options, Mr. Dilip Venkatraman, CEO – CNN IBN – 17,000 options, Mr. Laxmi Narsiman, CEO – Web18 – 6,800 options, Mr. Ajay Chako, President AETN18 Media – 1,30,424 options, Mr. Senthil Chengalvarayan – President & Editorial Director of TV18 Business – 3,05,886 options Mr. Udayan Mukherjee - 4,92,886 Options Ms. Shereen Bhan - 1,17,674 Options Nil
11	Diluted Earnings Per Share (EPS) before exceptional items pursuant to issue of shares on exercise of Options calculated in accordance with Accounting Standard (AS) 20 on 'Earning Per Share'.	0.19
12	Computation of employee compensation cost and effect on profit and EPS (a) Method of calculation of employee compensation cost (b) Difference between the employee compensation cost so computed at (a) above and the employee compensation cost to Statement of Profit & Loss if the Company has used the fair value of the option	Intrinsic value as per SEBI ESOP guidelines Rs. 16,400,811/-
13	The impact of the difference as stated in 12(b) above on the profits and EPS of the Company: Profit after tax Less: Additional employees compensation cost based on the aforesaid difference Adjusted PAT Adjusted Basic EPS Adjusted Diluted EPS	Rs. 924,24,959/- (Rs. 16,400,811/-) Rs. 76,024,148/- 0.16 0.16
14	* Weighted average price and fair value of the stock options granted during the year: Total Options granted Weighted average exercise price (Rs.) Weighted average fair value (Rs.)	Below Market Price Above Market Price 5,80,565 16,30,642 17.13 77.46 63.10 63.10
15	Description of the method and significant assumptions used during the year to estimate the fair value of the options, including the following weighted average information: Risk free rate of interest (%) Expected life of the option from the date of grant (in years) Expected volatility (%) Dividend yield (%) The price of the underlying share in market at the time of option grant (Rs.)	The company has adopted Black Scholes pricing model for valuation of options. The main assumptions are as under 7.85% 2.80 years 33.43% 0 Rs. 63.10 (NSE)

* Options granted to the employees of erstwhile Television Eighteen India Limited (Television Eighteen) pursuant to Scheme of Arrangement against their respective options held under various ESOP Schemes in Television Eighteen.

TV18 Broadcast Limited

Annexure – B
Statement pursuant to section 212 of the Companies Act, 1956

1	Name of the subsidiary	RVT Media Private Limited	ibn18 (Mauritius) Limited	AETN18 Media Private Limited
2	Financial year of the subsidiary ended on	31.03.2012	31.03.2012	31.03.2012
3	Shares of the subsidiary held by the company on the above date			
	a) No. of Shares and face value	96,615 equity shares of Rs. 10/- each	100 Equity shares of US\$1 each	1,30,19,369 Equity shares of Rs. 10/- each
	b) Holding Companies interest	100.00%	100.00%	51.00%
4	Net aggregate amount of Profit/Loss of the subsidiary so far as they concern members of the Holding company:			
	(i) Dealt with in the Holding Company's accounts:			
	a) For the financial year of the subsidiary	NIL	NIL	NIL
	b) For the Previous Financial years since it become Holding Company's Subsidiary	NIL	NIL	NIL
	(ii) Not dealt with in the Holding Company's accounts:			
	a) For the financial year of the subsidiary	(Rs. 34,833/-)	Rs. 7,42,91,696/-	(Rs. 25,82,61,895/-)
	b) For the Previous Financial years since it become Holding Company's Subsidiary	(Rs. 1,25,225/-)	(Rs. 65,85,60,867/-)	(Rs. 42,11,108/-)
5	Material changes in subsidiary between the end of its financial year and the financial year of the holding company			
	a) Fixed Assets	N.A.	N.A.	N.A.
	b) Investments made	N.A.	N.A.	N.A.
	c) Money lent by subsidiary	N.A.	N.A.	N.A.
	d) Money borrowed by the subsidiary for any purpose other than that of meeting current liabilities	N.A.	N.A.	N.A.

TV18 Broadcast Limited

Management Discussion and Analysis Report

Industry Status¹

The Indian M&E industry grew from INR 652 billion in 2010 to INR 728 billion in 2011, registering an overall growth of 12 percent. Backed by strong consumption in Tier 2 and 3 cities, continued growth of regional media and fast increasing new media businesses, the industry is estimated to achieve a growth of 13 percent in 2012 to touch INR 823 billion. Going forward, the sector is projected to grow at a healthy CAGR of 14.9 percent to reach INR 1,457 billion by 2016. (Source: FICCI KPMG Report 2012)

Overall Industry Size (NR Bn)* (For Calendar Years)	2007	2008	2009	2010	2011	Growth in 2011 over 2010	2011P	2012P	2013P	2014P	2015P	CAGR (2010-15)
Television	211.0	241.0	257.0	297.0	329.0	10.8%	380.0	435.0	514.0	618.0	735.0	17%
Print	160.0	172.0	175.2	192.9	208.8	8.3%	226.0	246.8	270.0	294.9	323.4	9%
Film	92.7	104.4	89.3	83.3	92.9	11.5%	100.0	109.7	121.1	134.5	150.3	10%
Radio	7.4	8.4	8.3	10.0	11.5	15.0%	13.0	16.0	20.0	24.0	29.5	21%
Music	7.4	7.4	7.8	8.6	9.0	4.7%	10.0	11.3	13.1	15.4	18.2	15%
Out of Home	14.0	16.1	13.7	16.5	17.8	7.6%	19.5	21.5	23.6	26.0	29.0	10%
Animation and VFX	14.0	17.5	20.1	23.6	31.0	31.2%	36.3	43.0	51.1	61.0	69.0	17%
Gaming	4.0	7.0	8.0	10.0	13.0	30.0%	18.0	23.0	29.0	37.0	46.0	29%
Digital Advertising	4.0	6.0	8.0	10.0	15.4	54.0%	19.9	25.8	33.5	43.7	57.0	30%
Total	514	580	587	652	728	11.7%	823	932	1076	1254	1457	14%

(Source: FICCI-KPMG Report 2012)

Industry 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 past decade. They are categorized and summarized as follows:

- **Evolving socio-economic environment in India** – Led largely by a combination of two key macro factors, India has emerged as a growth engine for discretionary consumption products and services, especially media and entertainment. The first one is the favorable 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. Second, since liberalization, the country has witnessed rapid economic growth, which has corresponded with the influx of foreign capital and brands as well as stronger integration with the global socio-economic environment. This has led to the emergence of an ever increasing large consuming class, with rising disposable incomes, which is globally aware and acquisitive in nature.
- **Digitization** – This is the process of converting analog information into digital formats. 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. Many digital platforms, ranging from digital cable, DTH, IPTV to digitization of films, print and online sales of music now exist. Digital technology continues to revolutionize media distribution – be it the rapid growth of DTH and digital cable, or increased digitization of film exhibition – and has enabled wider and more cost effective reach across diverse and regional markets, and the development of targeted media content. There has been increased proliferation and consumption of digital media content – be it newspapers and magazines, digital film prints, and online video and music or entirely new categories such as social media. For example, the print players are increasingly becoming available on the digital platforms in order to establish a connect with current readers as well as to establish a relationship with new readers. Accordingly, online advertising spends have seen a spurt in growth vis a vis spends on traditional media. At the same time, the ability to develop models that get consumers to pay for online content

¹Source: FICCI-KPMG Report 2012

TV18 Broadcast Limited

is still limited. Currently, advertising is the primary source of revenue online but new revenue models are likely to emerge as the payment infrastructure develops and consumers begin to pay for content. Going forward, the adoption of 3G and 4G services could further fuel broadband penetration and offer opportunities for scaling digital media businesses. The cable television industry in India is poised for one of its most significant developments in the last decade – a transformation to the Digital Addressable System (DAS) for television distribution. 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 nut-shell, 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.

- **Regionalization** – This is another one of the most significant growth drivers for the industry. Regional television and print continued its strong growth trajectory owing to growth in incomes 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. In order to tap the increasing regional budgets of the national advertisers and growing interests of local advertisers, media players are in expansion mode to increase their footprint in these regions.
- **Growing importance of new media** – Another key trend is the convergence and multi-platform presence of media services in the country. Over the past years, consumers as well as content providers have ensured that the same content is increasingly deployed across platforms, from television to online to mobile and beyond. Whether its e-papers or online streaming of shows or mobile based applications, the convergence of content across key “screens” is a defining phenomenon in the industry. 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 pricing content across these new media platforms will be critical success factors for the Indian market.
- **Pay led Revenue Models** – The Indian media & entertainment industry continues to be highly advertising dependent, especially from the content owner's perspective i.e. television and radio broadcasters, print and online publishers. Advertising spends are expected to grow at a CAGR of 14 percent to reach INR 586 billion in 2016. The media industry's ad revenue dependence 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. Advertising spends across all media accounted for INR 300 billion in 2011, contributing to 41 percent of the overall M&E industry revenues. Advertising revenues witnessed a growth of 13 percent in 2011 as against 17 percent observed in 2010. 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.
- **Narrowcasting** – Over the past years, the media industry has witnessed the emergence of niche plays. These niche offerings are highly focused channels, shows and formats which seek to segment audiences and deliver unique offerings to them based on their preferences. This has in turn allowed advertisers to reach out to their consumers more effectively. Narrowcasting is inextricably linked to the growth of addressable media in the country and the digital wave.
- **360 degree connect with consumers** - As consumers evolve and with India's growing young population, there is a heightened need to engage with them across platforms and experiences. There is a greater need for integration and innovation across traditional and new media, with changing media consumption habits and preferences for niche content. Media companies today have no choice but to provide more touch points to engage with audiences.
- **Other Key Enablers** – Apart from the above, there are other important factors such as 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 that have facilitated growth.

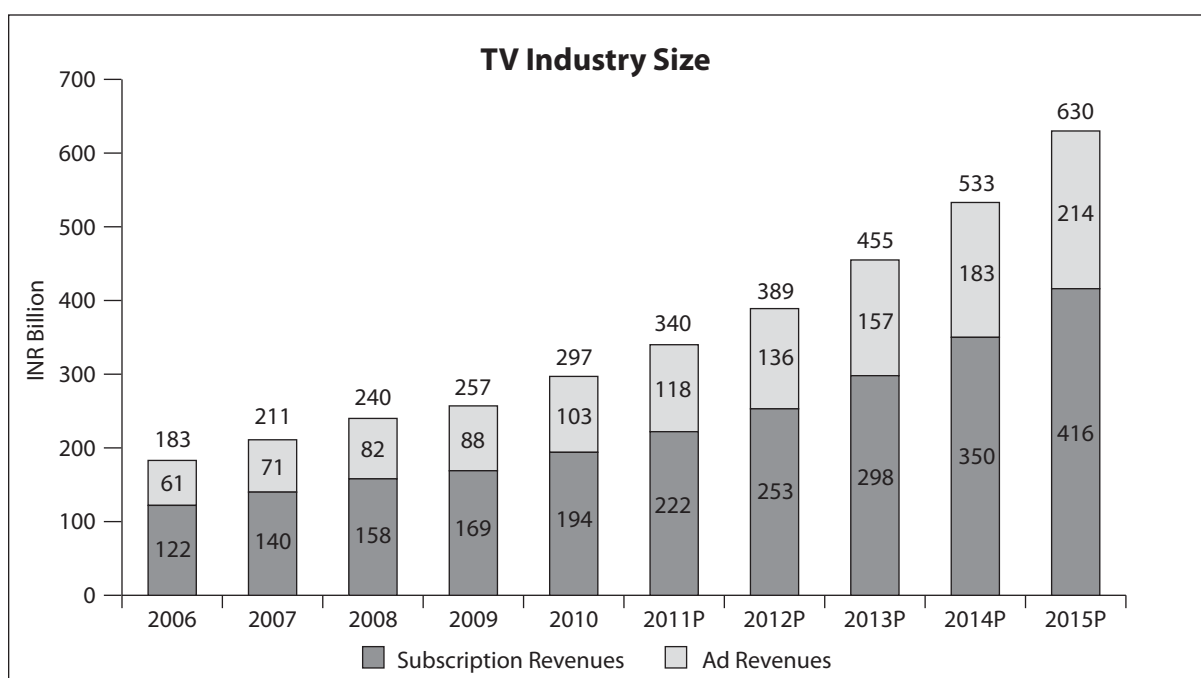
(Source: FICCI-KPMG Report 2012)

TV18 Broadcast Limited

The Indian Television Industry²

Television is the largest medium for media delivery in India in terms of revenue, representing around 45 percent 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 percent of total households. India continues to be the third largest TV market after USA and China with 146 million television households. Cable and Satellite (C&S) penetration of television households is close to 80 percent, with DTH driving a significant part of the growth in the last 12 months. With the impending digitization of all analog cable subscribers imminent, penetration level of digital households is expected to increase significantly, going forward. The overall television industry was estimated to be INR 329 billion in 2011, and is expected to grow at a CAGR of 17 percent over 2011-16, to reach INR 735 billion in 2016. The share of subscription to the total industry revenue is expected to increase from 65 percent in 2011 to 69 percent in 2016.

We operate one of India's popular television broadcasting networks. We operate CNBC-TV18 and CNBC Awaaz, CNN-IBN, IBN-7, and IBN-Lokmat, (a Marathi regional news channel in partnership with the Lokmat group). We have recently launched CNBC-TV18 in high definition i.e. CNBC-TV18 Prime HD. Viacom18, a joint venture of TV18 with Viacom Inc., operates general entertainment channels – Colors, Colors HD, MTV, VH1, Nick, Sonic, Comedy Central. We operate a factual entertainment channel HistoryTV18 (through A+E Networks|TV18, a JV in which TV18 holds 51% interest and the remaining 49% interest is held by A+E Television Networks LLC). We also operate a filmed entertainment business through Viacom18 Motion Pictures.



²Source: KMPG Analysis, Industry Analysis

Key trends & growth drivers for the Indian Television Industry³

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 was estimated to have around 146 million TV households in 2011, which implies a TV penetration of approximately 60 percent. In 2016, TV penetration is estimated to rise to approximately 70 percent, which still offers potential for penetration-led growth (post 2016) as income levels rise, based on TV penetration levels in other mature as well as emerging economies.

³Source: FICCI-KPMG Report 2012

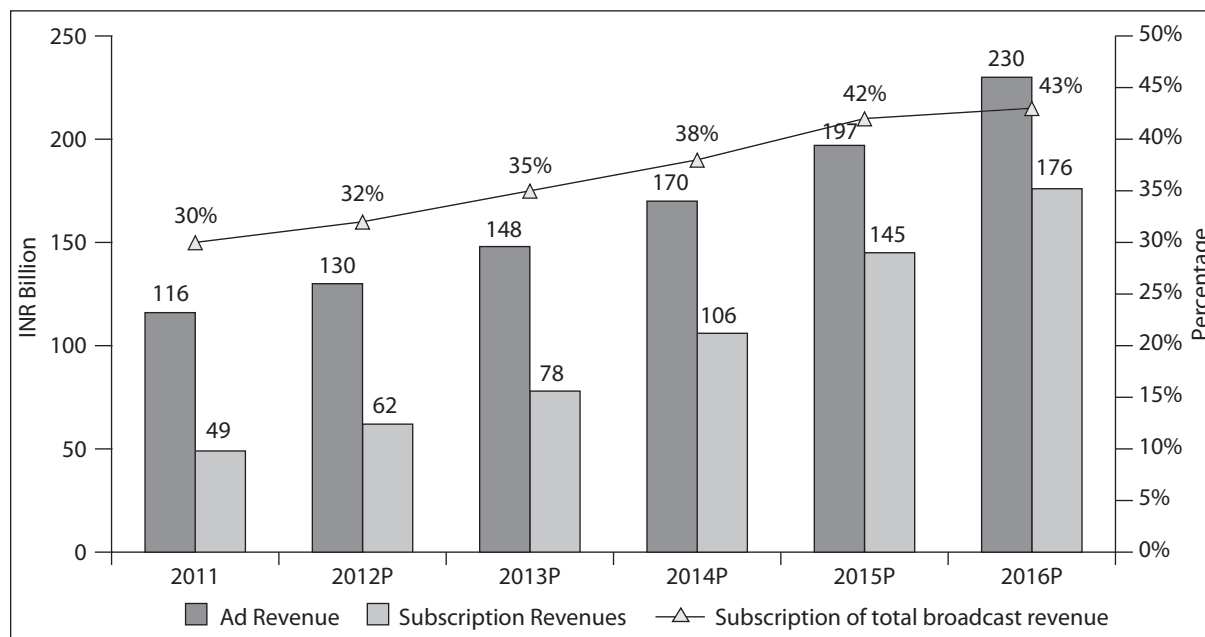
TV18 Broadcast Limited

* Digitisation – A paradigm shift

The cable television industry in India is poised for one of its most significant developments in the last decade – a transformation to the Digital Addressable System (DAS) for television distribution. 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:

- Broadcasters to 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. For mature broadcasters, a significant share of subscription revenues is expected to flow to the bottom line. While broadcasters re-align their revenue model, decreasing dependence on advertisement revenues, sustaining strong subscription revenues may require broadcasters to reengineer their offering and deliver high quality content to the consumer. Digitization provides an opportunity for the number of channels go up and the niche channels to increase their offerings.

TV BROADCAST INDUSTRY REVENUES



Source: Industry Discussions, KMPG in India Analysis

- Carriage fee has increased significantly over the last few years. Broadcasters as well as MSOs expect a decline in carriage fee after the implementation of the first phase of digitization. However, there is a lack of consensus on the movement of carriage fee in the medium term. A shift to digital removes the bandwidth constraints of analog cable, and the number of channels that may be carried increases significantly. Digitization will alter the existing skewed revenue model of MSOs - increased subscription revenues will lead to lower reliance on carriage fee, thus providing an impetus for rationalization of carriage per broadcaster. However, placement is expected to remain crucial even on a digital platform, and a decline in the carriage fee may be offset to some extent by an increase in the placement fee.

TV18 Broadcast Limited

* Slowdown impacts advertising revenues, Long term growth healthy

2011 has been a challenging year for the television broadcasting industry. Advertising rates faced pressure from the global and domestic economic slowdown, resulting in a lower than expected increase in advertising revenues, particularly in the second half of the year. At an aggregate level, the total TV advertising market is estimated to have grown around 12 percent in 2011. Advertisement spends are expected to grow in 2012 at similar levels as experienced in 2011. In the long term, however, India continues to be a growth market, and the advertisement market is expected to grow at a CAGR of 15 percent over 2011-16.

* Regional & Niche channels

Regional markets form a sizable portion of the total TV pie - after Hindi GECs, the regional GEC genre is the largest in terms of viewership. Regional channels accounted for approximately 33% of the all India CS4+ television viewership, with Bengali and Marathi channels gaining viewership along with the South Indian channels. Regional advertising markets have grown at a higher rate than the national market, registering a growth of 15% percent in 2011. (Source: FICCI KPMG Report 2012). They appear to have been more insulated from the current economic slowdown than national channels. Digitization will also open up avenues for broadcasters to launch subscription driven, specialty channels in India and also provide an opportunity to insert localized content and advertising, translating into premium advertisement rates. Growth in the number of niche and regional channels will have an inclusive and expansionary impact on the television sector. The emergence of targeted and focused channels will allow advertisers to derive maximized value and at the same time increase the participation of local and regional advertisers, thus impacting sector revenue growth.

* Potential in HD and premium viewing

Buoyed by increasing LCD and Plasma TV sales, expected to grow at a CAGR of 22% over 2011 to 15, broadcasters and DTH players have expanded their HD offerings this year. With an increasing uptake of affordable HD TVs, consumers may be willing to pay a premium for a better viewing experience on these television sets. While HD penetration amongst the existing subscribers is low, this is expected to increase significantly going forward. The demand for HD channels amongst consumers has gone beyond specific events, sports and movies.

* Increasing penetration of TV's and C&S homes

Even today, a large number of Indian households do not have access to television, especially in the rural areas. With strengthening distribution, easing of hardware prices and growing awareness levels, the country's television footprint is set to expand further. With the increase in consumption power, many households are now opting for multiple television sets expanding the market further. Environmental factors such as increasing access to electricity (especially in rural areas) and the continued delivery of quality content are further enablers of greater penetration in the Indian television industry.

* Emergence of multi-screen TV content consumption

Indian consumers are beginning to consume television content on non-TV devices like smart-phones, tablets, and personal computers. India is reported to have a subscriber base of one million active users of mobile TV, while six million active subscribers have access to 3G services.

Key risks & challenges for the Indian Television Industry

* 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 etc) and funding to customer education are addressed strongly in every successive phase, starting with the first phase in metro cities. The digitisation process will have a critical impact on subscription revenues, distribution costs and value added content in the broadcast sector.

* 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 volatility. In recent times, due to the domestic environment and global pressures, advertising growth has been muted considerably.

TV18 Broadcast Limited

* Competition from other media

Owing to multiple factors, including the mass nature of television, some proportion of advertising revenue is also moving away and into media such as internet, mobile and radio which are relatively cheaper, more measurable and have greater local connect.

* 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 Film Industry⁴

The Indian film industry was estimated to be INR 93 Billion in 2011 indicating a growth of 11.5 percent vis-à-vis 2010. Quality content combined with the revival of Hindi films with mass connect improved the occupancy rates which in-turn increased domestic box-office collections. Competitive bidding by broadcasters for large budget films resulted in 26 percent growth of cable and satellite rights. Albeit on a small base, ancillary revenues such as licensing and merchandising, in-cinema advertising and pay per view also displayed strong growth in 2011. With several high budget Hindi releases lined up across the year, 2012 is expected to sustain the growth momentum witnessed in 2011. The Indian film industry is projected to grow at a CAGR of 10.1 percent to touch INR 150 Billion in 2016. 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.

Size of Indian film Industry												
Film Industry (INR Bn)	2007	2008	2009	2010	2011	CAGR (2007-11)	2012P	2013P	2014P	2015P	2016P	CAGR (2010-15)
Domestic Theatrical	71.7	80.2	68.5	6.2	68.8	-1.90%	73.5	80.2	88	97.2	108	9.40%
Domestic Theatrical	8.7	9.8	6.8	6.6	6.9	-5.59%	7.5	8.3	9.2	10.2	11.5	10.50%
Home Video	3.3	3.8	4.3	2.3	2	-12.05%	1.7	1.4	1.2	1	0.9	-15.00%
Home Video	6.2	7.1	6.3	8.3	10.5	14.09%	12	13.7	15.6	17.8	20.3	14.20%
Ancillary Revenue Streams	2.9	3.5	3.5	4.1	4.7	12.30%	5.4	6.2	7.2	8.3	9.6	15.40%
Total Industry Size	92.7	104.4	89.3	83.3	92.9	0.10%	100	109.7	121.1	134.5	150.3	10.10%

Source: KPMG in India analysis and industry Interviews

Key risks & challenges for the Indian Film Industry⁵

* 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. In context of growing competition, costs of production and marketing, it's critical that appropriate risk mitigation strategies are adopted to manage the theatrical volatility.

* Release schedules

Typically, any given week during the rest of the year has about three Hindi releases, one regional release, one Hollywood release and some films running from previous weeks. As a result at any point in time about 7-10 films are jostling for screen space. With all three major festival weekends of Diwali, Id and Christmas falling in the last quarter of the year, the industry continues to have a large share of big budget releases during this period. All three top grossing films in last year were released in this period. Given the volatile supply levels in the Industry, apart from a variety of other entertainment options available to consumers, scheduling has become a critical determinant of box office viability and

⁴Source: FICCI-KPMG Report 2012

⁵Source: FICCI-KPMG Report 2012, Internal Reports

TV18 Broadcast Limited

there are a multitude of factors that can impact this process.

* Tax rationalisation critical

With theatre viewing limited to 3-5 percent of the Indian population, the film industry stands to gain immensely by increasing the overall size of the addressable market. Firstly, India is a severely under-screened market (12 compared to 31, 81 and 131 in China, Europe and USA respectively). Though there have been recent attempts to improve this scenario, the process is capital and time intensive and return on investment cycles may drag on with higher real estate prices and stagnant occupancy rates. There is a lack of standardization across the country with entertainment being a state subject. Rationalization of the tax structure across the country may increase the total pie of cinema going audience, avoid distortion in theatre density and support the overall growth of the film industry especially for national theater chains and pan-India film production houses.

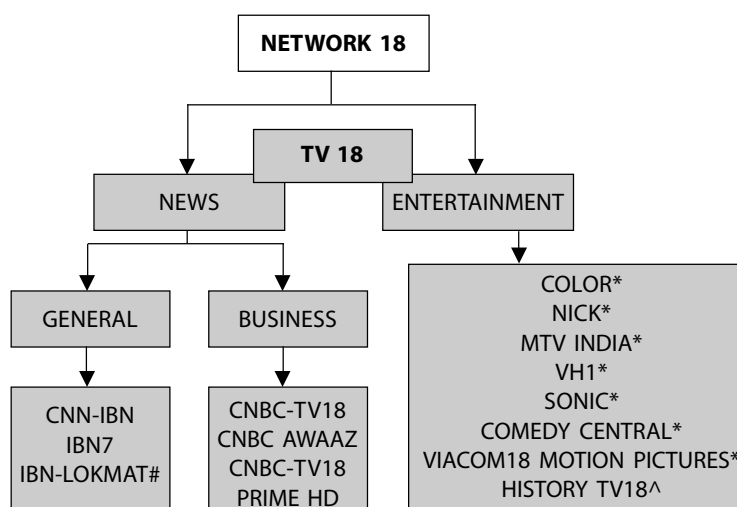
* Lack of quality shooting infrastructure

Despite being a huge film-producing nation, there are only four major film cities in the country which are located at Mumbai, Hyderabad, Noida and Chennai. A rapid growth in broadcast and advertising requirements has exerted strong pressure on each of these cities. Though there is a clear potential for absorbing additional floor space, high real estate prices have made this option increasingly difficult.

BUSINESS OVERVIEW

OUR BUSINESS

We are part of the Network18 Group, operating one of India's popular television broadcasting networks. We operate news channels CNBC-TV18, CNBC Awaaz, CNN IBN, IBN-7 and IBN-Lokmat (a Marathi regional news channel in partnership with the Lokmat group). We have recently launched CNBC-TV18 in high definition i.e. CNBC-TV18 Prime HD. We also operate general entertainment channels – Colors, Colors HD, MTV India VH1, Nick, Sonic and Comedy Central (through Viacom 18, a joint venture with Viacom Inc.) and HistoryTV18 (through A+E Networks|TV18, our subsidiary, in which we hold 51% interest and the remaining 49% interest is held by A+E Networks). We also operate filmed entertainment business through Viacom18 Motion Pictures. Our news and entertainment segments are engaged in the programming, production and broadcasting of news and general entertainment and the acquisition, production, syndication, marketing and distribution of films. The chart below shows our business segments and key media assets:



Through IBN Lokmat News Private Limited; * through Viacom18; ^ through A+E Networks|TV18

We generate revenue primarily through the sale of advertisements and sponsorships through 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.

TV18 Broadcast Limited

TELEVISION BROADCASTING

We have television channels in news and entertainment genres, including general news, business news, Hindi general entertainment, kids, factual entertainment, youth, English and factual entertainment genres TV Network reached an average of approximately 192.2 million television viewers in the last calendar year (Source: TAM; Cs 4+ yrs; Market All India, All day parts, 1 Jan '11 to 31 Dec '11)

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 a 57% combined market share in the year ended December 31st, 2011, according to TAM. (Source: TAM; TG : CS AB Males 25+, Market: All India (excl Jharkhand 0.5mn), Period: 1st Jan-31st Dec 2011, All Days, 0600-2400 hrs). The majority of our business news programming is researched, produced and edited by our local editorial teams and in-house studios, although we supplement this programming with CNBC's global content through our agreement with CNBC-AP.

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. As evidence of this and the reach of these channels to affluent business leaders in India, the advertising power ratios of our business news television channels are higher than those of our entertainment television channels. Amongst all television genres, English General News and English business news enjoy the highest power ratios (ad revenue percentage to viewership percentage ratio) of 8.95 and 8.06 respectively as per FICCI KPMG Frames Report 2011. Our channels, due to their leadership, command a significant proportion of ad revenues in their respective genres.

CNBC-TV18: CNBC-TV18 is India's No.1 English language business news television channel in terms of viewership, with 49% market share in the English business news genre (Source: TAM, Period: 1st Jan-31st Dec 2011, TG : CS AB Males 25+, All India (excl Jharkhand 0.5mn), 0600-2400 hrs). It is a pay channel 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 Network18 Group's 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. Some of the popular programs on CNBC-TV18 include 'Bazaar Morning Call', our daily market opening show, and 'India Business Hour', which

TV18 Broadcast Limited

is a recap of the day's key business news. We also broadcast targeted special interest programs, such as 'Young Turks', a show on young entrepreneurs and achievers, 'Storyboard', an advertising and marketing program, 'Indianomics', a weekly program on India's place in the global economy, 'The Firm', a weekly show on corporate law, 'Overdrive', an automobile program, and 'Tech Toyz', a weekly program showcasing new consumer gadgets and technology. Over the years, CNBC-TV18 has received numerous awards including:

- Across the years, multiple 'Best Business Channel' citations for CNBC-TV18 at leading forums like the Indian Television Academy Awards, Indian Telly Awards, News Television Awards (NT Awards).
- Awards for CNBC-TV18's leading programs such as 'Young Turks' ('Best Business Talk Show', NT Awards 2007 & 2008), 'India Business Hour' (Daily primetime news cast, NT Awards 2010), 'What's Hot' ('Best Talk Show on News & Current Affairs' 2005), 'Tech Toyz' (Technology show, NT Awards 2010), 'Storyboard' ('Best Business News Show English', NT Awards 2007), 'Overdrive' ('Auto show', NT Awards 2010)
- Awards for CNBC-TV18's leading journalists like Udayan Mukherjee ('Best Business News Anchor', NT Awards 2007, 2010 & 2011, Ramnath Goenka Journalist of the Year (Broadcast) 2012)
- CNBC-TV18 has been rated as 'India's No.1 English News Channel' by the Exchange4media 'Pitch Brandometer Survey' 2009 & 2010
- Awards for numerous channel promos and creative work at acclaimed platforms such as Rapa, Promax & Promax BDA, News Television Awards.

CNBC Awaaz: CNBC Awaaz is India's No.1 Hindi business news television channel in terms of viewership, leading with 65% market share in the Hindi business news genre (Source: TAM, Period: 1st Jan-31st Dec 2011, TG : CS AB Males 25+, HSM (excl Jharkhand 0.5mn), 0600-2400 hrs). CNBC Awaaz is a pay channel 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, shopping trends, service and product launches and personal taxation. Among CNBC Awaaz's popular programs are 'Stock 20-20', a pre markets opening show, 'Aaj Ka Karobaar' a daily evening program and leading feature shows like 'Tech Guru', 'Property Guru'. Key CNBC Awaaz awards are:

- 'Numero Uno Business Channel' (NT Awards 2008)
- Awards for programming such as 'Pehla Sauda' ('Live telecast show', NT Awards 2010), 'Awaaz Entrepreneur' ('Business Features Show', NT Awards 2010), 'Tax Guru' ('Best Business Talk Show', NT Awards 2009), 'Kaun Rahega Crorepati' ('Best Business Talk Show', NT Awards 2008) etc

General News

We operate 3 general news channels, namely CNN-IBN, IBN7 and IBN-Lokmat (In partnership with Lokmat Group). 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, IBN7 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: CNN-IBN 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 channels, capturing a genre leading 35% market share (Source: TAM Market Share, Market: All India, Period: Wk 47 '11 – Wk 01 '12, Time Period: 0600-2400, All Days, TG: CS AB 15+). It is a pay channel that provides 24-hour coverage of national and international news relating to politics, business and financial affairs, sports and entertainment. CNN-IBN, we believe, is regarded for its editorial integrity, high production standards and unbiased, issue based coverage of news and current affairs. The channel has transcended television, and reaches its viewers through various other media like Internet, mobile and voice. Among CNN-IBN's popular programs are 'India at 9', 'Face the Nation' and 'Good Evening India', our daily primetime news programs. CNN-IBN also pioneered the concept of inclusive journalism in India with its program, 'Citizen Journalist' and airs various news-driven specials from time to time. CNN-IBN is also integrated with the digital media businesses of Network18. Audiences can watch live streaming video feeds, access our live news updates and connect and interact with our news editors through

TV18 Broadcast Limited

Network18 Group's website www.ibnlive.com, our mobile applications and various communities. Ibnlive.com provides streaming video feeds, downloadable tickers and breaking news alerts on cell phones.

Key Awards for CNN-IBN:

- Across the years, multiple 'Best English News Channel' awards for CNN IBN at leading forums like the Indian Television Academy Awards, Indian Telly Awards, News Television Awards (NT Awards)
- Multiple Awards for Rajdeep Sardesai, Editor-in-chief for IBN channels and other leading journalists
 - o Rajdeep Sardesai: 'Best News Anchor', ITA Awards (2006 to 2011), News Television Award (2007,2008,2010,2011), Ramnath Goenka Excellence in Journalism award (2006-2007)
 - o Karan Thapar: Asian Television Awards (2007,2010), News Television Award 2011, Indian News Broadcasting Awards (2008)
- Awards for CNN IBN's leading programs such as 'Citizen Journalist Show' (Asian Television Awards 2010, 2011, Indian Television Academy Awards, Indian Telly Awards 2006), 'India at 9' (Asian Television Award 2010, NT Awards 2007), 'Secret Kitchen' (Best cookery show Indian Television Awards 2008,2011), 'State of the Nation' (NT Awards 2008, Indian Telly Awards 2006)

IBN7: IBN7, launched in March 2005, is a 24-hour Hindi language general news television channel. IBN7 is emerging as one of the leading Hindi news channels in the country leading peers such as Zee News, News24, NDTV India in the Hindi general news genre with a market share of 9.71% (Source: TAM Channel Share, Market: HSM, Period: Wk 47 '11 – Wk 01 '12, Time Band:0600-2400, TG: CS Male 25+ yrs). IBN7 provides 24-hour coverage of national and international news relating to politics, business and financial affairs, sports and entertainment. IBN7 also provides its news broadcasts; streaming video feeds, downloadable stock tickers and breaking news alerts for cellular phones via its website, khabar.ibnlive.in.com. Key IBN7 Awards:

- Multiple Awards for IBN7's leading program 'Zindagi Live' ('Best News Talk Show', NT Awards 2008, 2009,2010, 2012), Indian News Broadcasting Award (2010), Indian Television Awards (2010), Laadli Award (2009 & 2010)
- Awards for numerous channel promos and creative work at acclaimed platforms such as Promax & Promax BDA, Indian News Broadcasting Awards.

IBN-Lokmat: IBN-Lokmat, a joint venture launched with Lokmat Media Limited, is one of India's leading Marathi language general news and current affairs television channel with a market share of 32% in its genre (Source: TAM; TG: CS 15+; Market: Maharashtra; Period: 1st Jan-31st Dec 2011, All Days, 0000-2400 hrs). IBN-Lokmat provides 24-hour coverage of national and international news relating to politics, business and financial affairs, sports and entertainment. IBN-Lokmat was the recipient of 10 Indian News Television Awards in 2011, including the best daily primetime news show in the Marathi category.

GENERAL ENTERTAINMENT

We operate a network of general entertainment television channels i.e. Colors, Colors HD, MTV India, Vh1, Sonic, Nick and recently launched Comedy Central through Viacom18, a 50-50 joint venture between MTV Asia, a wholly-owned subsidiary of Viacom International Inc. and TV18 Broadcast Ltd. Our general entertainment television channels reach approximately an average of 132.2 million viewers across Hindi Speaking Markets and approximately an average of 156 million viewers across All India every month, according to TAM (Source: TAM; CS 4+ Yrs; 1st Jan'12 - 31st Mar'12). Viacom18 was also named one of the best places to work in the media and entertainment industry by the Great Places to Work Institute in 2012.

