



# ANNUAL REPORT 2013-14



# TV18 Broadcast Limited

## BOARD OF DIRECTORS

Mr. Manoj Mohanka	-	Chairman
Mr. Raghav Bahl	-	Director
Mr. Hari S. Bhartia	-	Director

## DGM - CORPORATE AFFAIRS & COMPANY SECRETARY

Mr. Hitesh Kumar Jain

## STATUTORY AUDITORS

Deloitte Haskins & Sells LLP, Chartered Accountants

## BANKERS

ICICI Bank Limited  
 ING Vysya Bank Limited  
 Kotak Mahindra Bank Limited  
 Yes Bank Limited

## REGISTRAR & SHARE TRANSFER AGENT

LINK INTIME INDIA PRIVATE LIMITED

44, Community Centre, 2nd Floor,  
 Naraina Industrial Area, Phase-I,  
 Near PVR Naraina,  
 New Delhi – 110028  
 Email: delhi@linkintime.co.in

## COMPANY ADDRESSES

### Registered Office

503, 504 & 507, 5th Floor,  
 Mercantile House,  
 15, Kasturba Gandhi Marg,  
 New Delhi – 110001

Phone : (011) 49812600

Fax : (011) 41506115

Email : investors.ibn18@network18online.com

Website: www.network18online.com

### Corporate Office

Express Trade Tower,  
 Plot No. 15 & 16, Sector 16A,  
 Noida - 201 301, U.P.

Phone : (0120) 434 1818

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## NOTICE

Notice is hereby given that the 9<sup>th</sup> Annual General Meeting of the members of **TV18 Broadcast Limited ("the Company")** will be held on Tuesday, September 30, 2014 at 12.00 noon at Tivoli Garden Resort, Khasra No. 646-653, Chattarpur Road, Near Chattarpur Mandir, New Delhi-110074 to transact the following businesses:

**ORDINARY BUSINESS:**

1. To consider and adopt:
  - (a) the audited financial statement of the Company for the financial year ended March 31, 2014, the reports of the Board of Directors and Auditors thereon; and
  - (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2014.
2. To appoint a Director in place of Mr. Raghav Bahl (DIN 00015280), who retires by rotation at this Annual General Meeting and, being eligible, has offered himself for re-appointment.
3. To appoint Statutory Auditors of the Company and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:  
**"RESOLVED THAT** pursuant to the provisions of Sections 139, 141, 142 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the recommendation of the Audit Committee of the Board of Directors, Deloitte Haskins & Sells, LLP (Firm Registration No.117366W/W-100018), be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 12<sup>th</sup> Annual General Meeting of the Company in the calendar year 2017, subject to ratification by the members at every Annual General Meeting, on such remuneration as shall be fixed by the Board of Directors of the Company, in place of M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 015125N), the retiring Auditors of the Company, who have expressed their unwillingness to be re-appointed as Statutory Auditors of the Company at the ensuing Annual General Meeting."

**SPECIAL BUSINESS:**

4. To appoint Mr. Manoj Mohanka (DIN: 00128593) as an Independent Director and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Clause 49 of the Listing Agreement, Mr. Manoj Mohanka (DIN: 00128593), who was appointed as a Director liable to retire by rotation and

in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 1 (one) year till the conclusion of the 10<sup>th</sup> Annual General Meeting."

5. To appoint Mr. Hari S. Bhartia (DIN: 00010499) as an Independent Director and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Hari S. Bhartia (DIN 00010499), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 1 (one) year till the conclusion of the 10<sup>th</sup> Annual General Meeting."

6. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2015 and in this regard to consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Pramod Chauhan & Associates, Cost Accountants (Membership No. 17073), the Cost Auditors, appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid remuneration of Rs. 2,50,000 (Rupees two lakhs and fifty thousand only);

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

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

**"RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the provisions of the Articles of Association of the Company, approval of the members be and is hereby accorded to authorise the Board of Directors of the Company (hereinafter referred

to as "the Board" which term shall be deemed to include any committee which the Board may constitute, to exercise its powers, including the powers conferred by this resolution) to borrow, from time to time, any sum or sums of money at its discretion, for the purposes of the business of the Company, which together with the moneys already borrowed by the Company and remaining outstanding (apart from temporary loans obtained from the Company's bankers in the ordinary course of business or which is repayable on demand or within a period of six months) may exceed at any point of time, the aggregate of the paid-up share capital, free reserves, that is to say reserves which are available for distribution as dividend and the securities premium account by a sum not exceeding Rs. 1,500 crore (Rupees One thousand five hundred crore);

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

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

"**RESOLVED THAT** pursuant to the provisions of Sections 42, 71 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the provisions of the Articles of Association of the Company, approval of the members be and is hereby accorded to authorize the Board of Directors of the Company to offer or invite subscriptions for secured / unsecured redeemable non-convertible debentures, in one or more series / tranches, aggregating up to Rs. 1000 crore (Rupees one thousand crore), on private placement, on such terms and conditions as the Board of Directors of the Company may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said Debentures be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected with or incidental thereto;

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

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

"**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies

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

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

**By order of the Board  
For TV18 Broadcast Limited**

**Hitesh Kumar Jain**  
DGM-Corporate Affairs  
& Company Secretary

Place: Mumbai  
Date: August 12, 2014

**Registered Office:**  
503, 504 & 507, 5th Floor,  
Mercantile House,  
15, Kasturba Gandhi Marg,  
New Delhi-110001  
CIN - L74300DL2005PLC137214  
e-mail: investors.ibn18@network18online.com

#### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("THE MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. A BLANK PROXY FORM IS ENCLOSED HERewith AND IF INTENDED TO BE USED, THE FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act") which sets out details relating to Special Businesses to be transacted at the Meeting, is annexed hereto.
3. M/s. Deloitte Haskins & Sells, Chartered Accountants, (Firm Registration No. 015125N), existing auditors of the Company, hold office till the conclusion of this Meeting. However, they have expressed their unwillingness to be re-appointed at the ensuing Meeting. M/s. Deloitte



Haskins & Sells, LLP (DHS LLP) (Registration No. 117366W/W-100018), an audit firm within the same network of the existing auditors of the Company, has conveyed their willingness to be appointed as Auditors of the Company.

M/s. Deloitte Haskins & Sells, Chartered Accountants, (Firm Registration No. 015125N) were appointed as the first auditors of the Company in the financial year 2005-06 and would complete nine years at this Meeting. Accordingly, in terms of the provisions of Section 139(2) of the Act read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014, the Board of Directors have recommended the appointment of DHS LLP as auditors of the Company to hold office for a term of 3 years from the conclusion of this Meeting till the conclusion of the 12<sup>th</sup> Annual General Meeting of the Company in the calendar year 2017.

The Company has received letter from DHS LLP to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Act and that they are not disqualified for appointment.

4. Corporate Members are required to send a duly certified copy of the Board Resolution/Power of Attorney/other valid authority, authorising their representative to attend and vote at the Meeting, as required under Section 113 of the Act.
5. Members/Proxy are requested to bring a copy of this notice. Those members who have not received a copy of the Annual Report can collect their copy from the Registered Office of the Company.
6. Members/Proxies should complete and hand over duly signed attendance slips at the Meeting to record their attendance.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. The Registers of Members and Share Transfer Books of the Company will be closed from Monday, September 29, 2014 to Tuesday, September 30, 2014, both days inclusive for the purpose of the Annual General Meeting.
9. 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.
10. Brief resume of Directors proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter se* as stipulated under Clause 49 of the Listing Agreement, are provided in the Corporate Governance Report forming part of the Annual Report.
11. Certificate from the Statutory Auditors of the Company certifying that the Employees' Stock Option Plans of the Company have been implemented in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and shareholders resolution(s) shall be placed before the Meeting.

12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

13. Pursuant to provisions of Section 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed amount of IPO refund to the Investor Education and Protection Fund (IEPF) established by the Central Government.

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

14. The relevant documents referred to in the accompanying notice and explanatory statement are available for inspection at the Registered Office of the Company on all working days except holidays, during business hours up to the date of the Meeting.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Company's Registrar, M/s. Linkintime India Private Limited ('Linkintime').
16. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Act are requested to write to Linkintime.
17. Members who hold shares in multiple folios or joint accounts in the same order of names are requested to send the share certificates to Linkintime or contact their depository participant as the case may be, for consolidation into a single folio.
18. **Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communications including Notice, Annual Report, circulars, etc. from the Company electronically.**
19. **In compliance with provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules 2014, the Company is pleased to provide members with facility to exercise their votes by electronic means (e-voting). Communication containing detailed instructions in this regard is being sent separately.**

## STATEMENT IN RESPECT OF SPECIAL BUSINESSES PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (THE “ACT”):

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

### Item Nos. 4 and 5

Mr. Manoj Mohanka and Mr. Hari S. Bhartia are Independent Directors of the Company and have held the positions as such for more than 5 (five) years.

Section 149 of the Companies Act 2013 (“Act”) *inter alia* stipulates the criteria of independence, should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

It is proposed to appoint Mr. Manoj Mohanka and Mr. Hari S. Bhartia as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for a term up to 1 (one) year till the conclusion of the 10<sup>th</sup> Annual General Meeting.

Mr. Manoj Mohanka and Mr. Hari S. Bhartia are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mr. Manoj Mohanka and Mr. Hari S. Bhartia for the office of Directors of the Company.

The Company has also received declarations from Mr. Manoj Mohanka and Mr. Hari S. Bhartia that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Manoj Mohanka and Mr. Hari S. Bhartia fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Mr. Manoj Mohanka and Mr. Hari S. Bhartia are independent of the management.

Brief resume of Mr. Manoj Mohanka and Mr. Hari S. Bhartia, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the draft letters for respective appointments of Mr. Manoj Mohanka and Mr. Hari S. Bhartia as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

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

Mr. Manoj Mohanka and Mr. Hari S. Bhartia are interested in the resolutions set out respectively at Item Nos. 4 and 5 of the Notice with regard to their respective appointments.

The relatives of Mr. Manoj Mohanka and Mr. Hari S. Bhartia may be deemed to be interested in the resolutions set out respectively at Item Nos. 7 and 8 of the Notice, to the extent

of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out at Item Nos. 4 and 5 of the Notice for approval by the shareholders.

### Item No.6

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Pramod Chauhan & Associates, Cost Accountants (Membership No. 17073), as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 as set out in the resolution, excluding applicable taxes and out of pocket expenses, which shall be paid on actual basis.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

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

### Item No.7

The members of the Company vide resolution passed through postal ballot on June 18, 2007, had authorized the Board of Directors of the Company to borrow monies, from time to time, up to Rs. 1,500 crore in excess of the aggregate of the paid-up share capital and free reserves of the Company in terms of Section 293(1)(d) of the Companies Act, 1956.

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

In view of the requirements under the Act and the General Circular no. 04/2014 dated March 25, 2014 issued by the Ministry of Corporate Affairs, it is proposed to seek approval of shareholders under Section 180(1)(c) of the Act by a special resolution for the same borrowing limits as earlier approved by the shareholders under Section 293(1)(d) of the Companies Act, 1956 i.e., authorizing the Board of Directors of the Company to borrow, from time to time, an amount not exceeding Rs. 1,500 crore (Rupees One thousand five hundred crore only) in excess of the aggregate of the paid-up share capital, free reserves (that is to say, reserves which are available for distribution as dividend) and securities premium account.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

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

#### Item No. 8

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

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

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 8 of the Notice. This resolution enables the Board of Directors of the Company to offer or invite subscription for non-convertible debentures, as may be required by the Company, from time to time for a year from the conclusion of this Annual General Meeting.

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

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

#### Item No. 9

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

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

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

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

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

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

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

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

**By order of the Board  
For TV18 Broadcast Limited**

**Hitesh Kumar Jain**  
DGM-Corporate Affairs  
& Company Secretary

Place: Mumbai  
Date: August 12, 2014

**Registered Office:**  
503, 504 & 507, 5th Floor,  
Mercantile House,  
15, Kasturba Gandhi Marg,  
New Delhi-110001  
CIN - L74300DL2005PLC137214  
e-mail: investors.ibn18@network18online.com

## DIRECTORS' REPORT

Dear Members,

### TV18 Broadcast Limited

Your Directors are pleased to present the **9<sup>th</sup> Annual Report** together with the Company's Audited Accounts for the financial year ended March 31, 2014.

### ACQUISITION OF CONTROLLING STAKE BY INDEPENDENT MEDIA TRUST AND CHANGE IN PROMOTERS

Independent Media Trust (IMT), of which Reliance Industries Limited is the sole beneficiary, has acquired a controlling stake of the promoter group entities namely RB Mediasoft Private Limited, RRB Mediasoft Private Limited, Adventure Marketing Private Limited, Watermark Infratech Private Limited, Colorful Media Private Limited, RB Media Holdings Private Limited and RB Holdings Private Limited (Holding Companies) from Mr. Raghav Bahl and Ms. Ritu Kapur on July 7, 2014. Pursuant to such acquisition, IMT has acquired control over Network18 Media & Investments Limited ("NW18"), the holding company.

Consequently, Mr. Raghav Bahl, Ms. Ritu Kapur and the other existing promoters / promoter group of the Company (other than NW18 and Holding Companies) have ceased to be promoters / promoter group of the Company from July 7, 2014. Further, IMT, Reliance Industries Limited, the Holding Companies and NW18 are the promoters of the Company from July 7, 2014.

In terms of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, IMT has made an open offer to acquire up to 44,65,10,110 Equity Shares of face value of Rs. 2/- each of the Company at an offer price of Rs. 30.18 per Offer Share aggregating Rs. 1,347.57 crore payable in cash.

### FINANCIAL RESULTS

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

(Rs. in crore)

Particulars	Standalone	
	2013-14	2012-13
<b>Total Revenues</b>	<b>531.45</b>	570.47
Profit / (loss) before interest and depreciation	<b>130.34</b>	135.39
Less: Interest	<b>22.47</b>	101.02
Depreciation	<b>20.91</b>	22.91
Profit / (loss) before tax	<b>59.54</b>	11.46
Less: Provision for taxes / deferred tax	<b>0.33</b>	1.23
<b>Net Profit / (Loss) after tax</b>	<b>59.21</b>	10.22
<b>Earning Per Share (Basic)</b>	<b>0.35</b>	0.11
(In Rs.)		

Your Company reported a net profit of Rs. 59.21 crore on total revenue of Rs. 531.45 crore in the financial year ended March 31, 2014 as against Rs. 10.22 crore on total revenue of Rs. 570.47 crore during the previous year.

Subsequent to the date of Balance Sheet, during the quarter ended June 30, 2014, based on a review of the current and non-current assets, the Company has accounted for (a) provision for obsolescence/impairment in the value of certain tangible

and intangible assets to the extent of Rs. 52.00 crore and (b) write-off and provisions of non-recoverable and doubtful loans/advances/receivables to the extent of Rs. 62.17 crore. Similar adjustments have been made in the quarterly financial statements of the subsidiaries and joint ventures whereby the Company, in the consolidated financial statements, has accounted for (a) provision for obsolescence/impairment in the value of certain tangible and intangible assets to the extent of Rs. 123.42 crore and (b) write-off and provisions of non-recoverable and doubtful loans/advances/receivables to the extent of Rs.86.55 crore. These adjustments have been made in the financial results for the quarter ended June 30, 2014 and have been disclosed as 'Exceptional Items' and have no impact on the future operating profit and cash flows of the business of the Company.

### DIVIDEND

In order to conserve the resources, the Board of Directors has not recommended any dividend for the financial year ended March 31, 2014.

### MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

### DEPOSITS

During the financial year 2013-14, your Company has not invited any fresh deposits.

Your Company has been regular in payment of interest and repayment of the Fixed Deposits. As at March 31, 2014, the total amount of deposits outstanding was Rs. 48.33 crore. Further, 366 deposits amounting to Rs. 2.54 crore had matured for payment as on March 31, 2014 but remained unclaimed. Your Company has sent reminders to these deposit holders.

### CREDIT RATING

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

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

### ACQUISITION OF ETV CHANNELS

During the year, subsequent to receipt of all regulatory approvals, your Company has successfully completed the acquisition of -

- 100% interest in regional news channels in Hindi namely ETV Uttar Pradesh, ETV Madhya Pradesh, ETV Rajasthan, ETV Bihar and ETV Urdu (ETV News Channels);



# TV18 Broadcast Limited

- (ii) 50% interest in ETV Marathi, ETV Kannada, ETV Bangla, ETV Gujarati and ETV Oriya (ETV non Telugu GEC Channels); and
- (iii) 24.50% interest in ETV Telugu and ETV Telugu news (ETV Telugu Channels).

Your Company will have Board and Management Control of ETV News Channels and ETV non Telugu GEC Channels.

The aforesaid interest has been transferred to the Company with effect from January 22, 2014. Post acquisition, 3 (three) more channels in regional news segment, ETV Bangla, ETV Kannada and ETV Haryana, were successfully launched.

## NEWS18 INDIA

During the year, your Company enhanced its product portfolios in international markets with the launch of 'News18 India', a 24-hr television news channel designed to give global audiences a window into the world's largest democracy. News18 India is being distributed in the UK and other international market by IndiaCast.

## EMPLOYEES' STOCK OPTION SCHEME

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

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

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

## CORPORATE GOVERNANCE

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

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

## DIRECTORS AND MANAGEMENT

Mr. Raghav Bahl, Non-Executive Director, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. Your Board has recommended his re-appointment.

Mr. Manoj Mohanka and Mr. Hari S. Bhartia, Independent Directors of the Company, liable to retire by rotation, are holding the positions as such for more than 5 (five) years. As per Section 149 of the Companies Act 2013 ("Act") independent director is not liable to retire by rotation. Further Clause 49 of the Listing Agreement, *inter alia*, prescribes the

conditions for the appointment of independent directors by a listed company. Accordingly Mr. Manoj Mohanka and Mr. Hari S. Bhartia are proposed to be re-appointed as Independent Directors not liable to retire by rotation to hold office as such for 1 (one) year upto the conclusion of 10<sup>th</sup> Annual General Meeting of the Company in calendar year 2015.

Mr. Manoj Mohanka and Mr. Hari S. Bhartia have confirmed to the Company that they meet the criteria of independence as specified under Section 149(6) of Act and they are not disqualified from being appointed as Directors in terms of Section 164 of the Act. The Company has received notices in writing from member of the Company proposing the re-appointment of Mr. Manoj Mohanka and Mr. Hari S. Bhartia as Independent Directors.

Mr. Sanjay Ray Chaudhuri resigned from the Board of Directors of the Company w.e.f. July 7, 2014. The Directors of the Company place on record their appreciation for the valuable contribution made by Mr. Sanjay Ray Chaudhuri during his tenure as Director of the Company.

Mr. Saikumar Ganapathy Balasubramanian resigned from the office of Manager of the Company w.e.f. May 28, 2014 and Mr. RDS Bawa resigned from the office of CFO of the Company w.e.f. May 29, 2014.

## CONSOLIDATED FINANCIAL STATEMENTS

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

## SUBSIDIARY COMPANIES

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

## TRANSFER OF AMOUNT TO THE INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 205C of the Companies Act, 1956, the application money received for the allotment of shares of the Company in its IPO which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company on due date to the Investor Education and Protection Fund.

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- i) in the preparation of the annual accounts for the financial year ended March 31, 2014, the applicable Accounting Standards read with the requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- ii) 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 March 31, 2014 and of the profit of the Company for the year ended on that date;
- iii) the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the Directors have prepared the accounts for the financial year ended March 31, 2014 on a 'going concern' basis.

**AUDITORS AND AUDITORS' REPORT**

M/s. Deloitte Haskins & Sells, Chartered Accountants, existing auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting (AGM). However, M/s. Deloitte Haskins & Sells, have expressed their unwillingness to be re-appointed at the ensuing AGM. M/s. Deloitte Haskins & Sells, LLP (DHS LLP) (Registration No. 117366W/W-100018), an audit firm within the same network of the existing auditors of the Company, has conveyed their willingness to be appointed as Auditors of the Company.

M/s. Deloitte Haskins & Sells were appointed as the first auditors of the Company in the financial year 2005-06 and would complete nine years at the ensuing AGM. Accordingly, in terms of the provisions of Section 139(2) of the Companies Act, 2013 read with Rule 6 of the Companies (Audit & Auditors) Rules, 2014, the Board of Directors recommend the appointment of DHS LLP as auditors of the Company to hold office for a term of 3 years from the conclusion of the ensuing AGM till the conclusion of the 12<sup>th</sup> AGM.

The Company has received letter from DHS LLP to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for appointment.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

**COST AUDITORS**

Your Company had appointed M/s. Pramod Chauhan & Associates, as the Cost Auditor of the Company for the financial year 2013-14 for conducting the audit of the Cost Records of the Company.

**PARTICULARS OF EMPLOYEES**

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

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

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

**A. Conservation of Energy**

Your Company is not an energy intensive unit; however possibilities are continuously explored to conserve energy and to reduce energy consumption at production and 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, and discussion sessions for optimum utilization of available resources and to improve operational efficiency.

**C. Foreign Exchange Earnings and Outgo**

The Foreign Exchange Earnings and Outgo are given below:

Particulars	Amount Rs. in crore
Total Foreign Exchange Earned	14.36
Total Foreign Exchange Used	50.00

**Acknowledgment**

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

**For and on behalf of the Board of Directors**

**Manoj Mohanka**      **Raghav Bahl**  
Director                      Director

Place: Mumbai  
Date : August 12, 2014

## Annexure - I

**Disclosures as required under the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 as on March 31, 2014 :**

Sl. No.	Particulars	Details
1	Options Granted	Nil
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	3,436,822
4	Options Exercised	Nil
5	Total No. of Shares arising as a result of exercise of Options	Nil
6	Options Lapsed (forfeited & expired)	1,966,385
7	Variation in terms of Options	On October 28, 2013 the exercise price of 8,411,127 options has been modified to Rs. 22.95 and exercise period was extended upto March 2, 2015. Exercise period of 54,133 options was extended upto February 5, 2015.
8	Money realized by exercise of Options	Nil
9	Total number of Options in force as on March 31, 2014	8,992,822
10	Employee wise details of Options granted during the year, to Senior Management Personnel Any other employee who received a grant in any one year of Options amounting to 5% or more of Options granted during the year Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil Nil 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'.	0.35
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 that shall have been recognized if it had used the fair value of the option	Intrinsic value as per SEBI ESOP guidelines Rs. 6,204,717/-
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. 592,105,500/- (Rs. 6,204,717/-) Rs. 585,900,783/- 0.34 0.34
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.)	Not Applicable
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 the Black Scholes pricing model for valuation of options. The main assumptions used are as under: 8.18% 6.21 years 33.43 % 0 No options granted during the year ended March 31, 2014.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Industry Status<sup>1</sup>

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

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

(Source: FICCI-KPMG Report 2014)

### Key areas of growth – Fundamental Drivers

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

- **Driven by consumer:**
  - o Increasing per capita consumption of the Indian population along with the influx of foreign capital and brands has led to the emergence of an ever increasing & a large consuming class. This population is globally aware and acquisitive in nature thereby increasing their propensity to spend on entertainment activities. Majority of this spend is directed towards television subscription, film & print, thereby positively impacting the 3 largest sub sectors in the media & entertainment industry.
  - o Compared to global average, India is lower on penetration of media, thereby signifying a large scope of growth in the coming future. The growing middle class is expected to drive the Indian media economy to its potential with increased spending on leisure & entertainment activities.
  - o Favourable demographic composition of the nation, commonly referred to as the 'demographic dividend', which essentially implies that a large proportion of the country's populace is young and in the working age group, thus allowing for greater future consumption upside
- **Driven by Industry & regulatory regime:**
  - o Television Digitization & the Rise of a digital ecosystem: This has been a defining trend in the global media industry especially in TV, music and films and now it is becoming evident in India as well. From an enhanced consuming experience for the end-user to greater addressability and monetization potential for the content provider; digitization can be a great value creator across the value chain. The year 2012 heralded perhaps the most significant development in the last decade for the cable television industry with the roll out of the mandatory Digital Addressable System (DAS). Both phases of digitisation saw significant progress in implementation of mandatory digital access system (DAS) across the four metros & next 38 cities. The industry now hopes to realize benefits over the medium term – including enhanced ability to monetize content, greater transparency and equitable revenue share across the value chain, lower burden of carriage fees and hence increased ability to invest in differentiated and sophisticated content.
  - o Focus on Regional markets: Tier 2 and Tier 3 towns account for majority of India's urban consumption. Regional television and print continued its strong growth trajectory owing to growth in income and consumption in the regional markets. National advertisers are looking at these markets as the next consumption hubs and local advertisers are

<sup>1</sup> Source: FICCI KPMG Report 2014 & other Industry Reports



learning the benefits of marketing their products. Leading domestic and international M&E companies are realising the growing importance of regional media and thus are investing in these markets.

- o Niche Genres: There exists a strong advertiser interest in targeting wealthy and urban consumers focused on luxury brands and youth. To cater to this demand by both consumers & advertisers, TV broadcasters have recently launched new niche channel genres such as home shopping, crime, science, travel and lifestyle, while newspapers have launched special interest supplements.
- o Regulatory and Policy Support: Regulatory interventions have been a key enabler of growth for the sector. Anticipated developments in 2014 such as continued cable DAS rollout, Phase 3 licensing for Radio and 4G launch, will spur growth in the medium term.
- o Other Key Enablers: Alongwith the above mentioned, gradual de-regulation in industry policies, easier availability of institutional capital for funding growth and the opening up of global markets for Indian media content have facilitated growth.

#### • Driven by Technology

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

#### Opportunities, Growth Drivers and Concerns<sup>2</sup>

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

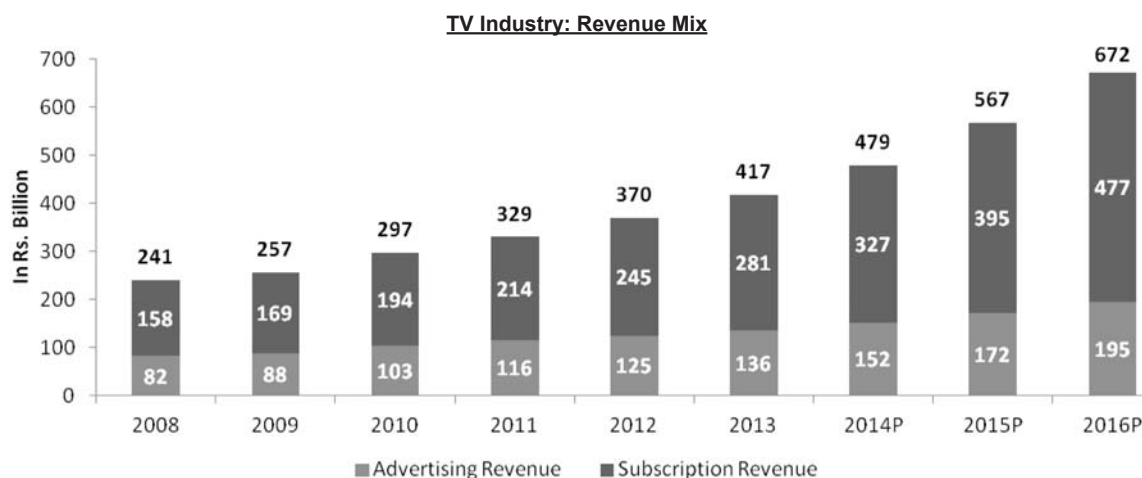
Our parent, Network18 Media & Investments Ltd, is a media and entertainment company in India, with interests in television, internet, filmed entertainment, digital commerce, magazines, mobile content and allied businesses. TV18 Broadcast Ltd [BSE: 532800, NSE: TV18BRDCST] operates broadcast, filmed entertainment and content aggregation assets.