COLORS: COLORS is Viacom18's flagship brand in the mass entertainment space in India and one of India's leading 24-hour Hindi entertainment channels in terms of viewership. A combination of 'emotions' and 'variety', COLORS offers an entire spectrum of emotions to its viewers. From Fiction shows to format shows to reality shows to blockbuster

TV18 Broadcast Limited

movies - the basket contains all 'Jasbaat Ke Rang'. 'COLORS' is dedicated to promoting 'Cohesive viewing', through programmes like Balika Vadhu, Uttaran, Na Aana Is Des Laado, Sasural Simar Ka, Na Bole Tum Na Maine Kuch Kaha amongst others. 'COLORS' is a pay channel. Colors, our Hindi general entertainment television channel, was among the top ranking television channels in its genre in terms of viewership with a 20% market share (Source: TAM, Avg. Weekly GRP's, Period: wk 1 - 53 (Jan-Dec) 2011, CS 4+, HSM) and a 5.12% viewership market share amongst all TV channels in the year 2011. (Source: TAM; TG: CS 4+; Market: All India; Period: wk 1-53 2011, All Days, 0000-2400 hrs). In the financial year 2011-2012, Colors was the 2nd ranked television channel in its genre in terms of viewership with a 19% market share (Source: TAM, , Period: 1st Apr '11 - 31st Mar '12, CS 4+, HSM) and a 6.8% market share amongst all TV channels in the fiscal year 2011. (Source: TAM; TG: CS 4+; Market: HSM; Period: 1st Apr '11 - 31st Mar '12, All Days, 0000-2400 hrs). In fact, within a few weeks of its launch, Colors had become the No.2 GEC in India (Source: TAM CS4+, HSM, September 28-October 11, 2008 GRPs) and within 9 months from its launch it became India's No.1 Hindi GEC for the first time in the week ended April 11, 2009, (Source: TAM CS4+, HSM, April 5-11, 2009). Colors is also available as a high definition service, Colors HD, which is available on key digital platforms that support HD broadcast. We believe that Colors' success has been driven by the introduction of fresh concepts in Hindi GEC programming with reality shows and serials such as 'Fear Factor- Khatron ke Khiladi', 'Bigg Boss', 'Balika Vadhu' and 'Uttaran'. Since its rise to No.1, Colors has consistently remained amongst the top 4 GEC channels. We believe that Colors, with its consistent leadership in the important and lucrative Hindi GEC segment, is well positioned to act as a key value driver for Viacom18 and our Company. Key Awards for Colors:

- Multiple Awards for numerous channel promos and creative work at acclaimed national platforms such as Promax India
- Multiple awards for channel on platforms such as FICCI Frames Excellence Awards 2010, Indian Television Awards (2009)
- Across the years, multiple awards for shows such as 'Balika Vadhu', 'Uttaran' at Indian Television Academy Awards (2009), New Talent Awards (2009)
- Multiple awards for several actors: Avika Gaur, ('Child Prodigy', GR8 Women's Achiever Award 2009), (New Talent Award 2009), Sparsh Khanchandani, ('GR8 Young Achiever', GR8 Women's Achiever Award 2010)

MTV India: MTV India with 23% market share is the most preferred youth channel in India with a mix of music & youth content in the youth genre (Source: TAM, Period- FY2011-2012 i.e. Apr 2011-Mar 2012, 15-24 SEC AB, HSM, 07:00 - 22:00). Over 15 years it has become one of the country's most successful youth brands and is one of India's leading brands in social media. Globally MTV has been the number one destination across platforms for young people. On social media, MTV has strong digital presence connecting a 11 MM duplicated fan base across show pages on Facebook. MTV India is primarily aimed at young adults aged 15 to 34, with a collection of music programming, talk shows, fashion and style shows, Bollywood-style humor shows and adventure shows. MTV India's popular television programs include the reality shows MTV Roadies and Splitsvilla. The brand also has a strong presence in India through a consumer products division. Key Awards for MTV:

- Multiple Awards for channel properties such as Indian Television Academy 2010 Best 'Reality show' award for 'MTV Stunt Mania'
- Multiple Awards for numerous channel promos and creative work, year on year, at acclaimed national and international platforms such as Promax and Goafest.

Vh1: Vh1 is a leader in the English music and lifestyle genre with a 17% market share, ahead of all English Entertainment and Lifestyle channels. (Source: TAM, Period: Wk 1-52 (Jan-Dec) 2011, Markets: 7 Metros TG < 25 years SEC AB, Time Band: 7:00 to 24:00). The channel runs multiple reality shows such as Saturday Night Live, Big Brother, Jersey Shore, Yo Momma and Punk'd.

Nick: Nick is the leading kids' television channel in the country with a market share of approximately 20% in the year ended December 31, 2011 (Source: TAM Period: Wk 1-53 (Jan-Dec) 2011, 4-14 ABC All India 07:00 - 22:00). In the

TV18 Broadcast Limited

financial year 2011-2012, Nick was the highest reaching channel in the kids' category with 35% (Source TAM 4-14 ABC All India 07:00-22:00 Apr'2011-Mar'2012). It is a 24-hour pay channel in Hindi, with the option of language audio feeds on some platforms including English and Tamil. With an approach that puts 'kids first', Nickelodeon takes pride in encouraging kids to be themselves – funny, messy and free-spirited. Being true to its philosophy of connecting with kids wherever they are, Nickelodeon gives kids a complete multi-platform brand experience. The touch points range from on ground interactions, digital innovation and consumer products to name a few. Nickelodeon has today become the preferred comedy destination for kids in India, with shows like SpongeBob SquarePants, Ninja Hattori, Perma amongst many others. Key Awards for Nick:

- Multiple Awards for numerous channel promos and creative work, year on year, at acclaimed national and international platforms such as Promax India, Promax Asia, Promax Global, Asia Image Apollo Awards
- Across the years, multiple awards for channel properties such as 'Let's Just Play' (WOW Silver Award for 'Best Event Property by a Media Brand 2011', 'On ground brand association with a media brand for Horlicks Summer Growth Carnival 2011', Goa Fest Silver Award for 'Best Use of Media – Television', (2009)

Sonic: Sonic, a new action, adventure and animation channel was launched on December 20, 2011. Sonic is targeted at new young adults, from 10-17 years of age. Sonic is a 24-hour paid channel that will reach out to households in multilingual regional feeds. Sonic provides a complete multi-platform brand experience from animation and live action shows to blockbuster movies. Sonic broadcasts some of the popular shows like 'Shaktimaan', 'Supastrikas', 'Kung Fu Panda-The Legend of Awesomeness', 'Mighty Morphin Power Rangers' & the 'Jackie Chan' series amongst others. Sonic, will also go beyond television to engage and interact with its target audience by building the online community through www.sonicgang.com.

Comedy Central: We have recently forayed into the 24 Hour English Comedy space through Viacom18, by the launch of Comedy Central on January 23, 2012. We believe Comedy Central is the country's first 24-hour channel dedicated to English language comedy content.

FACTUAL ENTERTAINMENT

We have recently 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 recently launched HistoryTV18 in October 2011. Within a few weeks of launch, HistoryTV18 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). HistoryTV18 reaches out to an average of over 22 million viewers every week across the country. (Source: TAM, CS 4+, All India, Week 42'11-13'12). HistoryTV18 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.

FILM BUSINESS

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 concept (or creative) development, production, marketing, distribution, merchandising and syndication, worldwide. To successfully explore newer genres, differentiated concepts and fresh talent, Viacom18 Motion Pictures has launched a new banner – 'Tipping Point Films', which focuses on execution of 'clutter-breaking' projects. In recent times, Viacom18 Motion Pictures has had an unparalleled release slate with projects across genres, across scale and across talent. This includes 'Shaitan', 'Michael' and 'Gangs of Wasseypur' (2 parts), 'Buddah', 'Kahaani' etc. Over the last 3 years, Viacom18 has had to its credit (through Studio18) some of the biggest hits of the decade including Jab We Met, Singh is Kinng, Welcome and Ghajini. We have also entered into an alliance with Paramount Pictures International that gives Viacom18 Motion Pictures the rights to distribute all Paramount releases in the Indian subcontinent.

TV18 Broadcast Limited

CNBC-TV18		
Awards	Category	Winners
Promax BDA India 2012	Print Campaign	Budget Campaign 2012 - Gold
NT Awards 2012	Technology based Show	Tech Toyz
	Business News Programme	What's Hot
ITA Awards 2011	Best Business Channel	CNBC-TV18

CNN-IBN		
Awards	Category	Winners
Asian Television Awards 2011	Best Cross-Platform Content	The Citizen Journalist Show
Indian Television Academy Awards 2011	Best English News Channel	CNN-IBN
	Best Anchor - News/Current Affairs Show	Rajdeep Sardesai
	Best Actor Comedy	Cyrus Broacha
	Best TV Documentary	30 Minutes
	Best Cookery Show	Secret Kitchen
News Television Awards 2011	Investigative News Report	Seemi's Medical Education scam
	Current Affairs Programme (Home & International)	Devil's Advocate
	Current Affairs Feature	30 Min (The Ghost of Ayodhya)
	Lifestyle & Fashion News Show	Living it Up
	Crime Show	30 Min (On Death Row)
	Entertainment News Show	Now Showing
	Business Feature	Axe the Tax
	Sports News Show	The Beautiful Game
	Sports News Show	The Big Cricket Debate
	Sports Feature	Indian Sports Legends Awards
	Best-Presented Popular News Show	Face The Nation
	Show on Social/Environment Awareness/ Social Development Campaign	Real Heroes
	Technology based show	Big Bang 2 (India360 special)
	TV News Presenter	Rajdeep Sardesai for India at 9
	TV News Reporter	Bhupendra Chaubey (for Ayodhya coverage & CWG coverage)
	TV News Anchor	Karan Thapar (for DA & Last Word)
	Entertainment Critic	Rajeev Masand
	Young TV Journalist	Priyali Sur
News Television Awards 2012	Lifestyle & Fashion News Show	Secret Kitchen - Men Can Cook
	Entertainment Feature	Bollywood Blockbusters Music Maestros - Madan Mohan
	Show on Social / Environment Awareness / Social Development Campaign	The Citizen Journalist - Season 5, Episode 1
	Sports Feature	Champions Of The World (Documentary)
	Sports News Show	Kings Of Cricket
	News Documentary	Limited Episodes - My Child Is Gay
	Current Affairs Feature	Irom's 10 Year Fast
	Daily Prime Time Newscast	India @ 9

TV18 Broadcast Limited

CNN-IBN (Contd.)		
Awards	Category	Winners
	Best-Presented Popular News Show	India @ 9
	Promo Campaign by a News Channel	Citizen Journalist Films (AB BOL)
	Promo for a Channel	State Of The Nation
	News Cinematographer	Prakasam (Mad About Frogs)
	Coverage of Lokpal Bill	CNN-IBN (Lokpal Coverage In 2011)
	Sport News Show Presenter	Meha Bhardwaj
	Young TV Journalist (Below 24 years of age)	Parikshit Luthra
	Channel Packaging of the Year	CNN-IBN

IBN 7		
Awards	Category	Winners
Personality Based Awards		Richa Anirudh
Madhav Jyoti Samman 2011	For excellence in journalism (announced)	
Manav Rachna University	Women Achievers 2011 (Journalism)	
News Television Awards 2012	News Talk Show	Zindagi Live (Women Fight Back)
	Entertainment Critic	Rajeev Masand

Financial Performance Summary

- I. **Steady year with reported consolidated revenues at Rs. 1409.9 crores, a 26% growth over previous year.**
- II. **We successfully launched five channels during the year – History TV18, Comedy Central, Sonic, Colors HD and CNBC TV18 Prime HD. History TV18 has emerged as the No. 2 channel in the genre and is challenging the leader.**
- III. **Our continuing operations (excluding discontinued operations and new launches) continued to perform well in the backdrop of an extremely challenging macro-economic environment for the industry. Consolidated revenues from continuing operations stood at Rs. 1251.7 crores, a growth of 12% over previous year. Our operating profit from continuing operations stood at Rs. 83.6 crores.**

TV18 Consolidated Summary for Continuing Operations*

<i>All figures in INR crores</i>	FY12	FY11
Revenues	1251.7	1115.0
<i>News</i>	629.4	566.1
<i>Entertainment</i>	635.1	549.2
<i>Less: Inter Segmental Revenues</i>	(12.8)	(0.3)
Operating Profit	83.6	135.4
<i>News</i>	50.3	74.4
<i>Entertainment</i>	33.3	61.0
Operating Margin	7%	12%
<i>News</i>	8%	13%
<i>Entertainment</i>	5%	11%

TV18 Broadcast Limited

IV. Our subscription revenues stood at Rs. 189.9 crores for the full year growing by over 50% over last year.

V. News: Our revenues from our news business stood at Rs. 629.4 crores for the full year growing by 11% over last year.

- a. Our Business News Channels – CNBC TV18 and CNBC Awaaz continued to be market leaders during the year.
- b. Our General News Operations – CNN IBN, IBN7 and IBN Lokmat performed particularly well in a highly competitive market and our revenues for the full year grew by 16%. Our national news operations are now break-even.

News Summary

	FY12	FY11
Revenues	629.4	566.1
General News	302.8	260.3
Business News	326.6	305.8
Operating Profit	50.3	74.4
General News	(4.3)	(13.6)
Business News	54.7	88.0
Operating Margin	8%	13%
General News	-1%	-5%
Business News	17%	29%

VI. Entertainment: Our revenues from our continuing operations of our entertainment business stood at Rs. 635.1 crores for the full year growing by 16% over last year. Our profits from our continuing operations stood at Rs. 33.3 crores.

- a. Colors turned in another steady year in the Hindi GEC space against the backdrop of a highly competitive market environment. The channel continued to deliver ratings across programming categories: Fiction, Reality and Movies.
- b. MTV is a leader in the youth genre. It has emerged as one India's largest platforms to build and engage youth over various channels.
- c. Nick, our kids channel and Sonic – the channel for the action loving generation launched on December 20th 2011 continue to be market leaders in their genre and innovate continuously.
- d. The world's largest comedy channel Comedy Central was launched in India during the year and has been a runaway success – it is now the No. 1 channel in its genre.
- e. Viacom18 Motion Pictures had a steady year. We released the highly successful and critically acclaimed movie – 'Kahaani' and other successful movies like 'Pyaar ka Punchnama', 'Shaitan', etc. during the year.

VII. History TV18 was launched in October 2011 and met with unprecedented success. It is already the No. 1 in its genre in the six metros, and at a national No. 2 is challenging the leader. It is available in 8 languages now.

** The above summary is for continuing Operations only excluding new launches at both Viacom18 and AETN18 and discontinued operations – TIFC and Hindi Movie Channel. One-time losses amounting to Rs. 127.0 crores during the full year were incurred with respect to our discontinued operations - deferment of the Hindi movie channel and TIFC. Rs. 52.6 crores was incurred during the year with respect to costs towards our new channels – Sonic, Comedy Central and Colors HD. Only 50% of these losses at Viacom18 are reported above. We also incurred operating losses amounting to Rs. 48.3 crores for the full year FY12 towards the launch costs of our new channel History TV18.*

Consolidated segmental numbers for TV18 are on a proforma basis and not audited.

TV18 Broadcast Limited

OUR STRENGTHS

We believe that we have the following competitive strengths:

One of India's leading broadcasting companies

We are one of India's leading media and entertainment companies, with an integrated cross-media portfolio that attracts a wide spectrum of economic sections and demographic groups in India. We are one of the key players in our news and entertainment segments. We are one of the leading news networks in India, operating news television channels: *CNBC-TV18, CNN-IBN, IBN7, CNBC Awaaz, IBN-Lokmat, CNBC-TV18 Prime HD*. We also operate entertainment television channels: *Colors, Colors HD, MTV India, Vh1, Nick, Sonic, Comedy Central* and *HistoryTV18*.

We believe that the scale of our platform permits us to leverage our existing media properties through cross-media marketing of our brands and exercise increased bargaining power with our advertisers and other business partners. We believe that the reach of our cross-media platform and strong brands have established us as an important media network for advertisers, and agencies acting on their behalf, to reach their target audiences. For example, we believe our English and Hindi language television news channels, including those affiliated with CNBC and CNN, and moneycontrol.com enable us to target Indian business leaders, investors and affluent Indians, which are attractive audiences for advertisers in India.

As a television network, we reached an average of approximately 192.2 million television viewers in the last calendar year (Source: TAM; Cs 4+ yrs; Market All India, All day parts, 1 Jan '11 to 31 Dec '11) . According to Comscore, we are one of the most popular Indian digital media companies on a worldwide basis (Source: Comscore Dec 2011) having attracted an average of approximately 30.8 million unique visitors globally per month for the year ended December 31st, 2011.

Strong portfolio of market-leading broadcast brands

We have well-established brands across all the key segments we operate in including television, digital and print publishing, e-commerce etc. Colors, our Hindi general entertainment television channel, was among the top ranking television channels in its genre in terms of viewership with a 20% market share (Source: TAM, Avg. Weekly GRP's, Period: wk 1 – 53 (Jan-Dec) 2011, CS 4+, HSM) and a 5.12% viewership market share amongst all TV channels in the year 2011. (Source: TAM; TG: CS 4+; Market: All India; Period: wk 1-53 2011, All Days, 0000-2400 hrs). In the financial year 2011-2012, it was the 2nd ranked television channel in its genre in terms of viewership with a 19% market share (Source: TAM, , Period: 1st Apr '11 – 31st Mar '12, CS 4+, HSM) and a 6.8% market share amongst all TV channels in the fiscal year 2011. (Source: TAM; TG: CS 4+; Market: HSM; Period: 1st Apr '11 – 31st Mar '12, All Days, 0000-2400 hrs). In fact, within a few weeks of its launch, Colors had become the No.2 GEC in India (Source: TAM CS4+, HSM, September 28-October 11, 2008 GRPs) and within 9 months from its launch it became India's No.1 Hindi GEC for the first time in the week ended April 11, 2009, (Source: TAM CS4+, HSM, April 5-11, 2009).

CNBC-TV18 and CNBC Awaaz, our business news television channels, were leaders in the English and Hindi business news genres with a 57% combined market share in the year ended December 31st, 2011, according to TAM.(Source: TAM; TG : CS AB Males 25+, Market: All India (excl Jharkhand 0.5mn), Period: 1st Jan-31st Dec 2011, All Days, 0600-2400 hrs). CNN-IBN, our general English news television channel, was the market leader in the general English news genre with a market share of approximately 35% in the English General news genre (Source: TAM Market Share, Market: All India, Period: Wk 47 '11 – Wk 01 '12, Time Period: 0600-2400, All Days, TG: CS AB Male 15+), in the 8 weeks ending Jan 7th, 2012. We believe that the strength of our brands in the business and general news genres has benefited from our brand licensing alliances with CNBC and CNN, which we believe provide us with a competitive advantage in the India media and entertainment industry. Nick, our entertainment television channel in the kids category, was the market leader in its genre with a market share of approximately 20% in the year 2011, according to TAM. (Source: TAM Period: Wk 1-53 (Jan-Dec) 2011, 4-14 ABC All India 07:00 – 22:00). In the financial year 2011-2012, Nick was a leader in reach with 35% in the kids category (Source TAM 4-14 ABC All India 07:00-22:00 Apr'2011-Mar'2012). MTV, our music channel, also was a market leader in its genre with a 24% market share (Source: TAM Market Share, Period: Wk 1-53 (Jan-Dec) 2011, 15-24 SEC ABCD, HSM 07:00 – 22:00). In the financial year 2011-2012, MTV India with 23% market share was the most preferred youth channel in India with a mix of music & youth content in the youth genre (Source: TAM, Period-FY2011-2012 i.e. Apr 2011-Mar 2012, 15-24 SEC AB, HSM, 07:00 – 22:00).

TV18 Broadcast Limited

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

We believe our market-leading brands allow us to cross-promote our brands 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 segments or genres, we believe we will be able to grow our advertiser and user bases 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.

Our bouquet comprises of leading television brands across some of the country's most watches genres. This allows each of our channels to benefit from the synergies that accrue as a result of being a part of a 'network'. We believe that as the television broadcast space continues to expand, with new entrants and services being launched in a digitized environment, future growth will greatly rest with 'bouquets' and how well each exploits available synergies. Within our existing bouquet, we continue to capitalize on synergies, from both the revenue and content perspective. Our channels continue to access each other's content as per relevance and requirements and partner each other regularly to capitalize on opportunities of mutual interest. The channels also routinely share best practices and know-how across the network, in order to enhance efficiencies in operations.

As the 'digital eco-system' in India develops further, with imminent broadcast digitization, improved broadband access and growth in mobility, we believe, it's critical for our content to be available across platforms. Our television channels have strong presence across platforms including online, mobile, on-ground, consumer products and social media and we continue to build further on this. We believe that apart from content delivery, these platforms help increase the engagement with our audiences and advertisers and strengthen our brands immensely.

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. For example, our founder and Director, Mr. Raghav Bahl, has been named 'Media Person of the Year' by the All India Management Association in 2011 and 'Entrepreneur of The Year for Business Transformation' by Ernst & Young in 2007. 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. For example Colors, our foray into the highly competitive Hindi general entertainment genre, which was launched in July 2008. Within a few weeks of its launch, Colors had become the No.2 GEC in India (Source: TAM CS4+, HSM, September 28-October 11, 2008 GRPs) and within 9 months from its launch it became India's No.1 Hindi GEC for the first time in the week ended April 11, 2009, (Source: TAM CS4+, HSM, April 5-11, 2009). 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 alliances with several leading global media players including *Viacom* in entertainment, *CNN* in English general news, *CNBC* in business news, *Lokmat* in Marathi regional news and *A+E Networks* in factual entertainment. We believe that we derive substantial benefits from the association with our partners and that our partners recognize the value we bring to these ventures which is demonstrated by their willingness to collaborate with us for extended periods. We believe that our alliances with partners provide us with greater market visibility, significant synergy upsides through sharing of strengths, reputational benefits and will assist us in continuing to build our businesses, both in India and internationally.

OUR STRATEGY

We're part of the Network18 group, which is one of India's leading media groups with a strong position in television broadcasting, filmed entertainment, digital media, e-commerce, special interest publishing and allied businesses. The rapid growth of the group over the years has been driven by an optimal combination of organic ventures, inorganic acquisitions and strategic alliances. The group's integrated cross-media portfolio, which includes publishing and digital properties, attracts a wide spectrum of economic and age demographics in India. The scale of the network platform, we believe, positions us as the focal point of a unique ecosystem of consumers, advertisers, partners and talent in India.

TV18 Broadcast Limited

We believe that our strong brand recognition and salience, our leadership position in television broadcasting and ability to leverage the group's cross-media ecosystem position us well to capitalize on this promising and challenging growth opportunity ahead. The following are the key aspects of TV18's business strategy:

Leverage the strength of our network to enhance our offering through organic and inorganic growth

Our current television channels are concentrated in general news, business news, Hindi general entertainment, kids, youth, English and factual entertainment. In order to expand the reach of these current channels, we plan to experiment with new programming concepts, show formats and marketing initiatives. Given our position as a leading media and entertainment company in India, we believe we are well-positioned to introduce a range of new offerings to our existing audiences and advertisers, drawing upon insights we have gained from our previous business launches and synergies with our existing operations. When we launch new shows, products or services, we intend to use our experience and cross-media platform to share audiences, advertisers, partnerships and talent from our existing media and entertainment offerings, thereby improving our effectiveness and reducing costs.

Grow television subscription revenues and content monetization

In contrast with some of our competitors in the television industry, subscription revenues constitute a relatively small proportion of our total revenues as we only recently established our leadership position in the entertainment segment and hence were focused on building advertising revenues and improving audience share. The increasing penetration of direct-to-home television and digital cable in India, together with the Indian government's regulatory push for digitization, will further drive growth of subscription revenues for our network. India's television market is currently primarily analog-based and the last-mile access to consumers' homes is controlled by a large number of local cable operators. Under-reporting of subscriber numbers is an industry practice in the Indian analog television industry, which reduces subscription revenues for broadcasters. We believe that the increased digitization of India's television market will enable broadcasters to increase their share of total domestic subscription revenues, which will impact us positively. We expect in the future to grow our subscription revenues substantially by leveraging our distribution alliances and increasing the international distribution of our channel offerings. We also intend to grow our subscription revenues outside of India, through the continued expansion of our international distribution network apart from exploiting opportunities to syndicate our content on multiple platforms including online and mobile devices.

Continue to strengthen and build our partnerships

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. We believe that we derive substantial benefits through the licensing of brands and/or sharing of programming content and market knowledge with our media partners where relevant. We also believe that our media partners recognize the value we bring to these alliances, which is demonstrated by their willingness to collaborate with us for extended periods. 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.

INTERNAL CONTROL SYSTEMS

Corporate internal control is simply the effective integration of activities, policies, plans, and efforts of employees working together in an organization, in order to achieve the business goals. The prime purpose of corporate internal control is to promote economical as well as efficient operations that go with the objectives of an organization. Your company has put in place a robust system of internal controls which is commensurate with the size of business and complexity of the operations. As a part of its internal control measures, independent Internal Auditors scrutinizes the financials and other operations of the Company. The internal audit system is also empowered to examine the compliance with policies, plans and statutory requirements. The internal audit system is designed to assess and improve the effectiveness of risk management, control and governance process. In case of any significant audit findings and suggestions, they are reported to the Board through the Audit Committee and appropriate measures are taken. The internal control system provides reasonable assurance that the objectives of the organisation will be met. Internal Audit is primarily responsible for assisting management in their oversight and operating responsibilities through independent audits and consultations designed to evaluate and promote the systems of internal control.

TV18 Broadcast Limited

HUMAN RESOURCES AND DEVELOPMENTS

Your company firmly believes that the employees are the back bone of a good organisation and to motivate them to achieve greater heights several initiatives are taken towards their development, enhancement and retention. Your company continuously recruits skilled professionals from various streams to meet its business requirements. The intellectual capital is reflected in the quality of our programming and broadcasting, our business strategy, our excellent customer relations and our financial health. Human Resource capability remains a key source of the Company's competitive advantage. The Company continues to place emphasis on enhancement of skills and capabilities of its people for meeting future challenges. The Company's focus on improved Employee Engagement and ushering in a proactive work culture, through several enterprise level initiatives has been noteworthy.

TV18's Human resource team continues to make a concerted effort to build Group's strong brand equity, which enables your company to attract the best talent in the industry. The comprehensive Performance Management System continues to help employees recognize their strengths and areas of improvement. Keeping in line with the business growth and constantly changing market demands. The company invested significantly in various training and development activities to better equip our employees by enhancing their competencies in order to successfully meet future challenges. The *Rewards and Recognition Program* continues to identify and reward the outstanding performers for their contributions and excellence. Your company has built a pool of talented work force that is versatile and inspired to achieve the mission of the Company. 1910 employees were on the payroll of the Company as on March 31, 2012.

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. Excerpts from Industry data and reports have been used with relevant consents.

TV18 Broadcast Limited

Corporate Governance Report

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance is about commitment to values and ethical business conduct. At TV18 we are committed to follow the best corporate governance practices to enhance and retain investor's trust as it works as a key driver of sustainable growth and long-term shareholder value creation. The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all interactions with its stakeholders, including shareholders, employees, the government, lenders and the society. At TV18 we believe in compliance with all applicable laws, rules and regulations both in letter and spirit and endeavour to set high standards for ourselves, which are higher than those stipulated by any law. The Company believes that all its operations and actions must serve the underlying goal of enhancing long-term shareholder value and to achieve this objective, provides timely, accurate and complete information to all its stakeholders.

BOARD OF DIRECTORS

The Board of Directors ('the Board') is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance.

Composition

Presently the Board of the Company comprises of five members with an optimum mix of Non-Executive and Independent Directors. The Chairman of the Board of the Company is Non-Executive Independent Director and more than half of the total number of Directors of the Company are Independent. None of the Directors are inter-se related to each other within the meaning of Clause 49 IV(G)(ia) of the Listing Agreement.

Position of Directorship during the year 2011-12 is as follows:

Name of Director	Category of Directorship (Executive /Non – executive / Independent)	No. of Directorships Held in Other Companies (a)	No. of Chairmanships / Memberships of other Board Committees (b)	
			Chairmanship	Membership
Mr. Manoj Mohanka	Chairman Non-Executive Independent Director	6	4	2
Mr. Raghav Bahl	Non-Executive Director	8	—	—
Mr. Sanjay Ray Chaudhuri	Non-Executive Director	7	—	—
Mr. Shahzaad Siraj Dalal	Non-Executive Independent Director	10*	1	6
Mr. Hari S. Bhartia	Non-Executive Independent Director	9	-	1

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

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

TV18 Broadcast Limited

Board Meetings and Procedures

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company.

Minimum of four meetings of the Board are held every year. Besides this, the members of the Board meet to consider various matters as and when required.

Attendance at Board Meetings and Annual General Meeting:

A total of seven meetings were held during the financial year 2011-12 on May 6, 2011, May 30, 2011, August 11, 2011, November 4, 2011, January 3, 2012, January 19, 2012 and February 9, 2012. Maximum time gap between any two consecutive Board meetings was not more than four months. The sixth Annual General Meeting of the Company was held on September 9, 2011.

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

Name of Director	No. of Board meetings during the year 2011-12		Attended last Annual General Meeting
	Held	Attended	
Mr. Manoj Mohanka	7	7	Yes
Mr. Raghav Bahl	7	7	No
Mr. Sanjay Ray Chaudhuri	7	6	Yes
Mr. Shahzaad Siraj Dalal	7	Nil	No
Mr. Hari S. Bhartia	7	1	No

Reappointment of Directors:

Mr. Manoj Mohanka and Mr. Shahzaad Siraj Dalal are retiring by rotation at the forthcoming Annual General Meeting of the Company. Mr. Manoj Mohanka, being eligible, has offered himself for re-appointment. Mr. Shahzaad Siraj Dalal has, due to other commitments and busy Schedule, expressed his unwillingness for re-appointment at the ensuing Annual General Meeting.

Director's Profile

Brief profile of Mr. Manoj Mohanka, Independent Director, whose candidatures is proposed for re-appointment at the forthcoming Annual General Meeting, along with name of the Public Limited Companies in which he hold Directorships, memberships / chairmanships of Committees of Board and his shareholding in the Company as required under Clause 49 of the Listing Agreement are provided as below:

Mr. Manoj Mohanka

Mr. Manoj Mohanka is non-executive independent Chairman. He has a bachelor's degree in commerce from St. Xavier's College, Calcutta University and a master's degree in commerce from Michael Smurfit Graduate School of Business, University of Ireland. He is also a Chevening scholar from the London School of Economics. Mr. Mohanka specializes in areas such as finance, accounts, audit, control, managerial and marketing. He has over 22 years of experience in business management and has held various positions in industry forums including President, Calcutta Chamber of Commerce, Co-Chairman, Economic Affairs Committee of FICCI (Eastern Region), Committee Member, Indo-Italian Chamber of Commerce, Board of Governors, Eastern Institute of Management, Chairman, Young Presidents Organisation, Kolkata. He has been a guest lecturer at the Indian Institute of Technology, Kharagpur.

TV18 Broadcast Limited

Mr. Mohanka is associated as Director of the Company since July 5, 2007. The details of his Directorships and Committee memberships in other Public Limited Companies as on date are as under:

Sr. No.	Name of the Company	Position on the Board and Committees thereof
1	3D Technopack Limited	Director
2	India Carbon Limited	Director, Member of Remuneration Committee and Audit Committee
3	Network18 Media and Investments Limited	Director, Chairman of Audit Committee, Shareholders/ investors Grievance Committee and Remuneration Committee and Member of Rights Issue Committee, Postal Ballot Committee and Sub-Committee
4	Infomedia 18 Limited	Director, Chairman of Audit Committee, Compensation Committee and Shareholders Grievance Committee
5	Titagarh Wagons Limited	Director, Member of Shareholders Committee, Remuneration/ Compensation Committee and Audit Committee
6	Indian Terrain Fashion Limited	Director

Mr. Mohanka holds 4,76,000 shares of the Company as on March 31st, 2012. He is not related to any other Director of the Company.

Compensation to the members of Board including number of Stock Options granted during 2011-12

Remuneration/Compensation Committee of the Board administers the remuneration policy of the Board, which is based on criteria to reward the officials of the Company for their achievements, responsibilities undertaken, performance, work commitment and industry benchmarks.

During the year 2011-12, none of the directors of the company was paid any remuneration except the sitting fees for the meetings of the Board and few committees thereof within the ceiling as provided under the Companies Act, 1956. Besides this Non-Executive directors do not have any other pecuniary relationship or transaction with the Company. The Company has no policy of advancing any loans to Directors. During the year 2011 -12 no ESOP were granted to any Director of the Company.

The detail of total compensation paid by the Company to Directors on the Board during 1st April 2011 to 31st March 2012 is set out in the table as under:

(Amount in Rs.)

Name of Director	Business Relationship with Company, if any	Relationship with other Directors	Gross Remuneration	ESOP Compensation	Sitting Fee	Total Compensation#
Mr. Raghav Bahl	None	None	NIL	NIL	75,000/-	75,000/-
Mr. Manoj Mohanka	None	None	NIL	NIL	1,15,000/-	1,15,000/-
Mr. Sanjay Ray Chaudhuri	None	None	NIL	NIL	1,05,000/-	1,05,000/-
Mr. Shahzaad Siraj Dalal	None	None	NIL	NIL	NIL	NIL
Mr. Hari S. Bhartia	None	None	NIL	NIL	25,000/-	25,000/-

Excluding conveyance charges.

TV18 Broadcast Limited

Shareholding of Directors

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

Sl. No.	Name of Director	No. of shares held (face value Rs. 2/- each)
1	Mr. Manoj Mohanka	4,76,000
2	Mr. Raghav Bahl	1,36,000
3	Mr. Sanjay Ray Chaudhuri	1,05,945
4	Mr. Shahzaad Siraj Dalal	NIL
5	Mr. Hari S. Bhartia	NIL

COMMITTEE (S) OF BOARD

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted a set of Committees with specific terms of reference/ scope. The Committees operate as empowered agents of the Board as per their terms of reference.

Presently the Board has nine standing committees and has power to constitute such other committees, as required from time to time. The scope, terms of reference, composition, role & powers of the committee are defined as under:

1. 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) Brief description of terms of reference and review of information by Audit Committee

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

The Audit Committee mandatorily reviews the management discussion and analysis of financial condition and results of operations, reports of the Internal Auditors, meets Statutory and Internal Auditors as and when required & discusses their findings, observations, suggestions, internal control systems, scope of audits, terms of their appointments, including audit and other fees to be paid to them, and other related matters.

(b) Composition

The Audit Committee of the Company is constituted in accordance with the provision of Clause 49 of Listing Agreement with the Stock Exchange(s) and Section 292A of the Companies Act, 1956. The Audit Committee comprises of following three Directors, two being Independent Non-executive Directors and one is Non-executive Director:

Sl. No.	Name	Category of Directorship	Position
1	Mr. Manoj Mohanka	Non-Executive Independent Director	Chairman
2	Mr. Hari S. Bhartia	Non-Executive Independent Director	Member
3	Mr. Sanjay Ray Chaudhuri	Non-Executive Director	Member

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

TV18 Broadcast Limited

(c) Number of meetings & attendance

During the year under review six meetings of the Audit Committee were convened and the time gap between any two meetings was never exceeded 4 months. Minutes of the Audit Committee meetings were placed before, read and confirmed by, the Board.

Audit Committee Meetings held during 2011-12 and Attendance of Directors

Date of Meeting	No. of Directors present	Total Strength of Audit Committee
May 6, 2011	2	3
May 30, 2011	2	3
August 11, 2011	3	3
November 04, 2011	2	3
February 09, 2012	2	3
February 13, 2012	3	3

2. SHAREHOLDERS/INVESTOR'S GRIEVANCE COMMITTEE

The primary objective of the Shareholders / Investor's Grievance Committee is to enhance the shareholders' confidence in the corporate governance principles being followed by the Company by resolving with utmost importance all the investors' grievances / complaints whether received directly or through stock exchanges and SEBI.

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

The Committee specifically looks into the redressal of shareholders' / investors' complaints relating to share transfer / transmission, non – receipt of share certificates, annual reports , overseeing the performance of the Registrar and Share Transfer Agent, ensuring proper controls at their end, providing continuous guidance to improve the standard of services to shareholders and such other matters related to the shareholders.

(b) Composition

The Committee presently comprises of the following Directors:

Sl. No.	Name	Category of Directorship	Position
1	Mr. Raghav Bahl	Non-Executive Director	Chairman
2	Mr. Manoj Mohanka*	Non-Executive Independent Director	Member
3	Mr. Sanjay Ray Chaudhuri	Non-Executive Director	Member

* Mr. Manoj Mohanka, Non-Executive Independent Director, was inducted as Member of this committee through meeting of the Board of Directors held on January 19, 2012.

(c) Number of Committee meetings & attendance

The Committee met five times during the year & details of attendance of members at the Committee Meetings are as under:

Date of meeting	No. of Directors present	Total Strength of Investor Grievance Committee
April 6, 2011	2	2
July 19, 2011	2	2
October 5, 2011	2	2
November 4, 2011	2	2
January 19, 2012*	2	2

*Mr. Manoj Mohanka, Non-Executive Independent Director, was inducted as Member of this committee by the Board after the meeting of this Committee.

The Committee in its meetings discussed about the complaints received by the Company and steps taken for their redressal.

TV18 Broadcast Limited

(d) Name and designation of Compliance Officer

Hitesh Kumar Jain

AGM – Corporate Affairs & Company Secretary

Ph # (+91 – 120) 434 1818

Fax # (+91 – 120) 432 4110

Email: investors.ibn18@network18online.com

(e) Investors' complaints & their redressal

During the period from April 1, 2011 to March 31, 2012 the Company received one complaint from the National Stock Exchange of India Limited and four complaints from the Securities and Exchange Board of India.

All the above complaints were resolved/ replied during the year. No complaint was pending at the end of financial year March 31, 2012.

3. REMUNERATION/ COMPENSATION COMMITTEE

The primary objective of the Remuneration / Compensation Committee is to assist the Board in developing and administering a formal and transparent procedure for setting policy on the remuneration of executive, non-executive and independent Directors of the Company and for fixing their remuneration packages.

(a) Composition

The Remuneration / Compensation Committee of the Board comprises of following three Directors:

Sr. No.	Name of Member	Category of Directorship	Position
1	Mr. Manoj Mohanka	Non-Executive Independent Director	Member
2	Mr. Sanjay Ray Chaudhuri	Non-Executive Director	Member
3	Mr. Hari S. Bhartia	Non-Executive Independent Director	Member

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

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

(c) Number of Committee meetings & attendance

The Committee met two times during the year ended March 31, 2012. The details of attendance of members at the Committee Meetings are as under:

Date	No. of Directors present	Total Strength of Remuneration / Compensation Committee
August 11, 2011	3	3
November 4, 2011	2	3

On December 30, 2011 the Committee members passed some resolutions by circulation.

(d) Remuneration Policy

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

TV18 Broadcast Limited

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

- 1 Share Transfer Committee
- 2 Sub Committee
- 3 Finance Committee
- 4 Allotment Committee
- 5 Preferential Allotment Committee
- 6 Capital Issues Committee

CODE OF CONDUCT

The Board has laid down a Code of Conduct for all the Director's and Senior Management Executive(s) of the Company as required under Clause 49 (I) (D) of the Listing Agreement. This code is also posted on the website of the Company, www.network18online.com where all the shareholders information has been posted. All the Board Members and Senior Management Personnel(s) to whom this Code of Conduct is applicable have affirmed compliance with the Code and a declaration of this affirmation from Network18 Group CEO & Manager (TV18) of the Company forms a part of this report as Annexure – 'A'.

CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING

The Company has also adopted the Code of Conduct for Prohibition of Insider Trading of shares of the Company as provided under 'The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time. This Code has also been posted on the website of the Company, www.network18online.com.

DISCLOSURES

- None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of the members is drawn to the disclosures of transactions with the related parties as set out in Note No. 34 of the Notes to Accounts, forming part of this Annual Report.
- The Company has complied with all the requirements, as applicable to the Company, to the best of its knowledge and understanding, of the Listing Agreement with the Stock Exchange(s), the regulations and guidelines of The Securities and Exchange Board of India (SEBI) and Uplinking and Downlinking Guidelines issued by the Ministry of Information and Broadcasting, SEBI, Stock Exchange(s) or any other statutory authorities have not imposed any penalties or strictures on matters relating to capital markets from the date of listing i.e. February 8, 2007.
- The Company has complied with all the mandatory requirements under Clause 49, as applicable. Apart from mandatory requirements, the Company periodically reviews the adoption and extent of adoption of non-mandatory requirements of Clause 49.
- Management Discussion and Analysis Report is provided as a part of the Directors' Report published else where in this Annual Report.
- In preparation of the financial statements, the Company has followed the Accounting Standards as issued by 'The Institute of the Chartered Accountants of India', to the extent applicable.
- Business Risk Evaluation and Management is an ongoing process within the Company. The objective of the Company's risk management policy is to identify the potential areas that may affect the affairs of the Company and then ensuring the reasonable assurances to avoid any possible damage to the assets and properties of the Company.
- Network18 Group CEO & Manager (TV18) and the General Manager- Finance have furnished to the Board, a certificate in respect of the financial statements and the Cash Flow Statement of the Company for the financial year ended March 31, 2012, which forms part of this report as Annexure – 'B'.

TV18 Broadcast Limited

GENERAL BODY MEETINGS

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

Meeting	4 th AGM	5 th AGM	6 th AGM
Date	August 28 th , 2009	July 27 th , 2010	September 9 th 2011
Time	11.00 A.M.	10.30 A.M.	11.00 A.M.
Venue	MPCU, Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Niwas Marg, Shree Delhi Gujrati Samaj Marg, Civil Lines, Delhi - 110054	MPCU, Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Niwas Marg, Shree Delhi Gujrati Samaj Marg, Civil Lines, Delhi – 110054	MPCU, Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Niwas Marg, Shree Delhi Gujrati Samaj Marg, Civil Lines, Delhi – 110054
Sl. No.	Special Resolution(s)	Special Resolution(s)	Special Resolution(s)
1.	NIL	NIL	Increase in number of options to be granted to employees of the Company under ESOP scheme of the Company.
2.	NIL	NIL	Increase in number of options to be granted to employees of Holding and Subsidiaries Companies under ESOP scheme of the Company.
3.	NIL	NIL	Grant of authorization to Board to allot more than 1% but not more than 3% of the issued capital of the Company in 1 year under ESOP scheme of the Company.
4	NIL	NIL	Entering into Long Term Contract/Arrangement with AETN18 Media Private Limited.

POSTAL BALLOT:

During the financial year 2011-12, Company has conducted one Postal Ballot process for seeking the approval of members in accordance with the provisions of section 192A of the Companies Act, 1956, read with the Companies (Passing of Resolution 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 pre paid envelop 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 there after Scrutinizer submitted his report to the Company for declarations of results. The details of the same are as under:

Date of Postal Ballot notice and declaration of result	Name of Scrutinizer and Alternate Scrutinizer	Brief of Resolution(s)	Percentage of votes casted in favour of the resolution
January 16, 2012 (Result declared on February 24, 2012)	Mr. Anil K. Bhayana, Practicing Company Secretary – Scrutinizer, Mr. Pankaj Kumar, Corporate Advisor – Alternate Scrutinizer	Special resolution pursuant to Section 81 and 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 approving rights issue of equity Shares aggregating to an amount not exceeding Rs. 2700 Crores (Rupees Two Thousand Seven Hundred Crores only), including share premium.	79.81%

TV18 Broadcast Limited

Date of Postal Ballot notice and declaration of result	Name of Scrutinizer and Alternate Scrutinizer	Brief of Resolution(s)	Percentage of votes casted in favour of the resolution
		Special Resolution pursuant to Section 372A and other applicable provisions, if any, of the Companies Act, 1956, to approve/loans/ investments/guarantee in other body corporate, in excess of 60 percent of the paid up share capital & free reserves of the Company or 100 percent of the free reserves of the Company, whichever is higher, not exceeding an amount of Rs. 2650 Crores.	79.81%
		Ordinary Resolution pursuant to sections 16, 94 and other applicable provisions, if any, of the Companies Act, 1956 to increase the Authorised Share Capital of the Company from Rs. 76 Crores to Rs. 292 Crores.	79.82%

MEANS OF COMMUNICATION

- Financial results at the end of every quarter and audited annual financial results are published regularly within the prescribed time limit in 'Financial Express/ Business Standard' (English Newspapers) and 'Jansatta/ Business Standard' (Hindi Newspapers).
- In compliance with the Listing Agreement, the Company promptly submits the financial results and other business updates to the Stock Exchange(s) to enable them to display these on their websites.
- The Financial results and other shareholders information(s) of the Company are also displayed on the website of the Company, www.network18online.com

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

Day & Date	Friday, 14 th September 2012.
Time	10.00 A.M.
Venue	MPCU, Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Niwas Marg, Shree Delhi Gujrati Samaj Marg, Civil Lines, Delhi – 110054

Financial Calendar: [Tentative and subject to change]

Financial Reporting for the 1 st quarter ending June 30, 2012	On or before August 14, 2012
Financial Reporting for the 2 nd quarter ending September 30, 2012	On or before November 14, 2012
Financial Reporting for the 3 rd quarter ending December 31, 2012	On or before February 14, 2013
Financial Reporting for the last Quarter ending March 31, 2013/ or Financial Reporting for the F.Y. 2012-13.	On or before May 15, 2013/ On or before May 30, 2013.

TV18 Broadcast Limited

Dividend Payment Date: No Dividend is declared during the year.

Date of Book Closure

Share Transfer Books and Register of Members of the Company shall remain closed from Monday, 6th August 2012 to Tuesday, 7th August 2012 (both days inclusive).

Listing on Stock Exchange(s) and Stock Code(s)

The Equity shares of the Company are listed on BSE Limited (BSE) under scrip code 532800 and on National Stock Exchange of India Limited (NSE) with scrip code 'TV18BRDCST'.

The Annual Listing fee for 2012-13 has been paid to the aforesaid Stock Exchange(s) within the stipulated time period.

The International Securities Identification Number (ISIN) allotted to the Company's share under the Depository System is INE886H01027.

The International Securities Identification Number (ISIN) allotted for 5,44,95,443 partly paid-up Equity Shares was IN9886H01017. Out of the above partly paid shares, 5,44,46,407 partly paid-up equity shares were converted into fully paid-up and balance 49,036 partly paid up equity shares were forfeited. Hence, this ISIN has been suspended.

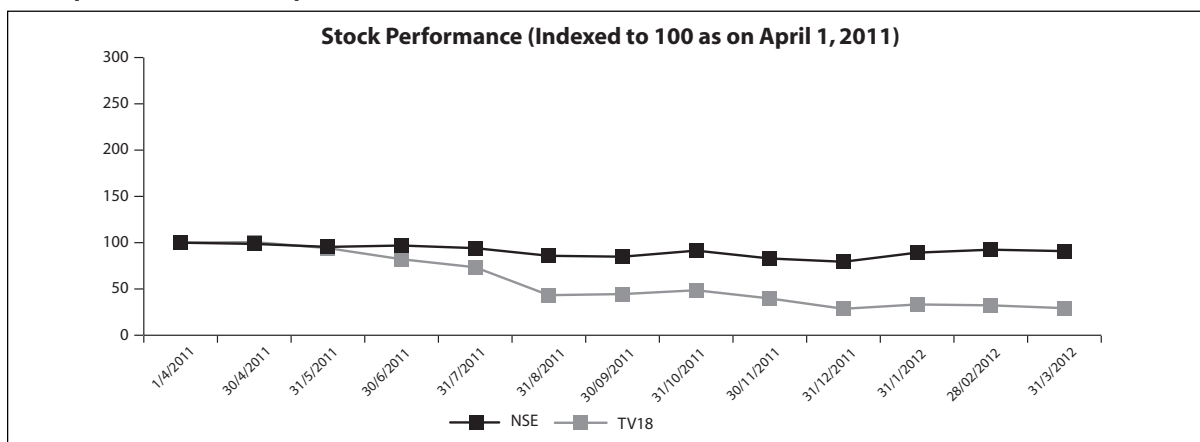
Market Price Data

Equity Shares of the Company are listed and traded on BSE and NSE and the High Low rates of the shares of the Company during the year ended March 31, 2012 are as follows:

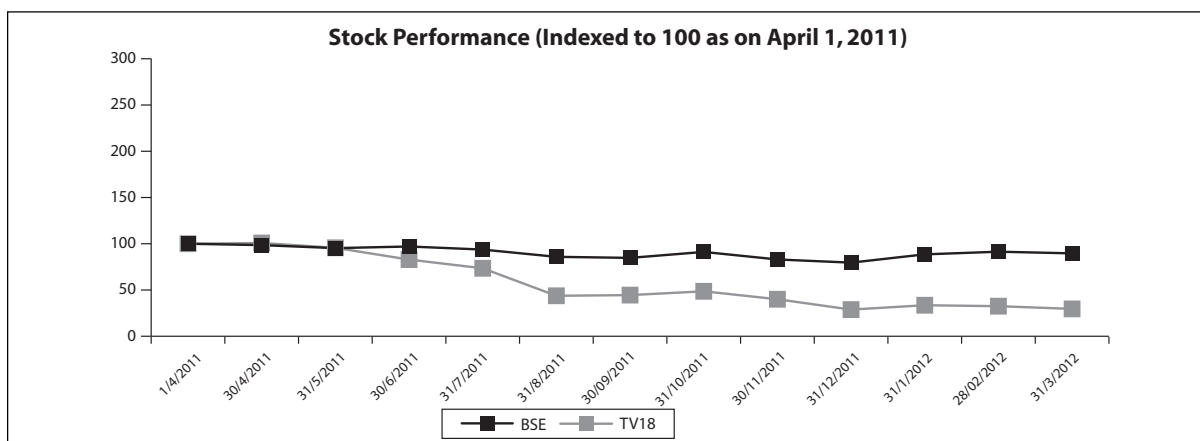
Month	High		Low	
	NSE	BSE	NSE	BSE
April 2011	108.50	108.50	91.60	92.35
May 2011	96.75	96.40	83.95	85.50
June 2011	91.85	92.45	75.00	75.00
July 2011	82.00	80.50	65.10	65.10
August 2011	70.95	70.20	37.00	36.50
September 2011	45.20	45.25	38.70	38.80
October 2011	51.90	51.80	39.10	38.70
November 2011	46.80	47.00	32.10	32.15
December 2011	39.10	39.00	26.40	26.00
January 2012	40.35	40.40	25.85	25.80
February 2012	36.45	36.45	24.85	29.60
March 2012	30.60	30.60	23.00	23.40

TV18 Broadcast Limited

Stock performance in comparison with NSE NIFTY



Stock performance in Comparison with BSE SENSEX



Address of the Registrar & Share Transfer Agent:

M/s Link Intime India Private Limited
 A-40, 2nd Floor,
 Naraina Industrial Area, Phase - II
 Near Batra Banquet Hall,
 New Delhi - 110 028
 Phone Nos. - 011- 41410592 / 41410593/ 41410594
 Fax No. - 011-41410591
 Website: www.linkintime.co.in
 Email: delhi@linkintime.co.in

Share Transfer System

M/s Link Intime India Private Limited is appointed as the Registrar & Share Transfer Agent of the Company. The transfer of shares is approved at the meetings of Share Transfer Committee which met seven (7) times during the year 2011 – 12.

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

Total No. of shares transferred during 2011 – 2012 in Physical mode : 429

Number of Shares pending for Transfer as on 31.03.2012 : Nil

TV18 Broadcast Limited

Redressal of Investors Complaints

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

investors.ibn18@network18online.com

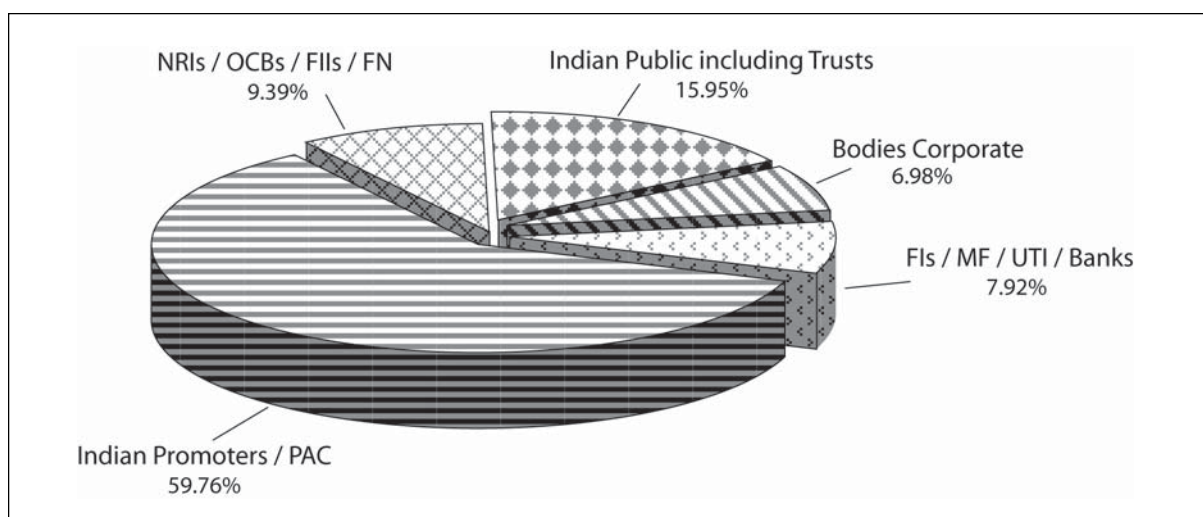
Dematerialization of shares and Liquidity

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

Sl. No.	Mode of Holding	No. of shares	% of total share capital
1	Demat	361750142	99.91
2	Physical	331729	0.09
	TOTAL	362081871	100

Distribution of Shareholding as on 31.03.2012

S. No.	Category	No. of Shareholders	No. of Shares	%
1	Indian Public (Individual /HUF/ Clearing Member/ Director & their Relatives)	58976	57765735	15.95
2	Bodies Corporates	1201	25260329	6.98
3	FIs / Mutual Funds / UTI / Banks	30	28687102	7.92
4	Indian Promoters / Person Acting in Concert	20	216373562	59.76
5	NRIs / OCBs / FIIs / FN	423	33992262	9.39
6	Trust	17	2881	0.00
	Total	60667	362081871	100.00

Graphic presentation of the Shareholding Pattern as on 31.03.2012

TV18 Broadcast Limited

Distribution Schedule as on 31.03.2012

Sr. No.	Amount (Rs.)	No. of Shareholders	% of Shareholders	Amount of Shares (Rs.)	% of Shareholding
1.	1 – 5000	58854	97.011	21210790	2.929
2.	5001 – 10000	830	1.368	5926326	0.818
3.	10001 – 20000	421	0.694	6153024	0.850
4.	20001 – 30000	141	0.232	3544172	0.489
5.	30001 – 40000	82	0.135	2900536	0.401
6.	40001 – 50000	49	0.081	2223674	0.307
7.	50001 – 100000	108	0.178	7641584	1.055
8.	100001 and Above	182	0.300	674563636	93.151
	Total	60667	100.00	724163742	100.00

Outstanding GDRs/ ADRs/ Warrants/ Convertible Instruments

- The Company has not issued any ADRs/ GDRs during the year under review.
- The Company has no outstanding Convertible warrants as on March 31, 2012.
- The GBN Employee Stock Option Plan ("ESOP 2007") was implemented to reward the employees and Directors of Company and its subsidiaries and/or holding Company for their dedication, hard work and support. The Company has allotted 3,20,304 fully paid-up equity shares during the year consequent to the exercise of options by the Employees. 39,99,979 options are outstanding under the ESOP Scheme as on March 31, 2012.

Plant Locations

Not applicable

Corporate Social Responsibility

At TV18, we strive to put in our best efforts towards being socially responsible. We have different programs running for the benefit of our 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 Network 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, we are supporting around 180 such children.

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 & clothes, etc. In time of National calamities, the company has aided the work of various NGOs who provide on the ground support to the victims. We also work with NGOs to reach out to our employees for raising funds for furthering the cause they support. We continue to explore different formats through which we can strengthen this channel of support.

Registered Office Address: TV18 Broadcast Limited 503, 504 & 507, 5 th Floor, Mercantile House, 15, Kasturba Gandhi Marg, New Delhi-110001	Address for Correspondence- Corporate Office: TV18 Broadcast Limited Express Trade Tower, Plot No. 15-16, Sector-16A, Noida, U. P. Phone Nos. : (+91 – 120) 434 1818 Fax No. : (+91 – 120) 432 4110
---	--

TV18 Broadcast Limited

DECLARATION UNDER CLAUSE 49-1(D) OF THE LISTING AGREEMENT

Dear Members,

TV18 Broadcast Limited

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

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

For TV18 Broadcast Limited

Sd/-

**Saikumar Ganapathy Balasubramanian
Network18 Group CEO & Manager (TV18)**

Place: Noida

Date : August 4, 2012

CEO and CFO Certification

Dear Members,

TV18 Broadcast Limited

We, Saikumar Ganapathy Balasubramanian, Network18 Group CEO & Manager (TV18) and Gurdeep Singh Puri, General Manager – Finance, responsible for the finance function and the compliance of the Code of Conduct of the Company certify that :

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

For TV18 Broadcast Limited

Sd/-

**Saikumar Ganapathy Balasubramanian
Network18 Group CEO & Manager (TV18)**

Place: Noida

Date: August 4, 2012

For TV18 Broadcast Limited

Sd/-

**Gurdeep Singh Puri
General Manager – Finance**

TV18 Broadcast Limited

To the Members

TV18 BROADCAST 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 TV18 Broadcast Limited (the Company) during the year ended March 31st 2012, with the relevant records and documents maintained by the Company, furnished to us for our review and report on Corporate governance, as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.
3. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. On the basis of our review and according to the best of our information and according to the explanations given to us, the Company has been complying with the conditions of Corporate Governance, as stipulated in the clause 49 of the Listing agreements (s) with the Stock Exchanges, as in force, except that only one of the two independent directors has attended only two audit committee meetings. However all the businesses transacted, at the meetings where only one independent director was present, were unanimously ratified and confirmed by the Audit Committee at a meeting held thereafter during the financial year, wherein all the members of the Audit Committee, including the independent directors, were present.

**For N.K.J. & Associates
Company Secretaries**

Place: New Delhi
Date: August 4, 2012

**Sd/-
Neelesh Kr. Jain
Proprietor
Membership No. FCS 5593
Certificate of Practice No. 5233**

Financial Statements

TV18 Broadcast Limited

AUDITORS' REPORT

**TO THE MEMBERS OF
TV18 BROADCAST LIMITED
(formerly ibn18 BROADCAST LIMITED)**

1. We have audited the attached Balance Sheet of **TV18 Broadcast Limited (formerly ibn18 Broadcast Limited)**, ('the Company') as at 31 March, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. *Attention is invited to Note 27(b) of the financial statements regarding the carrying value of certain long term investments aggregating to Rs. 5,195 lakhs. Management is of the view that, having regard to the long term strategic involvement, no provision is considered necessary for 'other than temporary diminution' in the value of these investments. In the absence of supporting documentation in respect of the appropriateness of the carrying value of such long term investments, in accordance with requirements of Accounting Standard 13 (AS-13) Accounting for Investments, we are unable to comment whether the diminution in the value of these long term investments is 'other than temporary'.*
5. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a. *subject to our comments in paragraph 4 above, we have obtained all the information and explanations which to the best of our*
 - knowledge and belief were necessary for the purposes of our audit;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. *subject to our comments in paragraph 4 above, in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;*
- e. in our opinion and to the best of our information and according to the explanations given to us, the said accounts, together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and *subject to our comments in paragraph 4 above, the effect of which could not be determined, give a true and fair view in conformity with the accounting principles generally accepted in India:*
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2012;
 - ii. in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
6. On the basis of written representations received from the Directors as on 31 March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31 March, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

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

JITENDRA AGARWAL
Partner
(Membership No. 87104)

NOIDA, 04 August, 2012

TV18 Broadcast Limited

ANNEXURE TO THE AUDITORS' REPORT

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

- i. Having regard to the nature of the Company's business, clauses xii, xiii, xiv and xviii of Companies (Auditor's Report) Order, 2003 are not applicable.
- ii. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - b. The fixed assets were physically verified during the year by the management in accordance with regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c. The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- iii. In respect of its inventory:
 - a. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iv. a. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of sub clauses (a), (b), (c) & (d) of clause (iii) of the order are not applicable to the Company.
- b. The Company has taken an unsecured loan from one party during the year listed in the register maintained under Section 301 of the Companies Act, 1956. The outstanding balance of such loans at the year end was Rs. Nil and the maximum amount involved during the year was Rs. 1,049,000,000.
- c. The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interest of the Company.
- d. The payment of principal amounts and interest in respect of such loan is regular/as per stipulations.
- v. In our opinion, and according to the information and explanations given to us, having regard to the explanation that some of the fixed assets purchased, goods sold and services rendered are of a special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- vi. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - a. the particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - b. having regard to the explanation that some of the services rendered are of a specialised nature for which alternate sources of supply are not available to enable comparison of prices, transactions made in pursuance of

TV18 Broadcast Limited

contracts entered in the Register maintained under section 301 of the Companies Act, 1956 are made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- vii. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public, except for updating details of depositors in the Register of Deposits in respect of public deposits aggregating to Rs. 145.11 lakhs (required to be maintained in terms of Section 58A of the Companies Act, 1956) pending receipt of application forms. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- viii. In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and nature of its business.
- ix. We have broadly reviewed the books of account maintained by the company pursuant to the companies (Cost Accounting Records) Rules, 2011 prescribed by the central Government under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- x. According to the information and explanations given to us in respect of statutory dues:
 - a. The Company has generally been regular in depositing undisputed dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service tax, Customs Duty and Cess with the appropriate authorities. We are informed that the Company's operations did not give rise to any

Investor Education and Protection Fund and Excise Duty.

- b. There are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service tax, Customs Duty and Cess as at 31 March, 2012 for a period of more than six months from the date they became payable.
- c. Details of dues of Income Tax that have not been deposited on account of disputes are as follows:

Statute	Nature of Dues	Forum where the dispute is pending	Period to which the amount relates	Amount Involved (Rupees)
Income Tax Act, 1961	Income tax, interest and penalty	Income Tax Appellate Tribunal	2001-02	2,474,434
Income Tax Act, 1961	Income tax, interest and penalty	Commissioner of Income Tax (Appeals)	2001-02	2,121,127
Income Tax Act, 1961	Income tax, interest and penalty	Commissioner of Income Tax (Appeals)	2002-03	26,654,466
Income Tax Act, 1961	Income tax, interest and penalty	Commissioner of Income Tax (Appeals)	2003-04	125,674,579

There are no dues in respect of Wealth Tax, Sales Tax, Customs Duty, Service Tax and Cess which have not been deposited on account of any dispute.

- xi. The accumulated losses of the Company at the end of the financial year are less than fifty percent of its net worth. The Company has not incurred cash losses in the current financial year but had incurred cash losses in the immediately preceding financial year.
- xii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions. According to the information and explanations given to us, the Company did not have any outstanding debentures during the year.
- xiii. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not *prima facie* prejudicial to the interests of the Company.

TV18 Broadcast Limited

- xiv. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
- xv. In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet, we report that the Company has used funds raised on short term basis, to the extent of Rs. 1,811,805,001 for long term investment.
- xvi. According to the information and explanations given to us, the Company had not issued any debentures during the period covered by our audit report.
- xvii. The Management has disclosed the end use of money raised by rights issues and we have verified the same.
- xviii. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

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

JITENDRA AGARWAL
Partner
(Membership No. 87104)

NOIDA, 04 August, 2012

TV18 Broadcast Limited

BALANCE SHEET AS AT 31 MARCH, 2012

	Notes Reference	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	724,188,260	475,629,098
(b) Reserves and surplus	4	7,049,936,019	6,418,980,734
		7,774,124,279	6,894,609,832
2. Non-current liabilities			
(a) Long-term borrowings	5	1,931,390,594	570,736,106
(b) Other long-term liabilities	6	42,938,936	15,952,942
(c) Long-term provisions	7	120,215,586	62,517,925
		2,094,545,116	649,206,973
3. Current liabilities			
(a) Short-term borrowings	8	4,483,979,517	1,866,723,379
(b) Trade payables	9	1,149,747,203	355,811,342
(c) Other current liabilities	10	1,178,471,288	701,852,993
(d) Short-term provisions	11	3,991,450	2,771,437
		6,816,189,458	2,927,159,151
Total		16,684,858,853	10,470,975,956
ASSETS			
1. Non - current assets			
(a) Fixed assets	12		
(i) Tangible assets		1,237,322,343	651,293,564
(ii) Intangible assets		37,682,005	13,104,939
(iii) Capital work-in-progress		2,784,699	3,188,550
		1,277,789,047	667,587,053
(b) Non-current investments	13	10,508,086,057	7,184,924,111
(c) Long-term loans and advances	14	406,520,975	147,818,755
(d) Other non-current assets	15	167,731,286	826,937,737
		12,360,127,365	8,827,267,656
2. Current assets			
(a) Inventories	16	380,464	509,602
(b) Trade receivables	17	2,537,212,346	963,167,574
(c) Cash and cash equivalents	18	312,197,687	452,536,408
(d) Short-term loans and advances	19	1,301,450,321	200,527,696
(e) Other current assets	20	173,490,670	26,967,020
		4,324,731,488	1,643,708,300
Total		16,684,858,853	10,470,975,956

See accompanying notes forming part of the financial statements
In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

JITENDRA AGARWAL
Partner

Noida
4 August, 2012

For and on behalf of the Board of Directors

RAGHAV BAHL
Director

GURDEEP SINGH PURI
General Manager - Finance

Noida
4 August, 2012

SANJAY RAY CHAUDHURI
Director

HITESH KUMAR JAIN
AGM-Corporate Affairs
and Company Secretary

TV18 Broadcast Limited

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

	Notes Reference	Year ended 31.03.2012 (Rupees)	Year ended 31.03.2011 (Rupees)
1. Revenue from operations	21	6,206,997,147	2,526,484,260
2. Other income	22	666,527,306	95,139,418
3. Total Revenue		6,873,524,453	2,621,623,678
4. Expenses:			
(a) Employee benefits expenses	23	1,541,043,748	805,327,884
(b) Finance costs	24	853,963,366	400,785,886
(c) Depreciation and amortisation expenses	12	244,597,989	116,854,570
(d) Other expenses	25	4,112,751,786	1,791,152,482
Total Expenses		6,752,356,889	3,114,120,822
5. Profit / (Loss) before tax (3 -4)		121,167,564	(492,497,144)
6. Tax expense			
Less: Income tax adjustments of prior years (net)		28,742,605	-
7. Profit / (Loss) for the year (5 -6)		92,424,959	(492,497,144)
8. Earnings/ (loss) per equity share (See note 28)			
(Face value of Rs. 2 each)			
(a) Basic		0.19	(2.20)
(b) Diluted		0.19	(2.20)

See accompanying notes forming part of the financial statements
In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

JITENDRA AGARWAL
Partner

Noida
4 August, 2012

For and on behalf of the Board of Directors

RAGHAV BAHL
Director
GURDEEP SINGH PURI
General Manager - Finance

Noida
4 August, 2012

SANJAY RAY CHAUDHURI
Director
HITESH KUMAR JAIN
AGM-Corporate Affairs
and Company Secretary

TV18 Broadcast Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012

	Year ended 31.03.2012 (Rupees)	Year ended 31.03.2011 (Rupees)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	121,167,564	(492,497,144)
Adjustments for :		
- Depreciation	244,597,989	116,854,570
- Loss on fixed assets sold / scrapped / written off	32,169,212	627,069
- Employee stock compensation expenses	4,949,921	4,527,283
- Finance Cost	853,963,366	400,785,886
- Net gain on foreign currency transaction and translation	(10,622,000)	-
- Net profit on sale of long term investments	(267,191,164)	(16,518,159)
- Net profit on sale of current investments	(12,083,395)	(67,071,743)
- Liabilities / provisions no longer required written back	(42,721,698)	(10,349,866)
- Interest income	(144,148,375)	-
- Dividend on long term investments	(125,100)	-
- Income from ibn18 trust on sale of shares	(189,100,000)	-
- Bad debts and Provision for doubtful trade and other receivable, loans and advances (net)	225,588,240	22,100,000
Operating profit before working capital changes	816,444,560	(41,542,104)
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	4,001,471	300,543
Trade receivables	(119,994,897)	(231,496,426)
Short-term loans and advances	2,138,162,205	827,106
Long-term loans and advances	(114,949,111)	24,133,231
Other current assets	(18,672,376)	-
Other non-current assets	(7,093,549)	(8,424,969)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	216,559,300	(124,403,511)
Other current liabilities	(400,256,161)	(24,619,446)
Long-term provisions	7,213,894	2,771,437
Short-term provisions	1,220,013	16,150,467
Cash generated from/ (used in) operations	2,522,635,349	(386,303,672)
Tax paid	(101,254,440)	56,086,668
Net cash from/ (used in) operating activities	2,421,380,909	(330,217,004)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(199,484,127)	(36,286,137)
Sale of assets/claim received	9,834,183	3,874,578
Investments purchased		
- in subsidiary / affiliates (including share application money)	(2,623,224,972)	(2,746,132,600)
Investments sold		
- in subsidiary / affiliates	269,040,000	-
- in mutual funds and others (net)	12,083,395	16,518,159
Interest received	125,070,737	64,981,700
Dividend on long term investments	125,100	-
Income from ibn18 trust on sale of shares	189,100,000	-
Net cash used in investing activities	(2,217,455,684)	(2,697,044,300)

TV18 Broadcast Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012

	Year ended 31.03.2012 (Rupees)	Year ended 31.03.2011 (Rupees)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost paid	(794,786,027)	(346,001,112)
Rights issue and merger / demerger expenses	(111,276,733)	(23,458,247)
Share application money refunded	-	(52,553,515)
Proceeds from issue of equity shares (net)	18,224,727	3,495,902,288
Increase / (Decrease) in long-term borrowings	848,524,868	435,358,686
Increase / (Decrease) in short-term borrowings	(206,861,032)	(1,973,107,074)
Increase / (Decrease) in current maturities of long-term debt	(330,084,567)	60,666,081
Net cash from/ (used in) financing activities	(576,258,764)	1,596,807,107
Net increase/ (decrease) in cash and cash equivalents	(372,333,539)	(1,430,454,197)
Cash and cash equivalents as at the beginning of the year	452,536,408	1,882,990,605
Cash and cash equivalents acquired on merger	231,994,818	-
Cash and cash equivalents as at the end of the year	312,197,687	452,536,408

Notes :

1. The above Cash flow statement has been prepared under the indirect method set out in AS-3 prescribed in Companies (Accounting Standards) Rules, 2006.
2. Figures in brackets indicate cash outflow.
3. Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants**JITENDRA AGARWAL**
PartnerNoida
4 August, 2012

For and on behalf of the Board of Directors

RAGHAV BAHL
Director**GURDEEP SINGH PURI**
General Manager - FinanceNoida
4 August, 2012**SANJAY RAY CHAUDHURI**
Director**HITESH KUMAR JAIN**
AGM-Corporate Affairs
and Company Secretary

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Background and Scheme of Arrangement

1.1 Background

TV18 Broadcast Limited ("The Company" or "TV18") (formerly known as ibn18 Broadcast Limited ("ibn18")) was incorporated on 6 June, 2005 as Global Broadcast News Private Limited. The Company was converted into a public limited Company and a revised Certificate of Incorporation was issued to give effect to this change with effect from 12 December, 2005. The commercial operations of the Company commenced on 17 December, 2005. Later, the name of the Company was changed to ibn18 Broadcast Limited and a revised Certificate of Incorporation was issued to give effect to this change on 02 April, 2008. In the current year, the name of the Company has been changed from ibn18 Broadcast Limited to TV18 Broadcast Limited. A fresh certificate of incorporation has been issued to the Company to give effect to this change on 17 June, 2011. The Company is in the business of broadcasting; telecasting, relaying and transmitting general news programmes and operates the news channels "CNN IBN" (consequent to a licensing and content sharing agreement with Turner Broadcasting System Asia Pacific, Inc.).

After merger of ibn7 undertaking of ibn18 Media & Software Limited (formerly Jagran TV Private Limited) during the financial year 2008-09, ibn18 has been broadcasting, telecasting, relaying and transmitting hindi general news programmes and operates the news channel "IBN7".

Network 18 Media & Investments Limited is the holding company by virtue of management control over the Company's operations and is also holding 51.24% of Shares of the Company as at 31 March, 2012.

1.2 Scheme of Arrangement (Scheme)

The Board of Directors of the Company in its meeting held on 7 July, 2010 considered and approved a Scheme of Arrangement ("the Scheme") between the Company, Network18 Media & Investments Limited ('Network 18'), erstwhile Television Eighteen India Limited ('TEIL') and other group companies, under sections 391 to 394 read with section 78, 100 to 103 of the Companies Act, 1956. As per the Scheme, TEIL's news business inter-alia consisting of business news channels viz. CNBC TV18 and CNBC Awaaz were demerged and consolidated with the Company. On the same date, ibn18 Media & Software Limited (ibn18 Media) a subsidiary of the Company and iNews.com Limited (iNews) a subsidiary of TEIL were merged into the Company. Since these were the wholly owned subsidiary company of the TV18 and TEIL respectively, no consideration was paid to their shareholders. As per the Scheme, the shareholders of TEIL had been given 68 shares of TV18 in lieu of 100 shares held in TEIL.

The shareholders of the Company approved the Scheme on 21 December, 2010. The Scheme was heard and approved by the Hon'ble Delhi High Court on 26 April, 2011. The certified copy of the order of the Hon'ble Delhi High Court approving the scheme was filed with the Registrar of Companies, N.C.T. of Delhi & Haryana on 10 June, 2011. On this date the Scheme became effective from the Appointed Date of 1 April, 2010.

Subsequent to the merger of the news business of erstwhile TEIL, TV18 is now also broadcasting, telecasting, relaying and transmitting english and hindi business news programmes namely CNBC TV18 and CNBC Awaaz.