#### The Indian Television Industry<sup>3</sup>

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

<sup>2</sup> Source: FICCI KPMG Report 2014 & other Industry Reports

<sup>3</sup> Source: FICCI KPMG Report 2014



Source: KPMG Analysis, Industry Analysis

#### Key trends & growth drivers for the Indian Television Industry<sup>4</sup>

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

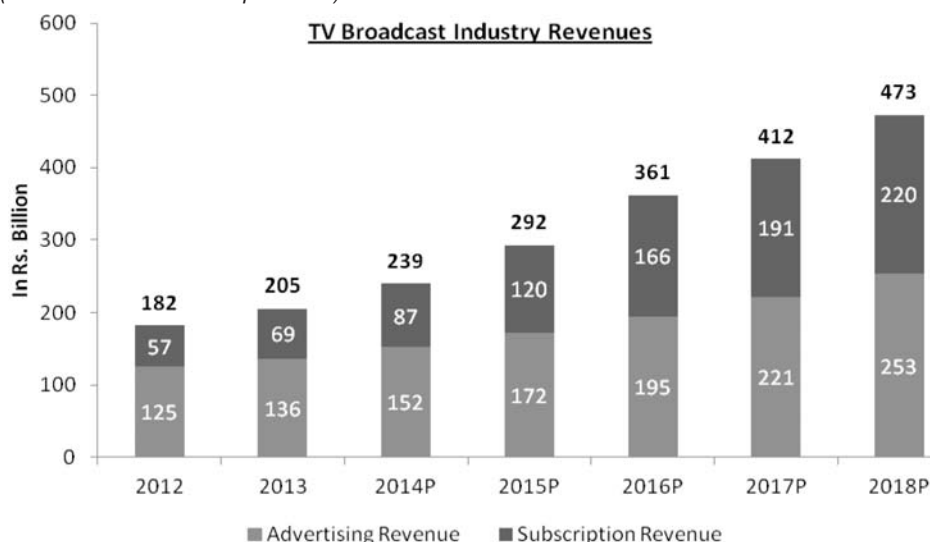
- Significant potential for growth, based on TV penetration levels: India is estimated to have around 161 million TV households in 2013, which implies a TV penetration of approximately 60%. In 2018, TV penetration is estimated to rise to approximately 70%, which still offers potential for penetration-led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

<sup>4</sup> Source: FICCI KPMG Report 2014

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continued their dominant position in 2013 with a 30% share of viewership, higher than its share of 29.3% in 2012. Regional Entertainment channels (excluding News) collectively accounted for 23.1% of the total viewership with Regional GECs across languages accounting for 18% share of the viewership. The key drivers of growth in the regional broadcasting space continue to be richness of content, better cultural fit and better engagement in contrast to mass Hindi programming. Regional channels also stand to benefit more from the successful completion of Phases III & IV of digitisation, especially niche genres in regional languages. (Source: FICCI KPMG Report 2014)

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



Source: KPMG Analysis, Industry Analysis

## Key risks & challenges for the Indian Television Industry<sup>5</sup>

- **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

<sup>5</sup> Source: FICCI KPMG Report 2014

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that issues ranging from infrastructural (Availability of boxes, customer support) and funding to customer education are addressed strongly in every successive phase.

- **Advertising Environment risks:** As an industry, the television sector continues to be substantially dependent on advertising revenues. However, these revenues are in turn strongly linked to changing economic sentiment and thus run the risk of volatility. In recent times, due to the domestic environment and global pressures, advertising growth has been muted considerably. Continuing the trend observed in the past few years, advertisement revenue growth was largely attributable to volume growth. Rates continued to remain flat or even declined in some cases. (Source: FICCI KPMG Report 2014)
- **Competition from other media:** Owing to multiple factors, including the mass nature of television, some proportion of advertising revenue is moving away and into media such as internet, mobile and radio which are relatively cheaper, more measurable and have greater local connect. Large advertisers from sectors such as FMCG, BFSI etc. are increasingly focusing on the internet and mobile as a key component of their media spending plans.
- **Content costs for channels:** As a result of the clutter and competitive pressures in the market, there has been a high degree of volatility in content costs which is a cause for concern.
- **Regulation:** The Indian broadcast industry is heavily regulated across a multitude of areas including distribution, taxation etc. Policy changes can have a material impact on the economic and strategic direction of the Industry.

## The Indian Film Industry<sup>6</sup>

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

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

## Key risks & challenges for the Indian Film Industry<sup>7</sup>

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

<sup>6</sup> Source: FICCI KPMG Report 2014

<sup>7</sup> Source: FICCI KPMG Report 2014, Internal Reports



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

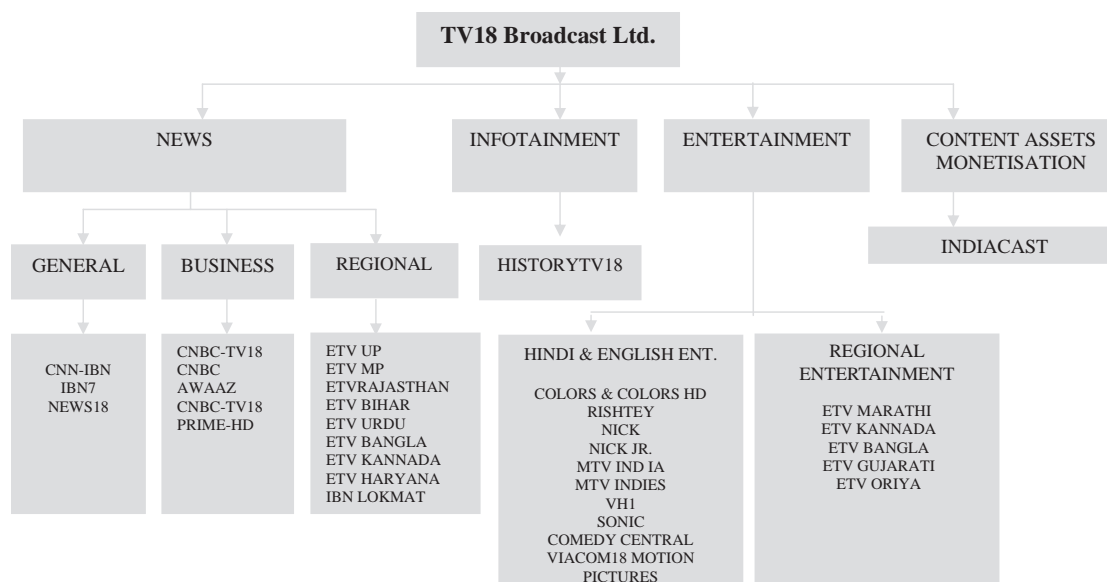
## BUSINESS OVERVIEW

Our parent, Network18 Media & Investments Ltd., is a leading media and entertainment company in India, with interests in television, internet, filmed entertainment, digital commerce, magazines, mobile content and allied businesses. TV18 Broadcast Ltd is one of India's popular television broadcasting networks. It includes one of India's leading news networks comprising channels such as CNBC-TV18, CNBC Awaaz, CNBC-TV18 Prime HD, CNN-IBN, IBN7 and IBN-Lokmat (a Marathi regional news channel in partnership with the Lokmat group). TV18 also operates a joint venture with Viacom, called Viacom18, which houses a portfolio of popular entertainment channels – Colors, Colors HD, Rishtey, MTV, MTV Indies, SONIC, Comedy Central, VH1, Nick, Nick Jr. and Nick Teen - and Viacom18 Motion Pictures, the group's film entertainment business. TV18 has also forayed into the Indian factual entertainment space through A+E Networks | TV18 (a joint venture between A+E Networks and TV18 Broadcast) and operates HistoryTV18. TV18 successfully completed the acquisition of ETV in this financial year and now houses a bouquet of 8 regional news channels; ETV Uttar Pradesh, ETV Madhya Pradesh, ETV Rajasthan and ETV Bihar, ETV Urdu channel, ETV Kannada, ETV Marathi & ETV Haryana along with 5 regional entertainment channels ETV Marathi, ETV Kannada, ETV Bangla, ETV Gujarati and ETV Oriya. To cover the global audience & sizable NRI population, TV18 launched News18 India, a 24 hour television news channel designed to give global audiences a window into the world's largest democracy. TV18 and Viacom18 have also formed a strategic joint venture called IndiaCast, a multi-platform 'content asset monetization' entity mandated to drive domestic and international channels distribution, placement services and content syndication for the bouquet of channels from TV18, Viacom18 and other broadcasters.

## ETV ACQUISITION

TV18 Broadcast Limited (TV18) successfully completed the acquisition of ETV channels on 22nd January 2014, post receipt of required regulatory approvals. The Board of Directors of (TV18) had earlier approved the acquisition of (i) 100% interest in regional news channels namely ETV Uttar Pradesh, ETV Madhya Pradesh, ETV Rajasthan and ETV Bihar and ETV Urdu channel, ETV Bangla, ETV Kannada and ETV Haryana ("ETV News Channels"); (ii) 50% interest in ETV Marathi, ETV Kannada, ETV Bangla, ETV Gujarati and ETV Oriya ("ETV non-Telugu GEC Channels") and (iii) 24.50% interest in ETV Telugu and ETV Telugu News ("ETV Telugu Channels").

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



# TV18 Broadcast Limited

## TELEVISION BROADCASTING

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

## NEWS

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

## Business News

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

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

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

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

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

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

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our market opening and closing shows are highly rated and are clear leaders in the genre. Another very big initiative on the channel is Pehredaar – India's strongest & one of the most authoritative consumer grievance redressal forums.

### General News

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

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

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

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

**News18:** TV18 launched News18 India, a 24 hour television news channels targeting global audiences. Unlike other Indian news services available in international markets which are essentially re-transmissions of the local domestic channels in India, News18ramming that reflects the interests and needs of the large & highly engaged Diaspora spread across the globe.

### REGIONAL NEWS

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

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

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

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- **ETV Uttar Pradesh:** Launched since 26<sup>th</sup> January 2002, ETV UP is a leader in the market with 24% market share (Source: TAM, TG; CS 15+, Market; UP, Period; Week 22'14). The channel offers both information and wholesome entertainment for the whole family. ETV UP telecast some special news bulletins like Khas Khabar, Apna UP, Apna Uttarkhand, Rajdhani se, News@9 and Do Took.
- **ETV Madhya Pradesh:** Catering to both urban & rural viewers in the Hindi heartland, ETV Madhya Pradesh enjoys a market share of 17% and is a leader among its peers like, Sadhna News, IBC 24 (Source: TAM, TG; CS 15+, Market; MP, Period; Week 22'14). The channel provides authentic, informative, news based- current affairs programmes, breaking stories and in-depth features.
- **ETV Rajasthan:** Launched since, 26<sup>th</sup> January 2002, ETV Rajasthan has been the leader in the market since its launch. Currently, it gathers 51% market share (Source: TAM, TG; CS 15+, Market; Rajasthan, Period; Week 22'14) and provides both entertainment program & Informational news shows.
- **ETV Bihar:** Launched since, 26<sup>th</sup> January 2002, the channel gathers 60% market share. The channel covers a range of infotainment & entertainment programmes.
- **ETV Urdu:** Launched in 15<sup>th</sup> August 2001, ETV Urdu was India's first Urdu language based infotainment channel. Catering to Urdu speaking population both in India & abroad, the channel enjoys a market share of 67% (Source: TAM, TG; CS 15+, Market; HSM, Period; Week 22'14).
- **ETV Kannada, ETV Bangla** have been recent additions to the TV18 - ETV bouquet of channels. The channels have been launched to cater to the leading regional markets in India with Kannada language commanding 12% & Bengali language commanding 11% viewership share among all regional channels in 2013, as per FICCI – KPMG report, 2014.
- **ETV Haryana:** Launched in March 2014, this channel aims to expand the reach of the network to northern states of Haryana and Himachal Pradesh. The content mix will largely cover local news across various genres along with national stories from rest of the nation.

### GENERAL ENTERTAINMENT

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

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

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

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

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

**MTV India:** Globally, MTV has been the number one destination across platforms for young people. In India, together the MTV franchise attracts 10 million monthly visits on web, has 1 million followers on Twitter and more than 600,000 fans on Facebook across its content properties Roadies, Splitsvilla, Coke Studio@MTV, Stuntmania, Reality Stars. MTV engages with its audience



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through cult shows like MTV Roadies, Coke Studio@MTV; and iconic VJ's like Rannvijay, Nikhil, Anusha & Bani, and hugely engaging digital properties like Roadies Battleground, etc. Targeted brand licensing makes MTV products available across unique categories like cosmetics & Smartphone. In March 2014, **MTV Indies** was launched from the MTV stable on digital cable with footprint of 17 Mn+ households. The channel is targeting youth and is themed around local independent and alternative culture in the areas of music, film, art and other content

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

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

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

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

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

### REGIONAL ENTERTAINMENT

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

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

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## FACTUAL ENTERTAINMENT

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

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

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

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

## FILM BUSINESS

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

## CONTENT ASSET MONETISATION - Broadcast & New Media Aggregation

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

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

Internationally, IndiaCast has a portfolio of close to 10 channels (including Colors, MTV India International, Rishtey and various ETV regional services) that are viewed in over 70 countries as linear services. With a rich content library of 15,000 hours across genres, IndiaCast Syndicates the content from the group in close to 100 countries in over 20 languages (including Hebrew,

Russian, Serbian, Bosnian, Albanian, Macedonian, Croatian, Azeri, Kazakh, Swahili, English among others). With many 'Firsts' to its credit IndiaCast has ensured that the content from the Network 18 group (including linear distribution & syndicated shows) is now available in over 125 countries.

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

RECENT INDUSTRY AWARDS : TV18 GROUP			
COLORS			
Awards	Category	Winners	Gold / Silver / Bronze
Buzziest Brands 2014	Media & Entertainment	Colors	Silver
The Advertising Club's Emvies	Best Media Innovation – TV Series	Bigg Boss Season 6 – Vodafone 'Made for You' Innovation	Silver
Out of Home Advertising Awards 2014	Most Effective Outdoor Plan	24 – The Show	Silver
The Smarties India Award	Best Mobile App	Jhalak Dikhla Jaa	--
The Indian Television Awards 2013 - General Awards	Best Serial – Comedy	Comedy Nights with Kapil	--
	Best Actor – Comedy	Kapil Sharma – Comedy Nights with Kapil	--
	GR8! Face of the Year - Male	Sidharth Shukla – Balika Vadhu	--
Big Star Entertainment Awards	Most entertaining Comedy Show	Comedy Nights with Kapil	--
CNN IBN Indian of the Year Awards	Entertainment Category	Kapil Sharma	--
VIACOM18 MOTION PICTURES			
Awards	Category	Winners	Film
National Awards	Best Popular Film providing wholesome Entertainment		Bhaag Milkha Bhaag
	Best Choreography	Ganesh Acharya - 'Masto Ka Jhund'	Bhaag Milkha Bhaag
	Best Sound Design		Madras Café
	Best Location Sound		Madras Café
Dada Saheb Phalke Film Festival 14	Best Film - Jury		72 Miles - Ek Pracas-Marathi Film
IIFA Awards	Best Film		Bhaag Milkha Bhaag
	Best Actor (Male)	Farhan Akhtar	Bhaag Milkha Bhaag
	Best Supporting Actor (Female)	Divya Dutta	Bhaag Milkha Bhaag
	Best Director	Rakeysh Omprakash Mehra	Bhaag Milkha Bhaag
	Best Cinematography	Binod Pradhan	Bhaag Milkha Bhaag
	Best Story	Prasoon Joshi	Bhaag Milkha Bhaag
	Best Screenplay	Prasoon Joshi	Bhaag Milkha Bhaag
	Best Dialogue	Prasoon Joshi	Bhaag Milkha Bhaag
	Best Editing	P S Bharti	Bhaag Milkha Bhaag
	Best Sound Design	Nakul Kamte	Bhaag Milkha Bhaag
	Best Sound Mixing	Pranav Shukla	Bhaag Milkha Bhaag
	Best Background Score	Shankar-Ehsaan- Loy	Bhaag Milkha Bhaag
	Best Costume Designing	Dolly Ahluwalia	Bhaag Milkha Bhaag
	Best Make-Up	Vikram Gaikwad	Bhaag Milkha Bhaag

Star Guild Awards 2014	Best Film		Bhaag Milkha Bhaag
	Best Performance in a Leading Role (Male)	Farhan Akhtar	Bhaag Milkha Bhaag
	Best Performance in a Supporting Role (Female)	Divya Dutta	Bhaag Milkha Bhaag
	Best Story	Prasoon Joshi	Bhaag Milkha Bhaag
	Best Screenplay	Prasoon Joshi	Bhaag Milkha Bhaag
	Best Cinematography	Binod Pradhan	Bhaag Milkha Bhaag
	Best Sound Mixing award	Biswadeep Chatterjee	Madras Café
	Best Editing award	Chandrashekhar Prajapati	Madras Café
20th Annual Life OK Screen Awards	Best Film		Bhaag Milkha Bhaag
	Best Actor (Male)	Farhan Akhtar	Bhaag Milkha Bhaag
	Best Child Artist	Japtej Singh	Bhaag Milkha Bhaag
	Best Background Score	Shankar-Ehsaan- Loy	Bhaag Milkha Bhaag
	Best Director	Shoojit Sarcar	Madras Café
	Best Sound Designer	Biswadeep Chatterjee	Madras Café
	Best Action	Manohar Verma	Madras Café
	Ram Nath Goenka Memorial		Madras Café
Big Star Entertainment Awards 2013	Best Actor Female in a Thriller film	Mahie Gill	Saheb Biwi Aur Gangster Returns
	Best Actor Male in a Thriller film	Jimmy Shergill	Saheb Biwi Aur Gangster Returns
	Most Entertaining Thriller Film		Saheb Biwi Aur Gangster Returns & Madras Café
	Most Entertaining Film Award		Bhaag Milkha Bhaag
	Best Singer Male	Siddharth Mahadevan - Zinda Hai Toh	Bhaag Milkha Bhaag
59th Idea Filmfare Awards 2013:	Best Film		Bhaag Milkha Bhaag
	Best Performance in a Leading Role (Male)	Farhan Akhtar	Bhaag Milkha Bhaag
	Best Director	Rakeysh Omprakash Mehra	Bhaag Milkha Bhaag
	Best Lyrics	Prasoon Joshi	Bhaag Milkha Bhaag
	RD Burman Award for Upcoming New Music Talent	Siddharth Mahadevan	Bhaag Milkha Bhaag
	Best Production Design Award	Acropolis Design	Bhaag Milkha Bhaag
	Best Costume Award	Dolly Ahluwalia	Bhaag Milkha Bhaag
	Best Cinematography Award	Kamaljit Negi	Madras Café
	Best Sound Design Award	Bishwadeep Chatterjee and Nihar Ranjan Samar	Madras Café
Zee Cine Awards 2014	Best Film Jury		Bhaag Milkha Bhaag
	Best Actor (Male) Jury	Farhan Akhtar	Bhaag Milkha Bhaag
	Best Supporting Actor (Female) Jury	Divya Dutta	Bhaag Milkha Bhaag
	Best Director	Rakeysh Omprakash Mehra	Bhaag Milkha Bhaag
	Best Sound Design Award	Bishwadeep Chatterjee	Madras Café
	Best Production Design Award		Bhaag Milkha Bhaag
MTV			
<b>Awards</b>	<b>Category</b>	<b>Winners</b>	<b>Gold / Silver / Bronze</b>
Yahoo Big Idea Chair	Bets 360 Digital Campaign of the Year	MTV Roadies X	--



Abby Awards	Branded Content - Best Use of Integration of Music	Coke Studio @ MTV Season 2	Silver
	Branded Content - Best Use of Integration of Music	MTV Sound Trippin	Silver
	Branded Content & Entertainment (Best Brand All Product Integration into a Feature film)	Drive with MTV	Bronze
Global Youth Marketing Forum	Best Integrated Campaign	MTV Philips mPower Pack	--
	Social Application of the Year	MTV Count your Drinks	--
	Social Media Campaign of the Year	CEAT MTV Chase The Monsoon	--
Pitch Youth Marketing Summit	Digital Media Campaign of the Year	Nano Drive with MTV	--
	Effective Digital Media Strategy	CEAT MTV Chase the Monsoon	Bronze
	Best Use of Brand Ambassador	Sneha Khanwalkar (MTV Sound Trippin)	Gold
	Youth Marketing Company of the Year	MTV India	--
	Media Youth Brand of the Year	MTV India	--
Campaign India Crest Digital Media Awards	Young Marketer of the Year	MTV India	--
	Best Use of Online Applications	MTV Roadies X Predictions	Silver
	Best Use of Website Blogs	MTV India Blogs	Silver
<b>NICKELODEON &amp; SONIC</b>			
<b>Awards</b>	<b>Category</b>	<b>Winners</b>	<b>Gold / Silver / Bronze</b>
FICCI - BAF 2014	Best Animated TV Episode (Indian)	Pakdam Pakdai Episode	--
India's Most Attractive Brands -2013- TRA's Report	Most Attractive Brand – TV – Kids Channel 2013	Nick	--
Promax India - 2013	Best Programme Title Sequence	Terror of Horror	Gold
	Best On Air Branding Design	Sonic India	Silver
Promax World - 2013 (Nominations)	Holiday/Seasonal/Special Event Program Spot	Nasty Valentines Promo	Finalist
	Holiday/Seasonal/Special Event Program Spot	Power Rangers Super Samurai Contest Announcement Promo	Finalist
	Holiday/Seasonal/Special Event Program Spot	Nick Ninja Hattori Fresh - All new episodes	Finalist
<b>VH1</b>			
<b>Awards</b>	<b>Category</b>	<b>Winners</b>	<b>Gold / Silver / Bronze</b>
Promax India 2013	Best on-air ident design (in-house)	Superheroes	Silver
<b>COMEDY CENTRAL</b>			
<b>Awards</b>	<b>Category</b>	<b>Winners</b>	<b>Gold / Silver / Bronze</b>
Promax India 13	Best comedy promo	The stand-up club "yoga"	Gold
	Best sound design	South park tees "twisted"	Gold
	Best sound design	South park tees "dirty"	Silver
	Best editing	South park tees "dirty"	Gold
	Best editing	South park tees "twisted"	Silver
	Best brand integration promo	South park tees "dirty"	Gold
	Best brand integration promo	South park tees "twisted"	Silver
	Funniest spot	The stand-up club "yoga"	Silver
Promax Asia 2013	Best comedy promo	Anger management "angrier than" -60s (shoot promo)	Silver
	Funniest spot	South park tees "dirty"	Gold
	Funniest spot	South park tees "twisted"	Silver
	Best brand integration promo	South park tees "dirty"	Silver
	Best collateral material	Comedy central annual diary	Gold

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Promax World 2013	General channel image spot	Comedy central launch "funny bone"	Gold
	General channel image campaign	Comedy central launch "funny bone"	Gold
	Comedy program spot	The stand-up club "yoga"	Gold
	Comedy program campaign	That 70s show "circle of trust"	Silver
	Entertainment program campaign	The stand-up club "yoga"	Silver
	On-air consumer tie-in/brand integrated spot	South park tees "dirty"	Gold
	Funniest promo	Comedy central launch "funny bone"	Gold
	Funniest promo	South park tees "dirty"	Silver
	Copywriting	Comedy central launch "funny bone"	Gold
	Copywriting	The stand-up club "yoga"	Silver
	Copywriting	South park tees "dirty"	Bronze
	Directing	Comedy central launch "funny bone"	Gold
	Directing	The stand-up club "yoga"	Silver
E4M Youth Awards	Best youth brand of the year	Comedy central brand campaign	Silver
<b>CNBC-TV18</b>			
<b>Awards</b>	<b>Category</b>	<b>Winners</b>	<b>Gold / Silver / Bronze</b>
ENBA Awards 2013	Best business programme- English	Young Turks	--
	Best anchor- English	Shereen Bhan	--
	Best integration of a brand in a news programme- English	Making it big	--
	Young professional of the year editorial- English	Sonia Shenoy	--
	Young professional of the year business- English	Sana ally	--
NT Awards 2013	Best news programme - English	India business update	--
ITA Awards 2013	Best talk show - English	The appointment	--
<b>CNBC Awaaz</b>			
NT Awards 2013	TV news network promo - Hindi	Awaaz cycle & Awaaz highdrive	--
	Best use of graphics by a news channel - Hindi	Awaaz life promo	--
	Business news anchor - Hindi	Ashish Verma	--
<b>CNN-IBN</b>			
<b>Awards</b>	<b>Category</b>	<b>Winners</b>	<b>Gold / Silver / Bronze</b>
Indian Television Academy Awards	Best English News Channel	CNN – IBN	--
	Best News / Current Affairs Show	India at 9	--
	Best Anchor – Talk / Chat Show	Sagarika Ghose (Face the People)	--
The Ramnath Goenka Excellence in Journalism Awards	Uncovering India Invisible	Rupashree Nanda	--
	Sports Journalism	Smriti Advani & Priyanka Dube	--
	Reporting from J&K and the Northeast	Mufti Islah	--

News Television Awards	Best Investigative Programme (English)	Girls In Bondage	--
	Best Business Talk Show (English)	Rate the Budget	--
	Best Sports Talk Show (English)	The Big Cricket Poll Debate	--
	Best Awards Initiative by a News Channel (English)	Senior Citizen Awards	--
	Best Daily News Bulletin (English)	India at 9	--
	Best Current Affairs Special (English)	UP's Killing Fields	--
	Best News Debate Show (English)	India at 9	--
	Best Set Design (English)	CNN-IBN Indian of the Year	--
	Channel Packaging of the Year (English)	CNN-IBN	--
	Best Promo Campaign by a News Channel (English)	Putting Journalism First	--
	Best News Videographer (English)	Arul Prakasam	--
	Best TV News Presenter (English)	Suhasini Haidar	--
	Best News Channel Website	IBNLive.com	--
Exchange4Media News Broadcasting Awards	Best Talk Show - English	Muzaffarnagar Chaupal	--
	Best In-Show Graphics – English	World View (Race For White House)	--
	Best News Coverage National - English	Himalayan Tsunami	--
	Best News Coverage International – English	World View (Inside Myanmar)	--
	News Television Editor-in-Chief of the Year (English)	Rajdeep Sardesai	--
Chameli Devi Jain Awards	Outstanding Woman Media Person of the Year	Anubha Bhonsle	--
Laadli Awards	Laadli Media Awards for Gender Sensitivity 2013 in the Best Reporting category	Akansha Pradeep	--
Tiger Paw Sports Film Festival	Best News Feature	The Contenders (Women's Special)	--
<b>IBN 7</b>			
<b>Awards</b>	<b>Category</b>	<b>Winners</b>	<b>Gold / Silver / Bronze</b>
News Television Awards 2013 - Programming Awards	Best News Talk Show (Hindi)	Zindagi LIVE – (Living with Cancer)	--
	Awards Initiative by a News Channel (Hindi)	Zindagi Live Awards	--
Ramnath Goenka Excellence In Journalism Award	REPORTING ON POLITICS AND GOVERNMENT CATEGORY	Smita Sharma	--
ENBA AWARDS	Best Talk Show – Hindi	Zindagi Live (Living with Cancer)	--
	Best News Coverage National- Hindi	Salamat Rahein Apne	--
	Best News Coverage International- Hindi	Ground Zero Bangladesh	--
	Best Videographer- Hindi	Nizamuddin Ansari	--
	Young Professional of the Year Editorial- Hindi	Sakshi Khanna	--
	Best Website- Hindi	IBNKhbar	--

Laadli Media Awards For Gender Sensitivity	Best Investigative News Feature	Nishat Shamsi from Mumbai Bureau for his documentary 'YAHA LAGTI HAI DULHAN KI MANDI'	--
	Best Hindi Feature	Rana for her documentary 'SURROGATE MAA'	--
<b>IBN LOKMAT</b>			
<b>Awards</b>	<b>Category</b>	<b>Winners</b>	<b>Gold / Silver / Bronze</b>
Ramnath Goenka Awards	Excellence in Journalism	Kamalakar Devraukhkar- Garja Maharashtra- Vidi Kamgar episode	--
Ladli Media National Awards	Social Issues	Alka Dhupkar - IBNL Stories on Surrogate mothers	--
Sanskriti Kala Darpan Awards-2014	Best Marathi News Channel	IBN-Lokmat	--
NT Awards-2014	Special show	Great Bhet with Prakash Amte	--
	Entertainment Special Show	Great Bhet with Bharat jadhav	--
	Best Investgative Reporting	Silent Killer Fluorosis (Alka Dhupkar)	--
	News Documentary Award	Naraksafai-Reportaaz ( Dipti Raut)	--
	Best News Reporter	Prafulla Salunkhe	--
	Social Environment Awareness	Chamatkar Chamatkar (Alka Dhupkar)	--
	Best Entertainment Feature	Ed Mubarak	--
	Special Sports Show	Darna Mana hai(Priyanka Desai)	--
	Show Packaging	Youngistan Zindabad	--
	Best News Graphics	Bheti Lagi Jiva	--
	Best News Anchor Marathi	Alka Dhupkar	--
	Best News presenter	Renuka Joshi	--
	Awards Initiative by News channel	Mukta Sanman Awards	--
	Best promo	Aajacha Sawaal	--
	Current Affair special	Petlela Syria	--
<b>History TV18</b>			
<b>Awards</b>	<b>Category</b>	<b>Winners</b>	<b>Gold / Silver / Bronze</b>
Global Youth Marketing Forum	Most Impactful Youth Campaign	Tamas	--
	Best use of Social Networks	Pawn Stars	--
<b>ETV Marathi</b>			
<b>Awards</b>	<b>Category</b>	<b>Winners</b>	<b>Gold / Silver / Bronze</b>
Big Marathi Entertainment Awards 2013	Big Entertaining Series TV Non Fiction	Kon Hoeel Marathi Crorepati	--
	Big Entertaining Host TV Non Fiction	Sachin Khedekar	--
MaTa Sanman Awards 2014	Best TV Actress	Asawa Sundar Swapnacha Bangla	--
	Best Supporting Actress	Majhe Mann Tujhe Jhale	--
	Best Title song	Asawa Sundar Swapnacha Bangla	--
<b>ETV Gujarati</b>			
<b>Awards</b>	<b>Category</b>	<b>Winners</b>	<b>Gold / Silver / Bronze</b>
13th Transmedia Gujarati Screen & Stage Awards	Best Serial	Mathabhare Manjula	--
	Best Supporting Role (Female)	Mathabhare Manjula	--

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ETV Bangla			
Awards	Category	Winners	Gold / Silver / Bronze
Tele Academy Awards 2014	Best Serial (Popular Choice)	Dui Prithibi	--
	Best Supporting Actor	Ranga Mathay Chiruni	--
	Best Serial & Best Popular Serial	Sadak Bamakhyapa	--

## Financial Performance Summary

- Our TV18 Business (both News and Entertainment) was on a strong growth trajectory this year. Reported operating revenues for the television and motion pictures business (including IndiaCast) stood at Rs. 1968.1 crores for FY14.
- Our continuing broadcasting and motion pictures operations turned in a strong performance with reported operating profit (EBITDA) of Rs. 210.5 crores during the year, nearly doubling over Rs. 112.1 crores last year. Our Net Distribution Income continued its strong growth trajectory.
- The entertainment business annual operating profit (EBITDA) was up 2.9x, from Rs. 36.8 crores in FY13 to Rs. 108.4 crores in FY14.