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The financial impact of the Scheme of Arrangement referred to above on the financial statements is as follows:

a. Transfer of news business of TEIL

- i. As per the Scheme, TEIL's news business inter-alia consisting of business news channels viz. CNBC TV18 and CNBC Awaaz was demerged from TEIL and merged with TV18. The details of the assets and liabilities of TEIL being transferred to TV18 at its book value as at the appointed date is mentioned below:

Particulars	Amount (Rupees)	Amount (Rupees)
1. Fixed assets (Net)		718,444,278
2. Investments		557,384,905
3. Deferred tax assets		74,559,830
4. Current assets, loans and advances:		
- Inventories	3,520,911	
- Sundry Debtors (including Unbilled revenue)	1,369,893,548	
- Cash and Bank Balances	1,993,898,895	
- Loan and advances	1,289,030,162	4,656,343,516
5. Less: Current liabilities and provisions:		
- Current Liabilities	1,348,866,789	
- Provisions	40,905,874	1,389,772,663
6. Net current assets (4-5)		3,266,570,853
7. Total assets (1+2+3+6)		4,616,959,866
8. Total liabilities		
- Secured Loan	1,873,854,177	
- Unsecured Loan	1,700,000,000	
- Employee stock options outstanding	148,222,103	3,722,076,280
9. Net value of assets transferred on demerger (7-8)		894,883,586
10. Share capital issued pursuant to the Scheme		247,886,606
11. Balance credited to securities premium (9-10)		646,996,980

- ii. As per the scheme, during the intervening period (i.e. 1 April, 2010 to 31 March, 2011), TEIL shall be deemed to have been carrying on all business and activities relating to news business on behalf of the Company and all profits accruing to the transferor Company, or losses arising or incurred by them relating to the news business shall be treated as the profits or losses of the Company and accordingly credit balance of statement of profit and loss of Rs. 349,484,839 of TEIL news business for the period 1 April, 2010 to 31 March, 2011 was adjusted from the opening balance of the statement of profit and loss.

b. Merger of IBN18 Media & Software Limited and i-News.com Limited

As per the Scheme, i-News.com Limited, a subsidiary of TEIL and IBN18 Media & Software Limited, a subsidiary of the Company has merged into the Company. The details of the assets and liabilities of

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

these companies being transferred to the Company at its book value as at the appointed date is mentioned below:

Particulars	IBN 18 Media & Software Limited (Rupees)	i-News.com Limited (Rupees)
1. Fixed assets (Net)	393,992	33,421,691
2. Current assets, loans and advances:		
- Inventories	192,564	-
- Cash and Bank Balances	115,842	58,662
- Loan and advances	-	117,967
	308,406	176,629
3. Less: Current liabilities and provisions:		
- Current Liabilities	42,686	92,468
- Provisions	-	-
	42,686	92,468
4. Net current assets (2-3)	265,720	84,161
5. Other assets – Miscellaneous expenditure	-	35,926,067
6. Total assets (1+4+5)	659,712	69,431,919
7. Total liabilities		
Unsecured Loan	-	5,819,963
8. Deficit in Statement of Profit and loss	-	3,611,956
9. Net value of assets transferred pursuant to Scheme of Arrangement (6-7-8)	659,712	60,000,000
10. Investments in these wholly owned subsidiary	1,000,000	60,000,000
11. Balance debited to securities premium (9-10)	(340,288)	-

c. The Company has fair valued its assets and assets acquired as on the appointed date from TEIL and iNews under the Scheme (such assets comprise investments, deferred tax asset, miscellaneous expenditure, debtors and loans and advances) and have in accordance with the Scheme, debited Rs. 577,621,696 to the Securities Premium Reserve being the differential between the book value and the fair value.

d. Pursuant to the Scheme the deficit in the statement of profit and loss of the Company to the extent of Rs. 791,095,787 has been adjusted from the Capital Reserve and Securities Premium Reserve as follows:

	(Rupees)
i. Capital Reserve	168,720,000
ii. Securities Premium Reserve	622,375,787
Total	791,095,787

2. Significant Accounting Policies

a. Basis of accounting and preparation of financial statements

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

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The figures for the year ended 31 March, 2012 for the Company includes the income, expenses, assets and liabilities after considering the impact of the Scheme whereas the corresponding figures for the previous year comprised the income, expenses, assets and liabilities for the Company prior to the Scheme. Hence the figures for the current year are not strictly comparable with the corresponding previous year.

b. Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes and useful life of tangible and intangible assets. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from such estimates and the difference between the actual results and the estimates are recognised in the periods in which the results are known/ materialise.

c. Inventories

Inventories consist of blank betacam tapes and are stated at cost on First in First out (FIFO) basis. Stocks of other tapes are written off at the time of purchase.

d. Cash and cash equivalents (for purposes of Cash Flow Statement)

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

e. Cash flow statement

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

f. Depreciation and amortisation

Depreciation on all assets other than leasehold improvements, computer software and plant and machinery - distribution equipments are charged on straight line basis over the estimated useful lives, using rates (including double/ triple shift depreciation rates wherever applicable) prescribed by Schedule XIV of the Companies Act, 1956.

Cost of leasehold improvements is being amortised over the remaining period of lease (including renewal options) of the premises. Computer software and plant and machinery - distribution equipments are being depreciated over a period of 5 years and 8 years respectively. These rates are higher than those prescribed in Schedule XIV of the Companies Act, 1956.

News archives are depreciated on straight line basis at the rate of 4.75% per annum. Useful life of news archives is estimated to be more than 10 years as the contents of the same are continuously used in day to day programming and hence the economic benefits from the same arise for a period longer than 10 years.

Depreciation on additions is charged proportionately from the date of acquisition/ installation. Assets costing Rs. 5,000 or less individually have been fully depreciated in the year of purchase.

g. Revenue Recognition

i. Revenue from operations includes:

➤ Advertisement revenue comprising:

- Revenue from sale of advertising time, which is recognised on the accrual basis when advertisements are telecast in accordance with contractual obligations.
- Revenue from sponsorship contracts, which is recognised proportionately over the term of the sponsorship.

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- Subscription revenue which is recognised on accrual basis in accordance with the terms of the contract with the distribution and collection agency, for the services rendered.
- Facility and equipment rental which is accounted for on the accrual basis for the period of use of equipment by the customers.
- Program revenue which is accounted for on dispatch of programs to customers in accordance with contractual commitments.
- Revenue from sale of television content is recognised on transmission of audio-video content to the customer and their acceptance.
- Revenue from media related professional and consultancy services is recognised in accordance with contracts on rendering of services.
- ii. Other income includes
 - Dividends on investments are accounted for when the right to receive dividend is established.
 - Interest income is recognized on time proportionate basis, taking into account the amount outstanding and the rate applicable.
- h. Tangible Fixed Assets**

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

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.
- i. Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.
- j. Foreign Currency Transactions and Translation**

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 year are recognised 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 at the date of balance sheet, the resultant exchange differences are recognised in the statement of profit and loss.
- k. Investments**

Long term investments are stated at cost less provision for other than temporary diminution in carrying value of each investment. Current investments are carried at lower of cost or fair value.
- l. Employee Benefits**
 - i. The Company's Employee's 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.
 - ii. Short term employee benefits (Medical, Leave travel allowance, etc.) expected to be paid in exchange for the services rendered are recognised on undiscounted basis.
 - iii. The Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity Plan provides a

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The Company also makes contributions to funds administered and managed by the insurance companies for the amount notified by the said insurance companies.

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.

The liability with respect to the Gratuity Plan is determined based on actuarial valuation done by an independent actuary at the year end and any differential between the fund amount as per the insurer and the actuarial valuation is charged to the statement of profit and loss.

- iv. Benefits comprising long term compensated absences constitute other long term employee benefits. The liability for compensated absences is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains and losses are recognised immediately in the statement of profit and loss.

m. Segment Information

i. Business Segments

Based on similarity of activities, risks and reward structure, organisation structure and internal reporting systems, the Company operates only in the media business segment which mainly comprises media and related operations.

ii. Geographic Segments

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

n. 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 Company assumes substantially all the risks and rewards of ownership are classified as finance leases. The lower of fair value of asset and present value of minimum lease rentals is capitalised as fixed assets with 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 statement of profit and loss.

o. Earnings Per Share

The Company reports basic and diluted earnings per equity share in accordance with AS-20, Accounting Standard on Earnings Per Share. Basic earnings per equity share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding at the year end. Diluted earnings per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end and except where the results would be anti-dilutive.

p. Taxes on income

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

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Deferred tax charge or credit is recognised on timing differences being the difference between taxable income and accounting income that originate in one year and are capable of reversal, subject to consideration of prudence, in one or more subsequent years. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets on unabsorbed depreciation and carry forward of losses are not recognised unless there is a virtual certainty that there will be sufficient future taxable income available to realise such assets.

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

q. Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

r. Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

s. Employee Stock Based Payments

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

t. Barter Transactions

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

u. Share issues expenses

Share issue expenses are adjusted on the date of issue of shares against the Securities Premium Reserve as permissible under Section 78(2) of the Companies Act, 1956, to the extent balance is available for utilisation in the Securities Premium Reserve.

v. Service tax input credit

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

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

3 Share capital

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of Shares	Amount (Rupees)	Number of Shares	Amount (Rupees)
a. Authorised				
Equity shares of Rs. 2 each	380,000,000	760,000,000	275,000,000	550,000,000
b. Issued, Subscribed and fully paid up				
(i) Issued	362,130,907	724,261,814	237,867,300	475,734,600
(ii) Subscribed and fully paid up	362,081,871	724,163,742	237,796,965	475,593,930
(iii) Subscribed but not fully paid up	-	-	70,335	35,168
(iv) Shares forfeited	49,036	24,518	-	-
Total	362,130,907	724,188,260	237,867,300	475,629,098

Refer Notes (i) to (vi) below:

Notes

(i) The Company has only one class of equity shares having a par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share held.

(ii) Details of shares held by holding company and their subsidiaries

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of Shares	Amount (Rupees)	Number of Shares	Amount (Rupees)
Network18 Media & Investments Ltd, the Holding Company	185,526,648	371,053,296	64,892,544	129,785,088
Subsidiaries of the holding company	34,600	69,200	55,525,443	111,050,886
	185,561,248	371,122,496	120,417,987	240,835,974

(iii) Details of shares held by each shareholder holding more than 5% shares :

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of Shares held	% Holding	Number of Shares held	% Holding
Network18 Media & Investments Ltd.	185,526,648	51.24%	64,892,544	27.28%
RVT Investments Private Limited	-	-	49,990,843	21.02%
Network18 Group Senior Professional Welfare Trust	28,725,006	7.93%	13,453,354	5.66%

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(iv) Aggregate number of shares issued for consideration other than cash during the period of 5 years immediately preceeding the Balance Sheet date

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Number of Shares held	Number of Shares held
Shares allotted to shareholders of erstwhile Television Eighteen India Limited pursuant to Scheme of Arrangement in the current year between the Company, Television Eighteen India Ltd (TEIL), Network18 Media & Investments Ltd. (Network18) and other Network18 Group companies (See note 1.2)	123,943,303	-
Shares allotted to Gupta family and ibn18 Trust pursuant to scheme of amalgamation between the Company, Jagran TV Private Limited and BK Fincap Private Limited in financial year 2008-09	16,306,155	16,306,155
Shares allotted to shareholders of SRH Broadcast News Holdings Private Limited pursuant to scheme of amalgamation between the Company with SRH Broadcast News Holdings Private Limited in financial year 2006-07	102,040,815	102,040,815

(v) Shares reserved for issue under options under ESOP scheme 2007 (See note 33)

3,999,979

2,450,717

(vi) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	Opening Balance	Shares issued during the year		Conversion into fully paid up	Shares issued under the scheme of arrangement [refer to note 1.2(a)(i)]	Shares forfeited	Closing Balance
		Rights issue	Employee stock options plan				
(i) Issued							
Year ended 31 March, 2012							
- Number of shares	237,867,300	-	320,304	-	123,943,303	-	362,130,907
- Amount (Rupees)	475,734,600	-	640,608	-	247,886,606	-	724,261,814
Year ended 31 March, 2011							
- Number of shares	181,651,478	54,495,443	1,720,379	-	-	-	237,867,300
- Amount (Rupees)	363,302,956	108,990,886	3,440,758	-	-	-	475,734,600
(ii) Subscribed and fully paid up							
Year ended 31 March, 2012							
- Number of shares	237,796,965	-	320,304	21,299	123,943,303	-	362,081,871
- Amount (Rupees)	475,593,930	-	640,608	42,598	247,886,606	-	724,163,742
Year ended 31 March, 2011							
- Number of shares	181,651,478	-	1,720,379	54,425,108	-	-	237,796,965
- Amount (Rupees)	363,302,956	-	3,440,758	108,850,216	-	-	475,593,930
(iii) Subscribed and not fully paid up *							
Year ended 31 March, 2012							
- Number of shares	70,335	-	-	(21,299)	-	(49,036)	-
- Amount (Rupees)	35,168	31,949**	-	(42,598)	-	(24,518)	-
Year ended 31 March, 2011							
- Number of shares	-	54,495,443	-	(54,425,108)	-	-	70,335
- Amount (Rupees)	-	27,247,722	-	(27,212,554)	-	-	35,168

* Re 0.50 paid up out of the face value of Rs. 2 per share

** Amount received on 21,299 shares @ Rs. 1.50 each pursuant to conversion of partly paid up shares into fully paid shares

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
4 Reserves and Surplus		
a. Capital reserve		
Opening balance	168,720,000	168,720,000
Less: Amount transferred from statement of profit and loss (see para e below) as per the scheme of arrangement [See also note 1.2 (d)]	168,720,000	-
	-	168,720,000
b. Securities premium reserve		
Opening balance	8,501,569,857	3,487,938,873
Add:		
- Amounts received pursuant to issue of equity shares under rights issue and ESOPs	1,299,239	4,982,042,600
- Amount received pursuant to issue of equity shares under ESOPs	19,164,542	91,180,087
- Amount transferred from share options outstanding account on exercise of share options	18,423,309	31,149,375
- Amount credited on transfer of news business of TEIL as per the Scheme of Arrangement [See note 1.2 (a)]	646,996,980	-
Less:		
- Amount debited on merger of the IBN18 Media & Software Limited as per the Scheme of Arrangement [See note 1.2 (b)]	340,288	-
- Rights issue expenses / expenses for Scheme of Arrangement		
- Amount transferred from miscellaneous expenditure [See note 20 (b)]	23,458,247	89,312,882
- Amount incurred and adjusted during the year	15,724,260	1,428,196
- Difference of book value and fair value of assets adjusted pursuant to Scheme of arrangement [See note 1.2 (c)]	577,621,696	-
- Amount transferred from statement of profit and loss (see para e below) as per the scheme of Arrangement [See also note 1.2 (d)]	622,375,787	-
	7,947,933,649	8,501,569,857
c. Share options outstanding account		
Opening balance	23,842,987	56,991,187
Add: Amount transferred from TEIL pursuant to Scheme of arrangement (See note 1.2)	62,606,670	-
Less: Adjusted on account of forfeiture / lapse of options	1,181,645	1,998,825
- Amount transferred to General Reserve on expiry of options	5,793,297	-
- Transferred to Securities Premium Reserve on exercise of share options	18,423,309	31,149,375
	61,051,406	23,842,987
Deferred employee compensation		
Opening balance	1,557,520	8,083,628
Add: Amount transferred from TEIL pursuant to Scheme of arrangement (See note 1.2)	20,843,580	-
Less: Adjusted on account of forfeiture / lapse of options	1,181,645	1,998,825
Less: Amount charged to Statement of Profit and Loss	4,949,921	4,527,283
	16,269,534	1,557,520
	44,781,872	22,285,467

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
d. General Reserve		
Opening balance carried forward	9,998,341	9,998,341
Add: Amount transferred from TEIL under Scheme of Arrangement pertaining to ESOPs	88,575,033	-
Add: Amount transferred from ESOPs reserve on account on expiry of options	5,793,297	-
	104,366,671	9,998,341
e. Surplus/(deficit) in the statement of profit and loss		
Opening Balance	(2,283,592,931)	(1,791,095,787)
Add/(less):		
- Profit/(loss) for the year	92,424,959	(492,497,144)
- Profit/(loss) for the year ended 31 March, 2011 of the undertakings merged with the Company pursuant to scheme of arrangement		
- Profit from TEIL's news business [See note 1.2 (a)(ii)]	349,484,839	-
- I-News.com Limited	3,575,387	-
- IBN18 Media & Software Limited	(134,214)	-
- Amount adjusted through transfer to Capital Reserve (see para a above) and Securities Premium Reserve (see para b above) as per the Scheme of Arrangement [See also note 1.2 (d)]	791,095,787	-
	(1,047,146,173)	(2,283,592,931)
	7,049,936,019	6,418,980,734
5 Long - term borrowings		
a. i. Term loans (secured)		
- from banks	666,666,664	57,628,495
- from others	365,800,000	7,414,000
(See note (b) below for security and terms of repayment)		
	1,032,466,664	65,042,495
ii. Vehicle loans (secured)		
- from others	8,546,076	2,794,191
(Vehicle loans are secured by hypothecation of vehicles and payable in equal monthly installments)		
iii. Long term maturities of finance lease obligations (secured)		
- from others (See note 39)	8,452,854	1,190,855
(Secured by hypothecation of assets purchased under finance lease agreement and payable in equal monthly installments)		
iv. Public Deposits (unsecured)		
(Deposits are repayable at the time of maturity)	881,925,000	501,708,565
	1,931,390,594	570,736,106
b. Security details for term loans covered under Note 5 (a)(i) and Note 10 (a) is as follows:		
I. Term loans under Long term borrowings	1,032,466,664	65,042,495
II. Term loans under Other current liabilities	531,365,734	489,977,403
	1,563,832,398	555,019,898

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
i. This term loan from bank carries interest @ 13.75% to 15% p.a. and is repayable in 72 equal monthly installments of Rs. 4,144,450. The term loan is secured by first charge over entire fixed assets of channel IBN7 amounting to Rs. 320,400,000 as on 31 March 2009, and unconditional and irrevocable corporate guarantee of Network18 Media & Investments Limited (Holding Company).	23,685,065	74,028,565
ii. This term loan from others carries interest @ 13.50% p.a. and is repayable in 60 equal monthly installments of Rs. 1,062,000 in advance of every month. The term loan is secured by first charge on all movable assets including plant and machinery and equipment acquired / to be acquired out of the proceeds of the term loan of channel IBN7 and unconditional and irrevocable corporate guarantee of Network18 Media & Investments Limited.	7,414,000	20,158,000
iii. This term loan from bank carries interest @ 13.75% to 15.50% p.a. and is repayable in 3 equal half yearly installments of Rs. 33,333,333. The term loan is secured by subservient charge on all movable fixed assets (all present and future) of CNN-IBN and IBN 7 channels of the Company and unconditional and irrevocable corporate guarantee of Network18 Media & Investment Limited, to remain valid during currency of credit facility.	33,333,333	420,833,333
iv. This term loan from bank carries interest @ 13.75% to 14.25% p.a. and is repayable in 16 equal quarterly installments of Rs. 20,000,000. First charge on the movable assets of CNN-IBN and IBN 7 channels of the Company, subject to the charges on current assets created/to be created in favour of the Company's bankers for securing borrowings for working capital requirements and unconditional and irrevocable personal guarantee of a Director and Letter of comfort from Television Eighteen India Limited (TEIL) whereby TEIL undertakes to take all necessary steps to ensure that the Company fulfills all necessary obligations under the agreement including arrangement of funds for payment to the bank in accordance with the terms and conditions of the loan agreement.	-	40,000,000
v. This term loan from others carries interest @ 13.50% to 14.50% p.a. and is repayable in 24 equal quarterly installments of Rs. 33,400,000. This is secured by first pari passu charge on movable fixed assets of the existing CNBC news channels and is collaterally secured by pledge of shares by the promoters/ group entities, personal guarantee of the Director of the Company and corporate guarantee of Network18 Media & Investments Limited.	499,400,000	-

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
vi. This term loan from bank carries interest @ 13.00% p.a. and is repayable in 18 equal monthly installments of Rs. 55,555,556 after the moratorium period of 6 months. The term loan is secured by subservient charge on all current assets and movable fixed assets (present and future) and is secured by personal guarantee of the Directors of the Company and corporate guarantee of Network18 Media & Investments Limited.	1,000,000,000	-
	1,563,832,398	555,019,898
6 Other long-term liabilities		
Interest accrued but not due on public deposits	42,938,936	15,952,942
7 Long term provisions		
Provision for employee benefits:		
i. Provision for compensated absences	37,294,204	22,123,561
ii. Provision for gratuity [See note no. 32(II)(d)]	82,921,382	40,394,364
	120,215,586	62,517,925
8 Short-term borrowings		
i. Cash credit (including working capital demand loan)		
- from bank (secured)	1,013,373,681	674,719,378
(See note (a) below for security and terms of repayment)		
ii. Commercial papers (unsecured)		
- from banks	750,000,000	-
- from others	1,000,000,000	-
(Payable on maturity)		
iii. Public deposits (unsecured)		
(Deposits are repayable at the time of maturity)	1,720,605,836	1,086,604,000
iv. Others (unsecured)	-	105,400,001
	4,483,979,517	1,866,723,379
a. Security details for cash credit facilities including working capital demand loans is as follows:		
i. The cash credit including working capital demand loans is repayable on demand and carries interest @ 10.25% p.a. to 17.50% p.a. and is secured against first pari passu charge on all the current assets of CNN IBN and IBN7 channels of the Company and additionally secured by unconditional and irrevocable corporate guarantee of Network18 Media & Investments Limited. 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 channels of the Company.	400,844,778	547,357,300
ii. The cash credit is repayable on demand and carries interest @ 13.75% to 15% p.a. and is secured against hypothecation of book debts	125,320,388	127,362,078

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
iii. The cash credit including working capital demand loans is repayable on demand and carries interest @ 10.50% to 18% p.a. and is secured against first pari passu charge on all current assets of the CNBC channels of the Company with other working capital lenders.	487,208,515	-
	1,013,373,681	674,719,378
9 Trade Payables		
Trade Payables	1,149,747,203	355,811,342
According to the records available with the Company, there were no dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 during the year. This has been relied upon by the auditors. Hence disclosures, if any, relating to amounts unpaid as at the year end together with the interest paid / payable as required under the said Act have not been given.		
10 Other Current Liabilities		
a. Current maturities of long-term debt -		
- Term loans		
- from banks	390,351,734	477,233,403
- from others	141,014,000	12,744,000
(See note 5 (b) - for the details of security and guarantee of Long term borrowings)		
	531,365,734	489,977,403
- Vehicle loans (secured by hypothecation of Vehicles)	6,286,018	1,562,078
- Public Deposits (unsecured) (Deposits are repayable at the time of maturity)	117,890,000	-
b. Current maturities of finance lease obligations (See note no. 39) (Secured against assets obtained under finance lease arrangements)	2,263,687	653,853
c. Interest accrued but not due on public deposits	91,240,179	55,053,123
d. Income received in advance (Unearned revenue)	74,952,064	14,311,218
e. Unpaid matured deposits and interest payable thereon	21,847,530	-
f. Other payables		
- Statutory remittances (Contributions to PF, ESIC, Withholding Taxes, VAT, Service Tax, etc.)	141,072,804	117,478,374
- Payables on purchase of fixed assets	22,284,272	4,253,919
- Advance from customers	169,269,000	18,563,025
	1,178,471,288	701,852,993
11 Short - term provisions		
Provision for employee benefits:		
- Provision for compensated absences	2,242,736	930,662
- Provision for gratuity [See note 32(II)(d)]	1,748,714	1,840,775
	3,991,450	2,771,437

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

12 Fixed Assets

(Amount in Rupees)

	Particulars	Gross Block					Accumulated Depreciation					Net Block	
		Opening balance as at 01.04.2011	Transferred in pursuant to the Scheme	Additions	Deletions/ adjustments	Closing balance as at 31.03.2012	Opening balance as at 01.04.2011	Transferred in pursuant to the Scheme	Depreciation for the year	On Deletions	Closing balance as at 31.03.2012	As at 31.03.2012	As at 31.03.2011
(a)	Tangible Assets												
	Freehold Land	490,064	-	2,856,700	216,200	3,130,564	-	-	-	-	-	3,130,564	490,064
	Leasehold improvements	212,395,147	102,962,120	27,380,477	3,854,605	338,883,139	126,260,804	79,899,343	50,992,647	3,512,584	253,640,210	85,242,929	86,134,343
	Plant and Equipment												
	- on finance lease	1,453,839	-	10,300,693	-	11,754,532	25,625	-	535,709	-	561,334	11,193,198	1,428,214
	- owned	798,316,938	1,275,236,548	102,719,326	77,796,910	2,098,475,902	281,143,872	763,985,124	136,369,511	41,806,957	1,139,691,550	958,784,352	517,173,066
	Electrical installation	12,903,571	25,888,062	2,444,055	1,824,214	39,411,474	5,058,467	10,697,569	2,791,409	1,303,683	17,243,762	22,167,712	7,845,104
	Computers												
	- on finance lease	385,875	-	298,244	-	684,119	15,595	44,076	99,676	-	159,347	524,772	370,280
	- owned	72,000,984	124,176,418	50,785,176	16,057,229	230,905,349	61,772,714	82,776,113	25,752,682	15,816,868	154,484,641	76,420,708	10,228,270
	Furniture and fixtures	18,544,607	24,762,021	7,565,861	7,269,074	43,603,415	9,052,360	14,290,798	2,697,785	6,937,984	19,102,959	24,500,456	9,492,247
	Vehicles	21,182,713	38,549,265	16,347,635	9,070,361	67,009,252	7,441,458	15,163,885	5,976,376	5,385,434	23,196,285	43,812,967	13,741,255
	Office equipment	19,669,217	18,422,139	2,616,167	3,976,067	36,731,456	15,278,496	11,241,563	1,964,581	3,297,869	25,186,771	11,544,685	4,390,721
	Total	1,157,342,955	1,609,996,573	223,314,334	120,064,660	2,870,589,202	506,049,391	978,098,471	227,180,376	78,061,379	1,633,266,859	1,237,322,343	651,293,564
	Previous year	1,134,095,254	-	29,773,991	6,526,290	1,157,342,955	405,236,758	-	102,837,276	2,024,643	506,049,391	651,293,564	-
(b)	Intangible Assets												
	News archives	-	20,498,422	-	-	20,498,422	-	13,222,904	976,343	-	14,199,247	6,299,175	-
	Computers software	122,686,160	149,122,914	19,393,717	2,118,749	289,084,042	109,581,221	133,797,357	16,441,270	2,118,636	257,701,212	31,382,830	13,104,939
	Total	122,686,160	169,621,336	19,393,717	2,118,749	309,582,464	109,581,221	147,020,261	17,417,613	2,118,636	271,900,459	37,682,005	13,104,939
	Previous year	121,388,279	-	1,297,881	-	122,686,160	95,563,927	-	14,017,294	-	109,581,221	13,104,939	-
	Grand Total	1,280,029,115	1,779,617,909	242,708,051	122,183,409	3,180,171,666	615,630,612	1,125,118,732	244,597,989	80,180,015	1,905,167,318	1,275,004,348	664,398,503
	Previous year	1,255,483,533	-	31,071,872	6,526,290	1,280,029,115	500,800,685	-	116,854,570	2,024,643	615,630,612	664,398,503	-

As at
31.03.2012
(Rupees)

As at
31.03.2011
(Rupees)

13 Non Current Investments

Trade Investments (at cost)

- in equity shares of

a. Subsidiaries company (Unquoted)

- i. 96,615 (Previous year 10,000) equity shares of Rs. 10 each fully paid up, in RVT Media Private Limited, a wholly owned subsidiary 346,560,000 100,000
- ii. 100 (Previous year 100) equity share of USD 1 each fully paid up, in ibn18 (Mauritius) Limited, a wholly owned subsidiary 5,081 5,081
- iii. Nil (Previous year 67,294,750) equity shares of IBN18 Media & Software Limited of Rs. 2 each fully paid up [See note 1.2(b)] - 1,000,000

b. Joint ventures (Unquoted)

- i. 8,625,000 (Previous year 8,625,000) equity shares of IBN Lokmat News Private Limited of Rs. 10 each fully paid up 86,250,000 86,250,000
- ii. 47,768,791 (Previous year 42,217,217) equity share of Viacom18 Media Private Limited of Rs. 10 each fully paid up 8,564,425,247 6,741,225,275

c. Others Companies

- Quoted

- i. 275,000 (Previous year Nil) equity shares of Refex Refrigerants Limited of Rs. 10 each fully paid up 8,566,250 -
- ii. 500,000 (Previous year Nil) equity shares of Provogue India Limited of Re. 1 each fully paid up 13,529,310 -
- iii. 500,000 (Previous year Nil) equity shares of Prozone Capital Shopping Centres Limited of Rs. 2 each fully paid up 5,520,690 -

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
iv. 474,308 (Previous year Nil) equity shares of KSL & Industries Limited of Rs. 4 each fully paid up	8,869,560	-
- Unquoted		
v. Nil (Previous year 12,163,717) Class A Ordinary shares of Web18 Holdings Limited of USD 0.00374 each fully paid up	-	1,848,836
- in preference shares of		
d. Joint venture (Unquoted)		
i. 220,000 (Previous year 220,000) 0.10% Non Cumulative Redeemable Preference Shares of Series "I" of IBN Lokmat News Private Limited of Rs. 100 each fully paid up	44,000,000	44,000,000
ii. 250,000 (Previous year 250,000) 0.10% Non Cumulative Redeemable Preference Shares of Series "II" of IBN Lokmat News Private Limited of Rs. 100 each fully paid up	50,000,000	50,000,000
iii. 1,696,250 (Previous year 1,287,500) 0.10% Non Cumulative Redeemable Preference Shares of Series "III" of IBN Lokmat News Private Limited of Rs. 100 each fully paid up	339,250,000	257,500,000
- in equity warrants of		
e. Joint venture (Unquoted)		
Nil (Previous year 3,000,000) share warrants of Series "C" of Viacom18 Media Private Limited of Re. 1 each fully paid up [See Note 27 (a)]	-	3,000,000
- in debentures of		
f. Subsidiary Company (Unquoted)		
36,249,900 (Previous year 13,249,900) debenture in ibn18 (Mauritius) Limited of USD 1 each fully paid up	1,700,047,846	658,932,846
Less: Provision for diminution in value of ibn18 (Mauritius) Limited	(658,937,927)	(658,937,927)
	10,508,086,057	7,184,924,111
Aggregate amount of quoted investments	36,485,810	-
Market value of quoted investments	36,106,381	-
Aggregate amount of unquoted investments (Net of provision)	10,471,600,247	7,184,924,111
Aggregate provision for the diminution in value of investments	658,937,927	658,937,927
14 Long - Term Loans And Advances		
a. Capital advances (Unsecured, considered good)	3,905,392	2,120,715
b. Security deposits		
Unsecured, considered good	133,222,202	59,037,644
Doubtful	2,122,360	-
	135,344,562	59,037,644
Less: Provision for doubtful deposits	2,122,360	-
	133,222,202	59,037,644
c. Loans and advances to employees*		
Unsecured, considered good	57,010,104	6,608,957
Doubtful	60,689,307	-
	117,699,411	6,608,957
Less: Provision for doubtful advances	60,689,307	-
	57,010,104	6,608,957

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
d. Advance income tax [net of provision for tax Rs. 410,972,847 (Previous year Rs. 53,493,195) Unsecured, considered good] [See note 26 (v)]	212,383,277	80,051,439
e. Advance to vendors Unsecured, considered doubtful	1,617,194	-
	1,617,194	-
Less: Provision for doubtful advances	1,617,194	-
	-	-
	406,520,975	147,818,755
* includes loans recoverable from Key Management Personnel (KMP) (See note 34)	50,000,000	-
15 Other Non - Current Assets (Unsecured, considered good)		
a. Others - Application money paid (See note 34) - for shares	-	666,300,000
b. Fixed deposits with banks*	167,731,286	160,637,737
	167,731,286	826,937,737
* Fixed deposits is under lien with banks against Bank Guarantees to the Custom 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. [also See note 26 (ii)]		
16 Inventories [See note 2(b)] (At lower of cost and net realisable value)		
a. Tapes and compact discs	380,464	509,602
17 Trade receivables (Unsecured)		
a. Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
- considered good	628,957,037	61,573,118
- considered doubtful	234,155,506	30,514,095
Less: Provision for doubtful trade receivables	234,155,506	30,514,095
	628,957,037	61,573,118
b. Other trade receivables	1,908,255,309	901,594,456
	2,537,212,346	963,167,574
18 Cash and cash equivalents		
a. Cash on hand	1,584,905	555,830
b. Balances with banks		
i. in current accounts	139,431,455	146,246,485
ii. in deposit accounts (refer notes below)	171,181,327	305,734,093
	312,197,687	452,536,408
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	312,197,687	452,536,408

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
Notes:		
(i) Deposit account includes funds earmarked as follows:		
- Balance with banks held as per Rule 3A of Companies (Acceptance of deposits) Rules, 1975	3,029,400	162,990,600
- Balances held as margin money against borrowings	100,000,000	-
- Unutilised money of rights issue	46,457,536	132,092,000
(ii) Includes account which have an original maturity of more than 12 months.	65,987	32,612
19 Short - term loans and advances (Unsecured, considered good)		
a. Loans and advances		
- to related parties (See note 34)		
- subsidiaries	3,410,694	10,901,131
- fellow subsidiaries	190,498,409	45,344,675
- joint ventures	52,351,653	30,760,002
- entities under significant influence	541,819,631	-
- to employees	69,786,443	11,416,960
- to others	-	473,906
	857,866,830	98,896,674
b. Security deposits	33,054,032	12,142,891
c. Service tax credit receivable	132,872,598	64,407,597
d. Advance income tax	163,532,261	-
e. Prepaid expenses	81,971,153	16,071,405
f. Others		
- Advance to vendors	32,153,447	9,009,129
	1,301,450,321	200,527,696
20 Other Current Assets (Unsecured, considered good)		
a. Unbilled revenue	19,500,000	-
b. Unamortised expenses		
Rights issue and merger / demerger expenses		
- Opening Balance	23,458,247	89,312,882
- Less: Rights issue and Scheme related expenses adjusted by transfer to Securities Premium Reserve (See note 4(b))	23,458,247	89,312,882
- Add: Amount incurred for rights issue during the year	111,276,733	23,458,247
	111,276,733	23,458,247
c. Others		
Interest accrued but not due on deposits	42,670,980	2,638,192
Others (insurance claims etc.)	42,957	870,581
	42,713,937	3,508,773
	173,490,670	26,967,020

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Year ended 31.03.2012 (Rupees)	Year ended 31.03.2011 (Rupees)
21 Revenue From Operations		
a. Revenue from operations		
i. Advertisement and subscription income	5,889,819,238	2,464,343,445
ii. Sale of content	6,398,188	42,676,283
iii. Other media income and equipment rentals	139,774,310	19,464,532
b. Other operating income		
i. Income from equity deals	171,005,411	-
	6,206,997,147	2,526,484,260
22 Other income		
a. Interest		
- Inter company balances	86,907,239	53,130,194
- Fixed deposits	37,289,540	13,941,549
- Others	19,951,596	-
b. Net profit on sale of long term investments	267,191,164	-
c. Net profit on sale of current investments	12,083,395	16,518,159
d. Liabilities / provisions no longer required written back	42,721,698	10,349,866
e. Net gain on foreign currency transaction and translation	10,622,000	-
f. Income from ibn18 trust on sale of shares	189,100,000	-
g. Dividend on Non-current investments-from others	125,100	-
h. Miscellaneous income	535,574	1,199,650
	666,527,306	95,139,418
23 Employee Benefits Expenses		
a. Salaries and wages	1,333,234,959	687,238,287
b. Contribution to provident fund	70,560,254	36,675,939
c. Expense on employee stock option scheme (see note 33)	4,949,921	4,527,283
d. Staff welfare expenses	114,399,319	59,090,331
e. Gratuity expenses (see note 32)	17,899,295	17,796,044
	1,541,043,748	805,327,884
24 Finance Cost		
a. Interest expense on:		
- Term loans	325,594,534	147,261,694
- Cash credit	139,177,034	46,167,909
- Public deposits	222,734,777	88,837,886
- Inter corporate deposits and others	45,909,956	49,616,792
b. Other borrowing cost	120,547,065	68,901,605
	853,963,366	400,785,886
25 Other expenses		
Studio and equipment hire charges	30,863,416	61,585,731
Telecast and uplinking fees	102,493,611	57,622,500
Tapes consumed	14,688,921	4,736,295
Content and franchise expenses (including royalty)	318,853,103	104,772,601
Media professional fees	277,191,701	109,493,230
Other production expenses	35,026,737	20,246,554
Rent including lease rentals (see note 39)	155,306,465	64,049,572
Electricity expenses	60,397,069	31,510,531

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Year ended 31.03.2012 (Rupees)	Year ended 31.03.2011 (Rupees)
Insurance	11,180,260	4,652,663
Travelling and conveyance	316,109,599	119,979,164
Vehicle running and maintenance	79,248,815	74,332,101
Communication expenses	59,986,808	32,967,771
Distribution, advertising and business promotion	2,117,963,040	955,991,074
Repairs and maintenance		
- Plant and machinery	88,098,053	43,109,002
- Others	21,636,454	6,189,582
Legal and professional expenses (See note below)	53,813,139	24,107,983
Rates and taxes	1,780,445	43,773
Office upkeep and maintenance	80,386,205	33,685,326
Directors sitting fees	320,000	315,000
Loss on fixed assets sold / scrapped / written off	32,169,212	627,069
Net loss on foreign currency transactions and translations	-	469,006
Bad debts and Provision for doubtful trade and other receivable, loans and advances (net)	225,588,240	22,100,000
Miscellaneous expenses	29,650,493	18,565,954
	4,112,751,786	1,791,152,482
Note:		
Payments to the auditors comprises (excluding service tax input credit)		
a. Statutory audit fees (including quarterly limited reviews)	7,250,000	5,500,000
b. For other services	2,245,000	4,700,000
c. Reimbursement of expenses	252,287	-
	9,747,287	10,200,000

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

26. Capital commitment, litigations and contingent liabilities

- i. Estimated amount of contracts remaining to be executed on capital account (net of advances) Rs. 33,119,442 (Previous year Rs. 2,900,000).
- ii. The Company has purchased capital equipment under the 'Export Promotion Capital Goods Scheme'. As per the terms of the licenses granted under the scheme, the Company has undertaken to achieve an export commitment of Rs. 873,663,241 (Previous year Rs. 740,639,339) over a period of 8 years commencing from 10 August, 2005. The difference between the previous year and the current year amount pertains to the obligation transferred from iNews.com Limited (subsidiary of TEIL) pursuant to the Scheme over a period of 8 years commencing from 21 October, 2004. In the event the Company is unable to execute its export obligations, the Company shall be liable to pay customs duty of Rs. 109,207,905 (Previous year Rs. 92,579,917) and interest on the same at the rate of 15 per cent compounded annually. The banks have given a guarantee amounting to Rs. 115,272,170 (Previous year Rs. 115,272,170) on behalf of the Company to the customs authorities for the same. The Company is hopeful of meeting the required export obligation.
- iii. Guarantees given by banks on behalf of the Company outstanding for the year ended Rs. 6,193,125 (Previous year Rs. 25,000,000).
- iv. The Company 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. 101,743,668 was outstanding in respect of such loans.
- v. Claims against the Company not acknowledged as debts include demands raised by Income Tax authorities aggregating to Rs. 239,330,980. Amounts deposited by the Company against these claims – Rs. 82,406,374 which are included in Advance Income Tax in Note 14. No provision has been made in the accounts for these demands as the Company expects a favorable decision in appeal. This liability is related to TEIL operations transferred to the Company pursuant to the Scheme.
- vi. The Company 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 the Company. As at the year end, Rs. 47,441,177 was outstanding in respect of such loan. This liability is related to TEIL operations transferred to the Company pursuant to the Scheme.
- vii. 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, erstwhile Television Eighteen India Limited (TEIL), the Company and other TEIL Group entities. The plaintiffs are minority shareholders of e-Eighteen.com Limited and have alleged that Mr. Raghav Bahl, TEIL, 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 TEIL 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 TEIL 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 TEIL 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, TEIL and other TEIL 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 notice of motion for interim relief was dismissed by the High Court on September 21, 2011.