TV18 Consolidated Summary		
All figures in Rs. crores	FY14 (Audited)	FY13 (Audited)
<b>Revenues (A+B+C)</b>	<b>1,968.1</b>	<b>1,699.0</b>
News and Infotainment	556.4	591.3
ETV News*	35.9	0.0
Entertainment - Television	715.4	613.2
ETV Entertainment*	62.9	0.0
IndiaCast (75% from the current year)	729.0	390.2
Less : Intersegmental eliminations (Broadcasting)	(233.3)	(71.9)
<b>Total Broadcasting operations (A)</b>	<b>1,866.4</b>	<b>1,522.8</b>
<b>Total Motion Pictures (B)</b>	<b>130.8</b>	<b>176.2</b>
<b>Less : Intersegmental eliminations (Motion Pictures) (C)</b>	<b>(29.1)</b>	<b>0.0</b>
<b>Operating Profit (A+B)</b>	<b>210.5</b>	<b>112.1</b>
News and Infotainment	116.9	77.9
ETV News*	14.5	0.0
Entertainment - Television	108.4	36.8
ETV Entertainment*	(9.2)	0.0
IndiaCast (75% from the current year)	3.0	(0.5)
Less : Intersegmental eliminations	(0.0)	0.0
<b>Total Broadcasting operations (A)</b>	<b>233.6</b>	<b>114.2</b>
<b>Total Motion Pictures (B)</b>	<b>(23.0)</b>	<b>(2.1)</b>
<b>Operating Margin (A+B)</b>	<b>11%</b>	<b>7%</b>
News and Infotainment	21%	13%
ETV News*	40%	-
Entertainment - Television	15%	6%
ETV Entertainment *	-15%	-
IndiaCast (75% from the current year)	0%	0%
<b>Total Broadcasting operations (A)</b>	<b>13%</b>	<b>8%</b>
<b>Total Motion Pictures (B)</b>	<b>-18%</b>	<b>-1%</b>

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



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ETV Summary (Non-Telugu)		
<i>All figures in Rs. crores - 100% Basis</i>	<b>FY14 (Audited)</b>	<b>FY13 (Audited)</b>
<b>Revenue</b>		
ETV News	142.0	107.2
ETV Entertainment	262.3	260.1
<b>Operating Profits</b>		
ETV News	61.9	29.8
ETV Entertainment	(95.2)	24.8
<b>Operating Margin</b>		
ETV News	44%	28%
ETV Entertainment	-36%	10%

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

**Net Distribution Income**

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

<b>2013</b>	<b>2014</b>				
<b>FY</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>FY</b>
<b>15.7</b>	<b>34.9</b>	<b>39.1</b>	<b>43.6</b>	<b>60.4*</b>	<b>178</b>

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

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

**News and Infotainment Operations**

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

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## News Operations

- **Business News Operations - CNBC-TV18, CNBC Awaaz, CNBC-TV18 Prime HD**
  - Our Business News operations sustained healthy operating margins of more than 30% despite the absence of Union Budget in this financial year. Reported annual operating revenues stood at Rs. 289.3 crores, with reported annual operating profits (EBITDA) of Rs. 93.3 crores.
  - Both, CNBC-TV18 and CNBC Awaaz continued to enjoy market leadership positions in FY13-14 (*Source: TAM, CS AB Males 25+, All India, weekdays, All days, 24 hours, Period: Wk 14'13-13'14 (31st Mar'13 to 29th Mar'14)*)
- **General News Operations - CNN-IBN, IBN7, IBN Lokmat**
  - General News operations grew margins significantly over the last year.
  - Reported annual operating profit (EBITDA) at Rs. 22 crores this year, up from Rs. 3.2 crores last year. Reported annual operating revenues stood at Rs. 239.7 crores in this financial year. The growth was achieved through a focus on operational efficiencies and a steady improvement in NDI.
- **Infotainment - HistoryTV18**
  - History TV18 broke into positive territory in FY14, as compared to a reported annual operating loss of Rs. 26.1 crores in FY13. Despite a soft advertising environment, the channel registered growth in operating profits (EBITDA) through improvement in net distribution income.

## Entertainment Business

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

## ETV News and Entertainment

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

## INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

TV18 maintains a robust system of internal controls, commensurate with the size & complexity of its business operations, which provides, inter alia, a reasonable assurance of protection against any probable loss of Company's assets caused by the misuse of powers by those who are in a position to have any influence on the working of the business verticals of the organization. It ensures the transactions of its business operation are recorded in all respect in a fair and transparent manner. The Company has an external and independent firm of Internal Auditors which scrutinizes the financials and other operations of the Company. The Internal Auditors report their findings directly to the Audit Committee which are in turn forwarded to the concerned departments/business verticals for taking corrective measures. Internal audit also ensures that applicable laws are being complied with in true spirit. The Audit Committee actively reviews the effectiveness and adequacy of the Internal Control Systems and takes steps for further strengthening wherever the need is felt.

# TV18 Broadcast Limited

## OUR STRENGTHS

### Strong portfolio of market - leading brands

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

We believe our market-leading brands allow us to cross-promote and cross-pollinate content through our television channels, digital and mobile properties and publications, attracting an increased number of users and greater advertising and subscription revenues. Further, based on our reputation and market-leading brands, if we choose to enter any other complementary media segments or genres, we believe we will be able to grow our advertiser and user base more quickly than many of our competitors. We have invested in, and continue to promote, our brands through a focus on quality content and the use of various promotional and marketing tools.

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

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

### Experienced management team

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

### Ability to collaborate strategically with global and local media companies

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

## HUMAN RESOURCES AND DEVELOPMENT

The human capital today is one of the most decisive factors in the success of a company and thus we strive for excellence in the entire employee life cycle. Your Company continuously recruits skilled professionals from various streams and undertake several initiatives to retain the talent pool. Your Company also places emphasis on development and enhancement of skills and capabilities of employees to prepare them for future challenges. The Company focuses on improved Employee Engagement through several enterprise level initiatives. Our detailed employee performance management system not only assesses individual performances, it also identifies areas where team members need training and development. The Company designs various training and development programs to ensure that professionals here continue to breach the productivity benchmarks by acquiring better skills and competencies. The Rewards and Recognition Programs here appreciate outstanding performers for their professionalism, dedication and outstanding contributions. Your Company has built a versatile and inspired pool talent that keeps looking for higher and bigger challenges. Our clutter breaking and innovative content is a result of our differentiated human capital. As on March 31, 2014 we had 1587 employees on Company's payroll.

## DISCLAIMER

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

## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The convergence of governance practices brings to the fore the critical role played by the Board to ensure governance framework enjoins far higher level of transparency and effective governance standards to enhance the competitiveness and to protect long term interests of all stakeholders. Corporate Governance, which assumes great deal of importance at TV18 Broadcast Limited (TV18 or Company), is intended to ensure consistent value creation for all its stakeholders.

TV18 believes that Corporate Governance rests upon the four pillars of transparency, full disclosure, independent monitoring and fairness to all, especially to minority shareholders. The Company has always strived to promote Good Governance practices, which ensures that:

- A competent management team is at the helm of affairs;
- The Board is effective in monitoring and controlling the Company's affairs;
- The Board is concerned about the Company's shareholders; and
- The Management and Employees have a stable environment.

The Securities and Exchange Board of India (SEBI) has specified certain mandatory governance practices, which are incorporated in Clause 49 of the Listing Agreement of Stock Exchange.

The Company is committed to benchmark itself with the best standards of Corporate Governance, not only in form but also in spirit. This section, along with the section on 'Management's Discussion and Analysis' and other General Informations for the shareholders, constitute the Company's compliance with Clause 49 of the Listing Agreement, entered into by the Company with the Stock Exchanges.

### PROMOTERS

Independent Media Trust ("IMT"), of which Reliance Industries Limited is the sole beneficiary, has acquired a controlling stake of the promoter group entities (Holding Companies) from Mr. Raghav Bahl and Ms. Ritu Kapur on July 7, 2014. Pursuant to such acquisition, IMT has acquired control over Network18 Media & Investments Limited ("NW18"), the holding company. Further, IMT, Reliance Industries Limited, Holding Companies and NW18 are the present promoters of the Company from July 7, 2014.

### BOARD OF DIRECTORS

The Board of Directors ("Board") is the highest governing authority and plays a crucial role in ensuring good governance in the organization by its progressive thinking and professional experience. The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and high standards of disclosure.

#### (A) Composition of the Board

The Composition of the Board of the Company is in conformity with the requirements of Clause 49 of the Listing Agreement. The Board consists of 3 (three) Directors with majority comprising Independent Directors. The Chairman of the Board of the Company is a Non-Executive Independent Director. None of the Directors are inter-se related to each other.

**The composition and the category of Directors on the Board of the Company are as under:**

Name of Director(s)	Category of Director (Executive / Non – Executive / Independent)	No. of Directorships Held in Other Companies <sup>(a)</sup>	No. of Chairmanships / Memberships of other Board Committees <sup>(b)</sup>	
			Chairmanship	Membership
Mr. Manoj Mohanka	Non-Executive Independent Chairman	5	2	4
Mr. Raghav Bahl	Non-Executive Director	13	-	1
Mr. Hari S. Bhartia	Non-Executive Independent Director	7	-	-

#### Notes:

- For the purpose of considering the total number of directorships, all Public Limited Companies, whether listed or not, have been considered. Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956 have not been included.*
- 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, excluding that of the Company, have been considered.*
- None of the Directors is a Chairman/ Member in more than 5/10 Committees across all Companies in which they are Directors.*
- Mr. Sanjay Ray Chaudhuri, ceased to be a Director of the Company w.e.f. July 7, 2014.*

## TV18 Broadcast Limited

### (B) Appointment/Re-appointment of Director(s):

Mr. Raghav Bahl, Director of the Company, retires by rotation at the ensuing Annual General Meeting and, being eligible, has offered himself for re-appointment.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, and Clause 49 of the Listing Agreement, Mr. Hari S. Bhartia and Mr. Manoj Mohanka, existing Non-Executive Independent Directors of the Company, are proposed to be re-appointed as Independent Directors to hold office as such for 1 (one) year up to the conclusion of 10<sup>th</sup> Annual General Meeting of the Company in calendar year 2015.

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

#### Mr. Raghav Bahl

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

Mr. Raghav Bahl holds 6,42,909 shares of the Company as on March 31, 2014. He is not related to any other Director of the Company.

Mr. Bahl is associated as Non-Executive Director of the Company since June 7, 2005. The details of his Directorship and Committee membership in other Public Limited Companies are as under:

S. No.	Name of other Public Limited Company(ies)	Position on the Board and Committees thereof
1	Network18 Media & Investments Limited	Director Member- Stakeholders Relationship Committee.
2	Digital18 Media Limited	Director
3	TV18 Home Shopping Network Limited	Director Member- Allotment Committee and Accounts Committee
4	Greycells18 Media Limited	Director
5	Web18 Software Services Limited	Director
6	Network18 Publications Limited	Director
7	Viacom18 Media Private Limited*	Director
8	IndiaCast Media Distribution Private Limited*	Director
9	Capital18 Fincap Private Limited*	Director
10	RRK Finhold Private Limited*	Director
11	RVT Finhold Private Limited*	Director
12	Stargaze Entertainment Private Limited*	Director
13	AETN18 Media Private Limited*	Director

\* Subsidiary of public company.

#### Mr. Manoj Mohanka

Mr. Manoj Mohanka has a B.Com (Hons) from St. Xavier's College, Calcutta University and a Master's degree with a major in strategic marketing from the Michael Smurfit Graduate School of Business, National University of Ireland. In addition, he is 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 23 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.

Mr. Manoj Mohanka holds 4,76,000 shares of the Company as on March 31, 2014. He is not related to any other Director of the Company.



Mr. Mohanka is associated as Non-Executive Independent Director of the Company since July 5, 2007. The details of his Directorship and Committee membership in other Public Limited Companies are as under:

S. No.	Name of other Public Limited Company(ies)	Position on the Board and Committees thereof
1	Titagarh Wagons Limited	Director Member- Shareholders Committee and Audit Committee.
2	Indian Terrain Fashions Limited	Director Member - Audit Committee.
3	3D Technopack Limited	Director
4	India Carbon Limited	Director Member- Audit Committee
5	Infomedia Press Limited	Director Chairman- Audit Committee and Investors' Grievance Committee

#### Mr. Hari Shankar Bhartia

Mr. Hari Shankar Bhartia is a chemical engineering graduate from Indian Institute of Technology ("IIT"), Delhi and was conferred the Distinguished alumni Award by his alma mater in 2000. Mr. Bhartia is the co-chairman of the Jubilant Group. Mr. Bhartia has over 23 years of experience in the pharmaceuticals, food, oil and gas, aerospace and information technology sectors. He has been associated in various capacities with the IIT system and with the Ministry of Human Resource Development, Government of India. He was Chairman of the Board of Governors with IIT Kanpur.

Mr. Bhartia is a past President of the Confederation of Indian Industry (CII) & a member of several educational, scientific and technological programmes of the Government of India. He is currently the Chairman of the Board of Governors of the Indian Institute of Management (IIM), Raipur and Member of the International Advisory Board of McGill University, Canada.

Mr. Bhartia is the Co-Chairman of India-Canada CEO's Forum appointed by the Prime Minister of India. He is also a member of CEO's Forum for India-USA, India-France and India-Sri Lanka and Joint Task Force for India-Myanmar & India-UAE. He is a regular participant at the World Economic Forum Annual Meeting in Davos and is a member of the World Economic Forum's International Business Council and the Health Governors.

Mr. Hari Shankar Bhartia does not hold any shares of the Company as on March 31, 2014. He is not related to any other Director of the Company.

Mr. Bhartia is associated as Non-Executive Independent Director of the Company since September 29, 2006. The details of his Directorship and Committee membership in other Public Limited Companies are as under:

S. No.	Name of other Public Limited Company(ies)	Position on the Board and Committees thereof
1	Jubilant Life Sciences Limited	Co-Chairman-cum-Managing Director Chairman- Corporate Governance Committee Member- Sustainability & Corporate Social Responsibility Committee, Finance Committee, Issue Committee, Fund Raising Committee
2	Jubilant FoodWorks Limited	Co-Chairman and Director Chairman- Sustainability & Corporate Social Responsibility Committee Member- Nomination, Remuneration and Compensation Committee, Regulatory & Finance Committee
3	Jubilant Industries Limited	Director Chairman- Finance Committee, Corporate Governance Committee, Sustainability & Corporate Social Responsibility Committee, Restructuring Committee and Listing Committee
4	Shriram Pistons & Rings Limited	Director
5	Export Credit Guarantee Corporation of India Limited	Director
6	Jubilant Generics Limited	Director
7	GeoEnpro Petroleum Limited	Director
8	Jubilant Bhartia Foundation (a section 8 public company)	Director

**(C) Board Meetings**

The Board consists of professionals and learned executives having in depth knowledge of their fields to oversee the overall functioning of the Company and to take the strategic decisions in the best interest of the stakeholders. The agenda papers are circulated to the Directors well in advance prior to the meeting. All material informations are incorporated in the agenda papers and updated at the meeting too, for facilitating meaningful and focused discussions. In case of exigencies or urgencies, resolutions are considered by circulation as well.

During the financial year 2013-14, the Board met 4 (four) times i.e. on May 13, 2013, July 29, 2013, October 28, 2013 and February 10, 2014. The maximum gap between any two Board meetings was less than four months.

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

The Details of attendance of Directors at various Board Meetings and at the last Annual General Meeting held during the financial year 2013-14 is as under:

Name of Director(s)	No. of Board Meetings during the year 2013-14		Attended last Annual General Meeting
	Held	Attended	
Mr. Manoj Mohanka	4	4	Yes
Mr. Raghav Bahl	4	4	Yes
Mr. Sanjay Ray Chaudhuri*	4	4	Yes
Mr. Hari S. Bhartia	4	3	No

*\*Mr. Sanjay Ray Chaudhuri, ceased to be a Director of the Company w.e.f. July 7, 2014.*

**COMMITTEES OF BOARD**

In compliance with the Listing Agreement and SEBI Regulations, the Board has constituted various committees with specific terms of reference and scope. The objective is to focus effectively on the issues and ensure expedient resolution of the diverse matters. The Committees operate as per their charter / terms of reference approved by the Board.

The Board has constituted several standing committees and has power to constitute such other committees, as required from time to time. The scope, brief terms of reference and composition of the committees are as under:

**1. AUDIT COMMITTEE**

The Audit Committee assists the Board in its responsibility for overseeing the quality and Integrity of the accounting, auditing and reporting practices of the Company and its Compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the Statutory Auditors, the performance of internal auditors.

**(a) Brief description of terms of reference and review of information by Audit Committee**

The brief terms of reference of the Audit Committee are as follows:

- To review adequacy of internal control systems;
- To review the findings of the Internal Auditors relating to various functions of the Company;
- To hold periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors/Internal Auditors;
- To review the quarterly, half-yearly and annual financial results of the Company as well as Auditors' reports thereon before submission to the Board and compliance with accounting standards;
- To make recommendations to the Board on any matter relating to the financial management of the Company, including Statutory and Internal Audit Reports;
- Recommending the appointment of the statutory auditors, internal auditors, cost auditors and fixation of their remuneration;
- Reviewing the company's financial and risk management policies;
- To review and approve related party transactions;
- Monitoring the utilization of funds raised through public/ rights and other issues.

**(b) Composition**

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

S. No.	Name of Member(s)	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. Raghav Bahl *	Non-Executive Director	Member

\* The Audit Committee was re-constituted on July 31, 2014, whereby Mr. Raghav Bahl was appointed as member of Audit Committee in place of Mr. Sanjay Ray Chaudhuri who ceased to be a director w.e.f. July 7, 2014.

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

**(c) Meetings and Attendance**

During the financial year ended on March 31, 2014, four meetings of the Audit Committee were held on May 13, 2013, July 29, 2013, October 28, 2013, and February 10, 2014. Maximum time gap between any two Audit Committee meetings was less than four months. Minutes of the Audit Committee meetings were placed before the Board. The details of attendance of members at the Audit Committee meetings during the financial year ended on March 31, 2014 are as under:

S. No.	Name of member	Number of meetings held	No. of meetings attended
1	Mr. Manoj Mohanka	4	4
2	Mr. Hari S. Bhartia	4	4
3	Mr. Sanjay Ray Chaudhuri*	4	4

\* Ceased to be the member of the Committee w.e.f. July 7, 2014.

**(d) General**

Executives of Finance and Accounts Department, Secretarial Department and representatives of statutory and internal auditors attend Audit Committee Meetings. The due date for filing the cost audit report for the financial year ended March 31, 2013 was September 27, 2013 and the cost audit report was filed by the Cost Auditor on September 24, 2013. The due date for filing the cost audit report for the financial year ended March 31, 2014 is September 27, 2014.

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

**2. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The primary objective of the Stakeholders' Relationship Committee is to resolve all the Investor's grievances/ complaints, whether received directly or through Stock Exchange(s) and SEBI.

**(a) Terms of reference**

The Stakeholders' Relationship Committee, inter alia, looks into redressal of shareholders'/investors' complaints related to transfer of shares, non-receipt of annual reports, non-receipt of declared dividend, issue of duplicate certificates etc. The Committee oversees performance of the Registrars & Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.

**(b) Composition**

The Stakeholders' Relationship Committee comprises of two (2) Members. The Details are as given below:

S. No.	Name	Category of Directorship	Position
1	Mr. Manoj Mohanka	Non-Executive Independent Director	Chairman
2	Mr. Raghav Bahl	Non-Executive Director	Member

**(c) Number of Committee Meetings and Attendance**

The Committee met four times during the financial year ended on March 31, 2014 i.e. on April 03, 2013, July 04, 2013, October 07, 2013 and January 06, 2014. Details of attendance of the members at the Committee Meetings are as under:

S. No.	Name of member	Number of meetings held	No. of meetings attended
1	Mr. Sanjay Ray Chaudhuri*	4	4
2	Mr. Manoj Mohanka	4	4
3	Mr. Raghav Bahl	4	4

\* Ceased to be the member of the Committee w.e.f. July 7, 2014.

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

**(d) Name and designation of Compliance Officer**

Hitesh Kumar Jain  
DGM – Corporate Affairs & Company Secretary  
Phone : (0120) 434 1818  
Fax : (0120) 432 4110  
Email : investors.ibn18@network18online.com

**(e) Investors' Grievances Redressal**

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 ID, as mentioned hereunder, for investors to lodge their complaints: **investors.ibn18@network18online.com**

Given below are details of Investor's Complaints and their redressal for the period commencing from April 1, 2013 to March 31, 2014.

Complaints Pending at April 1, 2013*	No of Complaints Received	No of Complaints Resolved	Balance unresolved Complaints as on March 31, 2014
1	4	5	NIL

\* One Complaint received through Merchant Banker to the Rights Issue on March 21, 2013 and the same has been resolved/ replied on April 1, 2013.

**3. REMUNERATION/ COMPENSATION COMMITTEE**

The Remuneration / Compensation Committee has been constituted to recommend/review remuneration of the Executive, Non-Executive and Independent Directors and members of senior management, based on their performance and defined assessment criteria.

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

The terms of reference of Remuneration / Compensation Committee inter alia includes deliberation on the remuneration policy of the Directors including granting options / equity shares under the Employees' Stock option /Purchase Plan of the Company to the Directors as well as employees of the Company and/ or its holding and subsidiaries companies, if any, compensation of the Company's executive directors and senior management team etc. The Committee has overall responsibility for approving and evaluating the executive directors and senior management's compensation plans, policies and programs.

**(b) Composition**

Mr. Manoj Mohanka, Non-Executive, Independent Director (Chairman of the Committee), Mr. Sanjay Ray Chaudhuri, Non-Executive Director, and Mr. Hari S Bhartia, Non-Executive, Independent Director, comprised the membership of the Remuneration / Compensation Committee. Mr. Sanjay Ray Chaudhuri ceased to be the Director w.e.f. July 7, 2014. The Committee would be re-constituted in the due course.

**(c) Meetings and Attendance**

During the financial year ended on March 31, 2014, two meetings of the Remuneration / Compensation Committee were held i.e. on May 13, 2013 and October 28, 2013. The details of attendance of members at the Committee Meetings are as under:

S. No.	Name of member	Number of meetings held	No. of meetings attended
1	Mr. Manoj Mohanka	2	2
2	Mr. Hari S. Bhartia	2	2
3	Mr. Sanjay Ray Chaudhuri*	2	2

\* Ceased to be the member of the Committee w.e.f. July 7, 2014.

**(d) Remuneration Policy**

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

## TV18 Broadcast Limited

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

#### Remuneration of Non-executive Directors:

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

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

Name of Directors	Business Relationship with Company, if any	Relationship with other Directors	Sitting Fee (Rs.)
Mr. Raghav Bahl	None	None	40,000/-
Mr. Manoj Mohanka	None	None	70,000/-
Mr. Sanjay Ray Chaudhuri*	None	None	70,000/-
Mr. Hari S. Bhartia	None	None	60,000/-

\* Ceased to be the director w.e.f. July 7, 2014

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

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

No ESOPs were granted to any director during the year.

**Besides above-mentioned Committees, the Company also has Share Transfer Committee.**

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

As per clause 5A of the Listing Agreement, status of outstanding shares (pertaining to IPO of the Company, which could not be credited into the allottees demat accounts due to incorrect particulars of demat account holders) lying in the 'TV18 Broadcast Limited – Unclaimed Securities Suspense Account' ("Unclaimed Suspense account") as on March 31, 2014 is as under:

Particulars	Number of shareholders	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. April 1, 2013.	2	250
Number of shareholders who approached the Company / Registrars and Transfer Agents of the Company for transfer of shares from Unclaimed Suspense Account during the year ended March 31, 2014.	-	-
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year ended March 31, 2014.	-	-
Aggregate Number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e. as on March 31, 2014.	2	250

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



## TV18 Broadcast Limited

### GENERAL BODY MEETINGS

During the preceding three years, the Company's Annual General Meetings were held at M.P.C.U Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Nivas Marg, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi – 110 054.

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

Year	2011	2012	2013
Date	September 9, 2011	September 14, 2012	July 29, 2013
Time	11.00 A.M.	10.00 A.M.	3.30 P.M
Sl. No.	Special Resolution(s)	Special Resolution(s)	Special Resolution(s)
1.	Increase in number of options to be granted to employees of the Company under ESOP scheme of the Company	To hold Office or Place of Profit by Ms. Ritu Kapur under section 314 of the Companies Act, 1956.	NIL
2.	Increase in number of options to be granted to employees of Holding and Subsidiaries Companies under ESOP scheme of the Company.		
3.	Grant of authorization to Board to allot more than 1% but not more than 3% of the issued capital of the Company in any one year under ESOP scheme of the Company.		
4.	Entering into Long Term Contract/ Arrangement with AETN18 Media Private Limited.		

### DETAILS OF POSTAL BALLOT:

During the financial year 2013-14, the Company has passed three special resolutions through Postal Ballot 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 at 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 of Directors of the Company. The Company had also provided e-voting facility to its shareholders for casting their votes electronically. After considering the votes, casted electronically during the period e-Voting was opened and votes casted physically on Postal Ballot Forms, the Scrutinizer submitted his report to the Company for declarations of results. The details of the resolutions and voting pattern are given below:

Date of Postal Ballot notice and declaration of result	Name of Scrutinizer and Alternate Scrutinizer	Brief of Resolution(s)	Percentage of votes cast in favour of the resolution
May 13, 2013 (Result declared on July 06, 2013)	Mr. Anil K. Bhayana, Practicing Company Secretary – Scrutinizer, Mr. Neelesh Kumar Jain, Practicing Company Secretary - Alternate Scrutinizer	• Special Resolution under Section 372A of the Companies Act, 1956 to make Inter-corporate Loans, Investments give guarantee or provide security (directly or indirectly) to Prism TV Private Limited and Panorama Television Private Limited.	92.77%
		• Special Resolution under Section 314 of the Companies Act, 1956 for the payment of remuneration to Ms. Ritu Kapur for holding/continue to hold the office or place of profit in the company/ subsidiary companies.	99.97%
		• Special Resolution under Section 309 of the Companies Act 1956 for payment of commission to the Non- Executive / Independent Director(s) of the Company.	99.99%

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

**DISCLOSURES****I. DISCLOSURE ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS, I.E. THE COMPANY'S TRANSACTIONS THAT ARE OF MATERIAL NATURE, WITH ITS PROMOTERS, DIRECTORS AND THE MANAGEMENT, THEIR RELATIVES OR SUBSIDIARIES, AMONG OTHERS THAT MAY HAVE POTENTIAL CONFLICT WITH THE COMPANY'S INTERESTS AT LARGE.**

None of the transactions with any of the related parties were in conflict with the interest of the Company. The Company has made full disclosures of transactions with the related parties set out in Note No. 35 of Notes on Accounts, forming part of the Annual Report.

**II. DETAILS OF NON-COMPLIANCE BY THE COMPANY, PENALTIES AND STRICTURES IMPOSED ON THE COMPANY BY STOCK EXCHANGES OR SEBI, OR ANY OTHER STATUTORY AUTHORITY, ON ANY MATTER RELATED TO CAPITAL MARKETS DURING LAST THREE YEARS.**

The Company has complied with all the requirements, as applicable to the Company, 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.

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

**III. MANDATORY AND NON-MANDATORY REQUIREMENTS OF CLAUSE 49 OF LISTING AGREEMENT**

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

**MANAGEMENT DISCUSSION AND ANALYSIS**

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

**BUSINESS RISK EVALUATION AND MANAGEMENT**

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 ensuring the reasonable assurances to avoid any possible damage to the assets and properties of the Company.

**DISCLOSURE OF ACCOUNTING TREATMENT**

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

**CODE OF CONDUCT**

The Board has laid down a Code of Conduct (the 'Code') for the Director's and Senior Management Personnel of the Company as required under Clause 49(I)(D) of the Listing Agreement. The Code is also posted on the website of the Company, [www.network18online.com](http://www.network18online.com)

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

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

"In compliance with the provisions of Clause 49 of the Listing Agreement, the Company had laid down a "Code of Conduct" to be followed by all the Board members and senior management personnel which received the sanction of the Board and 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 2013-14 and there has been no instances of violation of the Code."

Saikumar Ganapathy Balasubramanian  
Manager

May 27, 2014

**CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING**

The Company, in pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the amendments thereto, has formulated a Code of Conduct for prevention of Insider Trading. The code lays down guidelines, which advise on procedures to be followed and disclosures to be made while dealing in shares of the Company and indicate the consequences of non-compliance.

**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):** SUCES is a voluntary program which is aimed at educating the children of our staff who have limited resources to support quality education. Any employee can voluntarily contribute towards the SUCES corpus on a monthly basis. This fund is directed towards the payment of tuition fees of the eligible children. A record of their progression is maintained and accordingly the fund is allotted to a child. This program covers children from Classes KG to Undergraduate College. In this endeavour to facilitate quality education, we have managed to reach out to around 136 families and support 222 children in the financial year 2013-14.

**Family Healthcare:** As part of our Benefits plan, we cover employees and their families under a Group Mediclaims Policy that can be used for claiming the hospitalization expenses for a wide range of treatments. Furthermore, employees are also covered for the risk of Life and Personal Accident through Group policies for each. We believe such coverage reinforces our commitment towards the well being and welfare of our employees and their families.

**Voluntary contribution in times of need:** As a company we also facilitate voluntary contributions towards supporting any colleague's dire need which could be a family crisis or a critical medical situation. The company also steps in to help in such cases.

**Support to NGOs:** From time to time, the company joins hand with reputed NGOs for supporting the cause of social good. We hold regular camps for collecting donations in the form of books, clothes, etc by employees. In time of National calamities, the company has aided the work of various NGOs who provide on the ground support to the victims.

**MEANS OF COMMUNICATION**

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

- The Quarterly, Annual Results of the Company as per the statutory requirement under Clause 41 of the Listing Agreement with stock exchanges are published in the Financial Express/Business Standard (English Newspapers) and Jansatta/Business Standard (Hindi Newspapers) and are sent to the Stock Exchanges.
- 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, investor's updates, press releases and other shareholders information(s) of the Company are also displayed on the website of the Company, [www.network18online.com](http://www.network18online.com)

**GENERAL SHAREHOLDERS INFORMATION****Forthcoming Annual General Meeting**

Day & Date	Tuesday, September 30, 2014
Time	12.00 noon
Venue	Tivoli Garden Resort, Khasra No. 646-653, Chattarpur Road, Near Chattarpur Mandir, New Delhi-110074

**Financial Year:**

April 1 to March 31

# TV18 Broadcast Limited

## Financial Calendar:

Tentative calendar for the declaration of the Financial Results of the Company during Financial Year 2014-15 is as under:

Results for quarter ending	
June 30, 2014	On or before August 14, 2014
September 30, 2014	On or before November 14, 2014
December 31, 2014	On or before February 14, 2015
March 31, 2015	Unaudited Financials for the last quarter on or before May 15, 2015/ Audited Annual Financial for the FY 2014-15 on or before May 30, 2015.

## Date of Book Closure

Share Transfer Books and Register of Members of the Company shall remain closed from Monday, September 29, 2014 to Tuesday, September 30, 2014 (both days inclusive).

**Dividend Payment Date:** No Dividend is declared during the year 2013-14.

## Corporate Identity Number ('CIN')

The Company's Corporate Identity Number (CIN) allotted by Ministry of Corporate Affairs, Government of India is "L74300DL2005PLC137214". The registered office of the Company is situated in the National Capital Territory of Delhi.

## 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 2013-14 has been paid to the aforesaid Stock Exchange(s) within the stipulated time period.

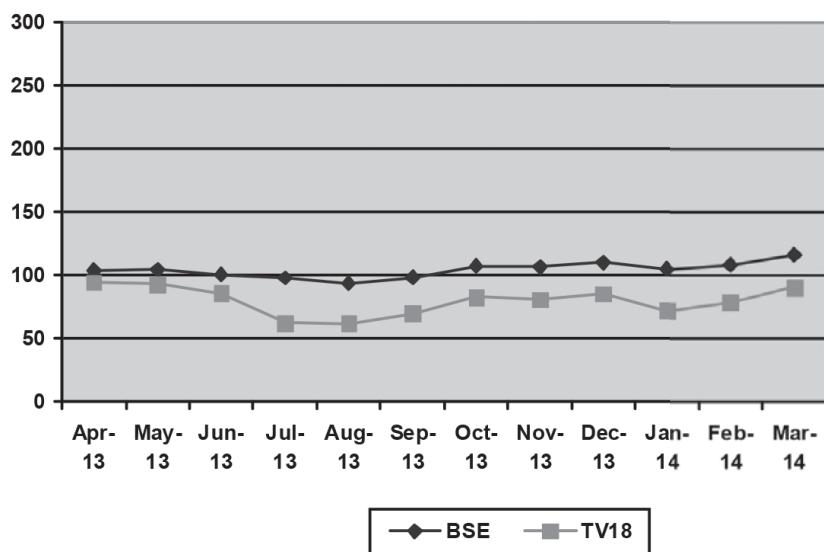
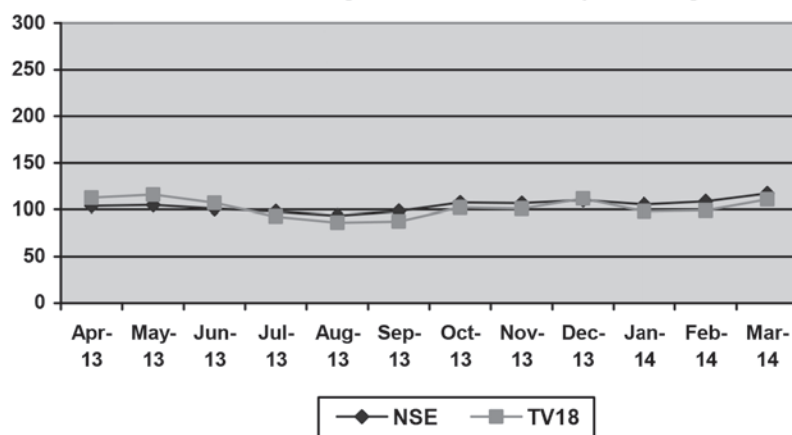
The International Securities Identification Number (ISIN) allotted to the Company's share under the Depository System is INE886H01027.

## Market Price Data

High and Low prices of Equity Shares during each month in the last financial year were as follows:

Month	High		Low	
	NSE	BSE	NSE	BSE
April 2013	29.00	29.00	24.85	24.85
May 2013	32.15	32.15	25.75	25.80
June 2013	26.50	26.80	21.75	21.75
July 2013	25.45	25.40	16.10	16.15
August 2013	20.40	20.40	15.80	15.80
September 2013	22.90	22.90	16.55	16.50
October 2013	24.25	24.20	19.50	19.60
November 2013	24.90	24.85	21.60	21.55
December 2013	25.25	25.15	21.90	21.90
January 2014	25.70	25.70	18.70	18.80
February 2014	23.05	23.05	19.60	19.60
March 2014	26.35	26.35	21.55	21.55

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

**Stock performance in comparison with BSE Sensex (S&P BSE 500)**
**Stock Performance [Indexed to 100 as on April 1, 2013]**

**Stock performance in comparison with NSE (CNX 500)**
**Stock Performance [Indexed to 100 as on April 1, 2013]**

**Registrars and Share Transfer Agents:**

M/s Link Intime India Private Limited  
 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase- I,  
 Near PVR Naraina, New Delhi 110 028  
 Tel.: 011- 41410592 / 41410593/ 41410594  
 Fax No.: 011 - 41410591  
 Email: delhi@linkintime.co.in



# TV18 Broadcast Limited

## Share Transfer System

M/s Link Intime India Private Limited is appointed as the Registrars and Share Transfer Agents of the Company. The transfer of shares is approved at the meetings of Share Transfer Committee which met fifteen (15) times during the year 2013-14.

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

Total No. of shares transferred during 2013 – 14 in Physical mode : 5660 Shares

Number of Shares pending for Transfer as on 31.03.2014 : NIL

## 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).

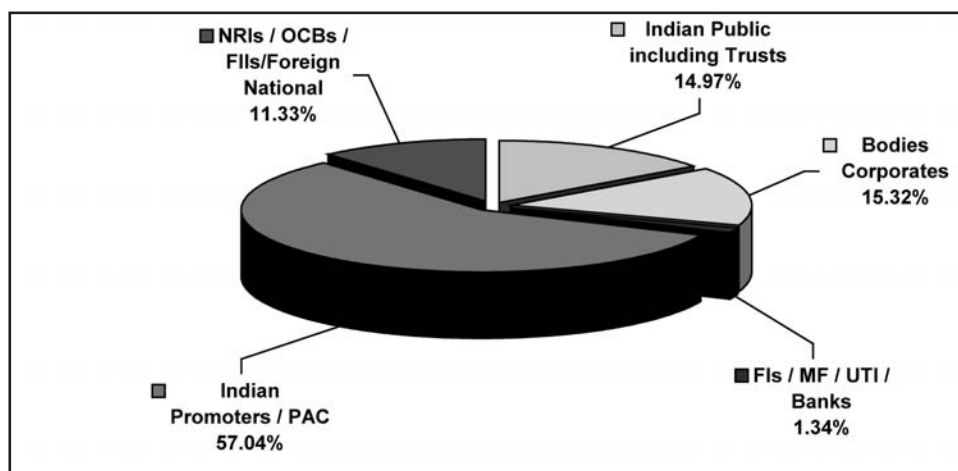
The status of holding in dematerialized and physical mode, as on March 31, 2014 is as under:

S. No.	Mode of Holding	No. of shares	% of total share capital
1	Demat	171,12,56,382	99.98
2	Physical	4,03,371	0.02
	<b>TOTAL</b>	<b>171,16,59,753</b>	<b>100.00</b>

## Distribution of Shareholding as on March 31, 2014

S. No.	Category	No. of Shareholders	No. of Shares	%
1	Indian Promoters / Person Acting in Concert	19	976361201	57.04
2	Bodies Corporate	1657	262172813	15.32
3	Indian Public (Individual / HUF/ Clearing Member/ Director & their Relatives)	81329	256170457	14.97
4	NRIs / OCBs / FIIs / FN	846	193910387	11.33
5	FIs / Mutual Funds / UTI / Banks	20	23020667	1.34
6	Trust	16	24228	0.001
	<b>Total</b>	<b>83887</b>	<b>1711659753</b>	<b>100.00</b>

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



# TV18 Broadcast Limited

## Distribution Schedule as on March 31, 2014

Sr. No.	Category (Shares)	No. of Shareholders	% of Shareholders	Shares	% of Shareholding
1	up to 5000	79218	94.43	39232602	2.29
2	5001 – 10000	1948	2.32	15135134	0.89
3	10001 – 20000	1090	1.29	15983928	0.93
4	20001 – 30000	461	0.55	11586433	0.68
5	30001 – 40000	195	0.23	6898206	0.40
6	40001 – 50000	189	0.23	8821170	0.52
7	50001-100000	308	0.38	22426902	1.31
8	100000 and Above	478	0.57	1591575378	92.98
	<b>Total</b>	<b>83887</b>	<b>100.00</b>	<b>1711659753</b>	<b>100.00</b>

## Outstanding GDRs/ ADRs/ Warrants/ Convertible Instruments

- The Company has not issued any ADRs/ GDRs and hence there is no outstanding ADRs / GDRs as on March 31, 2014.
- The Company has no outstanding Convertible warrants as on March 31, 2014.
- A disclosure on outstanding employees' stock options is given in Annexure – I to the Directors' Report.

### Registered Office Address:

#### TV18 Broadcast Limited

503, 504 & 507, 5<sup>th</sup> Floor, Mercantile House,  
15, Kasturba Gandhi Marg, New Delhi-110001  
Tel. : (011) 49812600  
Fax : (011) 41506115

### Address for Correspondence- Corporate Office:

#### TV18 Broadcast Limited

Express Trade Tower, Plot No. 15-16,  
Sector-16A, Noida, U. P.  
Tel. : (0120) 434 1818  
Fax No.: (0120) 432 4110

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**Practicing Company Secretary Certification**

To the Members

**TV18 BROADCAST LIMITED**

503, 504 & 507, 5<sup>th</sup> 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 31<sup>st</sup> 2014, with the relevant records and documents maintained by the Company, furnished to us for our review and report on Corporate Governance, as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.
3. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. On the basis of our review and according to the best of our information and according to the explanations given to us, the company has been complying with the conditions of Corporate Governance, as stipulated in the clause 49 of the Listing agreements (s) with the Stock Exchanges, as in force.

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

**Place:** New Delhi

**Date :** August 12, 2014

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

# TV18 Broadcast Limited

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF TV18 BROADCAST LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of **TV18 Broadcast Limited** ('the Company'), which comprise the Balance Sheet as at 31 March, 2014, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

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

#### Auditors' Responsibility

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

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

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2014;
- b. in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs).
  - e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

**Alka Chadha**  
(Partner)  
(Membership No. 93474)  
Noida, 27 May, 2014

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. Having regard to the nature of the Company's business/ activities/result, clauses xii, xiii, and xiv 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 Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations 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 inventories:
  - 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. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- v. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the fixed assets purchased and services rendered are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate

internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of 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. Where each of such transaction is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* 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, 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 other than for updating details of depositors in the Register of Deposits in respect of public deposits aggregating to Rs. 10.30 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 cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 and the Cost Accounting Records (Telecommunication Industry) 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 cost records have been made and maintained. We have, however, not made a detailed examination of the cost 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 statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

The operations of the Company during the year did not give rise to any Excise Duty.

- b. there are no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31 March, 2014 for a period of more than six months from the date they became payable.

The operations of the Company during the year did not give rise to any Excise Duty.

- c. Details of dues of Income-tax that have not been deposited as on 31 March, 2014 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where the dispute is pending	Period to which the amount relates	Amount Involved Rupees
Income Tax Act, 1961	Transfer Pricing	Income Tax Appellate Tribunal	2001-02	2,474,434
Income Tax Act, 1961	Transfer Pricing	Income Tax Appellate Tribunal	2001-02	1,927,968
Income Tax Act, 1961	Transfer Pricing	Income Tax Appellate Tribunal	2002-03	51,614
Income Tax Act, 1961	Disallowance under section 14A and of ESOP expenses	Commissioner of Income Tax (Appeals)	2008-09	165,190,031
Income Tax Act, 1961	Disallowance under section 14A and of ESOP expenses	Commissioner of Income Tax (Appeals)	2009-10	20,515,854
Income Tax Act, 1961	Disallowance under section 14A and of ESOP expenses	Commissioner of Income Tax (Appeals)	2010-11	63,280

We are informed that there are no dues in respect of Sales Tax, Wealth Tax, Service Tax, Customs Duty, and Cess which have not been deposited on account of any dispute. The Company's operations did not give rise to Excise Duty.

- xi. The accumulated losses of the Company at the end of the financial year are less than fifty per cent of its net worth and the Company has not incurred cash losses during the financial year covered by our audit and 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 financial institutions and bank. The Company has not issued any debentures.

- 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.

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

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

- xvi. During the year the Company has not made any preferential allotment of shares to the parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

- xvii. According to the information and explanations given to us, the Company had not issued any debentures during the period covered by our audit report. Accordingly, the provisions of clause (xix) of the Order are not applicable to the Company.

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

- xix. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

**Alka Chadha**  
(Partner)  
(Membership No. 93474)  
Noida, 27 May, 2014

# TV18 Broadcast Limited

## Balance Sheet as at 31 March, 2014

	Note No.	As at 31.03.2014 (Rupees)	As at 31.03.2013 (Rupees)
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
(a) Share capital	3	3,423,344,024	3,423,344,024
(b) Reserves and surplus	4	31,312,210,293	30,722,318,827
		<u>34,735,554,317</u>	<u>34,145,662,851</u>
<b>2. Non - current liabilities</b>			
(a) Long - term borrowings	5	168,275,981	723,463,458
(b) Other long-term liabilities	6	5,279,504	29,399,837
(c) Long - term provisions	7	127,737,644	130,535,457
		<u>301,293,129</u>	<u>883,398,752</u>
<b>3. Current liabilities</b>			
(a) Short - term borrowings	8	1,187,262,000	1,022,444,155
(b) Trade payables	9	791,924,250	1,062,385,997
(c) Other current liabilities	10	887,904,319	1,100,714,967
(d) Short - term provisions	11	8,646,939	17,297,007
		<u>2,875,737,508</u>	<u>3,202,842,126</u>
<b>Total</b>		<u><b>37,912,584,954</b></u>	<u><b>38,231,903,729</b></u>
<b>B. ASSETS</b>			
<b>1. Non - current assets</b>			
(a) Fixed assets			
(i) Tangible assets	12(a)	1,051,443,998	1,112,145,113
(ii) Intangible assets	12(b)	48,951,161	41,056,069
(iii) Capital work-in-progress		-	575,000
		<u>1,100,395,159</u>	<u>1,153,776,182</u>
(b) Non - current investments	13	32,584,565,809	11,880,365,809
(c) Long - term loans and advances	14	893,431,425	673,669,585
(d) Other non- current assets	15	48,272,640	19,698,066,669
		<u>34,626,665,033</u>	<u>33,405,878,245</u>
<b>2. Current assets</b>			
(a) Current investments	16	-	790,168,426
(b) Trade receivables	17	1,690,388,643	1,871,267,894
(c) Cash and bank balances	18	392,288,590	1,205,553,789
(d) Short - term loans and advances	19	1,197,415,857	917,136,862
(e) Other current assets	20	5,826,831	41,898,513
		<u>3,285,919,921</u>	<u>4,826,025,484</u>
<b>Total</b>		<u><b>37,912,584,954</b></u>	<u><b>38,231,903,729</b></u>

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

For **Deloitte Haskins & Sells**  
Chartered Accountants

For and on behalf of the Board of Directors

**Raghav Bahl**  
Director

**Sanjay Ray Chaudhuri**  
Director

**Alka Chadha**  
Partner

**RDS Bawa**  
Chief Financial Officer

**Hitesh Kumar Jain**  
DGM Corporate Affairs  
& Company Secretary

Noida  
27 May, 2014

Noida  
27 May, 2014

## TV18 Broadcast Limited

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

	Note No.	Year ended 31.03.2014 (Rupees)	Year ended 31.03.2013 (Rupees)
1. Revenue from operations	21	5,160,517,404	5,415,474,482
2. Other income	22	154,008,954	289,208,704
3. Total revenue (1+2)		5,314,526,358	5,704,683,186
4. Expenses			
(a) Employee benefits expense	23	1,412,998,726	1,565,338,098
(b) Finance costs	24	224,706,619	1,010,183,305
(c) Depreciation and amortisation expense	12	209,131,503	229,088,332
(d) Other expenses	25	2,598,114,449	2,785,491,617
Total expenses		4,444,951,297	5,590,101,352
5. Profit before exceptional items and tax (3-4)		869,575,061	114,581,834
6. Exceptional items	26	274,102,315	-
7. Profit before tax (5-6)		595,472,746	114,581,834
8. Tax expense:			
(a) Current tax expense		31,531,147	-
(b) (Less): MAT Credit		(31,531,147)	-
(c) Short provision for tax relating to prior years		3,367,246	12,348,241
Net tax expense		3,367,246	12,348,241
9. Profit for the year (7-8)		592,105,500	102,233,593
10. Earnings per equity share	29		
(Face value of Rs. 2 each)			
(a) Basic		0.35	0.11
(b) Diluted		0.35	0.11

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

For Deloitte Haskins & Sells  
Chartered Accountants

Alka Chadha  
Partner

Noida  
27 May, 2014

For and on behalf of the Board of Directors

Raghav Bahl  
Director

RDS Bawa  
Chief Financial Officer

Noida  
27 May, 2014

Sanjay Ray Chaudhuri  
Director

Hitesh Kumar Jain  
DGM Corporate Affairs  
& Company Secretary

### Cash Flow Statement for the year ended 31 March, 2014

	Note No.	Year ended 31.03.2014 (Rupees)	Year ended 31.03.2013 (Rupees)
<b>A. Cash flow from operating activities</b>			
Profit before tax		595,472,746	114,581,834
Adjustments for :			
- Depreciation and amortisation expense		209,131,503	229,088,332
- Loss on fixed assets sold / scrapped / written off (net)		1,930,918	6,557,514
- Expense on employee stock option (ESOP) scheme		(2,214,034)	1,185,280
- Finance costs		224,706,619	1,010,183,305
- Net (gain) on sale of long term investments		-	(3,310,549)
- Net (gain) / loss on sale of current investments		4,067,591	(42,633,134)
- Liabilities / provisions no longer required written back		(49,762,299)	(72,766,833)
- Interest income		(65,420,763)	(81,668,515)
- Dividend income		(38,432,677)	(88,579,885)
- Bad debts and provision for doubtful trade and other receivable, loans and advances (net)		110,614,608	72,060,745
- Long term investments written off		-	8,566,250
- Diminution/adjustments to carrying value of current investments		-	872,168
- Net unrealised exchange loss		1,413,812	6,092,772
<b>Operating profit before working capital changes</b>		<b>991,508,024</b>	<b>1,160,229,284</b>
<b>Changes in working capital:</b>			
<b>Adjustments for (increase) / decrease in operating assets:</b>			
-Inventories		-	380,464
-Trade receivables		70,264,643	587,775,435
-Short-term loans and advances		(280,278,995)	220,781,198
-Long-term loans and advances		69,770,675	(69,733,941)
-Other current assets		-	19,542,957
<b>Adjustments for increase / (decrease) in operating liabilities:</b>			
-Trade payables		(222,113,260)	(87,345,706)
-Other current liabilities		1,939,939	(78,071,300)
-Short-term provisions		(8,650,068)	13,305,557
-Long-term provisions		(2,797,813)	10,319,871
<b>Cash generated from operations</b>		<b>619,643,145</b>	<b>1,777,183,819</b>
Net income tax (paid)		(233,684,136)	(42,221,486)
<b>Net cash flow from operating activities</b>	<b>(A)</b>	<b>385,959,009</b>	<b>1,734,962,333</b>
<b>B. Cash flow from investing activities</b>			
Capital expenditure on fixed assets, including capital advances		(225,314,593)	(129,174,140)
Proceeds from sale of fixed assets		5,126,548	2,394,044
Bank balances not considered as cash and cash equivalents			
-Placed		(205,464,883)	(11,118,103)
-Matured		208,878,674	26,748,333

## Cash Flow Statement for the year ended 31 March, 2014 (cont...)

	Note No.	Year ended 31.03.2014 (Rupees)	Year ended 31.03.2013 (Rupees)
Purchase of long-term investments			
- in subsidiaries		(1,136,400,000)	(1,399,896,000)
- in joint controlled entities (including share application money)		(21,000,000)	(46,800,000)
Purchase of current investments			
- in mutual funds		-	(748,407,460)
Advance against purchase of shares		-	(19,500,000,000)
Proceeds from sale of long-term investments			
- in others		-	22,360,547
Proceeds from sale of current investments			
- in mutual funds		786,100,835	-
Interest received		101,492,445	82,440,982
Dividend received		38,432,677	88,579,885
<b>Net cash flow (used in) investing activities</b>	<b>(B)</b>	<b>(448,148,297)</b>	<b>(21,612,871,912)</b>
<b>C. Cash flow from financing activities</b>			
Finance costs		(308,588,254)	(994,115,305)
Proceeds from issue of equity shares		-	26,379,396,432
Proceeds from short term borrowings		1,836,196,723	6,750,000,000
Repayment of short - term borrowings		(1,671,378,878)	(10,211,535,362)
Proceeds of long - term borrowings		8,269,714	9,040,614
Repayment of long - term borrowings		(715,155,454)	(1,162,355,085)
<b>Net cash flow from / (used in) financing activities</b>	<b>(C)</b>	<b>(850,656,149)</b>	<b>20,770,431,294</b>
Net increase/ (decrease) in Cash and cash equivalents	<b>(A+B+C)</b>	<b>(912,845,437)</b>	892,521,715
Cash and cash equivalents as at the beginning of the year		1,103,140,259	210,618,544
<b>Cash and cash equivalents as at the end of the year</b>	<b>18</b>	<b>190,294,822</b>	<b>1,103,140,259</b>

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

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Alka Chadha**  
Partner

Noida  
27 May, 2014

For and on behalf of the Board of Directors

**Raghav Bahl**  
Director

**RDS Bawa**  
Chief Financial Officer

Noida  
27 May, 2014

**Sanjay Ray Chaudhuri**  
Director

**Hitesh Kumar Jain**  
DGM Corporate Affairs  
& Company Secretary



## Notes forming part of the financial statements

### 1. Corporate information

#### 1.1 Background

TV18 Broadcast Limited ("The Company" or "TV18") (formerly 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. Subsequently, 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 2 April, 2008. The name of the Company has been changed from ibn18 Broadcast Limited to TV18 Broadcast Limited and a fresh certificate of incorporation has been issued to the Company to give effect to this change with effect from 17 June, 2011. The Company is in the business of broadcasting, telecasting, relaying and transmitting Hindi and English general news, Hindi and English business news programmes, and operates the news channels "CNN IBN, IBN7, CNBC TV18, CNBC Awaaz". The Company has the licensing and content sharing agreement with Turner Broadcasting System Asia Pacific, Inc. and Business News Asia, LLP.