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 financial statements.

- viii. The Company 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

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

aggregate claim being Rs. 3,123,653,000 (Previous year Rs. 3,124,110,000). 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.

- ix. Damages/ claims of Rs. 2,600,000,000 have been filed against the Company by the former channel distributor of the Company. A counter claim has been filed for damages of Rs. 2,540,000,000 along with a claim for recovery of dues of Rs. 214,000,000 against the distributor. The matter is pending before the Hon'ble High court of Delhi. No provision has been made in the accounts for these demands as the Company expects a favorable decision.

27. Investments**a) Investments in Viacom18 Media Private Limited (Viacom18)**

The Company had in earlier years subscribed to 12 million 'Investor Warrants' of USD 3.33 per warrant aggregating to USD 39,960,000 in Viacom18 as follows:

- i. Series "A" 4,500,000 warrants
- ii. Series "B" 4,500,000 warrants
- iii. Series "C" 3,000,000 warrants

and had paid Rupee 1 each for these warrants aggregating to Rs. 12 million.

Each warrant was convertible into one fully paid up equity share of Viacom18 on exercise of options and on payment of the balance of the stipulated warrant consideration price. The option was exercisable during a period of 12, 24 and 36 months from the date of allotment of warrants of "A", "B", and "C" series respectively. During the year, warrants allotted under Series "C" has been cancelled and shares were allotted against share application money paid which was equal in numbers as were allocated to joint venture partner in Viacom18.

The Company's total investment in the capital of Viacom18 is Rs. 8,564,425,247.

As at 31 March 2012, Viacom18 has accumulated losses and its net worth has been partially eroded.

b) Investments in IBN Lokmat News Private Limited (IBN Lokmat)

The Company has investments of Rs. 519,500,000 (comprising equity and preference shares) in IBN Lokmat. As at 31 March, 2012 IBN Lokmat has significant accumulated losses and its net worth has been substantially eroded.

c) Investment in RVT Media Private Limited (RVT Media)

The Company has an investment of Rs. 346,560,000 in equity shares of RVT Media. RVT Media's consolidated financial statements have accumulated losses and its net worth has been partially eroded.

d) Investment in ibn18 Mauritius Limited

The Company has investments of Rs. 5,081 in equity shares and Rs. 1,700,047,846 in debentures of ibn18 (Mauritius) Limited as at 31 March, 2012.

ibn18 (Mauritius) Limited has significant accumulated losses of Rs. 444,087,314 and its net-worth has been completely eroded as at 31 March, 2012.

As at 31 March, 2012, ibn18 (Mauritius) Limited is having net assets (net of liabilities other than debentures) of Rs. 1,255,136,360 against which debentures outstanding is Rs. 1,699,223,675 resulting into short fall of Rs. 444,087,314 as at the year end.

During the year ended 31 March, 2012, ibn18 (Mauritius) Limited has made a profit of Rs. 74,291,696 mainly from interest on loan given to related parties and has accumulated foreign exchange reserve of Rs. 140,205,454.

Accordingly, the company had made a provision of Rs. 658,937,927 towards diminution in the value of total investment.

In view of the above facts and having regard to the long term investment and strategic involvement with the Company, no further provision is considered necessary for diminution in the value of the investments in these Companies.

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

28. Earnings Per Equity Shares

Basic earnings per equity share have been computed by dividing net profit after tax by the weighted average number of equity shares outstanding at the year end. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year. The details are:

Particulars	Unit	Year ended 31.03.2012	Year ended 31.03.2011
Earnings Per Equity Shares:			
a. Net profit/(loss) after tax	Rs.	92,424,959	(492,497,144)
b. Weighted average number of equity shares used in computing basis earnings per share (Nominal Value is Rs. 2/- per share)	Numbers	481,847,253	224,032,396
c. Basic Earnings per Share	Rs.	0.19	(2.20)
d. Weighted average of the number of shares issued under Options	Numbers	2,899,982	1,627,977
e. Adjustment for number of shares that would have been issued at the fair value	Numbers	(2,284,375)	(1,302,418)
f. Weighted average of number of equity shares used in computing diluted earnings per share	Numbers	482,462,860	224,357,955
g. Diluted Earnings per Share*	Rs	0.19	(2.20)

* Since the effect of the dilution is anti- dilutive, diluted EPS is same as basic EPS.

29. Segment Reporting

The Company is engaged in the business of production and telecast of news and current affairs programmes primarily in India. As the Company operates in a single business and geographical segment, the reporting requirements for primary and secondary segment disclosures prescribed by paragraphs 39 to 51 of Accounting Standard 17 Segment Reporting, have not been provided in these financial statements.

30. Additional Information required to be given pursuant to Schedule VI of the Companies Act, 1956

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
a. Expenditure in foreign currency		
i. Content and franchise expenses (including royalty)	295,974,910	83,005,427
ii. Other production expenses	89,067,512	26,496,845
iii. Travelling and conveyance	9,331,802	6,034,897
	394,374,224	115,537,169
b. CIF value of imports		
i. Capital goods	92,874,851	3,689,737
ii. Tapes Purchased	2,071,943	1,232,208
	94,946,794	4,921,945
c. Tapes consumed		
i. Domestic	10,923,824	3,564,298
ii. Imported	3,765,097	1,171,997
	14,688,921	4,736,295
d. Earnings in foreign currency		
Income from operations	108,886,348	557,938

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

31. Deferred tax

In view of absence of virtually certainty of realisation of deferred tax asset (DTA) on unabsorbed tax losses, deferred tax assets have been recognised only to the extent of deferred tax liability (DTL). The major components of DTA/DTL as recognised in the financial statements are as follows:-

(Amounts in Rupees)

	Opening balance as at 01.04.2011	(Charged)/Credited to the Statement of Profit and Loss during the year	Closing balance as at 31.03.2012
Deferred Tax Liabilities (DTL)			
Tax impact of between book balance and tax balance of fixed assets	75,620,129 (33,479,494)	21,788,172 (42,140,635)	53,831,958 (75,620,129)
Total A	75,620,129 (33,479,494)	21,788,172 (42,140,635)	53,831,958 (75,620,129)
Deferred Tax Assets (DTA)			
Brought forward business losses and Unabsorbed depreciation carried forward to be adjusted in future years.	75,620,129 (33,479,494)	21,788,172 (42,140,635)	53,831,958 (75,620,129)
Total B	75,620,129 (33,479,494)	21,788,172 (42,140,635)	53,831,958 (75,620,129)
Net DTA/(DTL)A-B	- -	- -	- -

32. Employee Benefits:**I. Defined contribution plans**

The Company has recognised Rs. 70,560,254 (Previous Year Rs. 36,675,939) for provident fund contributions in the Statement of Profit and Loss.

II. Defined Benefit Plans**(a) Gratuity**

The gratuity liability arises on retirement, withdrawal, resignation or death of an employee. The aforesaid liability is calculated on the basis of fifteen days salary (i.e. last drawn salary plus dearness allowance) for each completed year of service subject to completion of five years of service.

The following table set out the funded / unfunded status of the retirement benefits plans and the amount recognised in the financial statements:

Particulars	31.03.2012 (Rupees)	31.03.2011 (Rupees)
a. Change in defined benefit obligation		
i. Present value of obligation at the beginning of the year	42,235,139	27,526,280
ii. Present value of obligation at the beginning of the year (pertaining to liability received under Scheme, from TV18)	44,534,494	-
iii. Current Service Cost	14,902,358	8,503,838
iv. Interest Expenses	7,375,419	2,202,102
v. Past service cost	-	1,807,309
vi. Actuarial (Gain) / Loss	(3,336,784)	5,282,795
vii. Benefits Paid	(8,959,936)	(3,087,185)
viii. Present value of obligations at the end of the year	96,750,690	42,235,139

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

32. Employee Benefits (Contd.)

Particulars	31.03.2012 (Rupees)	31.03.2011 (Rupees)
b. Fair value of Plan Assets		
i. Fair value of plan assets at the beginning of the year	-	-
ii. Fair value of plan assets at the beginning of the year (pertaining to liability received under Scheme, from TV18)	13,012,342	-
iii. Expected return on scheme assets	1,106,049	-
iv. Employer's contribution	2,500,000	-
v. Benefits Paid	(4,473,446)	-
vi. Actuarial Gain / (Loss)	(64,351)	-
vii. Fair value of plan assets at the end of the year	12,080,594	-
c. Return on Plan Assets		
i. Expected return on plan assets	1,106,049	-
ii. Actuarial Gain / (Loss)	(64,351)	-
iii. Actual return on plan assets	10,41,698	-
d. Amount recognised in the Balance Sheet		
i. Present value of defined benefit obligations	96,750,690	42,235,139
ii. Fair value of Plan Assets	12,080,594	-
iii. Net liability/(asset) recognised in the balance sheet	84,670,096	42,235,139
- Non current liability	82,921,382	40,394,364
- Current liability	17,48,714	1,840,775
e. Expenses recognised in statement of profit and Loss		
i. Current service costs	14,902,358	8,503,838
ii. Interest expense	7,375,419	2,202,102
iii. Expected return on investment	(1,106,049)	-
iv. Net actuarial (gain)/loss recognized during the year	(3,272,433)	5,282,795
v. Past service	-	1,807,309
vi. Expenditure recognised in statement of Profit and Loss	17,899,295	17,796,044
	31.03.2012	31.03.2011
f. Principal Actuarial assumptions for Gratuity and compensated absences		
i. Rate for discounting liabilities	8.00% p.a.	8.00% p.a.
ii. Expected salary increase rate	6.00% p.a.	6.00% p.a.
iii. Expected rate of return	8.50% p.a.	-
iv. Mortality table used	LIC (1994-96) duly modified	LIC (1994-96) duly modified
v. Retirement age	60 Years	60 Years
vi. Withdrawal rates		
- Upto 30 years	3%	3%
- Upto 44 years	2%	2%
- Above 44 years	1%	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.

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. 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.
3. The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
4. Plan assets mainly comprise funds managed by the insurer i.e. ING Vysya Life Insurance Company Limited and Life insurance Corporation of India.

5. Year ended	The present value of the Gratuity benefits (Rupees)	The experience adjustments arising on the Gratuity benefits (Rupees)
31.03.2012	96,750,689	(3,336,784)
31.03.2011	42,235,139	5,282,795
31.03.2010	27,526,280	(7,042,350)
31.03.2009	25,992,612	7,744,498
31.03.2008	9,002,744	(109,656)

The Company's best estimate of contributions expected to be paid during the next 12 months beginning after the balance sheet date is Rs. 21,957,417 (previous year Rs. 16,428,944).

33. GBN Employees Stock Option Plan 2007 ("ESOP 2007")

- a. The Company 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 administers the ESOPs. All options under the ESOPs are exercisable for equity shares. The Company had declared stock split of 1 equity share of face value of Rs. 10 each in 5 equity share of Rs. 2 each through postal ballot dated 19 December 2007, the results of which were declared on 25 January, 2008. The Company plans to grant upto 12,500,000 options to eligible employees and directors of the Company and its subsidiaries and holding company of the Company. The Company 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.
- 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. 10 each (for one equity share of Rs. 2 each after split) 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 year the Remuneration/Compensation Committee of the Board of Directors has granted 2,211,207 options of the Company under GBN Employee Stock Option Plan 2007 to those employees of TEIL who have become employees of the Company pursuant to the Scheme of Arrangement, under a single plan existing in the Company.

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The vesting period, vesting terms and exercise period for these options are kept as same as in the original scheme and are as follows:

Particulars	Employee Stock Option Plan 2004	Senior Employee Stock Option Plan 2004	Long Term Retention Employee Stock Option Plan 2005
Options granted	49,028	303,790	476,000
Vesting date	Option to vest after one year from the date of grant within such period not exceeding ten years as may be determined by the Remuneration/ Compensation Committee.	Option to vest after one year from the date of grant within such period not exceeding ten years as may be determined by the Remuneration/ Compensation Committee.	After four year from the date of grant of options.
Vesting requirements	Three years of service from the date of grant of option	Two to four years of service from the date of grant of option	Four years of service from the date of grant of option.
Exercise Period	During two years after vesting date.	During a period of two/three years from the vesting date.	During two years after vesting date.

Particulars	Stock Option Plan 2005	Stock Option Plan 2007	Stock Option Plan 2007 (New)
Options granted	10,472	36,737	1,335,180
Vesting date	Option to vest after one year from the date of grant within such period not exceeding ten years as may be determined by the Remuneration/ Compensation Committee.	Option to vest after one year from the date of grant within such period not exceeding ten years as may be determined by the Remuneration/ Compensation Committee.	After a minimum period of one year from the date of grant. The vesting shall happen in one or more tranches as may be decided by the Remuneration/ Compensation Committee.
Vesting requirements	Three years of service from the date of grant of option.	One to four years of service from the date of grant of option.	Option to vest over such period, in such manner and subject to conditions as may be decided by the Remuneration/ Compensation Committee provided the employee continues in service.
Exercise Period	During one year after vesting date.	During four years after vesting date.	Exercise period will commence from the vesting date and extend upto the expiry period of the option as may be decided by the Remuneration/ Compensation Committee.

The Company has granted 7,231,849 options upto 31 March, 2012.

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

Particulars	ESOP 2007		ESOP 2007	
	Year ended 31.03.12		Year ended 31.03.11	
	Options	Weighted Average Price	Options	Weighted Average Price
	(Numbers)	(Rupees)	(Numbers)	(Rupees)
a. Outstanding at the beginning of year*	2,450,717	68.91	3,192,242	55.00
b. Granted during the year*	-	-	1,100,000	86.00
c. Granted during the year pursuant to scheme of arrangement	2,211,207	61.72	-	-
d. Exercised during the year	320,304	55.00	1,720,379	55.00
e. Forfeited during the year	64,217	55.00	121,146	55.00
f. Expired during the year	277,424	27.48	-	-
g. Outstanding at the end of the year	3,999,979	25.40	2,450,717	68.91
h. Exercisable at the end of the year	2,178,656	27.19	957,769	55.00
i. Number of equity shares of Rs. 2 each fully paid up to be issued on exercise of option	3,999,979	NA	2,450,717	NA
j. Weighted average share price at the date of exercise	320,304	90.06	1,720,379	92.50
k. Weighted average remaining contractual life (years)	2.24	NA	2.81	NA

* Remuneration/Compensation committee ("Committee") of the Company vide resolution dated 4 November, 2011 has re-priced its existing 3,849,374 options at market price of Rs. 45.40 on the date of re-pricing. Subsequently taking into consideration further decline in the share prices of the Company, the Committee vide its resolution dated 30 December, 2011 has again re-priced its 3,731,765 options at market price of Rs. 27.70 on the date of re-pricing, for the benefit of the employees covered under the ESOPs scheme.

- e. The Finance Act 2009 has abolished Fringe Benefit Tax (FBT) on Employees' Stock Option Plan, hence there is no charge in these financial statements.

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

f. Pro forma Accounting for Stock Option Grants

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

Particulars	Year ended 31.03.2012 (Rupees)	Year ended 31.03.2011 (Rupees)
1. Net Profit/ (Loss) as reported (a)	92,424,959	(492,497,144)
2. Add: Stock based employee compensation expense debited to Statement of Profit and Loss	4,949,921	4,527,283
3. Less: Stock based employee compensation expense based on fair value	21,350,732	17,370,431
4. Difference between (2) and (3)	(16,400,811)	(12,843,148)
5. Adjusted pro forma Profit/(Loss)	76,024,148	(505,340,292)
6. Difference between (1) and (5)	16,400,811	(12,843,148)
7. Basic earnings per share as reported	0.19	(2.20)
8. Pro forma basic earnings per share	0.16	(2.26)
9. Diluted earnings per share as reported	0.19	(2.20)
10. Pro forma diluted earnings per share	0.16	(2.26)

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

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Risk free interest rates (in %)	7.85%	7.96%
Expected life (in years)	2.80 years	3.01 years
Volatility (in %)	33.43%	39.36%
Dividend yield (in %)	0%	0%

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

34 Related Party Disclosures

Disclosures as required by the Accounting Standard (AS) 18 – "Related Party Disclosures" are as below:

a. Related parties and their relationships

Name of Entity	Nature of Relationship
1 Network18 Media & Investments Limited	Network18 Holding company
2 RVT Media Private Limited	RVT Media Subsidiary company
3 AETN 18 Media Private Limited w.e.f 21 September, 2010	AETN18 Subsidiary company
4 ibn18 Media and Software Limited (ibn18 Media) (upto 10 June, 2011 (also refer note 1.2)	Ibn18 Media Subsidiary company
5 Viacom18 Media Private Limited	Viacom18 Joint venture
6 IBN Lokmat News Private Limited	IBN Lokmat Joint venture
7 Ibn18 (Mauritius) Limited	Ibn18 Mauritius Subsidiary company

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

8	Web18 Software Services Limited	Web18	Fellow Subsidiary company
9	Infomedia18 Limited	Infomedia	Fellow Subsidiary company
10	digital18 Media Limited	Digital18	Fellow Subsidiary company
11	Bigtree Entertainment Private Limited	Bigtree	Fellow Subsidiary company
12	e-Eighteen.com Limited	E-18	Fellow Subsidiary company
13	NewsWire18 Limited	NewsWire	Fellow Subsidiary company
14	Setpro18 Distribution Limited	Setpro18	Fellow Subsidiary company
15	Television Eighteen India Limited upto 10 June, 2011 (also refer note 1.2)	TEIL	Fellow Subsidiary company
16	E-18 Limited, Cyprus	E-18, Cyprus	Fellow Subsidiary company
17	Television Eighteen Mauritius Limited, Mauritius	TEML	Fellow Subsidiary company
18	TV18 UK Limited	TV18 UK	Fellow Subsidiary company
19	TV18 Home Shopping Network Limited	TV18 HSN	Fellow Subsidiary company
20	Network 18 India Holdings Private Limited (Upto 10 June, 2011)	N-18 Holding	Fellow Subsidiary company
21	RVT Investments Private Limited (Upto 10 June, 2011)	RVT	Fellow Subsidiary company
22	Web 18 Holdings Limited, Cayman Islands	Web18 Holding	Fellow Subsidiary company
23	BK Holdings Limited, Mauritius	BKH	Fellow Subsidiary company
24	Television Eighteen Commodities control.com Limited (Upto 10 June, 2011)	TECCL	Fellow Subsidiary company
25	Care Websites Private Limited (Upto 10 June, 2011)	Care	Fellow Subsidiary company
26	Moneycontrol Dot Com India Limited	MCD	Fellow Subsidiary company
27	Greycells18 Media Limited	Greycells18	Fellow Subsidiary company
28	Colosseum Media Private Limited (wef 1 April 2011)	Colosseum	Fellow Subsidiary company
29	Raghav Bahl	RB	Key Management Personnel (KMP)
30	Sameer Manchanda (SM) (upto 22 October, 2010)	SM	Key Management Personnel (KMP)
31	Rajdeep Sardesai	RS	Key Management Personnel (KMP)
32	Sagarika Ghose	SG	Relative of KMP (RS)
33	SGA News Limited (upto 18 August, 2010)	SGA News	Entity under significant influence of KMP
34	Network18 Publications Limited	Network18 Pub	Entity under significant influence of KMP
35	Network18 Group Senior Professional Welfare Trust	Network18 GSP	Entity under significant influence of KMP
36	24X7 Learning Private Limited	24X7	Entity under significant influence of KMP
37	IBN 18 Trust	IBN18	Entity under significant influence of KMP

Note: Related parties have been identified by the Management of the company.

b. Details of related parties transactions during the year and balances outstanding as at the year end:

Amount in Rupees						
Transactions	Holding Company	Subsidiary	Fellow Subsidiary	Key Managerial Personnel	Joint venture	Entity under significant influence
Revenue from operations						
Network18	49,188,725 (519,288)	- -	- -	- -	- -	- -
TEIL	- -	- -	- (3,630,972)	- -	- -	- -
Web 18	- -	- -	- (13,534,644)	- -	- -	- -
Ibn18 Media	- -	- (1,582,000)	- -	- -	- -	- -
AETN18	- -	58,239,421 -	- -	- -	- -	- -

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Amount in Rupees						
Transactions	Holding Company	Subsidiary	Fellow Subsidiary	Key Managerial Personnel	Joint venture	Entity under significant influence
Bigtree	-	-	92,736 (92,736)	-	-	-
Digital18	-	-	967,016 (519,276)	-	-	-
E-18	-	-	2,083,100	-	-	-
Greycell18	-	-	10,852,591	-	-	-
IBN Lokmat	-	-	-	-	17,100,000	-
Infomedia	-	-	8,710,925	-	-	-
Network18 Pub	-	-	-	-	-	9,241,000
Setpro18	-	-	785,616 (785,616)	-	-	-
TV18 HSN	-	-	17,013,186	-	-	-
Viacom18	-	-	-	-	95,925,176	-
Total	49,188,725 (519,288)	58,239,421 (1,582,000)	40,505,170 (18,563,244)	-	113,025,176	9,241,000
Interest Received						
Network18	3,435,528	-	-	-	-	-
Web 18	-	-	(692,601)	-	-	-
RVT media	-	(1,301,916)	-	-	-	-
AETN18	-	161,627	-	-	-	-
E-18	-	-	4,798	-	-	-
Infomedia	-	-	1,209,034	-	-	-
NW18 GSP	-	-	-	-	-	78,910,347
Setpro18	-	-	5,556	-	-	-
TV18 HSN	-	-	3,180,349	-	-	-
Total	3,435,528	161,627 (1,301,916)	4,399,737 (692,601)	-	-	78,910,347
Income from ibn18 trust on sale of shares						
IBN Trust	-	-	-	-	-	189,100,000
Gain on foreign currency transaction and translation						
TEML	-	-	26,936,314	-	-	-
Interest Paid						
Network18	41,108,723 (2,612,421)	-	-	-	-	-

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Amount in Rupees						
Transactions	Holding Company	Subsidiary	Fellow Subsidiary	Key Managerial Personnel	Joint venture	Entity under significant influence
TEIL	-	-	-	-	-	-
	-	-	(1,062,395)	-	-	-
RVT	-	-	-	-	-	-
	-	-	(16,519,589)	-	-	-
N-18 Holding	-	-	-	-	-	-
	-	-	(6,787,398)	-	-	-
Total	41,108,723	-	-	-	-	-
	(2,612,421)	-	(24,369,382)	-	-	-
Expenditure for Services received						
Network18	52,785,023	-	-	-	-	-
	(8,160,731)	-	-	-	-	-
Digital18	-	-	2,110,006	-	-	-
	-	-	-	-	-	-
E-18	-	-	2,082,858	-	-	-
	-	-	-	-	-	-
Ibn18 Media	-	-	-	-	-	-
	-	(1,866,000)	-	-	-	-
Infomedia	-	-	27,186,310	-	-	-
	-	-	-	-	-	-
Greycells18	-	-	-	-	-	-
	-	-	-	-	-	(460,000)
Newswire	-	-	5,427,302	-	-	-
	-	-	-	-	-	-
Setpro18	-	-	1,167,423,715	-	-	-
	-	-	(414,182,974)	-	-	-
SM	-	-	-	-	-	-
	-	-	-	(10,287,097)	-	-
RS	-	-	-	18,028,500	-	-
	-	-	-	(14,424,000)	-	-
TEIL	-	-	-	-	-	-
	-	-	(66,479,973)	-	-	-
TV18 UK	-	-	4,620,105	-	-	-
	-	-	(2,171,417)	-	-	-
Viacom18	-	-	-	-	4,949,298	-
	-	-	-	-	-	-
SG	-	-	-	2,233,614	-	-
	-	-	-	(1,724,358)	-	-
AETN18	-	604,500	-	-	-	-
	-	-	-	-	-	-
Network18 Pub	-	-	-	-	-	4,502,430
	-	-	-	-	-	-
Total	52,785,023	604,500	1,208,850,296	20,262,114	4,949,298	4,502,430
	(8,160,731)	(1,866,000)	(482,834,364)	(26,435,455)	-	(460,000)
Reimbursement of expenses received						
Network18	108,922,802	-	-	-	-	-
	(10,682,393)	-	-	-	-	-
AETN18	-	49,619,116	-	-	-	-
	-	(7,476,657)	-	-	-	-
Bigtree	-	-	267,319	-	-	-
	-	-	(213,054)	-	-	-
Digital18	-	-	29,538,697	-	-	-
	-	-	(1,431,536)	-	-	-

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Amount in Rupees						
Transactions	Holding Company	Subsidiary	Fellow Subsidiary	Key Managerial Personnel	Joint venture	Entity under significant influence
E-18	-	-	57,381,537	-	-	-
	-	-	-	-	-	-
Greycell18	-	-	3,172,098	-	-	-
	-	-	-	-	-	-
IBN Lokmat	-	-	-	-	46,185,688	-
	-	-	-	-	(33,862,502)	-
Infomedia	-	-	11,674,313	-	-	-
	-	-	(7,153)	-	-	-
Ibn18 Media	-	-	-	-	-	-
	-	(60,000)	-	-	-	-
Newswire	-	-	122,924	-	-	-
	-	-	-	-	-	-
Setpro18	-	-	22,394,041	-	-	-
	-	-	(19,621,263)	-	-	-
TEIL	-	-	-	-	-	-
	-	-	(49,721,803)	-	-	-
TV18 HSN	-	-	9,353,897	-	-	-
	-	-	(107,300)	-	-	-
Viacom18	-	-	-	-	46,726,871	-
	-	-	-	-	(196,080)	-
Web18	-	-	-	-	-	-
	-	-	(3,353,780)	-	-	-
Colosseum	-	-	29,326	-	-	-
	-	-	-	-	-	-
Total	108,922,802	49,619,116	133,934,152	-	92,912,559	-
	(10,682,393)	(7,536,657)	(74,455,889)	-	(34,058,582)	-
Reimbursement of expenses paid						
Network18	146,003,221	-	-	-	-	-
	(85,385,795)	-	-	-	-	-
E-18	-	-	987,504	-	-	-
	-	-	(248)	-	-	-
IBN Lokmat	-	-	-	-	964,353	-
	-	-	-	-	(3,812,855)	-
Infomedia	-	-	1,630,948	-	-	-
	-	-	(6,734,200)	-	-	-
Setpro18	-	-	347,158,918	-	-	-
	-	-	(324,076,422)	-	-	-
Viacom18	-	-	-	-	14,720,474	-
	-	-	-	-	(10,313,910)	-
TEIL	-	-	-	-	-	-
	-	-	(94,399,488)	-	-	-
Web18	-	-	-	-	-	-
	-	-	(2,041)	-	-	-
AETN18	-	7,035,411	-	-	-	-
	-	-	-	-	-	-
TV18 HSN	-	-	213,260	-	-	-
	-	-	(949,600)	-	-	-
Digital18	-	-	-	-	-	-
	-	-	(240,000)	-	-	-
Total	146,003,221	7,035,411	349,990,630	-	15,684,827	-
	(85,385,795)	-	(426,401,999)	-	(14,126,765)	-

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Amount in Rupees

Transactions	Holding Company	Subsidiary	Fellow Subsidiary	Key Managerial Personnel	Joint venture	Entity under significant influence
Assets Received						
Network18	2,429,400	-	-	-	-	-
	-	-	-	-	-	-
TV18 HSN	-	-	-	-	-	-
	-	-	(2,089,120)	-	-	-
TEIL	-	-	-	-	-	-
	-	-	(150,000)	-	-	-
Total	2,429,400	-	-	-	-	-
	-	-	(2,239,120)	-	-	-
Loan received during the year						
Network18	3,049,000,000	-	-	-	-	-
	(420,000,000)	-	-	-	-	-
N-18 Holding	-	-	-	-	-	-
	-	-	(495,000,000)	-	-	-
RVT	-	-	-	-	-	-
	-	-	(450,000,000)	-	-	-
Total	3,049,000,000	-	-	-	-	-
	(420,000,000)	-	(945,000,000)	-	-	-
Loan given						
RVT Media	-	-	-	-	-	-
	-	(30,000,000)	-	-	-	-
RS	-	-	-	50,000,000	-	-
	-	-	-	-	-	-
AETN18	-	-	-	-	-	-
	-	(102,431)	-	-	-	-
NW18 GSP	-	-	-	-	-	307,500,000
	-	-	-	-	-	(2,262,600,000)
Total	-	-	-	50,000,000	-	307,500,000
	-	(30,102,431)	-	-	-	(2,262,600,000)
Loan Repaid						
RVT	-	-	-	-	-	-
	-	-	(1,924,718,781)	-	-	-
Network18	3,049,000,000	-	-	-	-	-
	(870,000,000)	-	-	-	-	-
N-18 Holding	-	-	-	-	-	-
	-	-	(495,000,000)	-	-	-
NW18 GSP	-	-	-	-	-	1,530,100,000
	-	-	-	-	-	(1,034,500,000)
Total	3,049,000,000	-	-	-	-	1,530,100,000
	(870,000,000)	-	(2,419,718,781)	-	-	(1,034,500,000)
Investments in the Equity Shares						
Viacom18	-	-	-	-	1,823,199,972	-
	-	-	-	-	(2,182,332,600)	-
RVT	-	-	346,460,000	-	-	-
	-	-	-	-	-	-
Total	-	-	346,460,000	-	1,823,199,972	-
	-	-	-	-	(2,182,332,600)	-

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

						Amount in Rupees
Transactions	Holding Company	Subsidiary	Fellow Subsidiary	Key Managerial Personnel	Joint venture	Entity under significant influence
Investments in the Debentures						
Ibn18 Mauritius	-	1,041,115,000	-	-	-	-
	-	-	-	-	-	-
Total	-	1,041,115,000	-	-	-	-
	-	-	-	-	-	-
Investments in Preference Shares						
IBN Lokmat	-	-	-	-	81,750,000	-
	-	-	-	-	(44,000,000)	-
Total	-	-	-	-	81,750,000	-
	-	-	-	-	(44,000,000)	-
Sale of Investment						
TEML	-	-	269,040,000	-	-	-
	-	-	-	-	-	-
Total	-	-	269,040,000	-	-	-
	-	-	-	-	-	-
Guarantees taken						
Network18	-	-	-	-	-	-
	(500,000,000)	-	-	-	-	-
Total	-	-	-	-	-	-
	(500,000,000)	-	-	-	-	-
Loan and Advance receivable (Outstanding against cost allocation expenses reimbursement)						
AETN18	-	3,410,694	-	-	-	-
	-	(9,729,407)	-	-	-	-
Bigtree	-	-	-	-	-	-
	-	-	(407,140)	-	-	-
Digital18	-	-	30,615,382	-	-	-
	-	-	(951,429)	-	-	-
E-18	-	-	67,081,496	-	-	-
	-	-	(10,214)	-	-	-
Greycell18	-	-	18,889,629	-	-	-
	-	-	-	-	-	-
IBN Lokmat	-	-	-	-	22,421,015	-
	-	-	-	-	(10,250,954)	-
Infomedia	-	-	17,563,827	-	-	-
	-	-	(20,962,768)	-	-	-
Network18 Pub	-	-	-	-	-	13,893,557
	-	-	-	-	-	-
NW18 GSP	-	-	-	-	-	527,926,074
	-	-	-	-	-	-
TV18 HSN	-	-	56,174,168	-	-	-
	-	-	-	-	-	-
Viacom18	-	-	-	-	29,930,638	-
	-	-	-	-	(20,509,048)	-
RVT Media	-	-	-	-	-	-
	-	(1,171,724)	-	-	-	-
Web18	-	-	12,412	-	-	-
	-	-	(22,171,290)	-	-	-
Newswire	-	-	-	-	-	-
	-	-	(841,834)	-	-	-

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Amount in Rupees

Transactions	Holding Company	Subsidiary	Fellow Subsidiary	Key Managerial Personnel	Joint venture	Entity under significant influence
RS	-	-	-	50,000,000	-	-
	-	-	-	-	-	-
Colosseum	-	-	161,495	-	-	-
	-	-	-	-	-	-
Total	-	3,410,694	190,498,409	50,000,000	52,351,654	541,819,631
	-	(10,901,131)	(45,344,675)	-	(30,760,002)	-
Debtors						
Network18	52,792,846	-	-	-	-	-
	-	-	-	-	-	-
AETN18	-	26,463,084	-	-	-	-
	-	-	-	-	-	-
Bigtree	-	-	760,892	-	-	-
	-	-	-	-	-	-
Digital18	-	-	44,993,423	-	-	-
	-	-	-	-	-	-
Greycell18	-	-	24,708,902	-	-	-
	-	-	-	-	-	-
Infomedia	-	-	136,090,844	-	-	-
	-	-	-	-	-	-
Network18 Pub	-	-	-	-	-	25,461,214
	-	-	-	-	-	-
TEML	-	-	196,674,970	-	-	-
	-	-	-	-	-	-
TV18 HSN	-	-	7,797,021	-	-	-
	-	-	-	-	-	-
Viacom18	-	-	-	-	52,912,608	-
	-	-	-	-	-	-
Total	52,792,846	26,463,084	411,026,052	-	52,912,608	25,461,214
	-	-	-	-	-	-
Creditors						
Network18	-	-	-	-	-	-
	(13,448,912)	-	-	-	-	-
E18, Cyprus	-	-	61,259	-	-	-
	-	-	(61,259)	-	-	-
Newswire	-	-	537,174	-	-	-
	-	-	-	-	-	-
Setpro18	-	-	98,284,626	-	-	-
	-	-	(12,318,191)	-	-	-
TV18 UK	-	-	1,040,578	-	-	-
	-	-	(813,295)	-	-	-
TEML	-	-	50,802,861	-	-	-
	-	-	(399,394)	-	-	-
TV18 HSN	-	-	-	-	-	-
	-	-	(163,465)	-	-	-
TEIL	-	-	-	-	-	-
	-	-	(7,848,481)	-	-	-
Total	-	-	150,726,499	-	-	-
	(13,448,912)	-	(21,604,085)	-	-	-

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Amount in Rupees						
Transactions	Holding Company	Subsidiary	Fellow Subsidiary	Key Managerial Personnel	Joint venture	Entity under significant influence
Application Money paid pending allotment						
Viacom18	-	-	-	-	-	-
	-	-	-	-	(640,200,000)	-
RVT Media	-	-	-	-	-	-
	-	(26,100,000)	-	-	-	-
Total	-	-	-	-	-	-
	-	(26,100,000)	-	-	(640,200,000)	-
Corporate Guarantee given to as outstanding						
Ibn Lokmat	-	-	-	-	249,000,000	-
	-	-	-	-	(249,000,000)	-
Total	-	-	-	-	(249,000,000)	-
	-	-	-	-	(249,000,000)	-
Corporate Guarantee Taken from as outstanding						
Network18	1,669,600,000	-	-	-	-	-
	(1,669,600,000)	-	-	-	-	-
Total	1,669,600,000	-	-	-	-	-
	(1,669,600,000)	-	-	-	-	-

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

35. Rights issue

The Company 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:

(Amount in Rupees)

Objects of the issue	Proposed utilization	Actual utilization
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	209,250,000
General corporate purposes	995,324,000	995,320,000
Rights issue expenses*	200,000,000	191,227,714
Total	5,095,324,000	5,045,801,714

* Surplus available after actual expenses incurred (including provisions) on rights issue have been utilized towards investment in Viacom18.

The balance unutilised amount Rs. 46,457,536 are temporarily parked with the banks in deposit accounts.