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".

During the year the Company has launched a news channel in the name of News18 India.

Network18 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, 2014 (previous year 51.24%).

#### 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 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. Accordingly, the Company issued 123,943,303 equity shares of Rs. 2 each amounting to Rs. 247,886,606 at a premium aggregating to Rs. 646,996,980.

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 channels namely CNBC TV18 and CNBC Awaaz.

### 2. Significant accounting policies

#### a. Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 (Accounting Standards) Rules, 2006 (as amended) ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Companies Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### b. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates

## Notes forming part of the financial statements

used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences 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 tapes. Inventories are valued at the lower of cost on FIFO basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

### 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 has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under:

Cost of leasehold improvements is being amortised over the remaining period of lease of the premises. Plant and machinery - distribution equipment is being depreciated over a period of 8 years. These rates are higher than those prescribed in Schedule XIV of the Companies Act, 1956.

Intangible assets are amortised over their estimated useful life as follows:

Computer software is being depreciated over a period of 5 years. News archives are depreciated on straight line basis over the period of 21 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 20 years. License pertaining to satellite rights is amortised over their estimated useful life of 5 years.

Depreciation on additions is charged proportionately from the date of acquisition/ installation. Assets costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation.

### g. Revenue recognition

#### i. Revenue from operations includes:

- Advertisement revenue comprising:
  - Revenue from sale of advertising time, which is recognised on 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 for services rendered.
- Subscription revenue which is recognised on accrual basis in accordance with the terms of the contract with the distribution and collection agency, for services rendered.
- Revenue from sale of television content is recognised on transmission of audio-video content to the customer and their acceptance.
- Facility and equipment rental which is accounted for on the accrual basis for the period of use of equipment by the customers.
- Program revenue is recognised on dispatch of programs to customers in accordance with contractual commitments.

## Notes forming part of the financial statements

- Revenue from media related professional and consultancy services is recognised in accordance with contracts on rendering of services.
- ii. Other income
 

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.
- h. **Fixed assets (Tangible/ Intangible)**

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

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. **Foreign currency transactions and translations**

Initial recognition

Company: Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the balance sheet date

Company: Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Treatment of exchange differences

Company: Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.
- j. **Investments**

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.
- k. **Employee benefits**

Employee benefits include provident fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

  - i. Defined contribution plans: The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.
  - ii. Defined benefits plans: For defined benefit plans in the form of gratuity fund the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Gratuity for employees of certain divisions is administered through a trust. The Company contributes to the trust, which has taken group policies with the Life Insurance Corporation of India to cover its liabilities towards employee's gratuity of those divisions.

## Notes forming part of the financial statements

- iii. Short-term employee benefits: The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and leave travel allowance which are expected to occur within twelve months after the end of the period in which the employee renders the related service.
- iv. Long-term employee benefits: Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date on the basis of actuarial valuation.

### I. Segment reporting

#### 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. Geographical segments

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

### m. Leases

#### i. Operating lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

#### ii. Finance lease

- Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.
- Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

### n. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

### o. Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefits associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is

## Notes forming part of the financial statements

measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset, if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

**p. 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.

**q. 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. Contingent assets are not recognised in the financial statements.

**r. 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 Account.

**s. 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 reasonable certainty in availing / utilising the credits.

**t. Operating cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



## Notes forming part of the financial statements

## 3 Share capital

Particulars	As at 31.03.2014		As at 31.03.2013	
	Number of Shares	Amount (Rupees)	Number of Shares	Amount (Rupees)
<b>a. Authorised</b>				
Equity shares of Rs. 2 each	<u>5,000,000,000</u>	<u>10,000,000,000</u>	<u>5,000,000,000</u>	<u>10,000,000,000</u>
<b>b. Issued, Subscribed and fully paid up</b>				
(i) Issued	<u>1,711,708,789</u>	<u>3,423,417,578</u>	<u>1,711,708,789</u>	<u>3,423,417,578</u>
(ii) Subscribed and fully paid up	<u>1,711,659,753</u>	<u>3,423,319,506</u>	<u>1,711,659,753</u>	<u>3,423,319,506</u>
(iii) Shares forfeited	<u>49,036</u>	<u>24,518</u>	<u>49,036</u>	<u>24,518</u>
<b>Total</b>	<u>1,711,708,789</u>	<u>3,423,344,024</u>	<u>1,711,708,789</u>	<u>3,423,344,024</u>

Refer Notes (i) to (vii) 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. The dividend in case proposed by the Board of Directors will be subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Particulars	As at 31.03.2014		As at 31.03.2013	
	Number of Shares	Amount (Rupees)	Number of Shares	Amount (Rupees)
Network18 Media & Investments Limited, the holding Company	<u>877,035,062</u>	<u>1,754,070,124</u>	<u>877,035,062</u>	<u>1,754,070,124</u>
RRB Investments Private Limited, a subsidiary of the holding company	<u>163,563</u>	<u>327,126</u>	<u>163,563</u>	<u>327,126</u>
	<u>877,198,625</u>	<u>1,754,397,250</u>	<u>877,198,625</u>	<u>1,754,397,250</u>

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

Particulars	As at 31.03.2014		As at 31.03.2013	
	Number of Shares held	% Holding	Number of Shares held	% Holding
Network18 Media & Investments Limited	<u>877,035,062</u>	<u>51.24%</u>	<u>877,035,062</u>	<u>51.24%</u>

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

Particulars	As at 31.03.2014	As at 31.03.2013
	Number of Shares	Number of Shares
Shares allotted to shareholders of erstwhile Television Eighteen India Limited pursuant to a Scheme of Arrangement in financial year 2011-12 between the Company, Television Eighteen India Limited (TEIL), Network18 Media & Investments Limited. (Network18) and other Network18 Group companies (see note 1.2)	<u>123,943,303</u>	<u>123,943,303</u>

## Notes forming part of the financial statements

Particulars	As at 31.03.2014	As at 31.03.2013
	Number of Shares	Number of Shares
Shares allotted to Gupta family and ibn18 Trust pursuant to a 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
(v) Shares reserved for issue under options under ESOP scheme 2007 (See note 34)	8,992,822	10,959,207

- (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		Closing balance
		Right issue	Employee stock options plan	
<b>A. Issued</b>				
Year ended 31 March, 2014				
- Number of shares	1,711,708,789	-	-	1,711,708,789
- Amount (Rupees)	3,423,417,578	-	-	3,423,417,578
Year ended 31 March, 2013				
- Number of shares	362,130,907	1,349,577,882	-	1,711,708,789
- Amount (Rupees)	724,261,814	2,699,155,764	-	3,423,417,578
<b>B. Subscribed and fully paid up</b>				
Year ended 31 March, 2014				
- Number of shares	1,711,659,753	-	-	1,711,659,753
- Amount (Rupees)	3,423,319,506	-	-	3,423,319,506
Year ended 31 March, 2013				
- Number of shares	362,081,871	1,349,577,882	-	1,711,659,753
- Amount (Rupees)	724,163,742	2,699,155,764	-	3,423,319,506

(vii) Details of forfeited shares:

Particulars	As at 31.03.2014		As at 31.03.2013	
	No. of shares	Amount originally paid up (Rupees)	No. of shares	Amount originally paid up (Rupees)
Equity shares	49,036	24,518	49,036	24,518

4 Reserves and surplus

a. Securities premium account

Opening balance	31,516,897,584	7,947,933,649
Add: Amounts received pursuant to issue of equity shares under rights issue [See note 36(b)]	-	24,292,401,876
Less: Share issue expenses adjusted during the previous year	-	723,437,941
	<u>31,516,897,584</u>	<u>31,516,897,584</u>

**Notes forming part of the financial statements**

	As at 31.03.2014 (Rupees)	As at 31.03.2013 (Rupees)
<b>b. Share options outstanding account</b>		
Gross share options outstanding account		
Opening balance	44,626,729	61,051,406
Less: -Written back to the Statement of Profit and Loss during the year	5,906,844	5,318,000
-Amount transferred to General Reserve on expiry of options	-	11,106,677
	38,719,885	44,626,729
Less: Deferred employee compensation expense	6,073,444	9,766,254
	32,646,441	34,860,475
<b>c. General reserve</b>		
Opening balance	115,473,348	104,366,671
Add: Amount transferred from ESOPs account on expiry of options	-	11,106,677
	115,473,348	115,473,348
<b>d. Surplus/(deficit) in the Statement of Profit and Loss</b>		
Opening balance	(944,912,580)	(1,047,146,173)
Add: Profit for the year	592,105,500	102,233,593
	(352,807,080)	(944,912,580)
	31,312,210,293	30,722,318,827

**5 Long - term borrowings**

<b>a. i. Term loans (secured)</b>		
- from others	98,600,000	232,200,000
(See note (c) below for security and terms of repayment)		
<b>ii. Vehicle loans (secured)</b>		
- from banks	8,813,922	3,151,850
- from others	8,786,059	10,393,250
(Vehicle loans are secured by hypothecation of vehicles and loan is payable in equal monthly installments)		
<b>iii. Long term maturities of finance lease obligations (secured)</b>		
- from others [See note 41(ii)(b)]	-	5,885,358
(Secured by hypothecation of assets purchased under finance lease agreement and payable in equal monthly installments)		
<b>iv. Public deposits (unsecured)</b>	52,076,000	471,833,000
(Public deposits are repayable after 2 or 3 years from the date of acceptance of public deposits)		
	168,275,981	723,463,458

## Notes forming part of the financial statements

	Year ended 31.03.2014 (Rupees)	Year ended 31.03.2013 (Rupees)
<b>b. Details for term loans covered under Note 5(a)(i) and Note 10(a)(i) is as follows:</b>		
I. Term loans under long term borrowings	<b>98,600,000</b>	232,200,000
II. Term loans under other current liabilities	<b>133,600,000</b>	133,600,000
	<b>232,200,000</b>	365,800,000
<b>c. Security and repayment details for term loans covered under Note 5(a)(i) and Note 10(a)(i) is as follows:</b>		
i. Term loan from others carries interest @ 13.50% 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 was collaterally secured by pledge of shares upto the previous year by the promoters/ group entities, personal guarantee of the Director of the Company and corporate guarantee of Network18 Media & Investments Limited. Term loan outstanding as on 31 March, 2014 aggregating to Rs. 232,200,000 is repayable in 7 quarterly installments of Rs. 33,400,000.	<b>232,200,000</b>	365,800,000
	<b>232,200,000</b>	365,800,000
<b>6 Other long-term liabilities</b>		
Interest accrued but not due on public deposits	<b>5,279,504</b>	29,399,837
	<b>5,279,504</b>	29,399,837
<b>7 Long term provisions</b>		
Provision for employee benefits:		
i. Provision for compensated absences	<b>39,855,591</b>	40,974,656
ii. Provision for gratuity (net) [See note 33(II)(d)]	<b>87,882,053</b>	89,560,801
	<b>127,737,644</b>	130,535,457
<b>8 Short-term borrowings</b>		
i. Cash credit (including loan repayable on demand)		
- from bank (secured)	<b>1,187,262,000</b>	601,065,277
(See note (a) below for security and terms of repayment)		
ii. Public deposits (unsecured)	-	421,378,878
(Public deposits are repayable within 1 year from the date of acceptance of public deposits)		
	<b>1,187,262,000</b>	1,022,444,155

## Notes forming part of the financial statements

	Year ended 31.03.2014 (Rupees)	Year ended 31.03.2013 (Rupees)
<b>a. Security and repayment details for cash credit facilities including working capital demand loans is as follows:</b>		
i. The cash credit including working capital demand loan is repayable on demand and carries interest @ 10.50% p.a. to 16.50% p.a. and is secured against first pari passu hypothecation charge on all existing and future current assets of borrower's channels CNN IBN and IBN7.	347,264,406	-
ii. The cash credit including working capital demand loan is repayable on demand and carries interest @ 12.10% p.a. to 12.65% p.a. and is secured against first pari passu hypothecation charge on all existing and future current assets of borrower's channels CNBC TV18 and CNBC Awaaz.	598,776,708	-
iii. The cash credit including working capital demand loan is repayable on demand and carries interest @ 12.00% to 12.25% p.a. and is secured against second pari passu charge by way of hypothecation of the borrower's entire current assets and second pari passu charge of all the borrower's present and future moveable assets.	241,220,886	-
iv. The cash credit including working capital demand loan is repayable on demand and carries interest @ 12.25% p.a. to 19.25% 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.	-	314,748,556
v. The cash credit is repayable on demand and carries interest @ 14.75% to 15.50% p.a. and is secured against hypothecation of book debts.	-	91,070
vi. The cash credit including working capital demand loan is repayable on demand and carries interest @ 12.25% to 14.95% 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.	-	286,225,651
	<b>1,187,262,000</b>	<b>601,065,277</b>
<b>9 Trade payables</b>		
Trade payables- other than acceptances	<b>791,924,250</b>	<b>1,062,385,997</b>

Based on the information available with the Company, the balance due to Micro & Small Enterprises as defined under the Micro, Small and Medium enterprises Development (MSMED) Act, 2006 is Rs. Nil (Previous year Rs. Nil) and no interest during the year has been paid or payable under the terms of the MSMED Act, 2006. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

## Notes forming part of the financial statements

	Year ended 31.03.2014 (Rupees)	Year ended 31.03.2013 (Rupees)
<b>10 Other current liabilities</b>		
a. Current maturities of long-term debt		
i. Term loans		
-from others	133,600,000	133,600,000
(See note 5 (c) - for the details of security and repayment details of long term borrowings)		
ii. Vehicle loan (secured by hypothecation of vehicles)		
-from bank	4,167,323	1,559,681
-from others	6,065,228	8,767,927
iii. Public deposits (unsecured)		
(Public deposits are repayable within 1 year from the reporting date)	405,822,932	487,562,000
b. Current maturities of finance lease obligations		
[See note 41(ii)(b)] (Secured against assets obtained under finance lease arrangements)	5,885,358	2,567,496
c. Interest accrued but not due on borrowings	59,358,217	111,945,552
d. Income billed in advance (unearned revenue)	43,668,020	30,835,291
e. Unclaimed matured deposits and interest accrued thereon	28,754,289	109,110,256
f. Other payables		
- Statutory dues (Contributions to PF, ESIC, Withholding Taxes, VAT, Service Tax, etc.)	101,816,866	128,049,041
- Payables on purchase of fixed assets	7,855,298	11,146,320
- Advances from customers	90,910,788	75,571,403
	<b>887,904,319</b>	<b>1,100,714,967</b>
<b>11 Short - term provisions</b>		
Provision for employee benefits		
- Provision for compensated absences	3,854,324	5,925,859
- Provision for gratuity [See note 33(II)(d)]	4,792,615	11,371,148
	<b>8,646,939</b>	<b>17,297,007</b>



## Notes forming part of the financial statements

## 12 Fixed assets

(Amount in Rupees)

	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		Opening balance as at 1.04.2013	Additions	Deletions/ adjustment	Closing balance as at 31.03.2014	Opening balance as at 1.04.2013	Depreciation / amortisation expense for the year	On disposals	Closing balance as at 31.03.2014	As at 31.03.2014	As at 31.03.2013
<b>(a)</b>	<b>Tangible Assets</b>										
	Freehold Land	3,130,564	-	-	3,130,564	-	-	-	-	3,130,564	3,130,564
		(3,130,564)	(-)	(-)	(3,130,564)	(-)	(-)	(-)	(-)	(3,130,564)	
	Leasehold improvements	341,941,255	4,847,457	-	346,788,712	297,629,372	27,094,364	-	324,723,736	22,064,976	44,311,883
		(338,883,139)	(3,058,116)	(-)	(341,941,255)	(253,640,210)	(43,989,162)	(-)	(297,629,372)	(44,311,883)	
	Plant and equipment										
	- on finance lease	11,754,532	-	-	11,754,532	1,327,200	765,866	-	2,093,066	9,661,466	10,427,332
		(11,754,532)	(-)	(-)	(11,754,532)	(561,334)	(765,866)	(-)	(1,327,200)	(10,427,332)	
	- others	1,836,301,442	80,288,897	3,416,878	1,913,173,461	973,438,433	126,713,619	1,504,798	1,098,647,254	814,526,207	862,863,009
		(2,098,475,902)	(37,199,119)	(299,373,579)	(1,836,301,442)	(1,139,691,550)	(126,929,493)	(293,182,610)	(973,438,433)	(862,863,009)	
	Electrical installation	42,536,249	3,080,840	-	45,617,089	20,001,204	3,265,797	-	23,267,001	22,350,088	22,535,045
		(39,411,474)	(3,519,264)	(394,489)	(42,536,249)	(17,243,762)	(2,948,460)	(191,018)	(20,001,204)	(22,535,045)	
	Computers										
	- on finance lease	684,119	-	-	684,119	270,242	110,895	-	381,137	302,982	413,877
		(684,119)	(-)	(-)	(684,119)	(159,347)	(110,895)	(-)	(270,242)	(413,877)	
	- others	234,529,326	24,784,987	21,674,014	237,640,299	156,241,358	22,815,278	21,593,395	157,463,241	80,177,058	78,287,968
		(230,905,349)	(27,923,989)	(24,300,012)	(234,529,326)	(154,484,641)	(25,863,631)	(24,106,914)	(156,241,358)	(78,287,968)	
	Furniture and fixtures	44,135,558	2,371,396	-	46,506,954	21,238,425	2,481,081	-	23,719,506	22,787,448	22,897,133
		(43,603,415)	(1,219,312)	(687,169)	(44,135,558)	(19,102,959)	(2,822,635)	(687,169)	(21,238,425)	(22,897,133)	
	Vehicles	83,815,124	23,064,320	8,800,115	98,079,329	27,814,730	8,624,574	3,745,544	32,693,760	65,385,569	56,000,394
		(67,009,252)	(21,213,551)	(4,407,679)	(83,815,124)	(23,196,285)	(6,662,102)	(2,043,657)	(27,814,730)	(56,000,394)	
	Office equipment	34,705,834	1,693,253	21,803	36,377,284	23,427,926	1,903,325	11,607	25,319,644	11,057,640	11,277,908
		(36,731,456)	(1,913,350)	(3,938,972)	(34,705,834)	(25,186,771)	(2,180,127)	(3,938,972)	(23,427,926)	(11,277,908)	
	<b>Total</b>	<b>2,633,534,003</b>	<b>140,131,150</b>	<b>33,912,810</b>	<b>2,739,752,343</b>	<b>1,521,388,890</b>	<b>193,774,799</b>	<b>26,855,344</b>	<b>1,688,308,345</b>	<b>1,051,443,998</b>	<b>1,112,145,113</b>
		<b>(2,870,589,202)</b>	<b>(96,046,701)</b>	<b>(333,101,900)</b>	<b>(2,633,534,003)</b>	<b>(1,633,266,859)</b>	<b>(212,272,371)</b>	<b>(324,150,340)</b>	<b>(1,521,388,890)</b>	<b>(1,112,145,113)</b>	
<b>(b)</b>	<b>Intangible Assets</b>										
	News archives	20,498,422	-	-	20,498,422	15,172,922	973,675	-	16,146,597	4,351,825	5,325,500
		(20,498,422)	(-)	(-)	(20,498,422)	(14,199,247)	(973,675)	(-)	(15,172,922)	(5,325,500)	
	Computers software	294,723,734	13,605,562	58,032	308,271,264	258,993,165	12,644,065	58,032	271,579,198	36,692,066	35,730,569
		(289,084,042)	(20,190,024)	(14,550,332)	(294,723,734)	(257,701,212)	(15,842,286)	(14,550,333)	(258,993,165)	(35,730,569)	
	Licenses	-	9,646,234	-	9,646,234	-	1,738,964	-	1,738,964	7,907,270	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	
	<b>Total</b>	<b>315,222,156</b>	<b>23,251,796</b>	<b>58,032</b>	<b>338,415,920</b>	<b>274,166,087</b>	<b>15,356,704</b>	<b>58,032</b>	<b>289,464,759</b>	<b>48,951,161</b>	<b>41,056,069</b>
		<b>(309,582,464)</b>	<b>(20,190,024)</b>	<b>(14,550,332)</b>	<b>(315,222,156)</b>	<b>(271,900,459)</b>	<b>(16,815,961)</b>	<b>(14,550,333)</b>	<b>(274,166,087)</b>	<b>(41,056,069)</b>	
	<b>Total (a+b)</b>	<b>2,948,756,159</b>	<b>163,382,946</b>	<b>33,970,842</b>	<b>3,078,168,263</b>	<b>1,795,554,977</b>	<b>209,131,503</b>	<b>26,913,376</b>	<b>1,977,773,104</b>	<b>1,100,395,159</b>	<b>1,153,201,182</b>
		<b>(3,180,171,666)</b>	<b>(116,236,725)</b>	<b>(347,652,232)</b>	<b>(2,948,756,159)</b>	<b>(1,905,167,318)</b>	<b>(229,088,332)</b>	<b>(338,700,673)</b>	<b>(1,795,554,977)</b>	<b>(1,153,201,182)</b>	

Figures in brackets pertain to the previous year.

## Notes forming part of the financial statements

	As at 31.03.2014 (Rupees)	As at 31.03.2013 (Rupees)
<b>13 Non current investments</b>		
<b>Investments (At cost)</b>		
<b>- in equity shares of</b>		
<b>a. Subsidiaries company (Unquoted)</b>		
i. 96,615 (Previous year 96,615) equity shares of Rs. 10 each fully paid up, in RVT Media Private Limited, a wholly owned subsidiary	346,560,000	346,560,000
ii. 100 (Previous year 100) equity shares of USD 1 each fully paid up, in ibn18 (Mauritius) Limited, a wholly owned subsidiary	5,081	5,081
iii. 2,000,000,000 (Previous year Nil) equity shares of Re. 1 each fully paid up, in Equator Trading Enterprises Private Limited, a wholly owned subsidiary (see note 37)	3,050,000,000	-
iv. Nil (Previous year 228,000) equity shares of Rs. 10 each fully paid up, in IndiaCast Media Distribution Private Limited, a wholly owned subsidiary, upto 31 March, 2013	-	70,296,000
<b>b. Joint ventures (Unquoted)</b>		
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 47,768,791) equity shares of Viacom18 Media Private Limited of Rs. 10 each fully paid up	8,564,425,247	8,564,425,247
iii. 228,000 (Previous year Nil) equity shares of Rs. 10 each fully paid up, in IndiaCast Media Distribution Private Limited	70,296,000	-
<b>- in preference shares of</b>		
<b>a. Joint ventures (Unquoted)</b>		
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. 2,035,250 (Previous year 1,696,250) 0.10% Non Cumulative Redeemable Preference Shares of Series "III" of IBN Lokmat News Private Limited of Rs. 100 each fully paid up	407,050,000	339,250,000
<b>- in debentures of</b>		
<b>a. Subsidiaries company (Unquoted)</b>		
i. 125,700,000 (Previous year Nil) compulsory convertible debentures of Rs. 100 each fully paid up in Equator Trading Enterprises Private Limited (see note 37)	17,480,000,000	-
ii. 56,249,900 (Previous year 56,249,900) debentures of USD 1 each fully paid up in ibn18 (Mauritius) Limited [Net-off provision for other than temporary diminution Rs. 658,937,927 (Previous year Rs. 658,937,927)]	2,161,709,919	2,161,709,919

## Notes forming part of the financial statements

	As at 31.03.2014 (Rupees)	As at 31.03.2013 (Rupees)
iii. 315,400 (Previous year 209,000) zero coupon optionally redeemable convertible redeemable debentures of Rs. 1,000 each fully paid up in RVT Media Private Limited	315,400,000	209,000,000
<b>- in equity shares of</b>		
<b>a. Other entities (Quoted)</b>		
i. 275,000 (Previous year 275,000) equity shares of Refex Refrigerants Limited of Rs. 10 each fully paid up	1	1
ii. 474,308 (Previous year 474,308) equity shares of KSL and Industries Limited of Rs. 4 each fully paid up	8,869,560	8,869,560
<b>b. Other entities (Unquoted)</b>		
i. 898,500 (Previous year 898,500) equity shares of Delhi Stock Exchange Association Limited of Rs. 10 each fully paid up	1	1
	<b>32,584,565,809</b>	<b>11,880,365,809</b>
Aggregate amount of listed and quoted investments	8,869,561	8,869,561
Aggregate market value of listed and quoted investments	11,406,748	18,688,877
Aggregate amount of unquoted investments	32,575,696,248	11,871,496,248
Aggregate provision for diminution in value of unquoted investments	658,937,927	658,937,927
<b>14 Long - term loans and advances</b>		
a. Capital advances (Unsecured, considered good)	67,130,180	7,914,555
b. Security deposits		
Unsecured, considered good	164,295,403	191,082,506
Doubtful	-	2,122,360
	<b>164,295,403</b>	<b>193,204,866</b>
Less: Provision for doubtful deposits	-	(2,122,360)
	<b>164,295,403</b>	<b>191,082,506</b>
c. Loans and advances to employees		
Unsecured, considered good	57,431,316	68,883,741
Doubtful	47,017,187	56,478,188
	<b>104,448,503</b>	<b>125,361,929</b>
Less: Provision for doubtful advances	(47,017,187)	(56,478,188)
	<b>57,431,316</b>	<b>68,883,741</b>
d. Advance income tax ((net of provision for tax Rs. 511,712,676 (Previous year Rs. 476,814,283)) (Unsecured, considered good)	573,043,379	405,788,783
e. MAT Credit entitlement (Unsecured, considered good)	31,531,147	-
f. Advance to vendors		
Doubtful	-	1,617,194
	-	1,617,194
Less: Provision for doubtful advances	-	(1,617,194)
	-	-
	<b>893,431,425</b>	<b>673,669,585</b>

## Notes forming part of the financial statements

	As at 31.03.2014 (Rupees)	As at 31.03.2013 (Rupees)
<b>15 Other non - current assets</b>		
(Unsecured, considered good)		
a. Advance against purchase of shares [See also note 36(b)]	-	19,500,000,000
b. Share application money paid for shares [See also note 35(b)]	-	46,800,000
c. Deposit accounts with banks*	<b>48,272,640</b>	151,266,669
	<b>48,272,640</b>	19,698,066,669
* Fixed deposits are under lien with banks against bank guarantees to Customs authorities to meet export obligations and with vendors and are restricted from being exchanged or used to settle a liability for more than 12 months from the balance sheet date.		
<b>16 Current investments</b>		
<b>Investment in mutual funds (at lower of cost and fair value)</b>		
a. Nil (Previous year 7,203,350) units of Rs. 10 each in Birla Mutual Fund*	-	90,563,402
b. Nil (Previous year 22,656) units of Rs. 10 each in Reliance Mutual Fund	-	34,634,529
c. Nil (Previous year 721,643) units of Rs. 10 each in Deutsche Mutual Fund	-	65,489,466
d. Nil (Previous year 116,318) units of Rs. 10 each in Religare Mutual Fund	-	116,517,703
e. Nil (Previous year 74,796) units of Rs. 10 each in Tata Mutual Fund	-	83,361,760
f. Nil (Previous year 96,281) units of Rs. 10 each in L&T Mutual Fund	-	97,401,431
g. Nil (Previous year 57,027) units of Rs. 10 each in DSP Blackrock Liquidity Fund	-	57,044,799
h. Nil (Previous year 458,630) units of Rs. 10 each in ICICI Prudential Mutual Fund	-	48,493,276
i. Nil (Previous year 63,193) units of Rs. 10 each in Morgan Mutual Fund	-	63,224,208
j. Nil (Previous year 82,141) units of Rs. 10 each in Taurus Mutual Fund	-	82,148,746
k. Nil (Previous year 51,262) units of Rs. 10 each in Daiwa Mutual Fund	-	51,289,106
	-	790,168,426
Aggregate amount of unquoted investments	-	790,168,426
*Aggregate amount for diminution in value of investment	-	872,168
<b>17 Trade receivables (Unsecured)</b>		
a. Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
- considered good	<b>358,406,907</b>	256,295,173
- considered doubtful	<b>197,472,499</b>	161,556,129
Less: Provision for doubtful trade receivables	<b>(197,472,499)</b>	(161,556,129)
	<b>358,406,907</b>	256,295,173
b. Other trade receivables	<b>1,331,981,736</b>	1,614,972,721
	<b>1,690,388,643</b>	1,871,267,894

## Notes forming part of the financial statements

	As at 31.03.2014 (Rupees)	As at 31.03.2013 (Rupees)
<b>18 Cash and bank balances</b>		
<b>A. Cash and cash equivalents</b>		
a. Cash on hand	1,132,728	1,422,823
b. Cheques on hand	-	31,882,460
c. Balances with banks		
i. in current accounts [See note (a) below]	166,430,151	334,194,644
ii. in demand deposit accounts		
- Original maturity of 3 months or less	22,731,943	735,640,332
	<u>190,294,822</u>	<u>1,103,140,259</u>
<b>B. Other bank balances</b>		
a. In other deposit accounts		
- original maturity more than 3 months [See note (b) and (c) below]	201,993,768	102,413,530
	<u>392,288,590</u>	<u>1,205,553,789</u>
<b>Notes:</b>		
a. Unutilised money of rights issue	-	143,259,020
b. Balance with banks held as per Rule 3A of Companies (Acceptance of deposits) Rules, 1975	60,873,440	14,783,550
c. Fixed deposits are under lien with banks against bank guarantees to the Customs authorities	73,037,100	-
<b>19 Short - term loans and advances</b> (Unsecured, considered good)		
a. Loans and advances		
- to related parties (See note 35)		
- to subsidiaries	319,111,567	2,278,157
- to joint ventures	31,730,559	12,129,750
- to fellow subsidiaries	114,076,175	123,013,016
- to entities under significant influence of key managerial person	539,497,350	543,430,774
- to employees	12,931,076	60,668,187
- others	558,761	1,912,287
	<u>1,017,905,488</u>	<u>743,432,171</u>
b. Security deposits	11,530,581	4,667,950
c. Prepaid expenses	31,543,593	39,711,003
d. Balance with government authorities		
- Service tax credit receivable	90,967,948	115,644,143
e. Others		
- Advances to vendors	45,468,247	13,681,595
	<u>1,197,415,857</u>	<u>917,136,862</u>

## Notes forming part of the financial statements

	As at 31.03.2014 (Rupees)	As at 31.03.2013 (Rupees)
<b>20 Other current assets</b> (Unsecured, considered good)		
a. Unamortised expenses		
<u>Share issue expenses</u>		
Opening Balance	-	111,276,733
Add: Amount incurred for rights issue during the year	-	612,161,208
Less: Rights issue related expenses adjusted by transferring to Securities Premium Account [See note 4(a)]	-	723,437,941
	-	-
b. Others		
Interest accrued but not due on deposits and advances	5,826,831	41,898,513
	5,826,831	41,898,513
<b>21 Revenue from operations</b>		
a. <b>Sale of services</b>		
i. Advertisement and subscription revenue	4,919,118,673	5,171,803,545
ii. Sale of content	17,134,408	3,790,048
iii. Other media income and equipment rentals	167,264,323	155,207,273
	5,103,517,404	5,330,800,866
b. <b>Other operating revenue</b>		
i. Advances from customers written back	22,500,000	84,673,616
ii. Consultancy services	34,500,000	-
	57,000,000	84,673,616
	5,160,517,404	5,415,474,482
<b>22 Other income</b>		
a. Interest income on		
- Loans and advances to related parties (see note 35)	7,768,201	3,166,377
- Deposit accounts with banks	44,010,821	57,241,724
- Income tax refund	13,641,741	21,260,414
b. Net gain on sale of		
- current investments	-	42,633,134
- long-term investments	-	3,310,549
c. Dividend income		
-from current investments	38,432,177	88,529,885
-from long-term investments-others	500	50,000
d. Other non-operating income		
-Liabilities / provisions no longer required written back	49,762,299	72,766,833
-Miscellaneous income	393,215	249,788
	154,008,954	289,208,704



## Notes forming part of the financial statements

	Year ended 31.03.2014 (Rupees)	Year ended 31.03.2013 (Rupees)
<b>23 Employee benefits expense</b>		
a. Salaries and wages	1,188,396,548	1,349,778,670
b. Contribution to provident and other fund (see note 33)	72,763,369	70,770,623
c. Gratuity expense (see note 33)	30,697,352	27,477,711
d. Expense on employee stock option (ESOP) scheme (see note 34)	(2,214,034)	1,185,280
e. Staff welfare expenses	123,355,491	116,125,814
	<u>1,412,998,726</u>	<u>1,565,338,098</u>
<b>24 Finance costs</b>		
a. Interest expense on		
- Term loans	57,283,130	425,465,826
- Cash credits	44,040,874	110,893,230
- Public deposits	99,062,987	307,151,780
- Others	5,959,265	5,447,833
b. Other borrowing costs	18,360,363	161,224,636
	<u>224,706,619</u>	<u>1,010,183,305</u>
<b>25 Other expenses</b>		
a. Studio and equipment hire charges	41,870,043	34,887,981
b. Telecast and uplinking fees	160,021,324	119,009,437
c. Airtime purchased	54,453,407	47,218,096
d. Tapes consumed	2,777,400	6,283,536
e. Royalty expenses	203,091,902	238,341,629
f. Content expenses	58,569,818	58,346,617
g. Media professional fees	219,440,698	253,082,252
h. Other production expenses	215,963,134	190,467,068
i. Rent including lease rentals (See note 41)	182,298,826	165,634,172
j. Electricity expenses	71,062,894	65,449,663
k. Insurance	13,673,289	12,495,971
l. Travelling and conveyance	325,128,247	317,979,893
m. Vehicle running and maintenance	74,110,045	77,659,175
n. Communication expenses	58,293,693	61,211,985
o. Distribution, advertising and business promotion	480,412,573	783,635,385
p. Repairs and maintenance		
- Plant & machinery	101,539,262	92,342,169
- Others	11,359,420	11,307,455
q. Legal and professional expenses (See note below)	80,363,301	49,108,458
r. Rates and taxes	33,763	92,770
s. Office upkeep and maintenance	81,033,207	71,068,214
t. Directors sitting fees	240,000	230,000
u. Loss on fixed assets sold / scrapped / written off (net)	1,930,918	6,557,514
v. Net loss on foreign currency transactions and translations	10,822,602	6,108,272
w. Non-current investments written off	-	8,566,250
x. Loss on sale of current investments	4,067,591	-
y. Diminution/adjustments to carrying value of current investments	-	872,168
z. Bad debts and provision for doubtful trade and other receivable, loans and advances (net)	110,614,608	72,060,745
aa. Miscellaneous expenses	34,942,484	35,474,742
	<u>2,598,114,449</u>	<u>2,785,491,617</u>

## Notes forming part of the financial statements

	Year ended 31.03.2014 (Rupees)	Year ended 31.03.2013 (Rupees)
<b>Note:</b>		
<b>Payments to the auditors comprises (net of service tax input credit, where applicable):</b>		
(a) To statutory auditors		
a. For Statutory audit fees	4,250,000	3,500,000
b. For other services (including limited reviews, certifications and excluding Rs. 4,985,000 in previous year being expenses related to the rights issue adjusted against the securities premium account)	4,115,000	3,850,000
c. Reimbursement of expenses	123,304	53,840
	8,488,304	7,403,840
(b) To cost auditors for cost audit	150,000	150,000
	8,638,304	7,553,840
<b>26 Exceptional items</b>		
a. Severance pay	102,778,000	-
b. Consultancy charges	171,324,315	-
	274,102,315	-
<b>Note:</b>		
Exceptional items represent one-time severance pay as part of the Company's restructuring initiative to realise operational synergies across the news network and consultancy charges for integration and acquisition of ETV channels.		
<b>27. Capital commitment, litigations and contingent liabilities</b>		
i. Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) Rs. 34,227,398 (Previous year Rs. 68,841,733).		
ii. The Company had purchased capital equipment under the 'Export Promotion Capital Goods Scheme'. As per the terms of the licenses granted under the scheme, the Company had undertaken to achieve an export commitment of Rs. 874,014,347 (Previous year Rs. 874,014,347) over a period of 8 years commencing from 10 August, 2005. In the event the Company is unable to execute its export obligations, the Company shall be liable to pay customs duty of Rs. 109,251,793 (Previous year Rs. 109,251,793) and interest on the same at the rate of 15 per cent compounded annually. The banks have given a guarantee amounting to Rs. 104,947,427 (Previous year Rs. 136,247,427) on behalf of the Company to the customs authorities for the same. The Company has made applications of Rs. 874,014,347 (Previous year Rs. 143,460,616) to the Director General of Foreign Trade for issuance of the export obligation discharge certificate (EODC) towards fulfillment of its export obligation and has received the EODC for Rs. 332,263,040 in respect thereof during the year and EODC for balance of Rs. 541,751,307 is awaited as at the year end.		
iii. Claims against the Company not acknowledged as debts include demands raised by Income Tax authorities aggregating to Rs. 272,629,554 (Previous year Rs. 424,978,295). An amount deposited by the Company against these claims is Rs. 82,406,373 (Previous year Rs. 82,406,373) which are included in Advance Income Tax in Note 14(d). No provision has been made in the accounts for these demands as the Company expects a favorable decision in appeal.		
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. 7,814,250 was outstanding in respect of such loans.		
v. 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. 35,562,492 was outstanding in respect of such loan.		
vi. 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		

## Notes forming part of the financial statements

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 21 September, 2011.

- vii. Mr. Victor Fernandes ("plaintiff") has preferred an Appeal before the Hon'ble Supreme Court of India against the order of the Hon'ble Securities Appellate Tribunal (SAT) dated 8 February, 2013 which dismissed the appeal relating to grant of listing approval by the National Stock Exchange (NSE) for the rights issue of the Company.

Based on the legal advice by the legal counsel, management is of the view that the above claims made by the plaintiffs are 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. 3,100,405,000 (Previous year Rs. 3,115,238,072). In the opinion of the management, no material liability is likely to arise on account of such claims/law suits and thus no provision has been made against these in the financial statements.
- ix. The Company had received legal notice of claims/ lawsuits filed by Rahmat Fatima Ammanullah ("Plaintiff") against IBN7 Hindi News channel, Mr. Sukesh Ranjan, Mr. Ashutosh Gupta, Mr. Chandra Mohan Kumar, Mr. Rajdeep Sardesai and Mr. Raghav Bahl ("defendants") thereby alleging that the news broadcasted by the defendants has damaged the plaintiff's reputation and standing before her family, friends, peers, society and has caused extreme mental agony and trauma. The Plaintiff has prayed for a claim of Rs. 1,000,000,000 against the defendants along with the cost of litigation, the suit is currently pending. 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.

### 28. Investments

- a) The Company has investment of Rs. 8,564,425,247 in equity shares of Viacom18 Media Private Limited (Viacom18). As at 31 March 2014, Viacom18 has accumulated losses and its net worth has been partially eroded.
- b) The Company has investments of Rs. 587,300,000 (comprising equity and preference shares) in IBN Lokmat News Private Limited (IBN Lokmat). As at 31 March, 2014 IBN Lokmat has significant accumulated losses and its net worth has been substantially eroded.
- c) The Company has investments of Rs. 346,560,000 in equity shares and Rs. 315,400,000 in Zero Coupon Optionally Redeemable Convertible Debentures of RVT Media Private Limited (RVT Media). As per consolidated financial statements of RVT Media, there are accumulated losses as at 31 March, 2014 and its net worth has been partially eroded.

Having regard to the long term investment and strategic involvement with the above mentioned Companies, no provision is considered necessary for other than temporary diminution in the value of these investments.

## Notes forming part of the financial statements

### 29. Earnings per equity shares

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 during the year. The details are:

Particulars	Unit	Year ended 31.03.2014	Year ended 31.03.2013
<b>Earnings per equity shares:</b>			
a. Net profit after tax	Rs.	<b>592,105,500</b>	102,233,593
b. Weighted average number of equity shares used in computing basic earnings per share (Nominal value is Rs. 2 per share)	Numbers	<b>1,711,708,789</b>	953,677,655
c. Basic earnings per share (a/b)	Rs.	<b>0.35</b>	0.11
d. Weighted average of the number of shares issued under options	Numbers	<b>8,992,822</b>	10,959,207
e. Adjustment for number of shares that would have been issued at the fair value	Numbers	<b>(8,506,028)</b>	(10,496,127)
f. Weighted average of number of equity shares used in computing diluted earnings per share (b+d+e)	Numbers	<b>1,712,195,583</b>	954,140,735
g. Diluted earnings per share (a/f)	Rs.	<b>0.35</b>	0.11

### 30. 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.

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

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
<b>a. Expenditure in foreign currency</b>		
i. Staff welfare expenses	<b>3,826,625</b>	181,708
ii. Telecast and uplinking fees	<b>167,536,841</b>	140,357,335
iii. Airtime purchased	<b>50,853,407</b>	38,716,258
iv. Royalty expenses	<b>203,091,902</b>	238,341,629
v. Content expenses	<b>8,727,354</b>	12,927,736
vi. Media professional fees	<b>8,416,711</b>	8,491,895
vii. Other production expenses	<b>5,534,020</b>	2,232,760
viii. Travelling and conveyance	<b>5,104,963</b>	9,140,982
ix. Distribution, advertising and business promotion	<b>8,836,935</b>	337,013
x. Repairs and maintenance	<b>30,698,452</b>	37,621,325
xi. Legal and professional expenses	<b>2,704,934</b>	-
xii. Miscellaneous expenses	<b>4,647,060</b>	4,103,696
	<b>499,979,204</b>	492,452,337
<b>b. CIF value of imports</b>		
i. Capital goods	<b>53,254,202</b>	36,968,830
ii. Tapes purchased	-	220,668
iii. Components and spare parts	<b>990,006</b>	23,71,555
	<b>54,244,208</b>	39,561,053
<b>c. Tapes consumed</b>		
i. Domestic	<b>2,777,400</b>	5,774,679
ii. Imported	-	508,857
	<b>2,777,400</b>	6,283,536
<b>d. Earnings in foreign currency</b>		
i. Advertisement and subscription revenue	<b>143,610,066</b>	132,591,561

## Notes forming part of the financial statements

### 32. Deferred tax

The Company has carried out its tax computation in accordance with the mandatory Accounting Standard (AS) 22 on "Accounting for Taxes on Income", and in the absence of virtual certainty, no deferred tax assets have been recognised on the amount of carried forward tax losses and unabsorbed depreciation.

### 33. Employee benefits

#### I. Defined contribution plans

The Company makes Provident Fund and Employee State Insurance contributions which are defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company's contribution to the Employees Provident Fund and Employee State Insurance is deposited with Provident Fund Commissioner and Employee State Insurance Commissioner which is recognised by the Income Tax authorities.

The Company has recognised Rs. 72,339,469 (Previous year Rs. 69,874,595) for Provident Fund contributions and Rs. 423,900 (Previous year Rs. 896,028) for Employee State Insurance in the Statement of Profit and Loss. The contributions payable to this plan by the Company is at the rate specified in the rules of the schemes.

#### 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.

For funded plan, the Company makes contributions to the trust from time to time which in turn makes contributions to the Employee's Group Gratuity-cum-Life Assurance scheme of the Life Insurance Corporation of India.

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

Particulars	31.03.2014 (Rupees)	31.03.2013 (Rupees)
<b>a. Change in defined benefit obligation</b>		
i. Present value of obligation at the beginning of the year	113,746,846	96,750,690
ii. Current service cost	13,349,190	16,071,605
iii. Interest expense	9,668,482	8,223,809
iv. Past service cost	-	-
v. Actuarial (gain) / loss	7,745,029	4,475,855
vi. Benefits paid	(38,954,633)	(11,775,113)
vii. Present value of obligations at the end of the year	105,554,914	113,746,846
<b>b. Fair value of plan assets</b>		
i. Fair value of plan assets at the beginning of the year	12,814,897	12,080,594
ii. Expected return on scheme assets	1,025,192	1,026,850
iii. Employer's contribution	-	-
iv. Benefits paid	-	(559,235)
v. Actuarial gain / (loss)	(959,843)	266,688
vi. Fair value of plan assets at the end of the year	12,880,246	12,814,897
<b>c. Return on plan assets</b>		
i. Expected return on plan assets	1,025,192	1,026,850
ii. Actuarial gain / (loss)	(959,843)	266,688
iii. Actual return on plan assets	65,349	1,293,538

## Notes forming part of the financial statements

Particulars	31.03.2014 (Rupees)	31.03.2013 (Rupees)
<b>d. Amount Recognised with Balance Sheet</b>		
i. Present value of defined benefit obligations	105,554,914	113,746,846
ii. Fair value of plan assets	12,880,246	12,814,897
iii. Net liability/(asset) recognised in the balance sheet	92,674,668	100,931,949
- Non current liability	87,882,053	89,560,801
- Current liability	4,792,615	11,371,148
<b>e. Expenses recognised in the Statement of Profit and Loss</b>		
i. Current service costs	13,349,190	16,071,605
ii. Interest expense	9,668,482	8,223,809
iii. Expected return on investment	(1,025,192)	(1,026,850)
iv. Net actuarial (gain)/loss recognised during the year	8,704,872	4,209,147
v. Expenditure recognised in the Statement of Profit and Loss	30,697,352	27,477,711

Particulars	31.03.2014	31.03.2013
<b>Principal Actuarial assumptions for gratuity and compensated absences</b>		
i. Rate for discounting liabilities	8.50% p.a.	8.50% 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	IALM (2006-08) duly modified	IALM (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.
- The planned assets of the Company are managed by the Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan.

Year ended	Present value of the gratuity benefits	Experience adjustments arising on the gratuity benefits
	(Rupees)	(Rupees)
31.03.2014	105,554,914	7,798,461
31.03.2013	113,746,846	4,475,855
31.03.2012	96,750,690	(3,336,784)
31.03.2011	42,235,139	5,282,795
31.03.2010	27,526,280	(7,042,350)

The Company's best estimate of contributions expected to be paid during the next 12 months beginning after the balance sheet date is Rs. 27,110,004 (Previous year Rs. 38,142,647).



## Notes forming part of the financial statements

### 34. 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 administer the ESOP 2007. All options under the ESOPs are exercisable for equity shares. The Company plans to grant upto 51,484,727 options to eligible employees and directors of the Company and its subsidiaries and holding company of the Company.

The Company had increased the maximum number of options that can be granted under ESOP 2007 from 8,500,000 to 12,500,000 options at Annual General Meeting held on 9 September, 2011 and which was further increased to 51,484,727 options pursuant to the Rights Issue vide Remuneration/Compensation Committee resolution dated 30 October, 2012.

- b. Options which have been granted under ESOP 2007 shall vest with the grantee over the vesting period from the date of grant. The exercise period of the options is a period of two years after the vesting of the options. Each option is exercisable for one equity share of Rs. 2 each fully paid up on payment of exercise price (as determined by the Remuneration/Compensation Committee) of share determined with respect to the date of grant.
- c. During the previous year, the Remuneration/Compensation Committee of the Board of Directors had granted 7,500,000 options of the Company under GBN Employee Stock Option Plan 2007 to the eligible employees.

The vesting period, vesting terms and exercise period for these options were as follows:

Particulars	Employee Stock Option Plan 2007	Employee Stock Option Plan 2007
Options granted	2,500,000	5,000,000
Vesting date	Options to vest equally over 2 years (50% options to vest each year) from the date of grant	Options to vest equally over 5 years (20% options to vest each year) from the date of grant
Vesting requirements	Two years of service from the date of grant of option	Five years of service from the date of grant of option
Exercise Period	During two years after vesting date	During two years after vesting date

The Company has granted 14,731,849 options upto 31 March, 2014.

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

Particulars		ESOP 2007		ESOP 2007	
		Year ended 31.03.14		Year ended 31.03.13	
		Options	Weighted Average Price	Options	Weighted Average Price
		(Numbers)	(Rupees)	(Numbers)	(Rupees)
a.	Outstanding at the beginning of year	10,959,207	31.70	3,999,979	25.40
b.	Granted during the year	-	-	7,500,000	26.00
c.	Exercised during the year	-	-	-	-
d.	Forfeited during the year	1,894,217	43.46	442,137	24.01
e.	Expired during the year	72,168	27.70	98,635	27.70
f.	Outstanding at the end of the year	8,992,822	22.49	10,959,207	31.70
g.	Exercisable at the end of the year	3,436,822	23.30	2,763,568	42.69
h.	Number of equity shares of Rs. 2 each fully paid up to be issued on exercise of option	8,992,822	22.49	10,959,207	31.70
i.	Weighted average share price at the date of exercise	-	-	-	-
j.	Weighted average remaining contractual life (years)	2.76	NA	2.62	NA

## Notes forming part of the financial statements

### e. Proforma 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 proforma amounts as indicated:

Particulars		Year ended 31.03.2014	Year ended 31.03.2013
		(Rupees)	(Rupees)
1.	Net profit as reported	592,105,500	102,233,593
2.	Add: Expense/(written back) on employee stock option (ESOP) scheme debited to the Statement of Profit and Loss	(2,214,034)	1,185,280
3.	Less: Stock based employee compensation expense based on fair value	3,990,683	41,731,562
4.	Difference between (2) and (3)	(6,204,717)	(40,546,282)
5.	Adjusted proforma Profit	585,900,783	61,687,311
6.	Difference between (1) and (5)	6,204,717	40,546,282
7.	Basic earnings per share as reported	0.35	0.11
8.	Proforma basic earnings per share	0.34	0.06
9.	Diluted earnings per share as reported	0.35	0.11
10.	Proforma diluted earnings per share	0.34	0.06

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

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Risk free interest rates (in %)	8.18%	7.38%
Expected life (in years)	6.21 years	4.50 years
Volatility (in %)	33.43%	94.19%
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.

Note:

The Company has formulated Employee Stock Option Schemes (ESOS) in accordance with the Securities Exchange Board of India (SEBI) (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Schemes provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines; the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price is amortised on a straight-line basis over the vesting period.

## Notes forming part of the financial statements

### 35 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	Abbreviation	Nature of Relationship
1	Network18 Media & Investments Limited	Network18	Holding company
2	RVT Media Private Limited	RVT Media	Subsidiary company of TV18
3	AETN18 Media Private Limited	AETN18	Subsidiary company of RVT Media
4	Equator Trading Enterprises Private Limited (w.e.f. 22 January, 2014)	Equator	Subsidiary company of TV18
5	Panorama Television Private Limited (w.e.f. 22 January, 2014)	Panorama	Subsidiary company of Equator
6	Prism TV Private Limited (w.e.f. 22 January, 2014)	Prism TV	Subsidiary company by virtue of control of composition of Board of Directors
7	Eenadu Television Private Limited (w.e.f. 22 January, 2014)	Eenadu	24.5% associate company of Equator
8	ibn18 (Mauritius) Limited	ibn18 Mauritius	Subsidiary company of TV18
9	Viacom18 Media Private Limited	Viacom18	Jointly controlled entity of TV18
10	IBN Lokmat News Private Limited	IBN Lokmat	Jointly controlled entity of TV18
11	IndiaCast Media Distribution Private Limited	IndiaCast Media	Jointly controlled entity (subsidiary company upto 31 March, 2013) of TV18 w.e.f 1 April, 2013
12	IndiaCast UTV Media Distribution Private Limited	IndiaCast UTV	Subsidiary company of IndiaCast Media
13	INDIACAST UK LTD	IndiaCast UK	Subsidiary company of IndiaCast Media
14	Raghav Bahl	RB	Key Management Personnel (KMP)
15	Web18 Software Services Limited	Web18	Fellow subsidiary Company
16	Infomedia 18 Limited	Infomedia	Fellow subsidiary Company
17	Digital18 Media Limited	Digital18	Fellow subsidiary Company
18	Big Tree Entertainment Private Limited	Bigtree	Fellow subsidiary Company
19	e-Eighteen.com Limited	E-18	Fellow subsidiary Company
20	Setpro18 Distribution Limited	Setpro18	Fellow subsidiary Company
21	E-18 Limited, Cyprus	E-18, Cyprus	Fellow subsidiary Company
22	Television Eighteen Mauritius Limited, Mauritius	TEML	Fellow subsidiary Company
23	TV18 Home Shopping Network Limited	TV18 HSN	Fellow subsidiary Company
24	Web 18 Holdings Limited, Cayman Islands	Web18 Holding	Fellow subsidiary Company
25	BK Holdings Limited, Mauritius	BKH	Fellow subsidiary Company
26	Moneycontrol Dot Com India Limited	MCD	Fellow subsidiary Company
27	Colosceum Media Private Limited	Colosceum	Fellow subsidiary Company
28	Greycells18 Media Limited	Greycells18	Fellow subsidiary Company
29	Stargaze Entertainment Private Limited	Stargaze	Fellow subsidiary Company
30	NewsWire18 Limited	NewsWire	Fellow subsidiary Company till 27 December, 2012
31	Network18 Publications Limited	Network18 Pub	Entity under significant influence of KMP
32	Network18 Group Senior Professional Welfare Trust	Network18 GSP	Entity under significant influence of KMP
33	24X7 Learning Private Limited	24X7	Entity under significant influence of KMP
34	IBN18 Trust	IBN18 Trust	Entity under significant influence of KMP

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

## Notes forming part of the financial statements

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

(Amount in Rupees)								
	Transactions	Holding Company	Subsidiaries	Fellow subsidiaries	Jointly controlled entities	Subsidiaries of jointly controlled entities	Entities under significant influence	Total
(i)	<b>Transactions during the year</b>							
(a)	<b>Income from operations and other income</b>							
	Network18	41,724,385 (56,442,524)	- (-)	- (-)	- (-)	- (-)	- (-)	41,724,385 (56,442,524)
	AETN18	- (-)	52,765,965 (125,270,718)	- (-)	- (-)	- (-)	- (-)	52,765,965 (125,270,718)
	Panorama	- (-)	49,087,500 (-)	- (-)	- (-)	- (-)	- (-)	49,087,500 (-)
	Digital18	- (-)	- (-)	13,185,894 (3,205,716)	- (-)	- (-)	- (-)	13,185,894 (3,205,716)
	Bigtree	- (-)	- (-)	92,736 (92,736)	- (-)	- (-)	- (-)	92,736 (92,736)
	E-18	- (-)	- (-)	15,688,961 (-)	- (-)	- (-)	- (-)	15,688,961 (-)
	Setpro18	- (-)	- (-)	- (196,404)	- (-)	- (-)	- (-)	- (196,404)
	TV18 HSN	- (-)	- (-)	9,000,000 (16,204,927)	- (-)	- (-)	- (-)	9,000,000 (16,204,927)
	Greycells18	- (-)	- (-)	4,682,496 (4,682,496)	- (-)	- (-)	- (-)	4,682,496 (4,682,496)
	Viacom18	- (-)	- (-)	- (-)	136,598,994 (115,425,562)	- (-)	- (-)	136,598,994 (115,425,562)
	IBN Lokmat	- (-)	- (-)	- (-)	7,200,000 (18,882,513)	- (-)	- (-)	7,200,000 (18,882,513)
	IndiaCast Media	- (-)	- (227,607,622)	- (-)	38,250,842 (-)	- (-)	- (-)	38,250,842 (227,607,622)
	IndiaCast UTV	- (-)	- (-)	- (-)	- (-)	718,630,065 (-)	- (-)	718,630,065 (-)
	IndiaCast UK	- (-)	- (-)	- (-)	- (-)	4,747,885 (-)	- (-)	4,747,885 (-)
	Network18 Pub	- (-)	- (-)	- (-)	- (-)	- (-)	2,500,000 (2,514,981)	2,500,000 (2,514,981)
	<b>Total</b>	<b>41,724,385 (56,442,524)</b>	<b>101,853,465 (352,878,340)</b>	<b>42,650,087 (24,382,279)</b>	<b>182,049,836 (134,308,075)</b>	<b>723,377,950 (-)</b>	<b>2,500,000 (2,514,981)</b>	<b>1,094,155,723 (570,526,199)</b>
(b)	<b>Interest received</b>							
	ibn18 Mauritius	- (-)	596,968 (-)	- (-)	- (-)	- (-)	- (-)	596,968 (-)
	Prism TV	- (-)	7,171,233 (-)	- (-)	- (-)	- (-)	- (-)	7,171,233 (-)
	TV18 HSN	- (-)	- (-)	- (3,166,377)	- (-)	- (-)	- (-)	- (3,166,377)
	<b>Total</b>	<b>- (-)</b>	<b>7,768,201 (-)</b>	<b>- (3,166,377)</b>	<b>- (-)</b>	<b>- (-)</b>	<b>- (-)</b>	<b>7,768,201 (3,166,377)</b>
(c)	<b>Amount written back during the year</b>							
	TEML	- (-)	- (-)	- (50,368,507)	- (-)	- (-)	- (-)	- (50,368,507)
	<b>Total</b>	<b>- (-)</b>	<b>- (-)</b>	<b>- (50,368,507)</b>	<b>- (-)</b>	<b>- (-)</b>	<b>- (-)</b>	<b>- (50,368,507)</b>