36. Barter Transactions

During the year ended 31 March, 2012, the Company 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, 2012 reflect revenue from barter transactions of Rs. 103,313,556 (Previous year Rs. 102,321,794) and expenditure of Rs. 108,868,690 (Previous year Rs. 93,925,912) being the fair value of barter transactions provided and received.

37. Transfer Pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by 30 November, 2012 as required under law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

38. Foreign exchange exposure

The Company does not use foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions.

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The Company's foreign currency exposure not hedged by a derivative instrument or otherwise as at year end is as follows:

Particulars	Currency	Amount	
		Foreign Currency	Rupees
Payable	GBP	12,721 (11,307)	1,040,578 (813,295)
	USD	55,73,597 (789,148)	285,145,195 (35,235,830)
Receivable	GBP	16,545 (-)	1,353,368 (-)
	USD	5,734,246 (-)	293,343,961 (-)

Figures in bracket are for previous year.

39. Details of leasing arrangements

i) Obligation towards operating leases (As lessee)

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. The Company has taken various residential/ commercial premises under cancelable/non-cancelable operating leases. The cancelable lease agreements are normally renewed on expiry. Operating lease charges amounting to Rs. 155,306,465 (Previous year Rs. 64,049,572) has been debited to the statement of profit and loss during the year. The details of future minimum lease payments under non-cancellable leases are as under:

Particulars	As at 31.03.2012	As at 31.3.2011
Not later than one year	159,457,059	83,392,776
Later than one year but not later than five years	293,546,783	97,999,811
More than five years	2,031,018	1,196,414

ii) Obligation towards Finance leases (As lessee)

The company has entered into finance lease arrangements for certain equipments which provide the company an option to purchase the assets at the end of the lease period. Finance Lease payment amounting to Rs. 824,973 (Previous year Rs. 163,447) has been paid during the year. The total minimum lease payments and its present value and discounted at the interest rate implicit in the lease are:

a. Minimum lease payments

	As at 31.03.2012	As at 31.03.2011
Not later than 1 year	3,869,805	848,987
Later than 1 year but not later than 5 years	11,618,473	1,190,855
	15,488,278	1,375,248

b. Present value of minimum lease payments

	As at 31.03.2012	As at 31.03.2011
Not later than 1 year	2,263,687	653,853
Later than 1 year but not later than 5 years	8,452,854	1,190,855
	10,716,541	1,844,708

TV18 Broadcast Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

c. Reconciliation:

	As at 31.03.2012	As at 31.03.2011
Total Minimum Lease Payments as above	15,488,278	2,224,235
Less: Future Finance charges	4,771,737	379,527
Net Present Value	10,716,541	1,844,708

40. The Board of Directors in its meeting held on 3 January, 2012 have considered and approved the issue of equity shares on rights basis for an amount aggregating upto Rs. 2,700 crores for acquisition of ETV channels, repayment of certain loans and general corporate purposes. The Company has filed Draft Letter of Offer dated 1st March 2012 with SEBI and necessary approval from SEBI is awaited.

41. Interest in Joint Ventures

The Company has interests in the following jointly controlled entities:

(amount in Rupees)

Name of companies and country of incorporation	IBN Lokmat News Private Limited (audited)(India)	Viacom18 Media Private Limited (audited) (India)
	Amount of interest based on account of 31.03.2012	
% of shareholding	50% (50%)	50% (50%)
Assets	119,747,457 (143,738,351)	8,962,100,752 (8,459,397,881)
Liabilities	100,258,698 (123,868,777)	4,794,084,615 (4,544,920,334)
Income	88,151,666 (78,244,914)	9,020,315,708 (5,529,461,282)
Expenditure	170,282,481 (176,651,753)	9,556,660,188 (5,060,674,633)
Contingent liabilities	- (-)	139,640,059 (394,110,000)
Capital commitments	- (-)	3,184,569 (265,000)

Figures in bracket are for previous year

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

For and on behalf of the Board of Directors

RAGHAV BAHL
Director

GURDEEP SINGH PURI
General Manager - Finance

Noida
4 August, 2012

SANJAY RAY CHAUDHURI
Director

HITESH KUMAR JAIN
AGM-Corporate Affairs
and Company Secretary

Consolidated Financial Statements

TV18 Broadcast Limited

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS
TV18 BROADCAST LIMITED
(Formerly ibn18 BROADCAST LIMITED)

1. We have audited the attached Consolidated Balance Sheet of **TV18 Broadcast Limited (formerly ibn18 Broadcast Limited)**, ("the Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") as at 31 March, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include the jointly controlled entities accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of separate financial statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries and joint ventures, whose financial statements reflect total assets of Rs. 103,401.67 lakhs, as at 31 March, 2012, total revenues of Rs. 91,959.53 lakhs and net cash outflows amounting to

Rs. 11,616.35 lakhs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries and joint ventures is based solely on the reports of the other auditors.

4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company, its aforesaid subsidiaries and joint ventures, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March, 2012;
 - ii. in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
 - iii. in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

JITENDRA AGARWAL
Partner
(Membership No. 87104)
NOIDA, 04 August, 2012

TV18 Broadcast Limited

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2012

	Notes Reference	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	5	724,188,260	475,629,098
(b) Reserves and surplus	6	6,131,602,200	6,188,680,635
(c) 0.01% Convertible Redeemable Cumulative Preference shares of Rs.10 each fully paid up issued by Viacom18 Media Private Limited to Viacom18 Inc. (50% share)		-	219,677,500
		6,855,790,460	6,883,987,233
		79,887,160	-
2. Minority interest			
3. Non-current liabilities			
(a) Long-term borrowings	7	2,942,265,594	1,614,861,106
(b) Other long-term liabilities	8	43,065,226	16,063,405
(c) Long-term provisions	9	123,895,915	65,971,747
		3,109,226,735	1,696,896,258
4. Current liabilities			
(a) Short-term borrowings	10	6,012,984,894	3,376,963,938
(b) Trade payables	11	3,302,829,698	2,118,636,511
(c) Other current liabilities	12	1,486,174,046	1,029,839,151
(d) Short-term provisions	13	14,706,166	9,682,365
		10,816,694,804	6,535,121,965
Total		20,861,599,159	15,116,005,456
ASSETS			
1. Non - current assets			
(a) Fixed assets	14		
(i) Tangible assets		1,516,857,299	791,200,175
(ii) Intangible assets		120,910,900	24,282,125
(iii) Capital work-in-progress		23,650,409	3,730,139
(iv) Intangible assets under development		7,183,020	-
		1,668,601,628	819,212,439
(b) Goodwill on Consolidation		4,467,166,496	4,005,406,402
(c) Non-current investments	15	61,485,810	28,348,836
(d) Deferred tax assets (net)		32,260,702	60,000,000
(e) Long-term loans and advances	16	670,347,472	216,166,285
(f) Non-current inventories	17	1,964,789,565	3,109,156,209
(g) Other non-current assets	18	1,254,041,147	480,737,737
		10,118,692,820	8,719,027,908
2. Current assets			
(a) Current Investments	19	-	30,257,643
(b) Inventories	20	978,129,606	347,127,646
(c) Trade receivables	21	5,193,367,778	2,968,238,758
(d) Cash and cash equivalents	22	819,499,452	2,042,618,520
(e) Short-term loans and advances	23	3,496,213,224	979,655,853
(f) Other current assets	24	255,696,279	29,079,128
		10,742,906,339	6,396,977,548
Total		20,861,599,159	15,116,005,456

See accompanying notes forming part of the financial statements
In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

JITENDRA AGARWAL
Partner

Noida
4 August, 2012

For and on behalf of the Board of Directors

RAGHAV BAHL
Director

GURDEEP SINGH PURI
General Manager - Finance

Noida
4 August, 2012

SANJAY RAY CHAUDHURI
Director

HITESH KUMAR JAIN
AGM-Corporate Affairs
and Company Secretary

TV18 Broadcast Limited

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

	Notes Reference	Year ended 31.03.2012 (Rupees)	Year ended 31.03.2011 (Rupees)
1. Revenue from operations	25	14,098,640,324	8,092,016,157
2. Other income	26	857,976,550	135,245,770
3. Total Revenue		14,956,616,874	8,227,261,927
4. Expenses:			
(a) Employee benefits expenses	27	2,278,687,783	1,211,119,653
(b) Finance costs	28	1,197,143,801	509,085,147
(c) Depreciation and amortisation expenses	14	335,294,522	175,963,575
(d) Other expenses	29	12,442,932,880	6,461,831,168
Total Expenses		16,254,058,986	8,357,999,543
5. Profit / (Loss) before tax and exceptional items (3-4)		(1,297,442,112)	(130,737,616)
6. Exceptional items			
Impairment of Film Rights (see note 42)		(693,009,861)	-
Recovery from indemnity (see note 42)		1,086,309,861	-
7. Profit / (Loss) before tax (5-6)		(904,142,112)	(130,737,616)
8. Tax expenses:			
- Current tax		1,549,970	102,492,022
- Deferred tax		27,739,298	(59,183,148)
- Income tax adjustments of prior years (net)		28,742,605	-
9. Profit / (Loss) for the year before minority (7-8)		(962,173,985)	(174,046,490)
10. Less: Share of loss transferred to minority interest		(224,379,339)	-
11. Profit / (Loss) for the year (9-10)		(737,794,646)	(174,046,490)
12. Earnings per equity share (See note 32) (Face value of Rs. 2 each)			
(a) Basic		(1.53)	(0.78)
(b) Diluted		(1.53)	(0.78)

See accompanying notes forming part of the financial statements
In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

JITENDRA AGARWAL
Partner

Noida
4 August, 2012

For and on behalf of the Board of Directors

RAGHAV BAHL
Director

GURDEEP SINGH PURI
General Manager - Finance

Noida
4 August, 2012

SANJAY RAY CHAUDHURI
Director

HITESH KUMAR JAIN
AGM-Corporate Affairs
and Company Secretary

TV18 Broadcast Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012

	Year ended 31.03.2012 (Rupees)	Year ended 31.03.2011 (Rupees)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(904,142,112)	(130,737,616)
Adjustments for :		
- Depreciation	335,294,522	175,963,575
- Loss on fixed assets sold / scrapped / written off	33,199,995	2,150,349
- Employee stock compensation expenses	4,949,921	4,527,283
- Finance Cost	1,197,143,801	509,085,147
- Net gain on foreign currency transaction and translation	(2,719,812)	(294,829)
- Dividend income	(178,836)	(1,042,485)
- Net profit on sale of long term investments	(290,952,745)	(16,518,159)
- Net profit on sale of current investments	(12,083,395)	-
- Liabilities / provisions no longer required written back	(118,604,328)	(13,145,470)
- Interest income	(237,353,096)	(73,554,715)
- Income from ibn18 trust on sale of shares	(189,100,000)	-
- Bad debts and Provision for doubtful trade and other receivable, loans and advances (net)	428,212,654	113,882,800
Operating profit before working capital changes	243,666,569	570,315,880
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(627,129,627)	23,650,873
Non-current Inventories	1,144,366,644	(1,780,520,866)
Trade receivables	(981,605,747)	(931,949,610)
Long term receivables	(1,086,309,861)	-
Short-term loans and advances	1,219,005,077	343,467,772
Long-term loans and advances	(307,286,582)	18,519,709
Other current assets	(18,672,376)	-
Other non-current assets	(7,093,549)	(8,424,969)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	606,816,626	86,659,362
Other current liabilities	(403,969,204)	71,256,286
Other long-term liabilities	15,827	110,463
Long-term provisions	7,440,401	3,375,568
Short-term provisions	3,375,568	17,134,538
Cash generated from/ (used in) operations	(207,380,234)	(1,586,404,994)
Tax paid	(459,805,973)	(263,829,036)
Net cash from/ (used in) operating activities	(667,186,207)	(1,850,234,030)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(485,689,217)	(60,335,288)
Sale of assets/claim received	10,564,962	4,969,223
Investments purchased		
- in subsidiary/affiliates (including share application money)	(332,372,360)	(2,486,297,774)
Investments sold		
- in subsidiary/affiliates	269,040,000	-
- in mutual funds and others (net)	42,341,038	6,279,936
Interest received	138,181,957	69,641,620
Dividend received	178,836	1,042,485
Income from ibn18 trust on sale of shares	189,100,000	-
Net cash used in investing activities	(168,654,784)	(2,464,699,798)

TV18 Broadcast Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012

	Year ended 31.03.2012 (Rupees)	Year ended 31.03.2011 (Rupees)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost paid	(1,137,581,476)	(454,419,090)
Rights issue and merger / demerger expenses	(111,276,733)	(23,458,247)
Share application money refunded	-	(52,553,515)
Proceeds from issue of equity shares (net)	18,224,728	3,495,902,288
Proceeds from issue of share capital to minority	304,266,499	-
Increase / (Decrease) in long-term borrowings	815,274,868	1,412,058,978
Increase / (Decrease) in short-term borrowings	(167,900,214)	328,113,796
Increase / (Decrease) in current maturities of long-term debt	(340,280,567)	(1,026,007,575)
Net cash from/ (used in) financing activities	(619,272,895)	3,679,636,635
Net increase/ (decrease) in cash and cash equivalents	(1,455,113,886)	(635,297,193)
Cash and cash equivalents as at the beginning of the year	2,042,618,520	2,416,467,507
Cash and cash equivalents acquired on merger / acquisition	231,994,818	261,448,206
Cash and cash equivalents as at the end of the year (see note 22)	819,499,452	2,042,618,520

Notes :

1. The above Cash flow statement has been prepared under the indirect method set out in AS-3 prescribed in Companies (Accounting Standards) Rules, 2006.
2. Figures in brackets indicate cash outflow.
3. Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

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

JITENDRA AGARWAL
Partner

Noida
4 August, 2012

For and on behalf of the Board of Directors

RAGHAV BAHL
Director

GURDEEP SINGH PURI
General Manager - Finance

Noida
4 August, 2012

SANJAY RAY CHAUDHURI
Director

HITESH KUMAR JAIN
AGM-Corporate Affairs
and Company Secretary

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. TV18 Broadcast Limited (the "Company"), its subsidiaries and joint ventures (collectively referred to as the "Group") operates in the general news and entertainment space with leading general news channels and general entertainment channels. These financial statements comprise a consolidation of the accounts of TV18 Broadcast Limited, the Company, its subsidiaries and Joint ventures as listed below:

Company	Relation	Country of Incorporation	Percentage (%) of holding by the company as at	
			31.03.2012	31.03.2011
RVT Media Private Limited	Subsidiary	India	100.00	100.00
Ibn18 Media & Software Limited (see note 3(b))	Subsidiary	India	-	100.00
Ibn18 Mauritius Limited	Subsidiary	Mauritius	100.00	100.00
IBN Lokmat News Private Limited	Joint Venture	India	50.00	50.00
Viacom18 Media Private Limited ("Viacom 18")	Joint Venture	India	50.00	50.00

2. Background

i. In relation to TV18 Broadcast Limited ("The Company" or "TV18")

TV18 Broadcast Limited ("TV18") (formerly known as ibn18 Broadcast Limited ("ibn18")) was incorporated on 6 June, 2005 as Global Broadcast News Private Limited. The Company was converted into a public limited Company and a revised Certificate of Incorporation was issued to give effect to this change with effect from 12 December, 2005. The commercial operations of the Company commenced on 17 December, 2005. Later, the name of the Company was changed to ibn18 Broadcast Limited and a revised Certificate of Incorporation was issued to give effect to this change on 02 April, 2008. In the current year, the name of the Company has been changed from ibn18 Broadcast Limited to TV18 Broadcast Limited. A fresh certificate of incorporation has been issued to the Company to give effect to this change on 17 June, 2011. The Company is in the business of broadcasting, telecasting, relaying and transmitting general news programmes and operates the news channels "CNN IBN" (consequent to a licensing and content sharing agreement with Turner Broadcasting System Asia Pacific, Inc.).

After merger of ibn7 undertaking of ibn18 Media & Software Limited (formerly Jagran TV Private limited) during the financial year 2008-09, the Company has been broadcasting, telecasting, relaying and transmitting hindi general news programmes and operates the news channel "IBN7".

ii. In relation to RVT Media Private Limited

RVT Media Private Limited (RVT Media), a 100% subsidiary of TV18 (including its 51% subsidiary AETN18 Media Private Limited), is engaged in the business of broadcasting, telecasting, transmitting or distributing in any manner, any audio, video or other programmes or software. AETN18 Media Private Limited has been formed to launch HISTORY™, BIO™, Crime & Investigation Network™ and other popular AETN entertainment channels in the Indian market and launched the History channel in India with effect from 9 October, 2011.

iii. In relation to ibn18 (Mauritius) Limited

ibn18 (Mauritius) Limited (ibn18 Mauritius) is a 100% subsidiary of TV18 and is engaged in the principal activity of investment holding, trading and providing consultancy services in telecom and other fields.

iv. In relation to IBN Lokmat News Private Limited

IBN Lokmat News Private Limited (IBN Lokmat), a 50:50 joint venture with Lokmat Media Limited (previously Lokmat Newspapers Private Limited), is in the business of broadcasting, telecasting, relaying and transmitting general news programmes in regional language and operates the news channel "IBN Lokmat".

v. In relation to Viacom18 Media Private Limited

Viacom18 Media Private Limited (Viacom18), a 50:50 joint venture with Viacom Inc., operates six TV channels ("Colors", "MTV", "Nickelodeon", "Sonic", "VH1" and "Comedy Central") and engaged in the business of broadcasting,

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

distributing, producing audio visual programmes ,marketing and selling commercial advertising on its channels and generates revenue from licensing and merchandising of products, brand solutions and marketing partnerships. Till March 31, 2009 Viacom18 was consolidated as an Associate with 33.71% holding. With effect from 01 April, 2009, Viacom18 was consolidated as a joint venture with 33.71% holding till 14th July 2010 and thereafter at 50% holding. During the year, the Viacom18 has consolidated its 100% subsidiaries namely Viacom 18 Media US Inc., Viacom 18 Media (UK) Limited, Roptonal Limited , The Indian Film Company (Cyprus) Limited, IFC Distribution Private Limited and The Indian Film Company Limited, Guernsey.

3. Scheme of Arrangement (Scheme) for TV18

The Board of Directors of the Company in its meeting held on 7 July, 2010 considered and approved a Scheme of Arrangement ("the Scheme") between the Company, Network18 Media & Investments Limited ('Network 18'), erstwhile Television Eighteen India Limited ('TEIL') and other group companies, under sections 391 to 394 read with section 78, 100 to 103 of the Companies Act, 1956. As per the Scheme, TEIL's news business inter-alia consisting of business news channels viz. CNBC TV18 and CNBC Awaaz were demerged and consolidated with the Company. On the same date, ibn18 Media & Software Limited (ibn18 Media) a subsidiary of the Company and iNews.com Limited (iNews) a subsidiary of TEIL were merged into the Company. Since these were the wholly owned subsidiary company of the TV18 and TEIL respectively, no consideration was paid to their shareholders. As per the Scheme, the shareholders of TEIL had been given 68 shares of TV18 in lieu of 100 shares held in TEIL.

The shareholders of the Company approved the Scheme on 21 December, 2010. The Scheme was heard and approved by the Hon'ble Delhi High Court on 26 April, 2011. The certified copy of the order of the Hon'ble Delhi High Court approving the scheme was filed with the Registrar of Companies, N.C.T. of Delhi & Haryana on 10 June, 2011. On this date the Scheme became effective from the Appointed Date of 1 April, 2010.

Subsequent to the merger of the news business of erstwhile TEIL, TV18 is now also broadcasting, telecasting, relaying and transmitting english and hindi business news programmes namely CNBC TV18 and CNBC Awaaz.

The financial impact of the Scheme of Arrangement referred to above on the financial statements of the Company / Group is as follows:

a. Transfer of news business of TEIL

- i. As per the Scheme, TEIL's news business inter-alia consisting of business news channels viz. CNBC TV18 and CNBC Awaaz was demerged from TEIL and merged with TV18. The details of the assets and liabilities of TEIL being transferred to TV18 at its book value as at the appointed date is mentioned below:

Particulars	Amount (Rupees)	Amount (Rupees)
1. Fixed assets (Net)		718,444,278
2. Investments		557,384,905
3. Deferred tax assets		74,559,830
4. Current assets, loans and advances:		
- Inventories	3,520,911	
- Sundry Debtors (including Unbilled revenue)	1,369,893,548	
- Cash and Bank Balances	1,993,898,895	
- Loan and advances	1,289,030,162	4,656,343,516
5. Less: Current liabilities and provisions:		
- Current Liabilities	1,348,866,789	
- Provisions	40,905,874	1,389,772,663
6. Net current assets (4-5)		3,266,570,853
7. Total assets (1+2+3+6)		4,616,959,866

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Amount (Rupees)	Amount (Rupees)
8. Total liabilities		
Secured Loan	1,873,854,177	
Unsecured Loan	1,700,000,000	
Employee stock options outstanding	148,222,103	3,722,076,280
9. Net value of assets transferred on demerger(7-8)		894,883,586
10. Share capital issued pursuant to the Scheme		247,886,606
11. Balance credited to securities premium (9-10)		646,996,980
ii. As per the scheme, during the intervening period (i.e. 1 April, 2010 to 31 March, 2011), TEIL shall be deemed to have been carrying on all business and activities relating to news business on behalf of the Company and all profits accruing to the transferor Company, or losses arising or incurred by them relating to the news business shall be treated as the profits or losses of the Company and accordingly credit balance of the statement of profit and loss of Rs. 349,484,839 of TEIL news business for the period 1 April, 2010 to 31 March, 2011 was adjusted from the opening balance of the statement profit and loss.		
b. Merger of IBN 18 Media & Software Limited and i-News.com Limited		
As per the Scheme, i-News.com Limited, a subsidiary of TEIL and IBN18 Media & Software Limited, a subsidiary of the Company has merged into the Company. The details of the assets and liabilities of these companies being transferred to the Company at its book value as at the appointed date is mentioned below:		
Particulars	IBN 18 Media & Software Limited (Rupees)	i-News.com Limited (Rupees)
1. Fixed assets (Net)	393,992	33,421,691
2. Current assets, loans and advances:		
- Inventories	192,564	-
- Cash and Bank Balances	115,842	58,662
- Loan and advances	-	117,967
	308,406	176,629
3. Less: Current liabilities and provisions:		
- Current Liabilities	42,686	92,468
- Provisions	-	-
	42,686	92,468
4. Net current assets (2-3)	265,720	84,161
5. Other assets – Miscellaneous expenditure	-	35,926,067
6. Total assets (1+4+5)	659,712	69,431,919
7. Total liabilities		
- Unsecured Loan	-	5,819,963
8. Profit and loss account	-	3,611,956
9. Net value of assets transferred pursuant to Scheme of Arrangement (6-7-8)	659,712	60,000,000
10. Investments in these wholly owned subsidiary	1,000,000	60,000,000
11. Balance debited to securities premium (9-10)	(340,288)	-
c. The Company has fair valued its assets and assets acquired as on the appointed date from TEIL and iNews under the Scheme (such assets comprise investments, deferred tax asset, miscellaneous expenditure, debtors and loans and advances) and have in accordance with the Scheme, debited Rs. 577,621,696 to the Securities Premium Reserve being the differential between the book value and the fair value.		

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- d. Pursuant to the Scheme the debit balance in the statement of profit and loss of the Company to the extent of Rs. 791,095,787 has been adjusted from the Capital Reserve and Security Premium Reserve account as follows:

	<u>(Rupees)</u>
i. Capital Reserve	168,720,000
ii. Security Premium Reserve	622,375,787
Total	<u>791,095,787</u>

4. Significant Accounting Policies

a. Basis of accounting and preparation of financial statements

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

The figures for the year ended 31 March, 2012 for the Group includes the income, expenses, assets and liabilities after considering the impact of the Scheme of the TV18 whereas the corresponding figures for the previous year comprised the income, expenses, assets and liabilities for the Group prior to the Scheme. Hence the figures for the current year are not strictly comparable with the corresponding previous year.

b. Basis of consolidation

The financial statements of the subsidiaries and joint ventures used in the consolidation are drawn up to the same reporting dates as of the Company.

The Consolidated Financial Statements have been prepared on the following basis:

- i. The financial statements of the Company, its subsidiaries and joint ventures have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-Company balances and transactions and unrealised profits or losses have been fully eliminated.
- ii. The excess of cost to the Group of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill (on Consolidation)' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Group, it is recognised as 'Capital Reserve (on Consolidation)' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.
- iii. Interest in jointly controlled entities is reported using proportionate consolidation.
- iv. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.

c. Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires the management of the Group to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include provision for doubtful debts, employee benefits, Provision for income taxes and useful life of depreciable tangible and intangible assets and provisions for impairment. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from such estimates and the difference between the actual results and the estimates are recognised in the periods in which the results are known/ materialise.

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

d. Inventories

Inventories of the Company consist of blank betacam videotapes and are stated at cost on First in First out (FIFO) basis. Stocks of other tapes are written off at the time of purchase.

Viacom18 evaluates the realizable value and / or revenue potential of inventory based on the type of programming assets.

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

- i. 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.
- ii. Acquired rights of shows are amortised evenly over the license period.
- iii. 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.
- iv. 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.
- v. 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.
- vi. In case of film production and distribution, the Viacom18 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
- vii. The Viacom18 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.

e. Cash and cash equivalents (for purposes of Cash Flow Statement)

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

f. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

g. Depreciation and amortisation

- (i) Depreciation for entities other than Viacom18 is provided for as follow:

Depreciation on all assets other than leasehold improvements, computer software and plant and machinery - distribution equipments are charged on straight line basis over the estimated useful lives, using rates (including double/ triple shift depreciation rates wherever applicable) prescribed by Schedule XIV of the Companies Act, 1956.

Cost of leasehold improvements is being amortised over the remaining period of lease (including renewal options) of the premises. Computer software and plant and machinery - distribution equipments are being depreciated over a period of 5 years and 8 years respectively. These rates are higher than those prescribed in Schedule XIV of the Companies Act, 1956.

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

News archives are depreciated on straight line basis at the rate of 4.75% per annum. Useful life of news archives is estimated to be more than 10 years as the contents of the same are continuously used in day to day programming and hence the economic benefits from the same arise for a period longer than 10 years.

Programing assets are amortised over the license period of the programs and Website development costs are capitalised and amortised over their estimated useful life of two years.

Depreciation on additions is charged proportionately from the date of acquisition/ installation. Assets costing Rs. 5,000 or less individually have been fully depreciated in the year of purchase.

- (ii) Depreciation for Viacom18 is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets or the rates prescribed under Schedule XIV of the Companies Act, 1956, whichever is higher, as follows

Asset	Rates
Furniture and Fixtures	20.00%
Plant and Machinery (includes Studio Equipment and Audio Video Equipment)	20.00%
Equipments and Computer system:	
- Computer Hardware	33.33%
- Office Equipments	20.00%
- Smart phones	100.00%
Integrated Receiver Decoder	20.00%
Computer Software and Leasehold Improvements	33.33%*
Electronic Programming Guide Slot	33.33%

(* 3 years or lease period whichever is less)

Fixed Assets individually costing Rs. 5,000 or less are depreciated fully in the year of acquisition

h. Revenue Recognition

- i. Revenue from operations includes:
- Advertising revenue comprising
 - Revenue from sale of advertising time, which is recognised on the accrual basis when advertisements are telecast in accordance with contractual obligations.
 - Revenue from sponsorship contracts, which is recognised proportionately over the term of the sponsorship.
 - Subscription revenue which is recognised on accrual basis in accordance with the terms of the contract with the distribution and collection agency, for the services rendered.
 - Facility and equipment rental which is accounted for on the accrual basis for the period of use of equipment by the customers.
 - Program revenue which is accounted for on dispatch of programs to customers in accordance with contractual commitments.
 - Licensing and merchandising revenue comprising
 - 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.
 - Revenues from theatrical distribution of movies are recognised in accordance with the licensing agreement as the films are screened and is stated 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.

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- Revenue from sale of television content is recognised on transmission of audio-video content to the customer and their acceptance.
- Revenue from media related professional and consultancy services is recognised in accordance with contracts on rendering of services.
- ii. Other income includes
 - Dividends on investments are accounted for when the right to receive dividend is established.
 - Interest income is recognized on time proportionate basis, taking into account the amount outstanding and the rate applicable.
- i. **Tangible Fixed Assets**

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

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.
- j. **Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.
- k. **Foreign Currency Transactions and Translation**

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 year are recognised 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 at the date of balance sheet, the resultant exchange differences are recognised in the statement of profit and loss.

In respect of foreign integral operations, monetary assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. Non-monetary items are translated at the historical rate, the items in the statement of profit and loss are translated at the average rate during the year. The differences arising out of the translation are recognised in the statement of profit and loss.

In respect of foreign non integral operations, asset and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. The items in the statement of profit and loss are translated at the average exchange rate during the year. The differences arising out of the translation are transferred to the foreign currency translation reserve.
- l. **Investments**

Long term investments are stated at cost less other than temporary diminution in the value of such investments. Current investments are carried at lower of cost or fair value.
- m. **Employee Benefits**
 - i. The Group's Employee's Provident Fund scheme 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.

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- ii. Short term employee benefits (Medical, Leave travel allowance, etc.) expected to be paid in exchange for the services rendered are recognised on undiscounted basis.
- iii. The Group provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The group also makes contributions to funds administered and managed by the insurance companies for the amount notified by the said insurance companies.

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.

The liability with respect to the Gratuity Plan is determined based on actuarial valuation done by an independent actuary at the year end and any differential between the fund amount as per the insurer and the actuarial valuation is charged to in the statement of profit and loss.

- iv. Benefits comprising long term compensated absences constitute other long term employee benefits. The liability for compensated absences is provided on the basis of an actuarial valuation done by an independent actuary at the year end except for Viacom18 wherein liability is nil as at year end since there is no leave encashment to be carried forward. Actuarial gains and losses are recognised immediately in the statement of profit and loss.

n. Segment Information

- i. Business Segments

Based on similarity of activities, risks and reward structure, organisation structure and internal reporting systems, the Group operates in the media business segment mainly comprising media and related operations.

- ii. Geographic Segments

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

o. 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 Company assumes substantially all the risks and rewards of ownership are classified as finance leases. The lower of fair value of asset and present value of minimum lease rentals is capitalised as fixed assets with 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.

p. Earnings Per Share

The Group reports basic and diluted earnings per equity share in accordance with AS-20, Accounting Standard on Earnings Per Share. Basic earnings per equity share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding at the year end. Diluted earnings per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end and except where the results would be anti-dilutive.

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

q. Taxes on income

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

Deferred tax charge or credit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal, subject to consideration of prudence, in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets on unabsorbed depreciation and carry forward of losses are not recognised unless there is a virtual certainty that there will be sufficient future taxable income available to realise such assets.

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

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

r. Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment by the management of the Group. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

s. Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

t. Employee Share Based Payments (ESOS)

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

u. Barter Transactions

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

v. Share issues expenses

Share issue expenses are adjusted on the date of issue of shares against the Securities Premium Reserve as permissible under Section 78(2) of the Companies Act, 1956, to the extent balance is available for utilisation in the Securities Premium Reserve.

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

5 Share capital

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of Shares	Amount (Rupees)	Number of Shares	Amount (Rupees)
a. Authorised				
Equity shares of Rs. 2 each	380,000,000	760,000,000	275,000,000	550,000,000
b. Issued, Subscribed and fully paid up				
(i) Issued	362,130,907	724,261,814	237,867,300	475,734,600
(ii) Subscribed and fully paid up	362,081,871	724,163,742	237,796,965	475,593,930
(iii) Subscribed but not fully paid up	-	-	70,335	35,168
(iv) Shares forfeited	49,036	24,518	-	-
Total	362,130,907	724,188,260	237,867,300	475,629,098

Refer Notes (i) to (vi) below:

Notes

(i) The Company has only one class of equity shares having a par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share held.

(ii) Details of shares held by holding company and their subsidiaries

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of Shares	Amount (Rupees)	Number of Shares	Amount (Rupees)
Network18 Media & Investments Ltd, the Holding Company	185,526,648	371,053,296	64,892,544	129,785,088
Subsidiaries of the holding company	34,600	69,200	55,525,443	111,050,886
	185,561,248	371,122,496	120,417,987	240,835,974

(iii) Details of shares held by each shareholder holding more than 5% shares :

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of Shares held	% Holding	Number of Shares held	% Holding
Network18 Media & Investments Ltd.	185,526,648	51.24%	64,892,544	27.28%
RVT Investments Private Limited	-	-	49,990,843	21.02%
Network18 Group Senior Professional Welfare Trust	28,725,006	7.93%	13,453,354	5.66%

(iv) Aggregate number of shares issued for consideration other than cash during the period of 5 years immediately preceeding the Balance Sheet date

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of Shares held		Number of Shares held	
Shares allotted to shareholders of erstwhile Television Eighteen India Limited pursuant to Scheme of Arrangement in the current year between the Company, Television Eighteen India Ltd (TEIL), Network18 Media & Investments Ltd. (Network18) and other Network18 Group companies (See note 3)	123,943,303		-	

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 5 Share capital (continued)

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Number of Shares held	Number of Shares held
Shares allotted to Gupta family and ibn18 Trust pursuant to scheme of amalgamation between the Company, Jagran TV Private Limited and BK Fincap Private Limited in financial year 2008-09	16,306,155	16,306,155
Shares allotted to shareholders of SRH Broadcast News Holdings Private Limited pursuant to scheme of amalgamation between the Company with SRH Broadcast News Holdings Private Limited in financial year 2006-07	102,040,815	102,040,815
(v) Shares reserved for issue under options under ESOP scheme 2007 (See note 36)	3,999,979	2,450,717
(vi) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:		

Particulars	Opening Balance	Shares issued during the year		Conversion into fully paid up	Shares issued under the scheme of arrangement [refer to note 3(a)(i)]	Shares forfeited	Closing Balance
		Rights issue	Employee stock options plan				
(i) Issued							
Year ended 31 March, 2012							
- Number of shares	237,867,300	-	320,304	-	123,943,303	-	362,130,907
- Amount (Rupees)	475,734,600	-	640,608	-	247,886,606	-	724,261,814
Year ended 31 March, 2011							
- Number of shares	181,651,478	54,495,443	1,720,379	-	-	-	237,867,300
- Amount (Rupees)	363,302,956	108,990,886	3,440,758	-	-	-	475,734,600
(ii) Subscribed and fully paid up							
Year ended 31 March, 2012							
- Number of shares	237,796,965	-	320,304	21,299	123,943,303	-	362,081,871
- Amount (Rupees)	475,593,930	-	640,608	42,598	247,886,606	-	724,163,742
Year ended 31 March, 2011							
- Number of shares	181,651,478	-	1,720,379	54,425,108	-	-	237,796,965
- Amount (Rupees)	363,302,956	-	3,440,758	108,850,216	-	-	475,593,930
(iii) Subscribed and not fully paid up *							
Year ended 31 March, 2012							
- Number of shares	70,335	-	-	(21,299)	-	(49,036)	-
- Amount (Rupees)	35,168	31,949**	-	(42,598)	-	(24,518)	-
Year ended 31 March, 2011							
- Number of shares	-	54,495,443	-	(54,425,108)	-	-	70,335
- Amount (Rupees)	-	27,247,722	-	(27,212,554)	-	-	35,168

* Re 0.50 paid up out of the face value of Rs. 2 per share

** Amount received on 21,299 shares @ Rs. 1.50 each pursuant to conversion of partly paid up shares into fully paid shares

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
6 Reserves and Surplus		
a. Capital reserve		
Opening balance	168,720,000	168,720,000
Less: Amount transferred from statement of profit and loss (see para f below) as per the scheme of arrangement [See also note 3 (d)]	168,720,000	-
	-	168,720,000
b. Securities premium reserve		
Opening balance	8,501,569,857	3,487,938,873
Add:		
- Amounts received pursuant to issue of equity shares under rights issue	1,299,239	4,982,042,600
- Amount received pursuant to issue of equity shares under ESOPs	19,164,542	91,180,087
- Amount transferred from share options outstanding account in exercise of share options	18,423,309	31,149,375
- Amount credited on transfer of news business of TEIL as per the Scheme of Arrangement [See note 3 (a)]	646,996,980	-
Less:		
- Amount debited on merger of the IBN18 Media & Software Limited as per the Scheme of Arrangement [See note 3 (b)]	340,288	-
- Rights issue expenses / expenses for Scheme of Arrangement		
- Amount transferred from miscellaneous expenditure [See note 24 (b)]	23,458,247	89,312,882
- Amount incurred and adjusted during the year	15,724,260	1,428,196
- Difference of book value and fair value of assets adjusted pursuant to Scheme of arrangement [See note 3 (c)]	577,621,696	-
- Amount transferred from statement of profit and loss (see para f below) as per the scheme of Arrangement [See also note 3 (d)]	622,375,787	-
	7,947,933,649	8,501,569,857
c. Share options outstanding account		
Opening balance	23,842,987	56,991,187
Add: Amount transferred from TEIL pursuant to Scheme of arrangement (See note 3)	62,606,670	-
Less: - Adjusted on account of forfeiture / lapse of options	1,181,645	1,998,825
- Amount transferred to General Reserve on expiry of options	5,793,297	-
- Transferred to Securities Premium Reserve on exercise of share options	18,423,309	31,149,375
	61,051,406	23,842,987
Deferred employee compensation		
Opening balance	1,557,520	8,083,628
Add: Amount transferred from TEIL pursuant to Scheme of arrangement (See note 3)	20,843,580	-
Less: Adjusted on account of forfeiture / lapse of options	1,181,645	1,998,825
Less: Amount charged to Statement of Profit and Loss	4,949,921	4,527,283
	16,269,534	1,557,520
	44,781,872	22,285,467

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
d. General Reserve		
Opening balance carried forward	9,998,341	9,998,341
Add: Amount transferred from TEIL under Scheme of Arrangement pertaining to ESOPs	88,575,033	-
Add: Amount transferred from ESOPs reserve on account on expiry of options	5,793,297	-
	104,366,671	9,998,341
e. Foreign Currency Translation Reserve		
Opening balance carried forward	1,020,968	-
Add: Additions during the year (net)	137,827,822	1,020,968
	138,848,790	1,020,968
f. Surplus/(deficit) in the statement of profit and loss		
Opening Balance	(2,514,913,998)	(2,338,336,904)
Add/(less):		
- Opening losses of subsidiaries	-	(2,530,604)
- Profit / (loss) brought forward from statement of profit and loss	(737,794,646)	(174,046,490)
- Profit/(loss) for the year ended 31 March, 2011 of the undertakings merged with the Company pursuant to scheme of arrangement		
- Profit from TEIL's news business [See note 3 (a)(ii)]	349,484,839	-
- I-News.com Limited	3,575,387	-
- IBN18 Media & Software Limited (net)	177,882	-
- Loss tranferred to AETN18 on stake dilution	4,045,967	-
- Amount adjusted through transfer to Capital Reserve (see para a above) and Securities Premium Reserve (see para b above) as per the Scheme of Arrangement [See also note 3 (d)]	791,095,787	-
	(2,104,328,782)	(2,514,913,998)
Total	6,131,602,200	6,188,680,635
7 Long - term borrowings		
a. i. Term loans (secured)		
- from banks	1,677,541,664	1,101,753,495
- from others	365,800,000	7,414,000
(See note (b) below for security and terms of repayment)		
	2,043,341,664	1,109,167,495
ii. Vehicle loans (secured)		
- from others	8,546,076	2,794,191
(Vehicle loans are secured by hypothecation of vehicles and payable in equal monthly installments)		
iii. Long term maturities of finance lease obligations (secured)		
- from others (see note 41)	8,452,854	1,190,855
(Secured by hypothecation of fixed assets purchased under finance lease arrangements and is payable in equal monthly installments)		
iv. Public Deposits (unsecured)(Deposits are repayable at the time of maturity)	881,925,000	501,708,565
	2,942,265,594	1,614,861,106

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
b. Security details for term loans covered under Note 7 (a)(i) and Note 12 (a) is as follows:		
I. Term loans under Long term borrowings	2,043,341,664	1,109,167,495
II. Term loans under Other current liabilities	564,615,734	513,227,403
	2,607,957,398	1,622,394,898
i. This term loan from bank carries interest @ 13.75% to 15% p.a. and is repayable in 72 equal monthly installments of Rs. 4,144,450. The term loan is secured by first charge over entire fixed assets of channel IBN7 amounting to Rs. 320,400,000 as on 31 March 2009, and unconditional and irrevocable corporate guarantee of Network18 Media & Investments Limited (Holding Company of TV18).	23,685,065	74,028,565
ii. This term loan from others carries interest @ 13.50% p.a. and is repayable in 60 equal monthly installments of Rs. 1,062,000 in advance of every month. The term loan is secured by first charge on all movable assets including plant and machinery and equipment acquired / to be acquired out of the proceeds of the term loan of channel IBN7 of the Company and unconditional and irrevocable corporate guarantee of Network18 Media & Investments Limited.	7,414,000	20,158,000
iii. This term loan from bank carries interest @ 13.75% to 15.50% p.a. and is repayable in 3 equal half yearly installments of Rs. 33,333,333. The term loan is secured by subservient charge on all movable fixed assets (all present & future) of CNN-IBN and IBN 7 channels of the Company and unconditional and irrevocable corporate guarantee of Network18 Media & Investments Limited, to remain valid during currency of credit facility.	33,333,333	420,833,333
iv. This term loan from bank carries interest @ 13.75% to 14.25% p.a. and is repayable in 16 equal quarterly installments of Rs. 20,000,000. First charge on the movable assets of CNN-IBN and IBN 7 channels of the Company, subject to the charges on current assets created/to be created in favour of the Company's bankers for securing borrowings for working capital requirements and unconditional and irrevocable personal guarantee of a Director of the Company and Letter of comfort from Television Eighteen India Limited (TEIL) whereby TEIL undertakes to take all necessary steps to ensure that the Company fulfils all necessary obligations under the agreement including arrangement of funds for payment to the bank in accordance with the terms and conditions of the loan agreement.	-	40,000,000
v. This term loan from others carries interest @ 13.50% to 14.50% p.a. and is repayable in 24 equal quarterly installments of Rs. 33,400,000. This is secured by first pari passu charge on movable fixed assets of the existing CNBC news channels of the Company and is collaterally secured by pledge of shares by the promoters/ group entities, personal guarantee of the Director of the Company and corporate guarantee of Network18 Media & investments Limited.	499,400,000	-

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
vi. This term loan from bank carries interest @ 13.00% p.a. and is repayable in 18 equal monthly installments of Rs. 55,555,556 after the moratorium period of 6 months. The term loan is secured by subservient charge on all current assets and movable fixed assets (all present & future) of the Company and is secured by personal guarantee of the Director of the Company and corporate guarantee of Network18 Media & investments Limited	1,000,000,000	-
vii. This term loan from bank carries interest @ base rate plus 3.5% and is repayable in equal 21 quarterly stepped up installments after 2 years from the date of first disbursement (30 March, 2011). The term loan is secured by first pari passu charge over fixed assets and current assets of Viacom18	1,000,000,000	1,000,000,000
viii. This term loan from bank carries interest @ 13.75% to 15.75% p.a. and repayable in 60 equal monthly installments of Rs. 3,875,000. The term loan is secured by first charge over entire fixed assets amounting to Rs 135,665,000 (50% share) as on 31 March 2012 of IBN Lokmat, and unconditional and irrevocable corporate guarantee of the Company and Lokmat Media Limited	44,125,000	67,375,000
	2,607,957,398	1,622,394,898
8 Other long-term liabilities		
a. Interest accrued but not due on public deposits	42,938,936	15,952,942
b. Trade payables	126,290	110,463
	43,065,226	16,063,405
9 Long term provisions		
Provision for employee benefits:		
i. Provision for compensated absences	38,684,828	24,141,424
ii. Provision for gratuity [See note 35(II)(d)]	85,211,087	41,830,323
	123,895,915	65,971,747
10 Short-term borrowings		
i. Cash credit (including working capital demand loan)		
- from bank (secured)	2,540,757,648	1,935,822,425
(See note (a) below for security and terms of repayment)		
ii. Commercial papers (unsecured)		
- from banks	750,000,000	-
- from others	1,000,000,000	-
(Payable on maturity)		
iii. Public deposits (unsecured)		
(Deposits are repayable at the time of maturity)	1,720,605,836	1,086,604,000
iv. Loan from banks (unsecured) (repayable on demand)	1,621,410	249,137,512
v. Others (unsecured)	-	105,400,001
	6,012,984,894	3,376,963,938

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
a. Security details for cash credit facilities including working capital demand loans is as follows:		
i. The cash credit including working capital demand loans is repayable on demand and carries interest @ 10.25% p.a. to 17.50% p.a. and is secured against first pari passu charge on all the current assets of CNN IBN and IBN7 channels of the Company and additionally secured by unconditional and irrevocable corporate guarantee of Network18 Media & Investments Limited. 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 channels of the Company.	400,844,778	547,357,300
ii. The cash credit is repayable on demand and carries interest @ 13.75% to 15% p.a. and is secured against hypothecation of book debts of the Company.	125,320,388	127,362,078
iii. The cash credit including working capital demand loans is repayable on demand and carries interest @ 10.50% to 18% p.a. and is secured against first pari passu charge on all current assets of the CNBC channels of the Company with other working capital lenders.	487,208,515	-
iv. 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 the Viacom18 and fixed deposit of Rs. 67,935,000 (50% share) are provided as collateral security.	1,520,637,134	1,255,289,182
v. The cash credit is secured by first pari passu charge on all the current assets of the IBN Lokmat and additionally secured by unconditional and irrevocable corporate guarantee of the Company and Lokmat Media Limited.	6,746,833	5,813,865
	2,540,757,648	1,935,822,425
11 Trade Payables		
Trade Payables	3,302,829,698	2,118,636,511
12 Other Current Liabilities		
a. Current maturities of long-term debt		
- Term loans		
from bank	423,601,734	500,483,403
from others	141,014,000	12,744,000
(See note 7 (b) - Long term borrowings for the details of security and guarantee)		
	564,615,734	513,227,403
- Vehicle loans (secured by hypothecation of Vehicles)	6,286,018	1,562,078
- Public Deposits (unsecured) (Deposits are repayable at the time of maturity)	117,890,000	-
b. Current maturities of finance lease obligations (See note 41) (Secured against fixed assets obtained under finance lease arrangements)	2,263,687	653,853
c. Interest accrued but not due on borrowings	92,541,865	55,969,820
d. Income received in advance (Unearned revenue)	171,389,019	78,960,533
e. Unpaid matured deposits and interest payable thereon	21,847,530	-

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
12 Other Current Liabilities (Contd.)		
f. Other payables		
- Statutory remittances (contributions to PF, ESIC, Withholding Taxes, VAT, Service Tax, etc.)	179,335,768	298,859,751
- Payables on purchase of fixed assets	73,475,546	6,517,909
- Advance from customers	207,646,646	74,087,804
- Book overdraft	48,882,233	-
	1,486,174,046	1,029,839,151
13 Short - term provisions		
a. Provisions for employee benefits		
- Provision for compensated absences	2,270,986	930,662
- Provision for gratuity [See note no. 35(II)(d)]	10,786,947	8,751,703
	13,057,933	9,682,365
b. Other provisions		
- Provision for current tax	1,648,233	-
	1,648,233	-
	14,706,166	9,682,365

14 Fixed Assets

(Amount in Rupees)

Particulars	Gross Block				Accumulated Depreciation						Net Block	
	Gross block as at 01.04.2011	Transferred in pursuant to the Scheme	Additions	Deletions	Gross Block as at 31.03.2012	Opening balance as at 01.04.2011	Transferred in pursuant to the Scheme	Depreciation for the year	On Disposals	Closing balance as at 31.03.2012	As at 31.03.2012	As at 31.03.2011
(a) Tangible Assets												
Freehold Land	490,064	-	2,856,700	216,200	3,130,564	-	-	-	-	-	3,130,564	490,064
Leasehold improvements	277,336,795	102,962,120	107,631,664	7,386,622	480,543,957	177,069,867	79,899,343	66,224,085	7,003,017	316,190,278	164,353,679	100,266,928
Plant and Equipment	-	-	-	-	-	-	-	-	-	-	-	-
- on finance lease	1,453,839	-	10,300,693	-	11,754,532	25,625	-	535,709	-	561,334	11,193,198	1,428,214
- others	1,022,196,507	1,275,236,548	166,657,554	95,104,208	2,368,986,401	412,245,201	763,985,124	171,811,707	58,561,019	1,289,481,013	1,079,505,388	609,951,306
Electrical installation	18,794,514	25,888,062	2,444,055	1,824,214	45,302,417	6,351,787	10,697,569	3,228,517	1,303,683	18,974,190	26,328,227	12,442,727
Computers	-	-	-	-	-	-	-	-	-	-	-	-
- on finance lease	385,875	-	298,244	-	684,119	15,595	44,076	99,676	-	159,347	524,772	370,280
- others	144,482,134	124,098,418	102,344,057	25,242,580	345,682,029	110,641,025	82,741,607	40,236,342	24,549,028	209,069,946	136,612,083	33,841,109
Furniture and Fixtures	26,848,369	24,231,421	20,761,535	10,603,570	61,237,755	13,443,154	14,062,294	4,221,199	9,622,001	22,104,646	39,133,109	13,405,215
Vehicles	21,598,280	38,549,265	16,347,635	9,070,361	67,424,819	7,579,688	15,163,885	6,015,855	5,385,434	23,373,994	44,050,825	14,018,592
Office equipment	20,490,415	18,422,139	2,616,167	4,064,545	37,464,176	15,504,675	11,241,563	2,015,768	3,323,284	25,438,722	12,025,454	4,985,740
Total	1,534,076,792	1,609,387,973	432,258,304	153,512,300	3,422,210,769	742,876,617	977,835,461	294,388,858	109,747,466	1,905,353,470	1,516,857,299	791,200,175
Previous year	1,488,753,692	189,644	57,695,637	12,562,181	1,534,076,792	596,553,325	73,266	151,694,007	5,443,981	742,876,617	791,200,175	892,200,367
(b) Intangible Assets												
News archives	-	20,498,422	-	-	20,498,422	-	13,222,904	976,343	-	14,199,247	6,299,175	-
Computers software	162,709,513	149,077,914	26,576,754	4,847,163	333,517,018	138,427,388	133,752,357	24,118,283	4,847,040	291,450,988	42,066,030	24,282,125
Programming Cost	-	-	87,803,933	-	87,803,933	-	-	15,691,311	-	15,691,311	72,112,622	-
Website Cost	-	-	552,800	-	552,800	-	-	119,727	-	119,727	433,073	-
Total	162,709,513	169,576,336	114,933,487	4,847,163	442,372,173	138,427,388	146,975,261	40,905,664	4,847,040	321,461,273	120,910,900	24,282,125
Previous year	160,688,777	-	2,031,160	10,424	162,709,513	114,166,872	-	24,269,568	9,052	138,427,388	24,282,125	46,521,905
Grand Total	1,696,786,305	1,778,964,309	547,191,791	158,359,463	3,864,582,942	881,304,005	1,124,810,722	335,294,522	114,594,506	2,226,814,743	1,637,768,199	815,482,300
Previous year	1,649,442,469	189,644	59,726,797	12,572,605	1,696,786,305	710,720,197	73,266	175,963,575	5,453,033	881,304,005	815,482,300	

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
15 Non Current Investments		
Trade Investments (at cost)		
- in equity shares of		
a. Others Companies		
- Quoted		
i. 275,000 (Previous year Nil) equity shares of Refex Refrigerants Limited of Rs. 10 each fully paid up	8,566,250	-
ii. 500,000 (Previous year Nil) equity shares of Provogue India Limited of Re. 1 each fully paid up	13,529,310	-
iii. 500,000 (Previous year Nil) equity shares of Prozone Capital Shopping Centres Limited of Rs. 2 each fully paid up	5,520,690	-
iv. 474,308 (Previous year Nil) equity shares of KSL & Industries Limited of Rs. 4 each fully paid up	8,869,560	-
- Unquoted		
v. Nil (Previous year 12,163,717) Class A Ordinary shares of Web18 Holdings Limited of USD 0.00374 each fully paid up	-	1,848,836
- in preference shares of		
b. Joint venture (Unquoted)		
250,000 (Previous year 250,000) 0.10% Non Cumulative Redeemable Preference Shares of Series "II" of IBN Lokmat News Private Limited of Rs. 100 each fully paid up	25,000,000	25,000,000
- in equity warrants of		
c. Joint venture (Unquoted)		
Nil (Previous year 1,500,000) share warrants of Series "C" of Viacom18 Media Private Limited of Re. 1 each fully paid up (See Note 31)	-	1,500,000
	61,485,810	28,348,836
Aggregate amount of quoted investments	36,485,810	-
Market value of quoted investments	36,106,381	-
Aggregate amount of unquoted investments	25,000,000	28,348,836
16 Long - Term Loans and Advances		
a. Capital advances (Unsecured, considered good)	7,575,768	2,649,595
b. Security deposits		
Unsecured, considered good	221,450,135	103,731,293
Doubtful	2,122,360	-
	223,572,495	103,731,293
Less: Provision for doubtful deposits	2,122,360	-
	221,450,135	103,731,293
c. Loans and advances to employees*		
Unsecured, considered good	57,010,104	6,608,957
Doubtful	60,689,307	-
	117,699,411	6,608,957
Less: Provision for doubtful advances	60,689,307	-
	57,010,104	6,608,957

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
16 Long - Term Loans and Advances (Contd.)		
d. Advance income tax (net of provision for tax) (Unsecured, considered good)	212,383,277	80,051,439
e. Advance to vendors Unsecured, considered good	171,928,188	-
Doubtful	47,867,195	46,250,001
	219,795,383	46,250,001
Less: Provision for doubtful advances	47,867,195	23,125,000
	171,928,188	23,125,001
	670,347,472	216,166,285
* includes loans recoverable from Key Management Personnel (KMP) of TV18 (see note 37)	50,000,000	-
17 Non-current Inventories		
a. Programming and Film Rights	997,988,803	2,420,765,046
b. Projects in progress	966,800,762	688,391,163
	1,964,789,565	3,109,156,209
18 Other Non - Current Assets (Unsecured, considered good)		
a. Long-term Receivables - Others (See note 42)	1,086,309,861	-
b. Fixed deposits with banks*	167,731,286	160,637,737
c. Others - Application money paid (See also note 37) - for shares	-	320,100,000
	1,254,041,147	480,737,737
* Fixed deposits is under lien with banks against Bank Guarantees to the Custom 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. [also See note 30 (ii)]		
19 Current Investments (Quoted- Short Term, Non Trade) Investment in Mutual Funds (at cost, fully paid)		
- Fidelity Cash Fund (Institutional) - Daily Dividend (Nil units; Previous year: 2,048,229 units)	-	10,243,703
- Fidelity Ultra Short Term Debt Fund Super Institutional - Daily Dividend Option (Nil units; Previous year: 3,998,430 units)	-	20,013,940
	-	30,257,643
Aggregate amount of quoted investments	-	30,257,643
Market value of quoted investments	-	30,257,643
20 Inventories [See note 4(d)] (At lower of cost and net realisable value)		
a. Tapes and compact discs	406,919	698,035
b. Programming and Film Rights	931,795,165	276,081,611
c. Projects in progress	45,927,522	70,348,000
	978,129,606	347,127,646

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
21 Trade receivables (Unsecured)		
a. Trade receivables outstanding for a period exceeding six months from due date of payment		
- considered good	681,334,970	543,412,146
- considered doubtful	306,380,052	212,072,524
Less: Provision for doubtful trade receivables	306,380,052	212,072,524
	681,334,970	543,412,146
b. Other trade receivables		
- considered good	4,512,032,808	2,424,826,612
- considered doubtful	52,686,919	9,566,232
Less: Provision for doubtful trade receivables	52,686,919	9,566,232
	4,512,032,808	2,424,826,612
	5,193,367,778	2,968,238,758
22 Cash and cash equivalents		
a. Cash on hand	1,974,350	785,062
b. Balances with banks		
i. in current accounts	305,463,301	1,402,289,867
ii. in deposit accounts (refer notes below)	362,429,432	370,556,923
iii. Cheques in hand	149,632,369	268,986,668
	819,499,452	2,042,618,520
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	819,499,452	2,042,618,520
Notes:		
(i) Deposit account includes funds earmarked as follows:		
- Balance with banks held as per Rule 3A of Companies (Acceptance of deposits) Rules, 1975	3,029,400	162,990,600
- Balances held as margin money against borrowings	167,935,000	52,870,000
- Unutilised money of rights issue	46,457,536	132,092,000
(ii) Includes account which have an original maturity of more than 12 months.	65,987	32,612
23 Short - term loans and advances		
(Unsecured, considered good)		
a. Loans and advances		
- to related parties (See note 37)		
- to entities under significant influence	1,843,085,866	60,724,676
- to employees	70,849,505	12,265,020
- others	247,406,456	329,640,063
	2,161,341,827	402,629,759
b. Security deposits	36,154,879	13,370,543
c. Service tax credit recoverable	195,865,306	83,412,548

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
23 Short - term loans and advances (Contd.)		
d. Advance income tax (net of provision)	860,903,556	338,721,499
e. Prepaid expenses	209,178,977	131,934,859
f. Others		
- Advance to vendors	32,768,679	9,586,645
	3,496,213,224	979,655,853
24 Other Current Assets (Unsecured, considered good)		
a. Unbilled revenue	19,500,000	-
b. Unamortised expenses		
Rights issue and merger demerger expenses		
- Opening Balance	23,458,247	89,312,882
- Less: Rights issue and Scheme related expenses adjusted by transferring to Securities Premium Reserve [See note 6(b)]	23,458,247	89,312,882
- Add: Amount incurred for rights issue during the year	111,276,733	23,458,247
	111,276,733	23,458,247
c. Others		
Interest accrued but not due on deposits	124,876,589	4,750,300
Others (insurance claims etc.)	42,957	870,581
	124,919,546	5,620,881
	255,696,279	29,079,128
	Year ended 31.03.2012 (Rupees)	Year ended 31.03.2011 (Rupees)
25 Revenue From Operations		
a. Revenue from operations		
i. Advertisement, subscription and program syndication	11,630,431,145	7,774,021,640
ii. Sale of content and film distribution and syndication	2,103,573,000	266,522,157
iii. Other media income and equipment rentals	193,630,768	51,472,360
b. Other operating income		
i. Income from equity deals	171,005,411	-
	14,098,640,324	8,092,016,157
26 Other Income		
a. Interest		
- Inter company balances	162,462,734	58,013,653
- Fixed deposits	54,866,361	15,488,832
- Others	20,024,001	52,230
b. Net profit on sale of long term investments	290,952,745	-
c. Net profit on sale of current investments	12,083,395	16,518,159
d. Liabilities / provisions no longer required written back	118,604,328	13,145,470
e. Net gain on foreign currency transaction and translation	2,719,812	292,166
f. Income from ibn18 trust on sale of shares	189,100,000	-
g. Dividend on non-current investments	125,100	-
h. Dividend on current investments	53,736	1,042,485
i. Miscellaneous income	6,984,338	30,692,775
	857,976,550	135,245,770

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended 31.03.2012 (Rupees)	Year ended 31.03.2011 (Rupees)
27 Employee Benefits Expenses		
a. Salaries and wages	1,999,434,041	1,052,804,652
b. Contribution to provident funds	89,700,378	51,330,361
c. Expense on employee stock option scheme (see note 36)	4,949,921	4,527,283
d. Staff welfare expenses	158,620,844	78,734,865
e. Gratuity (see note 35)	25,982,599	23,722,492
	2,278,687,783	1,211,119,653
28 Finance Cost		
a. Interest expense on:		
- Term loans	474,941,322	159,276,895
- Cash credit	319,616,353	112,878,763
- Public deposits	222,734,777	88,837,886
- Inter corporate deposits and other interests	45,912,327	49,616,792
b. Other borrowing cost	133,939,022	98,474,811
	1,197,143,801	509,085,147
29 Other expenses		
Programming Costs	5,070,095,354	2,889,410,154
Studio and equipment hire charges	37,940,049	67,064,153
Telecast and uplinking fees	136,168,065	172,982,746
Tapes consumed	14,972,370	4,965,450
Content and franchise expenses (including royalty)	403,230,587	167,280,919
Media professional fees	295,625,633	114,083,862
Other production expenses	36,247,813	20,970,456
Rent including lease rentals (see note 41)	234,092,246	118,096,912
Electricity expenses	76,620,002	46,231,428
Insurance	24,177,838	11,861,391
Travelling and conveyance	399,393,135	174,808,026
Vehicle running and maintenance	88,313,264	79,845,553
Communication expenses	73,566,149	43,263,057
Distribution, advertising and business promotion	4,599,720,389	2,179,385,493
Repairs and maintenance		
- Plant & machinery	96,764,912	48,960,125
- Others	40,411,468	19,393,081
Legal and professional expenses (See note below)	207,425,250	115,550,994
Rates and taxes	13,702,958	2,487,893
Office upkeep and maintenance	83,597,141	36,638,903
Directors sitting fees	320,000	315,000
Loss on fixed assets sold / scrapped / written off	33,199,995	2,150,349
Bad debts and Provision for doubtful trade and other receivable, loans and advances (net)	428,212,654	113,882,800
Miscellaneous expenses	49,135,608	32,202,423
	12,442,932,880	6,461,831,168
Note:		
Payments to the auditors of the Company comprises (excluding service tax input credit)		
a. Statutory audit fees (including quarterly limited reviews)	7,250,000	5,500,000
b. For other services	2,245,000	4,700,000
c. Reimbursement of expenses	252,287	-
	9,747,287	10,200,000

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

30. Capital commitment, litigations and contingent liabilities

- i. Estimated amount of contracts of the Group remaining to be executed on capital account (net of advances) Rs. 37,280,201 (Previous year Rs. 3,165,000).
- ii. The Company has purchased capital equipment under the 'Export Promotion Capital Goods Scheme'. As per the terms of the licenses granted under the scheme, the Company has undertaken to achieve an export commitment of Rs. 873,663,241 (Previous year Rs. 740,639,339) over a period of 8 years commencing from 10 August, 2005. The difference between the previous year and the current year amount pertains to the obligation transferred from iNews.com Limited (subsidiary of TEIL) pursuant to the Scheme over a period of 8 years commencing from 21 October, 2004. In the event the Company is unable to execute its export obligations, the Company shall be liable to pay customs duty of Rs. 109,207,905 (Previous year Rs. 92,579,917) and interest on the same at the rate of 15 per cent compounded annually. The banks have given a guarantee amounting to Rs. 115,272,170 (Previous year Rs. 115,272,170) on behalf of the Company to the custom authorities for the same. The Company is hopeful of meeting the required export obligation.
- iii. Guarantees given by banks on behalf of the Company outstanding for the year ended 31 March, 2012 Rs. 6,193,125 (Previous year Rs. 25,000,000).
- iv. The Company 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. 101,743,668 was outstanding in respect of such loans.
- v. Claims against the Company not acknowledged as debts include demands raised by Income Tax authorities aggregating to Rs. 239,330,980. Amounts deposited by the Company against these claims – Rs. 82,406,373 which are included in Advance Income Tax in note 16. No provision has been made in the accounts for these demands as the Company expects a favorable decision in appeal. This liability is related to TEIL operations transferred to the Company pursuant to the Scheme.
- vi. The Company 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 the Company. As at the year end, Rs. 47,441,177 was outstanding in respect of such loan. This liability is related to TEIL operations transferred to the Company pursuant to the Scheme.
- vii. 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, erstwhile Television Eighteen India Limited (TEIL), the Company and other TV18 group entities. The plaintiffs are minority shareholders of e-Eighteen.com Limited and have alleged that Mr. Raghav Bahl, TEIL, 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 TEIL 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 TEIL 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 TEIL 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, TEIL and other TEIL 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 notice of motion for interim relief was dismissed by the High Court on 21 September, 2011.

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 financial statements.

- viii. The Company 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. 3,123,653,000 (Previous year Rs. 3,124,110,000). 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.
- ix. Damages/ claims of Rs. 2,600,000,000 have been filed against the Company by the former channel distributor of the Company. A counter claim has been filed for damages of Rs. 2,540,000,000 along with a claim for recovery of dues of Rs. 214,000,000 against the distributor. The matter is pending before the Hon'ble High court of Delhi. No provision has been made in the accounts for these demands as the Company expects a favorable decision.
- x. Viacom18 has following contingent liabilities:

Particulars	Year ended 31.03.2012		Year ended 31.03.2011	
	Total	Group' share	Total	Group's share
Claims against the Viacom18 not acknowledge as debts	32,942,042	16,471,021	47,590,000	23,745,000
Taxation matters in respect of which appeals are pending	244,838,077	122,419,039	740,630,000	370,315,000
Guarantee given by the Company	1,500,000	750,000	-	-

31. Investments**Investments in Viacom18 Media Private Limited (Viacom18)**

The Company had in earlier years subscribed to 12 million 'Investor Warrants' of USD 3.33 (Rs. 148.83 approximately) per warrant aggregating to USD 39,960,000 in Viacom18 as follows:

- i. Series "A" 4,500,000 warrants
- ii. Series "B" 4,500,000 warrants
- iii. Series "C" 3,000,000 warrants

and had paid Rupee. 1 each for these warrants aggregating to Rs. 12 million.

Each warrant was convertible into one fully paid up equity share of Viacom18 on exercise of options and on payment of the balance of the stipulated warrant consideration price. The option was exercisable during a period of 12, 24 and 36 months from the date of allotment of warrants of "A", "B", and "C" series respectively. During the year, warrants allotted under Series "C" has been cancelled and shares were allotted against share application money paid which was equal in numbers as were allocated to joint venture partner in Viacom18.

The Company's total investment in the capital of Viacom18 is Rs. 8,564,425,247.

As at 31 March 2012, Viacom18 has accumulated losses and its net worth has been partially eroded.

32. Earnings per share

Basic earnings per equity share have been computed by dividing net profit / (loss) after tax by the weighted average number of equity shares outstanding for the year ended 31 March, 2012.

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year. The details are:

Particulars	Units	Year ended 31.03.2012	Year ended 31.03.2011
Earnings Per Equity Shares:			
a. Net profit/(loss) after tax	Rs.	(737,794,646)	(174,046,490)
b. Weighted average of number of equity shares used in computing basic earnings per share(Nominal value is Rs 2/- per share)	Numbers	481,847,253	224,032,396
c. Basic earnings / (loss) per share (a/b)*	Rs.	(1.53)	(0.78)
d. Weighted average of the number of shares issued under Options	Numbers	2,899,982	1,627,977
e. Adjustment for number of shares that would have been issued at the fair value	Numbers	(2,284,375)	(1,302,418)
f. Weighted average of number of equity shares used in computing diluted earnings per share (b+d+e)	Numbers	482,462,860	224,357,955
Diluted earnings / (loss) per share (a/f)*	Rs.	(1.53)	(0.78)

* Since the effect of dilution is anti-dilutive the diluted EPS is same as basic EPS.

33. Deferred tax

The Group has carried out its tax computation in accordance with the mandatory standard on accounting, AS 22 – 'Accounting for Taxes on Income' referred in Companies (Accounting Standards) Rules, 2006. In view of absence of virtually certainty of realisation of deferred tax asset (DTA) on unabsorbed tax losses, deferred tax asset have been recognised only to the extent of deferred tax liability (DTL) by the Company. The major components of DTA/ DTL of Viacom18 as recognised in the Consolidated Financial statements are as follows:-

Particulars	(Amount in Rupees)	
	As at 31.03.2012	As at 31.03.2011
Deferred Tax Asset		
Tangible and Intangible Assets	16,701,910	16,701,910
Provision for Doubtful Debts	37,230,995	37,230,995
Provision for Retirement Benefits	2,242,798	2,242,798
Expenses disallowed under section 40(a) allowable in later years	12,112,064	12,112,064
Total	68,287,767	68,287,767
Deferred Tax Liability		
Inventory Amortisation	36,027,065	8,287,667
Total	36,027,065	8,287,667
Net Deferred Tax Asset	32,260,702	60,000,000

34. Segmental reporting

Segment Identification, Reportable Segments and definition of each reportable segment:

- i. Primary/Secondary Segment Reporting Format:
 - a) The risk/return profile of the Group's business is determined predominantly by the nature of its products and services. Accordingly, the business segments constitute the primary segments for disclosure of segment information.
 - b) In respect of secondary segment information, the Group has identified its geographical segments as (i) domestic and (ii) overseas. The secondary segment information has been disclosed accordingly.

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ii. Segment Identification:

Business segments have been identified on the basis of the nature of the products/services, the risk/return profile of individual businesses, the organizational structure and the internal reporting system of the Group.

iii. Reportable Segments:

Reportable segments have been identified as per the criteria prescribed in Accounting Standard-17 - 'Segment Reporting' as specified in the Companies (Accounting Standards) Rules, 2006. The Group is engaged in the business of television media and production and distribution of films primarily in India. These business segments are separately distinguishable and the risks and returns are different from each other and therefore as per Accounting Standard 17 – Segment Reporting are to be treated as reportable segments. However, the secondary segment as per Para 27 of the said Accounting Standard, the Film production and distribution business does not fall within the criteria set out therein for reporting segments and therefore secondary segment information has not been given in the financial statements.

iv. Segment Composition:

- a) Broadcasting and Content comprise of television content and airtime sales;
- b) Film production and Distribution business;

v. Revenue and expenses have been accounted on the basis of their relationship to the operating activities of the segment. Incomes and expenditures which are related to the Group as a whole and are not allocable to segments on a reasonable basis have been allocated under "Unallocable Income and Expenditure". Assets and Liabilities, which relate to the Group as a whole, and are not allocable to segments on a reasonable basis, have been included under "Unallocable Assets and Liabilities."

vi. Inter-segment Transfers - The Group accounts for intersegment sales and transfers at cost.

Particulars	Year ended 31.03.2012			Year ended 31.03.2011		
	Broadcasting and Content	Film Production and Distribution	Total	Broadcasting and Content	Film and Distribution	Total
Revenue						
Income from operations	13,226,831,608	1,958,118,577	15,184,950,185	7,994,214,645	97,801,512	8,092,016,157
Segment Results (PBT)	(535,873,954)	(29,100,907)	(564,974,861)	283,370,960	(40,269,198)	243,101,762
Add: Unallocated income			620,623,454			61,691,055
Add: Interest Income			237,353,096			73,554,715
Less: Interest Expense			1,197,143,801			509,085,147
Profit/(loss) before Tax			(904,142,112)			(130,737,616)
Tax expense			58,031,873			43,308,874
Profit/(loss) after tax and before minority interest			(962,173,985)			(174,046,490)
Segment Assets	16,601,704,310	3,737,067,414	20,338,771,724	11,873,641,460	1,928,143,427	13,801,784,887
Unallocated Assets			411,550,702			1,290,762,322
Total Assets			20,750,322,426			15,092,547,209
Segment Liabilities	13,458,322,914	467,598,625	13,925,921,539	7,833,593,698	5,157,579	7,838,751,277
Unallocated Liabilities			-			393,266,946
Total Liabilities			13,925,921,539			8,232,018,223
Capital Expenditure			547,191,791			59,726,797
Depreciation and Amortisation			335,294,522			175,963,575
Non-Cash Expenditure other than depreciation			461,412,649			116,033,149

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

35. Employee Benefits**I. Defined contribution plans**

The Group has recognised Rs. 89,700,378 (Previous Year Rs. 51,330,361) for provident fund contributions in the Statement of Profit and Loss.

II. Defined Benefit Plans**(a) Gratuity**

The gratuity liability arises on retirement, withdrawal, resignation or death of an employee. The aforesaid liability is calculated on the basis of fifteen days salary (i.e. last drawn salary plus dearness allowance) for each completed year of service subject to completion of five years of service.

The following table set out the funded / unfunded status of the retirement benefits plans and the amount recognised in the financial statements:

Particulars	31.03.2012 (Rupees)	31.03.2011 (Rupees)
a. Change in defined benefit obligation		
i. Present value of obligation at the beginning of the year	56,458,353	36,163,360
ii. Present value of obligation at the beginning of the year (pertaining to liability received under Scheme, from TV18)	44,534,494	-
iii. Current Service Cost	20,256,994	11,611,619
iv. Interest Expenses	8,521,028	2,893,069
v. Past service cost	-	1,807,309
vi. Actuarial (Gain) / Loss	(942,903)	7,906,479
vii. Benefits Paid	(9,395,395)	(3,923,482)
viii. Present value of obligations at the end of the year	119,432,571	56,458,354
b. Fair value of Plan Assets		
i. Fair value of plan assets at the beginning of the year	5,876,328	4,618,965
ii. Fair value of plan assets at the beginning of the year (pertaining to liability received under Scheme, from TV18)	13,012,342	-
iii. Expected return on scheme assets	1,605,537	369,517
iv. Employer's contribution	7,602,253	1,597,676
v. Benefits Paid	(4,908,905)	(836,297)
vi. Actuarial Gain / (Loss)	246,982	126,467
vii. Fair value of plan assets at the end of the year	23,434,537	5,876,328
c. Return on Plan Assets		
i. Expected return on plan assets	1,605,537	369,517
ii. Actuarial Gain / (Loss)	246,982	126,467
iii. Actual return on plan assets	1,852,519	495,984

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	31.03.2012 (Rupees)	31.03.2011 (Rupees)
d. Amount recognised in the Balance Sheet		
i. Present value of defined benefit obligations	119,432,571	56,458,354
ii. Fair value of Plan Assets	23,434,537	5,876,328
iii. Net liability/(asset) recognised in the balance sheet	95,998,034	50,582,026
- Non current liability	85,211,087	41,830,323
- Current liability	10,786,947	8,751,703
e. Expenses recognised in statement of profit and Loss		
i. Current service costs	20,256,994	11,611,619
ii. Interest expense	8,521,028	2,893,069
iii. Expected return on investment	(1,605,537)	(369,517)
iv. Net actuarial (gain)/loss recognized during the year	(1,189,885)	7,780,012
v. Past service	-	1,807,309
vi. Expenditure recognised in the Statement of Profit and Loss	25,982,599	23,722,492
f. Principal Actuarial assumptions		
i. Rate for discounting liabilities	8.00% p.a.	8.00% p.a.
ii. Expected salary increase rate	6.00% p.a.	6.00% p.a.
iii. Expected rate of return	8.50% p.a.	8.50% p.a.
iv. Mortality table used	LIC (1994-96) duly modified	LIC (1994-96) duly modified
v. Retirement age	60 Years	60 Years
vi. Withdrawal rates		
-Upto 30 years	3%	3%
-Upto 44 years	2%	2%
-Above 44 years	1%	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 TV18 mainly comprise funds managed by the insurer i.e. ING Vysya Life Insurance Group Limited and Life insurance Corporation of India.
-

Year ended	Present value of the Gratuity benefits (Rupees)	Experience adjustments arising on the Gratuity benefits (Rupees)
31.03.2012	119,432,571	(942,903)
31.03.2011	56,458,354	7,906,479
31.03.2010	36,163,360	(7,472,867)

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Group's best estimate of contributions expected to be paid during the next 12 months beginning after the balance sheet date is Rs. 26,531,694 (previous year Rs. 21,878,455).