## Notes forming part of the financial statements

(Amount in Rupees)								
	Transactions	Holding Company	Subsidiaries	Fellow subsidiaries	Jointly controlled entities	Subsidiaries of jointly controlled entities	Entities under significant influence	Total
(d)	Amount written off during the year							
	IBN Lokmat	- (-)	- (-)	- (-)	- (4,912,026)	- (-)	- (-)	- (4,912,026)
	Total	- (-)	- (-)	- (-)	- (4,912,026)	- (-)	- (-)	- (4,912,026)
(e)	Expenditure for services received							
	Network18	101,021,237 (66,523,047)	- (-)	- (-)	- (-)	- (-)	- (-)	101,021,237 (66,523,047)
	AETN18	- (-)	12,500,800 (3,081,400)	- (-)	- (-)	- (-)	- (-)	12,500,800 (3,081,400)
	Panorama	- (-)	574,000 (-)	- (-)	- (-)	- (-)	- (-)	574,000 (-)
	Infomedia	- (-)	- (-)	- (2,180,526)	- (-)	- (-)	- (-)	- (2,180,526)
	Digital18	- (-)	- (-)	16,921,500 (7,177,000)	- (-)	- (-)	- (-)	16,921,500 (7,177,000)
	Newswire	- (-)	- (-)	- (4,280,256)	- (-)	- (-)	- (-)	- (4,280,256)
	Setpro18	- (-)	- (-)	- (237,600,643)	- (-)	- (-)	- (-)	- (237,600,643)
	Colosceum	- (-)	- (-)	- (10,640,000)	- (-)	- (-)	- (-)	- (10,640,000)
	E-18	- (-)	- (-)	- (1,000,000)	- (-)	- (-)	- (-)	- (1,000,000)
	Viacom18	- (-)	- (-)	- (-)	1,621,253 (11,998,209)	- (-)	- (-)	1,621,253 (11,998,209)
	Network18 Pub	- (-)	- (-)	- (-)	- (-)	- (-)	3,907,269 (3,499,568)	3,907,269 (3,499,568)
	Total	101,021,237 (66,523,047)	12,500,800 (3,081,400)	16,921,500 (262,878,425)	1,621,253 (11,998,209)	- (-)	3,907,269 (3,499,568)	136,546,059 (347,980,649)
(f)	Reimbursement of expenses received							
	Network18	34,863,203 (42,016,006)	- (-)	- (-)	- (-)	- (-)	- (-)	34,863,203 (42,016,006)
	AETN18	- (-)	45,283,600 (42,205,834)	- (-)	- (-)	- (-)	- (-)	45,283,600 (42,205,834)
	Panorama	- (-)	1,902,502 (-)	- (-)	- (-)	- (-)	- (-)	1,902,502 (-)
	Infomedia	- (-)	- (-)	10,000,000 (-)	- (-)	- (-)	- (-)	10,000,000 (-)
	Bigtree	- (-)	- (-)	340,311 (278,669)	- (-)	- (-)	- (-)	340,311 (278,669)
	Digital18	- (-)	- (-)	11,154,472 (15,137,553)	- (-)	- (-)	- (-)	11,154,472 (15,137,553)
	E-18	- (-)	- (-)	58,320,838 (55,761,996)	- (-)	- (-)	- (-)	58,320,838 (55,761,996)
	Setpro18	- (-)	- (-)	- (3,402,023)	- (-)	- (-)	- (-)	- (3,402,023)
	TV18 HSN	- (-)	- (-)	20,510,425 (12,008,391)	- (-)	- (-)	- (-)	20,510,425 (12,008,391)
	Colosceum	- (-)	- (-)	210,427 (55,788)	- (-)	- (-)	- (-)	210,427 (55,788)

## Notes forming part of the financial statements

(Amount in Rupees)								
	Transactions	Holding Company	Subsidiaries	Fellow subsidiaries	Jointly controlled entities	Subsidiaries of jointly controlled entities	Entities under significant influence	Total
	Greycells18	- (-)	- (-)	3,826,069 (3,576,551)	- (-)	- (-)	- (-)	3,826,069 (3,576,551)
	Stargaze	- (-)	- (-)	- (47,294)	- (-)	- (-)	- (-)	- (47,294)
	Newswire	- (-)	- (-)	- (157,690)	- (-)	- (-)	- (-)	- (157,690)
	Viacom18	- (-)	- (-)	- (-)	52,576,966 (46,195,382)	- (-)	- (-)	52,576,966 (46,195,382)
	IBN Lokmat	- (-)	- (-)	- (-)	40,688,204 (49,147,140)	- (-)	- (-)	40,688,204 (49,147,140)
	IndiaCast Media	- (-)	- (4,634,161)	- (-)	4,021,950 (-)	- (-)	- (-)	4,021,950 (4,634,161)
	<b>Total</b>	<b>34,863,203</b> (42,016,006)	<b>47,186,102</b> (46,839,995)	<b>104,362,542</b> (90,425,955)	<b>97,287,120</b> (95,342,522)	- (-)	- (-)	<b>283,698,967</b> (274,624,478)
<b>(g)</b>	<b>Reimbursement of expenses paid</b>							
	Network18	56,702,416 (97,043,376)	- (-)	- (-)	- (-)	- (-)	- (-)	56,702,416 (97,043,376)
	AETN18	- (-)	8,996,165 (14,513,151)	- (-)	- (-)	- (-)	- (-)	8,996,165 (14,513,151)
	Panorama	- (-)	805,500 (-)	- (-)	- (-)	- (-)	- (-)	805,500 (-)
	Digital18	- (-)	- (-)	- (197,200)	- (-)	- (-)	- (-)	- (197,200)
	E-18	- (-)	- (-)	430,195 (185,726)	- (-)	- (-)	- (-)	430,195 (185,726)
	Setpro18	- (-)	- (-)	- (109,037,138)	- (-)	- (-)	- (-)	- (109,037,138)
	Colosceum	- (-)	- (-)	7,397 (424,275)	- (-)	- (-)	- (-)	7,397 (424,275)
	Newswire	- (-)	- (-)	- (52,877)	- (-)	- (-)	- (-)	- (52,877)
	Viacom18	- (-)	- (-)	- (-)	- (4,185,691)	- (-)	- (-)	- (4,185,691)
	IBN Lokmat	- (-)	- (-)	- (-)	8,219,656 (9,576,594)	- (-)	- (-)	8,219,656 (9,576,594)
	IndiaCast Media	- (-)	- (54,225,684)	- (-)	2,326,977 (-)	- (-)	- (-)	2,326,977 (54,225,684)
	<b>Total</b>	<b>56,702,416</b> (97,043,376)	<b>9,801,665</b> (68,738,835)	<b>437,592</b> (109,897,216)	<b>10,546,633</b> (13,762,285)	- (-)	- (-)	<b>77,488,306</b> (289,441,712)
<b>(h)</b>	<b>Assets purchased</b>							
	Network18	121,285 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	121,285 (-)
	<b>Total</b>	<b>121,285</b> (-)	- (-)	- (-)	- (-)	- (-)	- (-)	<b>121,285</b> (-)
<b>(i)</b>	<b>Loan given</b>							
	Prism TV	- (-)	50,000,000 (-)	- (-)	- (-)	- (-)	- (-)	50,000,000 (-)
	<b>Total</b>	- (-)	<b>50,000,000</b> (-)	- (-)	- (-)	- (-)	- (-)	<b>50,000,000</b> (-)



## Notes forming part of the financial statements

(Amount in Rupees)								
	Transactions	Holding Company	Subsidiaries	Fellow subsidiaries	Jointly controlled entities	Subsidiaries of jointly controlled entities	Entities under significant influence	Total
(j)	Investments in equity shares							
	IndiaCast Media	- (-)	- (70,196,000)	- (-)	- (-)	- (-)	- (-)	- (70,196,000)
	Equator	- (-)	3,050,000,000 (-)	- (-)	- (-)	- (-)	- (-)	3,050,000,000 (-)
	Total	- (-)	3,050,000,000 (70,196,000)	- (-)	- (-)	- (-)	- (-)	3,050,000,000 (70,196,000)
(k)	Investments in debentures							
	RVT Media	- (-)	106,400,000 (209,000,000)	- (-)	- (-)	- (-)	- (-)	106,400,000 (209,000,000)
	Equator	- (-)	17,480,000,000 (-)	- (-)	- (-)	- (-)	- (-)	17,480,000,000 (-)
	ibn18 Mauritius	- (-)	- (1,120,600,000)	- (-)	- (-)	- (-)	- (-)	- (1,120,600,000)
	Total	- (-)	17,586,400,000 (1,329,600,000)	- (-)	- (-)	- (-)	- (-)	17,586,400,000 (1,329,600,000)
(l)	Investments in preference shares							
	IBN Lokmat	- (-)	- (-)	- (-)	67,800,000 (-)	- (-)	- (-)	67,800,000 (-)
	Total	- (-)	- (-)	- (-)	67,800,000 (-)	- (-)	- (-)	67,800,000 (-)
(ii)	<u>Balances as at the year end</u>							
(a)	Loans and advances receivable (outstanding against cost allocation expenses reimbursement)							
	AETN18	- (-)	12,463,592 (2,278,157)	- (-)	- (-)	- (-)	- (-)	12,463,592 (2,278,157)
	Digital18	- (-)	- (-)	1,851,508 (4,012,078)	- (-)	- (-)	- (-)	1,851,508 (4,012,078)
	Bigtree	- (-)	- (-)	310,853 (29,118)	- (-)	- (-)	- (-)	310,853 (29,118)
	E-18	- (-)	- (-)	18,082,363 (14,853,086)	- (-)	- (-)	- (-)	18,082,363 (14,853,086)
	Setpro18	- (-)	- (-)	86,845,907 (86,845,911)	- (-)	- (-)	- (-)	86,845,907 (86,845,911)
	TV18 HSN	- (-)	- (-)	6,465,305 (4,918,095)	- (-)	- (-)	- (-)	6,465,305 (4,918,095)
	Colosceum	- (-)	- (-)	- (9,543)	- (-)	- (-)	- (-)	- (9,543)
	Greycells18	- (-)	- (-)	520,239 (12,345,185)	- (-)	- (-)	- (-)	520,239 (12,345,185)
	Viacom18	- (-)	- (-)	- (-)	20,005,163 (2,840,880)	- (-)	- (-)	20,005,163 (2,840,880)
	IBN Lokmat	- (-)	- (-)	- (-)	10,685,474 (9,288,870)	- (-)	- (-)	10,685,474 (9,288,870)
	IndiaCast Media	- (-)	- (-)	- (-)	1,039,922 (-)	- (-)	- (-)	1,039,922 (-)
	Network18 Pub	- (-)	- (-)	- (-)	- (-)	- (-)	11,571,276 (15,504,700)	11,571,276 (15,504,700)
	Total	- (-)	12,463,592 (2,278,157)	114,076,175 (123,013,016)	31,730,559 (12,129,750)	- (-)	11,571,276 (15,504,700)	169,841,602 (152,925,623)

## Notes forming part of the financial statements

(Amount in Rupees)								
	Transactions	Holding Company	Subsidiaries	Fellow subsidiaries	Jointly controlled entities	Subsidiaries of jointly controlled entities	Entities under significant influence	Total
(b)	Loan and advance receivable (loans given outstanding including interest accrued)							
	Prism TV	- (-)	306,647,975 (-)	- (-)	- (-)	- (-)	- (-)	306,647,975 (-)
	Network18 GSP	- (-)	- (-)	- (-)	- (-)	- (-)	527,926,074 (527,926,074)	527,926,074 (527,926,074)
	Total	- (-)	306,647,975 (-)	- (-)	- (-)	- (-)	527,926,074 (527,926,074)	834,574,049 (527,926,074)
(c)	Trade receivables							
	Network18	18,171,023 (2,276,779)	- (-)	- (-)	- (-)	- (-)	- (-)	18,171,023 (2,276,779)
	AETN18	- (-)	18,962,426 (44,433,854)	- (-)	- (-)	- (-)	- (-)	18,962,426 (44,433,854)
	Panorama	- (-)	55,279,222 (-)	- (-)	- (-)	- (-)	- (-)	55,279,222 (-)
	Prism TV	- (-)	1,667,767 (-)	- (-)	- (-)	- (-)	- (-)	1,667,767 (-)
	Digital18	- (-)	- (-)	381,521 (1,019,512)	- (-)	- (-)	- (-)	381,521 (1,019,512)
	Bigtree	- (-)	- (-)	76,582 (-)	- (-)	- (-)	- (-)	76,582 (-)
	TV18 HSN	- (-)	- (-)	1,655,400 (2,477,538)	- (-)	- (-)	- (-)	1,655,400 (2,477,538)
	Greycells18	- (-)	- (-)	430,634 (40,427,990)	- (-)	- (-)	- (-)	430,634 (40,427,990)
	Viacom18	- (-)	- (-)	- (-)	17,010,505 (35,612,195)	- (-)	- (-)	17,010,505 (35,612,195)
	IBN Lokmat	- (-)	- (-)	- (-)	- (6,194,188)	- (-)	- (-)	- (6,194,188)
	IndiaCast Media	- (-)	- (193,022,427)	- (-)	73,536,230 (-)	- (-)	- (-)	73,536,230 (193,022,427)
	IndiaCast UTV	- (-)	- (-)	- (-)	- (-)	245,667,195 (-)	- (-)	245,667,195 (-)
	IndiaCast UK	- (-)	- (-)	- (-)	- (-)	998,500 (-)	- (-)	998,500 (-)
	Network18 Pub	- (-)	- (-)	- (-)	- (-)	- (-)	31,047,672 (27,471,576)	31,047,672 (27,471,576)
	Total	18,171,023 (2,276,779)	75,909,415 (237,456,281)	2,544,137 (43,925,040)	90,546,735 (41,806,383)	246,665,695 (-)	31,047,672 (27,471,576)	464,884,677 (352,936,059)
(d)	Trade payables							
	Network18	34,035,388 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	34,035,388 (-)
	AETN18	- (-)	4,831,891 (-)	- (-)	- (-)	- (-)	- (-)	4,831,891 (-)
	Panorama	- (-)	2,987,752 (-)	- (-)	- (-)	- (-)	- (-)	2,987,752 (-)
	E-18, Cyprus	- (-)	- (-)	61,259 (61,259)	- (-)	- (-)	- (-)	61,259 (61,259)
	Total	34,035,388 (-)	7,819,643 (-)	61,259 (61,259)	- (-)	- (-)	- (-)	41,916,290 (61,259)

## Notes forming part of the financial statements

(Amount in Rupees)								
	Transactions	Holding Company	Subsidiaries	Fellow subsidiaries	Jointly controlled entities	Subsidiaries of jointly controlled entities	Entities under significant influence	Total
(e)	Share application money paid for shares							
	IBN Lokmat	- (-)	- (-)	- (-)	- (46,800,000)	- (-)	- (-)	- (46,800,000)
	Total	- (-)	- (-)	- (-)	- (46,800,000)	- (-)	- (-)	- (46,800,000)
(f)	Corporate guarantee given to as outstanding							
	IBN Lokmat	- (-)	- (-)	- (-)	249,000,000 (249,000,000)	- (-)	- (-)	249,000,000 (249,000,000)
	Total	- (-)	- (-)	- (-)	249,000,000 (249,000,000)	- (-)	- (-)	249,000,000 (249,000,000)
(g)	Corporate guarantee taken from as outstanding							
	Network18	1,032,200,000 (1,137,500,000)	- (-)	- (-)	- (-)	- (-)	- (-)	1,032,200,000 (1,137,500,000)
	Total	1,032,200,000 (1,137,500,000)	- (-)	- (-)	- (-)	- (-)	- (-)	1,032,200,000 (1,137,500,000)

## 36. Utilisation of Rights issue proceeds

## (a) Rights issue I (Year ended 31 March, 2011)

The Company had allotted 54,495,443 partly paid equity 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 News Private Limited	250,000,000	250,000,000
General corporate purposes	995,324,000	995,324,000
Rights issue expenses **	200,000,000	196,935,250
<b>Total</b>	<b>5,095,324,000</b>	<b>5,092,259,250</b>

\*Surplus available after actual rights issue expenses incurred including provisions on rights issue has been utilised towards investment in Viacom18 Media Private Limited.

\*\* The difference between proposed and actual utilisation of Rs. 3,064,750 is on account of non payment of full and final call money on 49,036 shares.

The rights issue proceeds had been fully utilised for the objects of the issue as at 31 March 2013.

## Notes forming part of the financial statements

### (b) Rights issue II (Year ended 31 March, 2013)

Pursuant to the approval from Stock Exchange Board of India (SEBI), the subscription to the second Rights Issue of the Company opened on 25 September, 2012 and closed on 15 October, 2012. This Rights Issue was for acquisition of ETV channels, repayment of certain loans and general corporate purposes. The Rights Issue was subscribed to the extent of 130.08% (net of rejections) of the issue size in terms of number of shares. On 23 October, 2012 the Capital Issues Committee of the Board of Directors of the Company allotted 1,349,577,882 equity shares of Rs. 2 each amounting to Rs. 2,699,155,764 at a premium of Rs. 18 each aggregating to Rs. 24,292,401,876. During the previous year, the Company had received the entire proceeds from the rights issue amounting to Rs. 26,991,557,640, the status of utilization of rights issue proceeds till the previous year is set out below:

(Amount in Rupees)

Objects of the issue	Proposed utilization	Actual utilization
ETV acquisition *	19,250,000,000	19,250,000,000
Repayment/Pre-payment, in full or in part, of certain loans and repayment of Public Deposits	4,216,000,000	4,216,000,000
General corporate purposes	2,784,000,000	2,784,000,000
Rights issue expenses **	741,557,640	741,557,640
<b>Total</b>	<b>26,991,557,640</b>	<b>26,991,557,640</b>

\*As at 31 March, 2013, the Company paid Rs. 19,500,000,000 to Arimas Trading Private Limited for acquisition of 100% stake of Equator Trading Enterprises Private Limited (Promoters of ETV). The shares got transferred in the name of the Company on 22 January, 2014 after legal compliances and Equator Trading Enterprises Private Limited has become a wholly owned subsidiary of the Company, since that date. (see note 37)

\*\* Surplus of Rs 20,817,124 available after actual rights issue expenses incurred (including provisions) on rights issue have been utilized towards repayment of Public Deposits.

The rights issue proceeds had been fully utilised for the object of the issue during the previous year.

37. Subsequent to receipt of all regulatory approvals, the Company has successfully completed the acquisition of 100% equity securities of Equator Trading Enterprises Private Limited (Promoters of ETV) w.e.f. 22 January, 2014. The Company has paid a sum of Rs. 3,050,000,000 for equity shares and Rs. 17,480,000,000 for debentures to complete the transaction as per Share Purchase Agreement. On 22 January, 2014 the Company through acquisition of 100% interest in Equator Trading Enterprises Private Limited has successfully completed the acquisition of (i) 100% interest in Panorama Television Private Limited which is engaged in the business of program production and broadcast of satellite television channels in Hindi and Urdu languages predominantly to India viewers namely ETV Uttar Pradesh, ETV Madhya Pradesh, ETV Rajasthan, ETV Bihar and ETV Urdu channel ("ETV News Channel") (ii) 50% interest in Prism TV Private Limited which is engaged in the business of program production and broadcast of satellite television in various languages predominantly to India viewers namely ETV Marathi, ETV Kannada, ETV Bangla, ETV Gujarati and ETV Oriya ("ETV non Telegu GEC Channels") and (iii) 24.50% interest in Eenadu Television Private Limited which is engaged in the business of program production and broadcast of satellite television channels namely ETV Telugu and ETV Telugu News ("ETV Telugu Channels"). The Company will have Board and Management Control of ETV News Channels and ETV Non Telugu GEC Channels.

### 38. Barter Transactions

During the year ended 31 March, 2014, the Company has entered into barter transactions, which were recorded at the contract price of consideration receivable or payable. The Statement of Profit and Loss for the year ended 31 March, 2014 reflects revenue from barter transactions of Rs. 134,413,348 (Previous year Rs. 102,400,259) and expenditure of Rs. 77,392,205 (Previous year Rs. 94,539,276) being the contract price of barter transactions provided and received.

### 39. 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 international transactions and specified domestic transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by 30 November, 2014 as required under law. The management is of the opinion that its international transactions and specified domestic 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.

## Notes forming part of the financial statements

### 40. 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.

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

Particulars	Currency	Foreign Currency	
		Value	Rupees
Trade payables	GBP	18,933 (6,464)	1,890,417 (532,100)
	SGD	5,300 (-)	359,229 (-)
	USD	3,028,043 (2,896,627)	181,985,198 (157,547,775)
Trade receivables	GBP	10,000 (-)	998,500 (-)
	USD	2,095,349 (2,077,619)	125,930,035 (113,000,245)

Figures in bracket are for previous year.

### 41. 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. 182,298,826 (Previous year Rs. 165,634,172) 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 31.03.2014	As at 31.3.2013
Not later than one year	160,988,803	163,696,415
Later than one year but not later than five years	279,355,545	358,637,314
More than five years	184,323	-

#### 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. 3,734,517 (Previous year Rs. 3,869,805) has been paid during the year. The total minimum lease payments and its present value discounted at the interest rate implicit in the lease are:

##### a. Minimum lease payments

	As at 31.03.2014	As at 31.03.2013
Not later than 1 year	6,277,838	3,734,517
Later than 1 year but not later than 5 years	-	6,277,838
	6,277,838	10,012,355

##### b. Present value of minimum lease payments

Not later than 1 year	5,885,358	2,567,496
Later than 1 year but not later than 5 years	-	5,885,358
	5,885,358	8,452,854

##### a. Reconciliation

	As at 31.03.2014	As at 31.03.2013
Total minimum lease payments as above	6,277,838	10,012,355
Less: Future finance charges	392,480	1,559,501
<b>Net Present Value</b>	<b>5,885,358</b>	<b>8,452,854</b>

## Notes forming part of the financial statements

### 42. Interest in Joint Ventures

The Company has interests in the following jointly controlled entities:

(Amount in Rupees)

Name of companies	IBN Lokmat News Private Limited (audited)	Viacom18 Media Private Limited (audited)	IndiaCast Media Distribution Private Limited (audited)*
	(India)	(India)	(India)
	Amount of interest based on account of		
	31.03.2014		
% of shareholding	50% (50%)	50% (50%)	50% (NA)
Assets	91,090,644 (98,329,442)	9,853,182,100 (9,171,650,611)	535,446,725 (NA)
Liabilities	53,196,239 (75,928,094)	6,258,713,009 (5,922,189,921)	466,464,392 (NA)
Income	129,924,301 (105,347,189)	8,185,214,239 (7,916,448,292)	476,767,533 (NA)
Expenditure	135,344,333 (149,226,430)	7,758,615,836 (8,005,007,952)	468,900,450 (NA)
Contingent liabilities	- (-)	721,370,243 (372,729,325)	- (NA)
Capital commitments	- (-)	37,006,736 (5,119,435)	162,161 (NA)
Other commitments	- (-)	88,635,000 (113,560,000)	- (NA)

Figures in brackets relate to the previous year

\* Effective 1 April, 2013, IndiaCast Media Distribution Private Limited (IndiaCast Media) has become a 50:50 Joint venture of TV18 Broadcast Limited and Viacom18 Media Private Limited (IndiaCast Media was a 100% subsidiary till 31 March, 2013)

43. 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

**RDS Bawa**  
Chief Financial Officer

**Hitesh Kumar Jain**  
DGM Corporate Affairs  
& Company Secretary

Noida  
27 May, 2014



## INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF  
TV18 BROADCAST LIMITED

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **TV18 Broadcast Limited** (the "Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31 March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Consolidated Financial Statements

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

## Auditors' Responsibility

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

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

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements/consolidated financial statements of the subsidiaries, jointly controlled entities and associate referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

## Other Matter

We did not audit the financial statements/consolidated financial statements of five subsidiaries and two jointly controlled entities, whose financial statements/ consolidated financial statements reflect total assets (net) of Rs. 29,788,736,547 as at 31 March, 2014, total revenues of Rs. 10,787,404,113 and net cash outflows amounting to Rs. 356,201,328 for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/(loss) of Rs. 37,538,780 for the year ended 31 March, 2014, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements/ consolidated financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities and associate, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

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

**Alka Chadha**  
(Partner)  
(Membership No. 93474)  
**Noida, 27 May, 2014**

## TV18 Broadcast Limited

## Consolidated Balance Sheet as at 31 March, 2014

	Note No.	As at 31.03.2014 (Rupees)	As at 31.03.2013 (Rupees)
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
(a) Share capital	3	3,423,344,024	3,423,344,024
(b) Reserves and surplus	4	30,675,309,140	29,301,558,054
		<u>34,098,653,164</u>	<u>32,724,902,078</u>
<b>2. Minority interest</b>		908,604,933	113,353,615
<b>3. Non - current liabilities</b>			
(a) Long - term borrowings	5	1,018,275,981	1,673,463,458
(b) Other long-term liabilities	6	5,462,365	29,526,931
(c) Long - term provisions	7	214,545,019	137,009,579
		<u>1,238,283,365</u>	<u>1,839,999,968</u>
<b>4. Current liabilities</b>			
(a) Short - term borrowings	8	3,228,712,725	3,136,235,239
(b) Trade payables	9	5,230,500,537	4,809,852,637
(c) Other current liabilities	10	2,262,838,613	1,695,619,058
(d) Short - term provisions	11	113,402,182	30,231,468
		<u>10,835,454,057</u>	<u>9,671,938,402</u>
<b>Total</b>		<u><b>47,080,995,519</b></u>	<u><b>44,350,194,063</b></u>
<b>B. ASSETS</b>			
<b>1. Non - current assets</b>			
(a) Fixed assets			
(i) Tangible assets	12(a)	1,608,771,030	1,348,316,424
(ii) Intangible assets	12(b)	1,230,999,067	188,937,850
(iii) Capital work-in-progress		21,256,628	26,189,885
(iv) Intangible assets under development		12,954,138	11,101,233
		<u>2,873,980,863</u>	<u>1,574,545,392</u>
(b) Goodwill on consolidation		18,676,122,794	4,586,653,757
(c) Non - current investments	13	4,995,804,966	33,869,562
(d) Deferred tax assets (net)	30	46,395,095	9,092,764
(e) Long - term loans and advances	14	2,602,145,253	2,095,695,176
(f) Other non- current assets	15	48,272,640	20,737,576,530
		<u>29,242,721,611</u>	<u>29,037,433,181</u>
<b>2. Current assets</b>			
(a) Current investments	16	-	790,168,426
(b) Inventories	17	3,322,489,372	2,747,367,287
(c) Trade receivables	18	4,744,039,486	4,600,912,594
(d) Cash and bank balances	19	2,883,754,213	2,693,677,525
(e) Short - term loans and advances	20	5,271,696,579	4,119,272,534
(f) Other current assets	21	1,616,294,258	361,362,516
		<u>17,838,273,908</u>	<u>15,312,760,882</u>
<b>Total</b>		<u><b>47,080,995,519</b></u>	<u><b>44,350,194,063</b></u>