36. (i) GBN Employees Stock Option Plan 2007 ("ESOP 2007")

- a. The Company 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 administers the ESOPs. All options under the ESOPs are exercisable for equity shares. The Company had declared stock split of 1 equity share of face value of Rs. 10 each in 5 equity share of Rs. 2 each through postal ballot dated 19 December 2007, the results of which were declared on 25 January, 2008. The Company plans to grant upto 12,500,000 options to eligible employees and directors of the Company and its subsidiaries and holding company of the Company. The Company 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 9 September, 2011.
- 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. 10 each (for one equity share of Rs 2 each after split) 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 year the Remuneration/Compensation Committee of the Board of Directors has granted 2,211,207 options of the Company under GBN Employee Stock Option Plan 2007 to those employees of TEIL who have become employees of the Company pursuant to the Scheme of Arrangement, under a single plan existing in the Company.

The vesting period, vesting terms and exercise period for these options are kept as same as in the original scheme and are as follows:

Particulars	Employee Stock Option Plan 2004	Senior Employee Stock Option Plan 2004	Long Term Retention Employee Stock Option Plan 2005
Options granted	49,028	303,790	476,000
Vesting date	Option to vest after one year from the date of grant within such period not exceeding ten years as may be determined by the Remuneration/ Compensation Committee.	Option to vest after one year from the date of grant within such period not exceeding ten years as may be determined by the Remuneration/ Compensation Committee.	After four year from the date of grant of options.
Vesting requirements	Three years of service from the date of grant of option	Two to four years of service from the date of grant of option	Four years of service from the date of grant of option.
Exercise Period	During two years after vesting date.	During a period of two/three years from the vesting date.	During two years after vesting date.

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Stock Option Plan 2005	Stock Option Plan 2007	Stock Option Plan 2007 (New)
Options granted	10,472	36,737	1,335,180
Vesting date	Option to vest after one year from the date of grant within such period not exceeding ten years as may be determined by the Remuneration/ Compensation Committee.	Option to vest after one year from the date of grant within such period not exceeding ten years as may be determined by the Remuneration/ Compensation Committee.	After a minimum period of one year from the date of grant. The vesting shall happen in one or more tranches as may be decided by the Remuneration/ Compensation Committee.
Vesting requirements	Three years of service from the date of grant of option.	One to four years of service from the date of grant of option.	Option to vest over such period, in such manner and subject to conditions as may be decided by the Remuneration/Compensation Committee Provided the employee continues in service.
Exercise Period	During one year after vesting date.	During four years after vesting date.	Exercise period will commence from the vesting date and extend upto the expiry period of the option as may be decided by the Remuneration/Compensation Committee.

The Company has granted 7,231,849 options upto 31 March, 2012.

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

Particulars	ESOP 2007 Year ended 31.03.12		ESOP 2007 Year ended 31.03.11	
	Options (Numbers)	Weighted Average Price (Rupees)	Options (Numbers)	Weighted Average Price (Rupees)
a. Outstanding at the beginning of year*	2,450,717	68.91	3,192,242	55.00
b. Granted during the year*	-	-	1,100,000	86.00
c. Granted during the year pursuant to scheme of arrangement	2,211,207	61.72	-	-
d. Exercised during the year	320,304	55.00	1,720,379	55.00
e. Forfeited during the year	64,217	55.00	121,146	55.00
f. Expired during the year	277,424	27.48	-	-
g. Outstanding at the end of the year	3,999,979	25.40	2,450,717	68.91
h. Exercisable at the end of the year	2,178,656	27.19	957,769	55.00
i. Number of equity shares of Rs. 2 each fully paid up to be issued on exercise of option	3,999,979	NA	2,450,717	NA
j. Weighted average share price at the date of exercise	320,304	90.06	1,720,379	92.50
k. Weighted average remaining contractual life (years)	2.24	NA	2.81	NA

* Remuneration/Compensation committee ("Committee") of the Company vide resolution dated 4 November, 2011 has re-priced its existing 3,849,374 options at market price of Rs. 45.40 on the date of re-pricing. Subsequently taking into consideration further decline in the share prices of the Company, the Committee vide its resolution dated 30 December, 2011 has again re-priced its 3,731,765 options at market price of Rs. 27.70 on the date of re-pricing, for the benefit of the employees covered under the ESOPs scheme.

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- e. The Finance Act 2009 has abolished Fringe Benefit Tax (FBT) on Employees' Stock Option Plan, hence there is no charge in these financial statements.
- f. Pro forma Accounting for Stock Option Grants

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

Particulars	Year ended 31.03.2012 Rupees	Year ended 31.03.2011 Rupees
1. Net Profit/ (Loss) as reported (a)	(737,794,646)	(174,046,490)
2. Add: Stock based employee compensation expense debited to Statement of Profit and Loss	4,949,921	4,527,283
3. Less: Stock based employee compensation expense based on fair value	21,350,732	17,370,431
4. Difference between (2) and (3)	(16,400,811)	(12,843,148)
5. Adjusted pro forma Profit/(Loss)	(754,195,457)	(186,889,638)
6. Difference between (1) and (5)	(16,400,811)	(12,843,148)
7. Basic earnings per share as reported	(1.53)	(0.78)
8. Pro forma basic earnings per share	(1.56)	(0.83)
9. Diluted earnings per share as reported	(1.53)	(0.78)
10. Pro forma diluted earnings per share	(1.56)	(0.83)

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

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Risk free interest rates (in %)	7.85%	7.96%
Expected life (in years)	2.80 years	3.01 years
Volatility (in %)	33.43%	39.36%
Dividend yield (in %)	0%	0%

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

(ii) **ESOP 2008 Plan of Viacom 18**

Pursuant to the resolution passed by the Board of Directors on 23 September, 2008, Viacom18 had introduced Employee Stock Option Plan 2008 ("the Plan") for employees of Viacom18, as may be decided by the Benefits Committee/Board. The Plan provided that the total number of options granted there under will be 3,700,000. Each option, on exercise, was convertible into one equity share of the Viacom18 having face value of Rs. 10. The options had been granted at an exercise price which was equivalent to the prevailing Fair Market Value as on the date of the grant. Accordingly, the Viacom18 has not recognised any expense on account of grant of stock options. However, during the year the Plan was cancelled/annulled and the outstanding options as on 1 April, 2011 stood cancelled as approved by the Benefits Committee.

The details of the activity under the Scheme during the year are as follows:

Particulars	31.03.2012	31.03.2011
Option Outstanding at the beginning of the year	2,186,445	2,303,717
Options Granted during the year	-	-
Options Exercised during the year	-	-
Options Lapsed during the year	777,785	117,272
Options Annulled during the year	1,408,660	-
Options Outstanding at the year end	-	2,186,445

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

37 Related Party Disclosures

Disclosures as required by the Accounting Standard (AS) 18 – “Related Party Disclosures” are as below:

a. Related parties and their relationships

Name of Entity		Nature of Relationship
1 Network18 Media & Investments Limited	Network18	Holding company
2 RVT Media Private Limited	RVT Media	Subsidiary company
3 AETN 18 Media Private Limited w.e.f 21 September, 2010	AETN18	Subsidiary company
4 ibn18 Media and Software Limited (ibn18 Media) (upto 10 June, 2011 (also refer note 3.2)	Ibn18 Media	Subsidiary company
5 Viacom18 Media Private Limited	Viacom18	Subsidiary company
6 IBN Lokmat News Private Limited	IBN Lokmat	Joint venture
7 Ibn18 (Mauritius) Limited	Ibn18 Mauritius	Joint venture
8 Web18 Software Services Limited	Web18	Fellow Subsidiary company
9 Infomedia18 Limited	Infomedia	Fellow Subsidiary company
10 Digital18 Media Limited	Digital18	Fellow Subsidiary company
11 Bigtree Entertainment Private Limited	Bigtree	Fellow Subsidiary company
12 e-Eighteen.com Limited	E-18	Fellow Subsidiary company
13 NewsWire18 Limited	NewsWire	Fellow Subsidiary company
14 Setpro18 Distribution Limited	Setpro18	Fellow Subsidiary company
15 Television Eighteen India Limited upto 10 June, 2011 (also see note 3.1)	TEIL	Fellow Subsidiary company
16 E-18 Limited, Cyprus	E-18, Cyprus	Fellow Subsidiary company
17 Television Eighteen Mauritius Limited, Mauritius	TEML	Fellow Subsidiary company
18 TV18 UK Limited	TV18 UK	Fellow Subsidiary company
19 TV18 Home Shopping Network Limited	TV18 HSN	Fellow Subsidiary company
20 Network 18 India Holdings Private Limited (Upto 10 June, 2011)	N-18 Holding	Fellow Subsidiary company
21 RVT Investments Private Limited (upto 10 June, 2011)	RVT	Fellow Subsidiary company
22 Web 18 Holdings Limited, Cayman Islands	Web18 Holding	Fellow Subsidiary company
23 BK Holdings Limited, Mauritius	BKH	Fellow Subsidiary company
24 Television Eighteen Commodities control.com Limited (upto 10 June, 2011)	TECCL	Fellow Subsidiary company
25 Care Websites Private Limited (upto 10 June, 2011)	Care	Fellow Subsidiary company
26 Moneycontrol Dot Com India Limited	MCD	Fellow Subsidiary company
27 Greycells18 Media Limited w.e.f. 1 April, 2011	Greycells18	Fellow Subsidiary company
28 Colosseum Media Private Limited	Colosseum	Fellow Subsidiary company
29 Webchutney Studio Pvt. Ltd. w.e.f. 1 April, 2011	Webchutney	Fellow Subsidiary
30 Television Eighteen Media & Investment Ltd.	TEMIL	Fellow Subsidiary company
31 Raghav Bahl	RB	Key Management Personnel (KMP)
32 Sameer Manchanda (SM) (upto 22 October, 2010)	SM	Key Management Personnel (KMP)
33 Rajdeep Sardesai	RS	Key Management Personnel (KMP)
34 Sagarika Ghose	SG	Relative of KMP (RS)
35 SGA News Limited (upto 18 August, 2010)	SGA News	Entity under significant influence of KMP
36 Network18 Publications Limited	Network18 Pub	Entity under significant influence of KMP
37 Network18 Group Senior Professional Welfare Trust	Network18 GSP	Entity under significant influence of KMP
38 24X7 Learning Private Limited	24X7	Entity under significant influence of KMP
39 IBN 18 Trust	IBN18	Entity under significant influence of KMP
40 Wespro Digital Private Limited w.e.f. 1 April, 2011	Wespro	Entity under significant influence of KMP

Note: Related parties have been identified by the Management of the Company.

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

b. Details of balances and transactions during the year with related parties

(Amount in Rupees)

Transactions	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Joint venture	Entity under significant influence
Income from operations and other Income					
Network18	51,032,503 (519,288)	-	-	-	-
Bigtree	-	92,736 (92,736)	-	-	-
Digital18	-	1,361,666 (519,276)	-	-	-
E-Eighteen	-	2,083,100	-	-	-
Greycell18	-	-	-	-	-
Infomedia	-	12,933,630	-	-	-
Setpro18	-	13,580,805 (45,929)	-	-	-
TV18 Homeshop	-	785,616 (785,616)	-	-	-
Network18 Pub	-	25,825,641 (27,813,575)	-	-	-
TEML	-	-	-	-	9,241,000
Web 18	-	26,936,314	-	-	-
TEIL	-	-	(13,245,901)	-	-
IBN Lokmat	-	-	(5,549,287)	-	-
Viacom18	-	-	-	8,550,000	-
	-	-	-	47,962,588	-
Total	51,032,503 (519,288)	83,599,509 (29,257,132)	- (18,795,188)	56,512,588	9,241,000
Interest Received					
Network18	3,435,528	-	-	-	-
E-Eighteen	-	4,798	-	-	-
Infomedia	-	1,209,034	-	-	-
Setpro18	-	5,556	-	-	-
TV18 Homeshop	-	3,180,349	-	-	-
TEMIL	-	66,982,446	-	-	-
	-	-	-	-	-

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in Rupees)

Transactions	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Joint venture	Entity under significant influence
BKH	-	7,597,339	-	-	-
N-18 Holding	-	1,137,272	-	-	-
Web 18	-	-	-	-	-
NW18GSP	-	(692,601)	-	-	78,910,347
Total	3,435,528	80,116,795	-	-	78,910,347
	-	(692,601)	-	-	-
Interest Paid					
Network18	41,108,723	-	-	-	-
	(2,612,421)	-	-	-	-
N-18 Holding	-	-	-	-	-
TEIL	-	(6,787,398)	-	-	-
RVT Investment	-	-	-	-	-
	-	(1,062,395)	-	-	-
	-	(16,519,589)	-	-	-
Total	41,108,723	-	-	-	-
	(2,612,421)	(24,369,382)	-	-	-
Expenditure for Services received					
Network18	62,080,743	-	-	-	-
	(12,685,770)	-	-	-	-
Digital18	-	2,647,506	-	-	-
	-	(300,000)	-	-	-
Infomedia	-	31,462,024	-	-	-
	-	(880,000)	-	-	-
Newswire18	-	5,427,302	-	-	-
	-	-	-	-	-
Setpro18	-	1,407,629,703	-	-	-
	-	(415,432,974)	-	-	-
TV18 UK	-	4,620,105	-	-	-
	-	(2,171,417)	-	-	-
E-eighteen	-	2,989,476	-	-	-
	-	(149,989)	-	-	-
Network18 Pub	-	-	-	-	4,502,430
	-	-	-	-	(258,931)
Colosseum	-	54,093,301	-	-	-
	-	-	-	-	-
Web Chutney (*)	-	568,000	-	-	-
	-	-	-	-	-
Wespro	-	-	-	-	299,250
	-	-	-	-	-
TEIL	-	-	-	-	-
	-	(129,252,127)	-	-	-

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in Rupees)

Transactions	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Joint venture	Entity under significant influence
Greycell18	-	-	-	-	-
SM	-	-	-	-	(460,000)
RS	-	-	(10,287,097)	-	-
SG	-	-	18,028,500	-	-
TV18 Homeshop	-	-	(14,424,000)	-	-
Web18	-	-	2,233,614	-	-
Viacom18	-	-	(1,724,358)	-	-
	-	-	-	2,474,649	-
	-	-	-	-	-
Total	62,080,743 (12,685,770)	1,509,437,417 (554,468,344)	20,262,114 (26,435,455)	2,474,649 -	4,801,680 (718,931)
Reimbursement of expenses received					
Network18	108,949,330 (10,682,393)	-	-	-	-
Bigtree	-	267,319 (213,054)	-	-	-
Digital18	-	29,538,697 (1,431,536)	-	-	-
E-Eighteen	-	57,487,645 (94,960)	-	-	-
Greycell18	-	3,172,098	-	-	-
Infomedia	-	11,674,313 (33,677)	-	-	-
NewsWire18	-	122,924	-	-	-
Setpro18	-	24,401,760 (19,634,404)	-	-	-
TV18 Homeshop	-	9,365,919 (107,300)	-	-	-
Colosseum	-	29,326	-	-	-
TEIL	-	-	-	-	-
Web18	-	(52,532,330)	-	-	-
IBN Lokmat	-	(3,353,780)	-	-	-
Viacom18	-	-	-	23,092,844 (16,931,251)	-
	-	-	-	23,363,436 (98,040)	-
Total	108,949,330 (10,682,393)	136,060,000 (77,401,041)	- -	46,456,280 (17,029,291)	- -

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in Rupees)

Transactions	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Joint venture	Entity under significant influence
Reimbursement of expenses paid					
Network18	156,869,188 (86,292,729)	- -	- -	- -	- -
E-Eighteen	-	987,504 (248)	- -	- -	- -
Infomedia	-	1,630,948 (6,734,200)	- -	- -	- -
Setpro18	-	386,454,601 (368,612,736)	- -	- -	- -
TV18 Homeshop	-	213,260 (949,600)	- -	- -	- -
Digital18	-	934,080 (240,000)	- -	- -	- -
TEIL	-	- (100,822,148)	- -	- -	- -
Web18	-	- (83,273)	- -	- -	- -
IBN Lokmat	-	-	-	482,177 (1,906,428)	- -
Viacom18	-	-	-	7,360,237 (5,156,955)	- -
Total	156,869,188 (86,292,729)	390,220,393 (477,442,205)	- -	7,842,414 (7,063,383)	- -
Assets purchased					
Network18	2,429,400 -	- -	- -	- -	- -
Colosseum	-	1,286,500 -	- -	- -	- -
TV18 Homeshop	-	- (2,089,120)	- -	- -	- -
TEIL	-	- (150,000)	- -	- -	- -
Total	2,429,400 -	1,286,500 (2,239,120)	- -	- -	- -
Loan Received During the year					
Network18	3,049,000,000 (420,000,000)	- -	- -	- -	- -
N-18 Holding	-	- (495,000,000)	- -	- -	- -
RVT Investment	-	- (450,000,000)	- -	- -	- -
Total	3,049,000,000 (420,000,000)	- (945,000,000)	- -	- -	- -

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in Rupees)

Transactions	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Joint venture	Entity under significant influence
Loan Given					
N18 GSP	-	-	-	-	307,500,000
	-	-	-	-	(2,262,600,000)
RS	-	-	50,000,000	-	-
	-	-	-	-	-
Total	-	-	50,000,000	-	307,500,000
	-	-	-	-	(2,262,600,000)
Loan Repaid					
Network18	3,049,000,000	-	-	-	-
	(870,000,000)	-	-	-	-
N-18 Holding	-	-	-	-	-
	-	(495,000,000)	-	-	-
RVT Investment	-	-	-	-	-
	-	(1,924,718,781)	-	-	-
N18GSP	-	-	-	-	1,530,100,000
	-	-	-	-	(1,034,500,000)
Total	3,049,000,000	-	-	-	1,530,100,000
	(870,000,000)	(2,419,718,781)	-	-	(1,034,500,000)
Sale of Investment					
TEML	-	269,040,000	-	-	-
	-	-	-	-	-
Total	-	269,040,000	-	-	-
	-	-	-	-	-
Balance at the year end					
Loan and Advance receivable (Outstanding against cost allocation expenses reimbursement)					
Network18	-	-	-	-	-
	(5,074,206)	-	-	-	-
Digital18	-	33,090,218	-	-	-
	-	(3,426,265)	-	-	-
e-Eighteen	-	67,081,496	-	-	-
	-	(10,214)	-	-	-
Greycell18	-	19,537,155	-	-	-
	-	-	-	-	-
Infomedia	-	19,999,977	-	-	-
	-	(23,177,166)	-	-	-
Network18 Pub	-	-	-	-	14,219,467
	-	-	-	-	(325,910)
NW18 GSP	-	-	-	-	527,926,074
	-	-	-	-	-
TV18 Homeshop	-	67,255,834	-	-	-
	-	(5,137,348)	-	-	-
Colosceum	-	161,495	-	-	-
	-	-	-	-	-

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in Rupees)

Transactions	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Joint venture	Entity under significant influence
Web Chutney	-	40,164	-	-	-
Web-18	-	-	-	-	-
Bigtree	-	(22,197,476)	-	-	-
Newswire	-	(407,140)	-	-	-
Setpro18	-	(841,834)	-	-	-
IBN Lokmat	-	(5,939)	-	-	-
Viacom18	-	-	-	11,210,508	-
	-	-	-	(5,125,477)	-
	-	-	-	14,965,319	-
	-	-	-	(10,254,524)	-
Total	- (5,074,206)	207,166,337 (55,203,382)	- -	26,175,827 (15,380,001)	542,145,541 (325,910)
Loan and Advance receivable (Loans given outstanding including interest accrued)					
TEMIL	-	997,224,891	-	-	-
B. K. Holding	-	-	-	-	-
N-18 Holding	-	161,558,983	-	-	-
	-	-	-	-	-
	-	6,325,371	-	-	-
	-	-	-	-	-
Total	- -	1,165,109,245 -	- -	- -	- -
Debtors					
Network18	58,735,364	-	-	-	-
Bigtree	-	-	-	-	-
Digital18	-	760,892	-	-	-
E-Eighteen	-	-	-	-	-
Greycell18	-	45,420,018	-	-	-
Infomedia	-	-	-	-	-
Network18 Pub	-	221,777	-	-	-
TEML	-	-	-	-	-
TV18 Homeshop	-	26,310,856	-	-	-
Web18	-	140,183,631	-	-	-
Viacom18	-	-	-	-	-
	-	-	-	-	-
	-	196,674,970	-	-	-
	-	-	-	-	-
	-	7,797,021	-	-	-
	-	12,412	-	-	-
	-	-	-	-	-
	-	-	-	26,456,304	-
	-	-	-	-	-
Total	58,735,364 -	417,381,577 -	- -	26,456,304 -	25,461,214 -

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in Rupees)

Transactions	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Joint venture	Entity under significant influence
Creditors					
Network18	22,137,443 (28,852,032)	-	-	-	-
E18 Ltd.	-	61,259 (61,259)	-	-	-
Newswire18	-	537,174	-	-	-
Setpro18	-	153,490,328 (18,967,287)	-	-	-
TV18 UK	-	1,040,578 (813,295)	-	-	-
TEML	-	50,802,861 (399,394)	-	-	-
Infomedia	-	3,253,600	-	-	-
TV18 Homeshop	-	53,401 (230,126)	-	-	-
Colosceum	-	10,299,460	-	-	-
Digital18	-	1,424,080	-	-	-
Web18	-	-	-	-	-
e-Eighteen	-	(4,985,050)	-	-	-
TEIL	-	(162,129)	-	-	-
	-	(37,130,014)	-	-	-
Total	22,137,443 (28,852,032)	220,962,742 (62,748,553)	-	-	-
Share Application Money paid pending allotment					
Viacom18	-	-	-	-	-
	-	-	-	(320,100,000)	-
Total	-	-	-	320,100,000	-
Corporate Guarantee given to as outstanding					
Ibn Lokmat	-	-	-	124,500,000	-
	-	-	-	(124,500,000)	-
Total	-	-	-	124,500,000 (124,500,000)	-
Corporate Guarantee Taken from as outstanding					
Network18	-	-	-	-	-
	(1,669,600,000)	-	-	-	-
TEIL	-	-	-	-	-
	-	(320,000,000)	-	-	-
Total	(1,669,600,000)	(320,000,000)	-	-	-

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in Rupees)

Transactions	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Joint venture	Entity under significant influence
Investments at year end					
Web18 Holding	-	-	-	-	-
	-	(1,848,836)	-	-	-
Viacom18	-	-	-	-	-
	-	-	-	(1,500,000)	-
IBN Lokmat	-	-	-	25,000,000	-
	-	-	-	(25,000,000)	-
Total	-	-	-	25,000,000	-
	-	(1,848,836)	-	(26,500,000)	-
Security Deposit					
Network18	-	-	-	-	-
	(3,391,250)	-	-	-	-
Total	-	-	-	-	-
	(3,391,250)	-	-	-	-

Figures in italics pertains to the previous year.

Notes :

* In webchutney, out of total expenditure of Rs. 568,000, expenses of Rs. 400,000 was capitalised by AETN during the year.

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

38. Rights issue

The Company 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:

(Amount in Rupees)

Objects of the issue	Proposed utilization	Actual utilization
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	209,250,000
General corporate purposes	995,324,000	995,320,000
Rights issue expenses*	200,000,000	191,227,714
Total	5,095,324,000	5,045,801,714

* Surplus available after actual expenses incurred (including provisions) on rights issue have been utilized towards investment in Viacom18.

The balance unutilised amount Rs. 46,457,536 are temporarily parked with the banks in deposit accounts.

39. Barter Transactions

During the year ended 31 March 2012, the Group had entered into barter transactions, which were recorded at the fair value of consideration receivable or payable. The Income from operations for the year ended 31 March, 2012 has been net off to reflect revenue from barter transactions of Rs. 109,927,679 (previous year Rs. 102,321,794) and expenditure of Rs. 116,194,774 (previous year Rs. 93,925,912) being the fair value of barter transactions provided and received.

40. Foreign currency exposure

The Group does not use foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Group's foreign currency exposure not hedged by a derivative instrument or otherwise as at year end is as follows:

	Amount as on 31.03.2012		
	Foreign Currency	Foreign Currency	Rupee Equivalent
Trade Receivables	AUD	24,353 (5,000)	1,245,899 (160,000)
	CAD	1,225 (-)	63,688 (-)
	GBP	216,650 (75,000)	17,721,958 (5,430,000)
	SGD	41,214 (-)	1,699,645 (-)
	USD	6,985,851 (765,000)	357,352,650 (3,405,000)
Trade Payables	AUD	2,413 (-)	129,912 (-)
	EURO	38,721 (1,500)	2,646,159 (110,000)
	GBP	21,787 (16,307)	1,782,205 (1,288,295)

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Amount as on 31.03.2012		
	Foreign Currency	Foreign Currency	Rupee Equivalent
Loans and Advances	SGD	1,327 (60,000)	54,743 (2,060,000)
	USD	6,602,624 (1,249,148)	337,790,257 (56,135,830)
	AED	5,000 (-)	70,572 (-)
	EURO	13,654 (-)	933,080 (-)
	GBP	131 (-)	10,703 (-)
	SGD	141 (-)	5,794 (-)
	USD	381,000 (225,000)	19,491,969 (10,235,000)

Figures in bracket are for previous year.

41. Obligation on long term, non-cancellable operating leases

i) Obligation towards operating leases (As lessee)

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. The Group has taken various residential/ commercial premises under cancellable /non-cancellable operating leases. The cancellable lease agreements are normally renewed on expiry. Rent amounting to Rs 234,092,246 (Previous year Rs. 118,096,912) has been debited to the consolidated statement of profit and loss during the year. The details of future minimum lease payments under leases are as under:

Particulars	As at 31.03.2012	As at 31.03.2011
Not later than one year	265,014,301	121,117,596
Later than one year but not later than five years	682,633,639	137,341,119
More than five years	507,838,908	1,196,414

ii) Obligation towards Finance leases (As lessee)

The company has entered into finance lease arrangements for certain equipments which provide the company an option to purchase the assets at the end of the lease period. Finance Lease payment amounting to Rs. 824,973 (Previous year Rs. 163,447) has been paid during the year. The total minimum lease payments and its present value and discounted at the interest rate implicit in the lease are:

a. Minimum lease payments

	As at 31.03.2012	As at 31.03.2011
Not later than 1 year	3,869,805	848,987
Later than 1 year but not later than 5 years	11,618,473	1,190,855
	15,488,278	1,375,248

b. Present value of minimum lease payments

	As at 31.03.2012	As at 31.03.2011
Not later than 1 year	2,263,687	653,853
Later than 1 year but not later than 5 years	8,452,854	1,190,855
	10,716,541	1,844,708

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

c. Reconciliation:

	As at 31.03.2012	As at 31.03.2011
Total Minimum Lease Payments as above	15,488,278	2,224,235
Less: Future Finance charges	4,771,737	379,527
Net Present Value	10,716,541	1,844,708

42. During the year, the Viacom18 Media Private Limited has charged onetime cost towards impairment of film rights amounting to Rs. 693,009,861 (50% share) to reflect the realisable value of the film library held by its subsidiary company, The Indian Film Company (Cyprus) Limited (TIFC). Network18 Holdings Limited, Cayman Islands (Network18) (subsidiary of Network 18 Media & Investments Limited) has fully indemnified TIFC against any diminution in the value of film rights existing as on the date of valuation and accordingly the Viacom18 has recognised Rs. 1,086,309,861 (50% share) as Indemnity Income. This has been done vide letter agreements dated September 30, 2010 and May 28, 2011 executed in favor of Roptonal Limited, holding company of TIFC, and assignment of receivable to TIFC vide letter dated September 30, 2011. The amounts receivable under the above letter agreements are receivable from Network18 within 30 days from 21 July, 2014. The one time impairment charge and the other income receivable from Network18 pursuant to the abovementioned letters are disclosed as Exceptional Items.

43. Interest in Joint Ventures

The Company's interest, as a venturer, in jointly controlled entity as at March 31, 2012 is:

Name of the entity	Country of Incorporation	% Voting power held
IBN Lokmat News Private Limited	India	50%
Viacom18 Media Private Limited	India	50%

The following amounts represent the Company's share of the assets and liabilities and revenue and expenses of the joint ventures and are included in the consolidated balance sheet and consolidated statement of profit and loss:

(a) IBN Lokmat

Particulars	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
Assets		
1 Non - current assets		
- Fixed assets	58,643,064	76,444,499
- Long - term loans and advances	83,500	287,363
2 Current assets		
- Inventories	26,455	33,769
- Trade receivables	28,330,013	28,716,087
- Cash and cash equivalents	12,728,727	14,942,828
- Short - term loans and advances	1,785,735	2,828,856
- Other current assets	18,149,963	20,484,950
Liabilities		
3 Non - current liabilities		
- Long - term borrowings	20,875,000	44,125,000
- Long - term provisions	2,315,565	2,571,187

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
4 Current liabilities		
- Short - term borrowings	6,746,834	5,813,865
- Trade payables	28,239,420	22,025,216
- Other current liabilities	42,081,881	49,333,508
	Year ended 31.03.2012 (Rupees)	Year ended 31.03.2011 (Rupees)
5 Revenue		
- Revenue from operations	87,712,231	77,956,885
- Other income	439,435	288,030
6 Expenses:		
- Employee benefits expenses	45,046,902	41,235,625
- Finance costs	10,562,316	12,145,017
- Depreciation and amortization expenses	18,986,415	18,498,513
- Operating and other expenses	95,686,850	104,772,598
7 Profit / (Loss) before tax	(82,130,816)	(98,406,839)
8 Profit / (Loss) for the year	(82,130,816)	(98,406,839)

(b) Viacom18

Particulars	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
Assets		
1 Non - current assets		
- Fixed assets	681,534,184	537,511,046
- Long - term loans and advances	261,487,735	68,060,166
- Other non- current assets	1,086,309,861	-
- Deferred Tax Assets (Net)	32,260,702	60,000,000
- Non-current Inventories	1,964,789,564	3,109,156,209
2 Current assets		
- Current Investments		30,257,643
- Inventories	977,722,687	346,429,611
- Trade receivables	2,628,552,579	1,976,360,100
- Cash and cash equivalents	282,364,323	1,549,448,668
- Short - term loans and advances	1,046,029,771	781,374,588
- Other current assets	1,049,346	799,850
Liabilities		
3 Non - current liabilities		
- Long - term borrowings	990,000,000	1,000,000,000
- Long - term provisions	126,290	110,463
4 Current liabilities		
- Short - term borrowings	1,522,258,543	1,504,426,693
- Trade payables	1,935,415,609	1,633,653,361
- Other current liabilities	336,116,220	399,052,183
- Short - term provisions	10,167,954	7,677,634

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended 31.03.2012	Year ended 31.03.2011
5 Revenue		
- Revenue from operations	7,918,648,848	5,491,994,901
- Other income	15,356,999	37,466,381
6 Expenses:	-	
- Employee benefits expenses	641,610,162	358,822,279
- Finance costs	332,556,564	96,154,242
- Depreciation and amortization expenses	41,427,993	40,562,090
- Operating and other expenses	7,848,055,609	4,565,136,023
7 Profit / (Loss) before Exceptional Items and Tax	(929,644,480)	468,786,649
- Impairment of Film Rights	(693,009,861)	-
- Recovery from indemnity	1,086,309,861	-
8 Profit / (Loss) before tax	(536,344,480)	468,786,649
9 Profit / (Loss) for the year	(564,083,778)	425,477,774

44. Disclosure of information in respect of the subsidiaries pursuant to Section 212 (8) of the Companies Act, 1956 and General Circular No: 2/2011 of the Ministry of Corporate Affairs:

(Amount in Rupees)

Name of Subsidiary	RVT Media	AETN18	ibn18 Mauritius
Reporting Currency	INR	INR	USD
Exchange Rate	1	1	51.16
Capital *	966,150	473,582,708	5,075
Reserves**	345,433,792	(310,547,688)	(444,092,390)
Total Assets	346,444,371	366,433,528	1,257,494,949
Total Liabilities	44,429	203,398,508	1,701,582,264
Investments (except in case of investments in subsidiaries)	-	-	-
Turnover (including other income)	6,943	96,702,771	76,539,772
Profit/(Loss) before taxation	(34,833)	(506,395,873)	75,841,666
Provision for taxation (including deferred tax)	-	-	1,549,970
Profit/(Loss) after taxation	(34,833)	(506,395,873)	74,291,696
Proposed Dividend	-	-	-
Country	India	India	Mauritius

* Including Share Application Money pending allotment

** Debit balance in statement of profit and loss to the extent not written off have been reduced from the reserves and surplus

TV18 Broadcast Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

45. The Board of Directors of the Company in the meeting of the Company held on 3 January, 2012 have considered and approved the issue of equity shares on rights basis for an amount aggregating upto Rs. 2,700 crores for acquisition of ETV channels, repayment of certain loans and general corporate purposes. The Company has filed Draft Letter of Offer dated 1 March 2012 with SEBI and necessary approval from SEBI is awaited.
46. The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Figures pertaining to the Company, subsidiary and joint venture have been reclassified wherever necessary to bring them in line with the Group financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

RAGHAV BAHL
Director

SANJAY RAY CHAUDHURI
Director

GURDEEP SINGH PURI
General Manager - Finance

HITESH KUMAR JAIN
AGM-Corporate Affairs
and Company Secretary

Noida
4 August, 2012

This Page has been intentionally left blank

TV18 Broadcast Limited

Regd. Office : 503, 504 & 507, 5th floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi-110001.

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

(Pursuant to circulars no. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011)

To,
Link Intime India Private Limited
Unit: TV18 Broadcast Limited
A-40, 2nd Floor,
Naraina Industrial Area, Phase - II
Near Batra Banquet Hall,
New Delhi - 110 028.

Dear Sir,

I/ We shareholder (s) of TV18 Broadcast Limited ("the Company"), agree to receive all notices and documents including the Annual Report, Notice for General Meetings and other Shareholders Communications, being sent by the Company from time to time, in electronic mode (through e-mail).

I/ We request you to kindly register my/ our belowmentioned email id in the Company's records for sending such communication through e-mail.

Folio No. _____/DP ID No.* _____ & Client ID No.* _____

*Applicable for members holding shares in electronic form.

Name of the Sole/ First Shareholder : _____

Name of the Joint Shareholders (if any) : _____

No. of shares held : _____

E-mail id for receipt of documents in electronic mode : _____

Date:

Place:

Signature: _____
(Sole/ First Shareholder)

Note:

1. Shareholders are requested to inform the Company's Registrar and Share Transfer Agent as and when there is change in their registered email id.
2. For shares held in demat form, shareholders are also requested to inform/ update their email-id to their respective Depository Participants.

This Page has been intentionally left blank

NOTES

NOTES

NOTES

NOTES

NOTES

NOTES

NOTES



TV18 BROADCAST LIMITED

Regd. Office : 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi-110001.

ATTENDANCE SLIP

(TO BE SIGNED AND HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

I/We hereby record my/our presence at the 7th ANNUAL GENERAL MEETING of the above named Company held at 10.00 A.M. on Friday, the 14th September, 2012 at MPCU, Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Niwas Marg, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi - 110054.

NAME(S) OF THE MEMBER(S) _____	Registered Folio No. <input type="text"/>
ADDRESS _____ _____ _____	Client ID No. <input type="text"/>
	DP ID No. <input type="text"/>
	No. of shares held <input type="text"/>

Name of Proxy (in block letters)

(To be filled in, if the Proxy attends instead of the Member)

Signature



TV18 BROADCAST LIMITED

Regd. Office : 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi-110001.

PROXY FORM

I/We _____ of _____ being a Member(s) of **TV18 BROADCAST LIMITED** hereby appoint _____ of _____ or failing him/her _____ of _____ or failing him/her _____ of _____

as my/our Proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 7th ANNUAL GENERAL MEETING of the above named Company to be held at 10.00 A.M. on Friday, the 14th day of September, 2012 at MPCU, Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Niwas Marg, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi - 110054.

AS WITNESSED under my/our hand(s) this _____ day of _____ 2012

Signed by the said _____

Regd. Folio / Client ID No. _____

DP ID No. _____

Affix
Re. 1
Revenue
Stamp

NOTES :

1. This Proxy need not be a member
2. This Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.