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

For Deloitte Haskins & Sells  
Chartered Accountants

Alka Chadha  
Partner

Noida  
27 May, 2014

For and on behalf of the Board of Directors

Raghav Bahl  
Director

RDS Bawa  
Chief Financial Officer

Noida  
27 May, 2014

Sanjay Ray Chaudhuri  
Director

Hitesh Kumar Jain  
DGM Corporate Affairs  
& Company Secretary

# TV18 Broadcast Limited

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

	Note No.	Year ended 31.03.2014 (Rupees)	Year ended 31.03.2013 (Rupees)
1. Revenue from operations	22	19,681,251,217	16,991,320,176
2. Other income	23	324,167,436	438,573,232
<b>3. Total revenue (1+2)</b>		<b>20,005,418,653</b>	<b>17,429,893,408</b>
<b>4. Expenses</b>			
(a) Employee benefits expense	24	2,847,054,988	2,552,709,977
(b) Finance costs	25	605,289,135	1,436,009,439
(c) Depreciation and amortisation expense	12	557,904,585	419,043,851
(d) Other expenses	26	14,726,901,188	13,318,641,895
<b>Total expenses</b>		<b>18,737,149,896</b>	<b>17,726,405,162</b>
<b>5. Profit / (Loss) before exceptional items and tax (3-4)</b>		<b>1,268,268,757</b>	<b>(296,511,754)</b>
6 Exceptional items	27	274,102,315	-
<b>7 Profit / (Loss) before tax (5-6)</b>		<b>994,166,442</b>	<b>(296,511,754)</b>
<b>8 Tax expenses:</b>			
(a) Current tax expense		188,466,246	2,953,592
(b) (Less): MAT Credit		(32,667,800)	-
(c) Short/(excess) provision for tax relating to prior years		(4,271,975)	12,356,411
(d) Net current tax expense		151,526,471	15,310,003
(e) Deferred tax charge/(credit)		(13,277,313)	110,569,033
Net tax expense		138,249,158	125,879,036
<b>9 Profit / (Loss) after tax before share of profit/(loss) of associate and minority interest (7-8)</b>		<b>855,917,284</b>	<b>(422,390,790)</b>
10 Add: Share in profit of associate		37,538,780	-
Less: Minority interest		(142,862,713)	(167,901,371)
<b>11 Profit / (Loss) for the year (9-10)</b>		<b>1,036,318,777</b>	<b>(254,489,419)</b>
<b>12. Earnings per equity share</b>	29		
(Face value of Rs. 2 each)			
(a) Basic		0.61	(0.27)
(b) Diluted		0.61	(0.27)

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

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Alka Chadha**  
Partner

Noida  
27 May, 2014

For and on behalf of the Board of Directors

**Raghav Bahl**  
Director

**RDS Bawa**  
Chief Financial Officer

Noida  
27 May, 2014

**Sanjay Ray Chaudhuri**  
Director

**Hitesh Kumar Jain**  
DGM Corporate Affairs  
& Company Secretary

## Consolidated Cash Flow Statement for the year ended 31 March, 2014

	Note No.	Year ended 31.03.2014 (Rupees)	Year ended 31.03.2013 (Rupees)
<b>A. Cash flow from operating activities</b>			
Profit/(Loss) before tax, share of profit/(loss) of associates and minority interest		994,166,442	(296,511,754)
Adjustments for :			
- Depreciation and amortisation expense		557,904,585	419,043,851
- Loss on fixed assets sold / scrapped / written off (net)		1,943,040	12,939,124
- Expense on employee stock option (ESOP) scheme		(2,214,034)	1,185,280
- Finance costs		605,289,135	1,436,009,439
- Net (gain) on sale of long term investments		-	(3,310,549)
- Net (gain) / loss on sale of current investments		4,067,591	(42,633,134)
- Liabilities / Provisions no longer required written back		(84,248,231)	(94,990,380)
- Interest income		(182,225,332)	(190,415,703)
- Dividend income		(38,432,677)	(88,733,290)
- Bad debts and Provision for doubtful trade and other receivable, loans and advances (net)		401,782,595	182,217,299
- Long term investments written off		-	8,566,250
- Diminution/adjustments to carrying value of current investments		-	872,168
- Net unrealised exchange loss		3,286,653	6,460,751
- Effect of currency translation of foreign subsidiaries		393,544,563	45,889,125
<b>Operating profit before working capital changes</b>		<b>2,654,864,330</b>	<b>1,396,588,477</b>
<b><u>Changes in working capital:</u></b>			
<b>Adjustments for (increase) / decrease in operating assets:</b>			
-Inventories		(457,118,738)	(97,015,906)
-Trade receivables		599,811,923	1,103,194,330
-Short-term loans and advances		(261,420,080)	(1,360,976,379)
-Long-term loans and advances		(151,808,046)	274,687,485
-Other current assets		(1,416,823,324)	(42,284,441)
-Other non-current assets		1,086,309,863	-
<b>Adjustments for increase / (decrease) in operating liabilities:</b>			
-Trade payables		470,188,151	137,528,979
-Other current liabilities		265,752,895	157,981,004
-Other long-term liabilities		55,767	804
-Short-term provisions		(175,281,383)	11,092,825
-Long-term provisions		(2,231,118)	15,321,950
<b>Cash generated from operations</b>		<b>2,612,300,240</b>	<b>1,596,119,128</b>
Net Income tax (paid)		(674,044,343)	(582,898,975)
<b>Net cash flow from operating activities</b>	<b>(A)</b>	<b>1,938,255,897</b>	<b>1,013,220,153</b>

## Cash Flow Statement for the year ended 31 March, 2014 (cont...)

	Note No.	Year ended 31.03.2014 (Rupees)	Year ended 31.03.2013 (Rupees)
<b>B. Cash flow from investing activities</b>			
Capital expenditure on fixed assets, including capital advances		(606,400,541)	(392,633,756)
Proceeds from sale of fixed assets		10,414,833	4,618,810
Bank balances not considered as Cash and cash equivalents			
- Placed		(827,850,748)	(30,267,907)
- Matured		208,878,674	26,748,333
Aquisition of long-term investments			
- in subsidiaries		(1,030,000,001)	(100,000)
Purchase of current investments			
- in mutual funds		-	(748,407,460)
Advance against purchase of shares		-	(19,500,000,000)
Proceeds from sale of long-term investments			
- in others		-	22,360,547
Proceeds from sale of current investments			
- in mutual funds		786,100,835	-
Interest received		367,015,388	125,457,493
Dividend received		38,432,677	88,733,290
<b>Net cash flow (used in) investing activities</b>	<b>(B)</b>	<b>(1,053,408,883)</b>	<b>(20,403,490,650)</b>
<b>C. Cash flow from financing activities</b>			
Finance costs		(690,811,729)	(1,416,057,796)
Proceeds from issue of equity Share		-	26,379,396,432
Proceeds from issue of minority shareholders		-	201,367,826
Proceeds from short term borrowings		1,818,069,248	6,980,563,911
Repayment of short - term borrowings		(1,885,640,871)	(9,781,911,068)
Proceeds of long - term borrowings		8,269,714	9,040,614
Repayment of long - term borrowings		(1,461,091,657)	(1,274,637,892)
<b>Net cash flow from / (used in) financing activities</b>	<b>(C)</b>	<b>(2,211,205,295)</b>	<b>21,097,762,027</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>(1,326,358,281)</b>	<b>1,707,491,530</b>
Cash and cash equivalents as at the beginning of the year		2,511,849,191	657,655,309
Cash and cash equivalents acquired on acquisition (see note 36)		794,468,866	146,702,352
<b>Cash and cash equivalents as at the end of the year</b>	<b>19</b>	<b>1,979,959,776</b>	<b>2,511,849,191</b>

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

For Deloitte Haskins & Sells  
Chartered Accountants

Alka Chadha  
Partner

Noida  
27 May, 2014

For and on behalf of the Board of Directors

Raghav Bahl  
Director

RDS Bawa  
Chief Financial Officer

Noida  
27 May, 2014

Sanjay Ray Chaudhuri  
Director

Hitesh Kumar Jain  
DGM Corporate Affairs  
& Company Secretary

## Notes forming part of the consolidated financial statements

### 1. Corporate information

- 1.1 TV18 Broadcast Limited (the "Company"), its subsidiaries and jointly controlled entities (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, jointly controlled entities and associate as listed below:

Company	Relation	Country of Incorporation	Percentage (%) of holding by the Company as at	
			31.03.2014	31.03.2013
RVT Media Private Limited (RVT Media)	Subsidiary	India	100	100
AETN18 Media Private Limited (AETN 18)	Subsidiary of RVT Media	India	51	51
ibn18 (Mauritius) Limited	Subsidiary	Mauritius	100	100
Equator Trading Enterprises Private Limited (Equator) (w.e.f 22 January, 2014)	Subsidiary	India	100	-
Panorama Television Private Limited (w.e.f 22 January, 2014)	Subsidiary of Equator	India	100	-
Prism TV Private Limited (w.e.f 22 January, 2014)	Subsidiary of Equator by virtue of control of composition of Board of Directors	India	50	-
Eenadu Television Private Limited (w.e.f 22 January, 2014)	Associate of Equator	India	24.50	-
IndiaCast Media Distribution Private Limited (IndiaCast Media) w.e.f. 1 April, 2013 *(it was subsidiary till 31 March, 2013)	Jointly controlled entity	India	50	100*
INDIACAST US LTD. (IndiaCast US) (w.e.f. 28 January, 2013)	Subsidiary of IndiaCast Media	United States of America	100	100
INDIACAST UK LTD. (IndiaCast UK) (w.e.f. 22 January, 2013)	Subsidiary of IndiaCast Media	United Kingdom	100	100
IndiaCast UTV Media Distribution Private Limited (IC Media) (w.e.f. 4 December, 2012)	Subsidiary of IndiaCast Media	India	100	100
IBN Lokmat News Private Limited	Jointly controlled entity	India	50	50
Viacom18 Media Private Limited ("Viacom18")	Jointly controlled entity	India	50	50
Viacom18 US Inc.	Subsidiary of Viacom18	United States of America	100	100
Viacom18 Media (UK) Ltd	Subsidiary of Viacom18	United Kingdom	100	100
Roptonal Limited	Subsidiary of Viacom18	Cyprus	100	100
The Indian Film Company Limited	Subsidiary of Viacom18	Cyprus	100	100
The Indian Film Company (Cyprus) Limited (Merged with the Indian Film Company Limited w.e.f. 6 November, 2013) [see note 40(i)(a)]	Subsidiary of Viacom18	Cyprus	-	100



## Notes forming part of the consolidated financial statements

### 1.2 Brief description of significant subsidiaries and jointly control entities

#### i. TV18 Broadcast Ltd. ("The Company" or "TV18")

TV18 Broadcast Limited ("The Company" or "TV18") (formerly 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. Subsequently, 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 2 April, 2008. The name of the Company has been changed from ibn18 Broadcast Limited to TV18 Broadcast Limited and a fresh certificate of incorporation has been issued to the Company to give effect to this change with effect from 17 June, 2011. The Company is in the business of broadcasting, telecasting, relaying and transmitting Hindi and English general news, Hindi and English business news programmes, and operates the news channels "CNN IBN, IBN7, CNBC TV18, CNBC Awaaz".

#### ii. RVT Media Private Limited

RVT Media Private Limited, 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 TV18 channel in India with effect from 9 October, 2011.

#### iii. ibn18 (Mauritius) Limited

ibn18 (Mauritius) Limited 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. IndiaCast Media Distribution Private Limited

IndiaCast Media Distribution Private Limited, a 50:50 jointly controlled entity of TV18 w.e.f 1 April, 2013 (was a 100% subsidiary till 31 March, 2013), is engaged in the business of advertisement sales and linear channel distribution and syndication of programs within and outside India. The consolidated financial statements of IndiaCast Media includes the financial statements of its 74% subsidiary namely IndiaCast UTV Media Distribution Private Limited and 100% subsidiaries namely INDIACAST UK LTD and INDIACAST US LTD.

#### v. IBN Lokmat News Private Limited

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

#### vi. Viacom18 Media Private Limited

Viacom18 Media Private Limited, a 50:50 jointly controlled entity with MTV Asia Ventures (India) Pte. Ltd., Mauritius, and is engaged in the business of broadcasting, distributing, producing audio-visual programs, marketing and selling commercial advertising on 'channels' - Colors, Rishtey India, MTV, MTV Indies, Nickelodeon, Nickelodeon Jr., Sonic, VH1 and Comedy Central. Additionally, the Company also generates revenue from licensing and merchandising of products, brand solutions and marketing partnerships. The Company is also in the business of production and distribution of films. The consolidated financial statements of Viacom18 includes the financial statements of its 100% subsidiaries namely Viacom18 Media US Inc., Viacom18 Media (UK) Ltd, Roptonal Limited, The Indian Film Company Limited and The Indian Film Company (Cyprus) Limited, which merged with The Indian Film Company Limited on 6 November, 2013.

#### vii. Equator Trading Enterprises Private Limited

Equator Trading Enterprises Private Limited, a 100% subsidiary of TV18 w.e.f. 22 January, 2014, operates twelve TV channels ("ETV Uttar Pradesh, ETV Madhya Pradesh, ETV Rajasthan, ETV Bihar ETV Urdu, ETV Marathi, ETV Kannada, ETV Bangla, ETV Gujarati, ETV Oriya, ETV Telugu and ETV Telugu News") and is engaged in the business of programmes production and broadcasting satellite television channels and distributed satellite channels on cable networks, Direct to Home and other service providers. The consolidated financial statements of Equator includes the financial statements of its subsidiaries Panorama Television Private Limited and Prism TV Private Limited and an associate Eenadu Television Private Limited.

### 1.3 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

## Notes forming part of the consolidated financial statements

of TEIL were merged into the Company. Since these were the wholly owned subsidiary company of 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. Accordingly, the Company issued 123,943,303 equity shares of Rs. 2 each amounting to Rs. 247,886,606 at a premium aggregating to Rs. 646,996,980.

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 channels namely CNBC TV18 and CNBC Awaaz.

### 2. Significant Accounting Policies

#### a. Basis of accounting and preparation of financial statements

The consolidated financial statements of the Company and its subsidiaries and jointly controlled entities (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

#### b. Principles of consolidation

The consolidated financial statements relate to TV18 Broadcast Limited ('the Company'), its subsidiary companies, jointly controlled entities and the Group's share of profit/loss in its associate. The consolidated financial statements have been prepared on the following basis:

- i. The financial statements of the subsidiary companies, jointly controlled entities and associate used in the consolidation are drawn upto the same reporting date as that of the Company i.e. 31 March, 2014.
- ii. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- iii. The consolidated financial statements include the share of profit / loss of the associate company which have been accounted for using equity method as per AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements". Accordingly, the share of profit/ loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.
- iv. Share of profit / loss, assets and liabilities in the jointly controlled entities, which are not subsidiaries, have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Group's equity interest in such entity as per AS 27 "Financial Reporting of Interests in Joint Ventures". The intra-group balances, intra-group transactions and unrealised profits or losses have been eliminated to the extent of the Group's share in the entity. Jointly controlled entities that are considered subsidiaries under AS 21 "Consolidated Financial Statements" are consolidated similar to the manner of consolidating subsidiaries (Refer (ii) above) and the share of interest of the other venturers in such entities is included as part of minority interest.
- v. The excess of cost to the Group of its investments in the subsidiary companies / jointly controlled entities over its share of equity of the subsidiary companies / jointly controlled entities, at the dates on which the investments in the subsidiary companies / jointly controlled entities were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies / jointly controlled entities as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.
- vi. Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- vii. The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital reserve as the case may be.

## Notes forming part of the consolidated financial statements

- viii. Goodwill arising on consolidation is not amortised but tested for impairment.
- ix. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances with certain exceptions as mentioned below and are presented to the extent possible, in the same manner as the Company's separate financial statements.

### c. Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the difference between the actual results and the estimates are recognised in the periods in which the results are known/ materialise.

### d. Inventories

Inventories are valued at the lower of cost on FIFO basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

Viacom18 evaluates the realisable 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 is 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, 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 the recoverable amount.
- vii. Viacom18 evaluates the realisable 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.
- viii. Serials and programs purchased or produced in-house which are yet to telecast are carried at cost by Equator. Cost includes amount paid/payable to the producers for serials and programs purchased. Cost of programs produced in-house includes remuneration to artists, directors and technicians, location expenses and other production costs. Provision for impairment is made for episodes of serials and programs not telecast for more than a year. Serials and programs purchased and the costs of serials and programs produced in-house are expensed off based on number of episodes telecast during the period. Cost of news/current affairs/one-time events are fully expensed off on first telecast.

### 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 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 Group are segregated based on the available information.

## Notes forming part of the consolidated financial statements

### g. Depreciation and amortisation

- (i) Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under:

<u>Asset</u>	<u>Period</u>
Leasehold improvements	3 years or remaining period of lease whichever is less
Plant and equipment (includes Studio equipment and audio video equipment, distribution equipment, integrated receiver recorder)	5-8 years
Computers	3 years
Furniture and fixtures	5 years
Office equipment	5 years
Mobile phones	1 year

- (ii) Intangible assets are amortised over their estimated useful life as follows:

<u>Asset</u>	<u>Period</u>
News archives	21 years
Computer software	3-5 years
Programming cost	0-2 years
Website cost	2 years
Film telecast rights	10 years
Copyrights and operating rights	3 years
Licences	5 years
Other intangibles	5 years

### h. Revenue recognition

- i. Revenue from operations includes:

- Advertising revenue comprising
  - Revenue from sale of advertising time, which is recognised on 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 for services rendered.
- Subscription revenue is recognised on accrual basis in accordance with the terms of the contract with the distribution and collection agency, for services rendered.
- Revenue from sale of television content is recognised on transmission of audio-video content to the customer and their acceptance.
- Facility and equipment rental is accounted for on the accrual basis for the period of use of equipment by the customers.
- Program revenue is recognised on dispatch of programs to customers in accordance with contractual commitments. Revenue from licensing and merchandising are recognised as per the terms of the arrangement.
- Revenue from media related professional and consultancy services is recognised in accordance with contracts on rendering of services.
- 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.
- Televoting /SMS income is recognised on rendering of services as per the terms of the contract with the mobile service provider and the production house.

- ii. Other income includes

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

## Notes forming part of the consolidated financial statements

### i. Fixed assets (Tangible / Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

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.

Intangible assets under development: Expenditure on Research and development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

### j. Foreign currency transactions and translation

#### Initial recognition

Group: Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Integral foreign operations: Transactions in foreign currencies entered into by the Company's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Net investment in non-integral foreign operations: Net investment in non-integral foreign operations is accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Non-integral foreign operations: Transactions of non-integral foreign operations are translated at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

#### Measurement at the balance sheet date

Group: Foreign currency monetary items (other than derivative contracts) of the Group, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the group are carried at historical cost.

Integral foreign operations: Foreign currency monetary items (other than derivative contracts) of the Company's integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company's integral foreign operations are carried at historical cost.

Net investment in non-integral foreign operations: Foreign currency monetary items (other than derivative contracts) of the Company's net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.

Non-integral foreign operations: All assets and liabilities of non-integral foreign operations are translated at the year-end rates.

#### Treatment of exchange differences

Group: Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Group are recognised as income or expense in the Consolidated Statement of Profit and Loss

Integral foreign operations: Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognised as income or expense in the Consolidated Statement of Profit and Loss.

Net investment in non-integral foreign operations: The exchange differences on restatement of long-term receivables / payables from / to non-integral foreign operations that are considered as net investment in such operations is accounted as per policy for long-term foreign currency monetary items below until disposal / recovery of such net investment, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal / recovery is recognised.

Non-integral foreign operations: The exchange differences relating to non-integral foreign operations are accumulated in a "Foreign currency translation reserve" until disposal of the operation, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal is recognised.

Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Consolidated Statement of Profit and Loss except in case of exchange differences arising on net investment in non-integral foreign operations, where such amortisation is taken to "Foreign currency translation reserve" until disposal / recovery of the net investment. The unamortised exchange difference is carried under Reserves and surplus as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.



## Notes forming part of the consolidated financial statements

### k. Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

### l. Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

- i. Defined contribution plans: Contribution to provident fund and employee state insurance scheme by the entities in the Group are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.
- ii. Defined benefits plans: For defined benefit plans in the form of gratuity fund the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Consolidated Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.
- iii. Short-term employee benefits: The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.
- iv. Long-term employee benefits: Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date on the basis of actuarial valuation.

### m. Segment reporting

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

### n. Leases

#### i. Operating lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight-line basis.

#### ii. Finance lease

- Where the Group as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.
- Assets leased by the Group in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Group are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

### o. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable



## Notes forming part of the consolidated financial statements

taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

### p. Taxes on income

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the provisions of applicable tax laws of the respective jurisdictions where the entities are located.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax. Accordingly, MAT is recognised as an asset in the Consolidated Balance Sheet when it is highly probable that future economic benefits associated with it will flow to the entity.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the entity has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

The Group offsets deferred tax assets and deferred tax liabilities, and advance income tax and provision for tax, if it has a legally enforceable right and these relate to taxes in income levies by the same governing taxation laws.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Consolidated Statement of Profit and Loss.

### q. Research and development expenses

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss. Development costs of products are also charged to the Consolidated Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

### r. 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 Consolidated Statement of Profit and Loss, except in case of revalued assets.

### s. Provisions and contingencies

A provision is recognised when the Group 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. Contingent assets are not recognised in the financial statements.

### t. 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 Account.

### u. Operating cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## Notes forming part of the consolidated financial statements

## 3 Share capital

Particulars	As at 31.03.2014		As at 31.03.2013	
	Number of Shares	Amount (Rupees)	Number of Shares	Amount (Rupees)
<b>a. Authorised</b>				
Equity shares of Rs. 2 each	5,000,000,000	10,000,000,000	5,000,000,000	10,000,000,000
<b>b. Issued, Subscribed and fully paid up</b>				
(i) Issued	1,711,708,789	3,423,417,578	1,711,708,789	3,423,417,578
(ii) Subscribed and fully paid up	1,711,659,753	3,423,319,506	1,711,659,753	3,423,319,506
(iii) Shares forfeited	49,036	24,518	49,036	24,518
<b>Total</b>	<b>1,711,708,789</b>	<b>3,423,344,024</b>	<b>1,711,708,789</b>	<b>3,423,344,024</b>

Refer Notes (i) to (vii) below:

- (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. The dividend in case proposed by the Board of Directors will be subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Particulars	As at 31.03.2014		As at 31.03.2013	
	Number of Shares	Amount (Rupees)	Number of Shares	Amount (Rupees)
Network18 Media & Investments Limited, the Holding Company	877,035,062	1,754,070,124	877,035,062	1,754,070,124
RRB Investments Private Limited, a subsidiary of the holding company	163,563	327,126	163,563	327,126
	<b>877,198,625</b>	<b>1,754,397,250</b>	<b>877,198,625</b>	<b>1,754,397,250</b>

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

Particulars	As at 31.03.2014		As at 31.03.2013	
	Number of Shares held	% Holding	Number of Shares held	% Holding
Network18 Media & Investments Limited	877,035,062	51.24%	877,035,062	51.24%

## (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 31.03.2014	As at 31.03.2013
	Number of Shares	Number of Shares
Shares allotted to shareholders of erstwhile Television Eighteen India Limited pursuant to Scheme of Arrangement in financial year 2011-12 between the Company, Television Eighteen India Limited (TEIL), Network18 Media & Investments Limited (Network18) and other Network18 Group companies (See note 1.3)	123,943,303	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

- (v) Shares reserved for issue under options under ESOP scheme 2007 [See note 33] 8,992,882 10,959,207

## Notes forming part of the consolidated financial statements

### Note 3 Share capital (continued)

(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		Closing Balance
		Right issue	Employee stock options plan	
<b>(a) Issued</b>				
Year ended 31 March, 2014				
- Number of shares	1,711,708,789	-	-	1,711,708,789
- Amount (Rupees)	3,423,417,578	-	-	3,423,417,578
Year ended 31 March, 2013				
- Number of shares	362,130,907	1,349,577,882	-	1,711,708,789
- Amount (Rupees)	724,261,814	2,699,155,764	-	3,423,417,578
<b>(b) Subscribed and fully paid up</b>				
Year ended 31 March, 2014				
- Number of shares	1,711,659,753	-	-	1,711,659,753
- Amount (Rupees)	3,423,319,506	-	-	3,423,319,506
Year ended 31 March, 2013				
- Number of shares	362,081,871	1,349,577,882	-	1,711,659,753
- Amount (Rupees)	724,163,742	2,699,155,764	-	3,423,319,506

(vii) Details of forfeited shares:

Particulars	As at 31.03.2014		As at 31.03.2013	
	No. of shares	Amount originally paid up (Rupees)	No. of shares	Amount originally paid up (Rupees)
Equity shares	49,036	24,518	49,036	24,518
			<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>
			<b>(Rupees)</b>	<b>(Rupees)</b>

### 4 Reserves and surplus

#### a. Securities premium account

Opening balance	31,516,897,584	7,947,933,649
Add: Amounts received pursuant to issue of equity shares under rights issue [See note 35(b)]	-	24,292,401,876
Less: Share issue expenses adjusted during the previous year	-	723,437,941
	<b>31,516,897,584</b>	<b>31,516,897,584</b>

#### b. Share options outstanding account

Gross share options outstanding account		
Opening balance	44,626,729	61,051,406
Less: Written back to the Consolidated Statement of Profit and Loss	5,906,844	5,318,000
-Amount transferred to General Reserve on expiry of options	-	11,106,677
	<b>38,719,885</b>	<b>44,626,729</b>
Less: Deferred employee compensation expense	6,073,444	9,766,254
	<b>32,646,441</b>	<b>34,860,475</b>

## Notes forming part of the consolidated financial statements

	As at 31.03.2014 (Rupees)	As at 31.03.2013 (Rupees)
<b>c. General Reserve</b>		
Opening balance	115,473,348	104,366,671
Add: Amount transferred from ESOPs account on expiry of options	-	11,106,677
	<b>115,473,348</b>	<b>115,473,348</b>
<b>d. Foreign currency translation reserve</b>		
Opening balance	283,906,174	138,848,790
Add: Effect of foreign exchange rate variations during the year	342,176,304	145,057,384
	<b>626,082,478</b>	<b>283,906,174</b>
<b>e. Surplus/(deficit) in the Consolidated Statement of Profit and Loss</b>		
Opening Balance	(2,649,579,527)	(2,104,328,782)
Add/(less):		
- Profit / (loss) for the year	1,036,318,777	(254,489,419)
- Adjustment on account of assets write off by Viacom18 Media Private Limited on merger [see note 40(i)(b)]	-	(290,761,326)
- Adjustment on account of conversion of subsidiary into joint venture [see note 1.2(iv)]	(2,529,961)	-
	<b>(1,615,790,711)</b>	<b>(2,649,579,527)</b>
	<b>30,675,309,140</b>	<b>29,301,558,054</b>
<b>5 Long - term borrowings</b>		
a. i. Term loans (secured)		
- from banks	850,000,000	950,000,000
- from others	98,600,000	232,200,000
(See note (c) below for security and terms of repayment)		
	<b>948,600,000</b>	<b>1,182,200,000</b>
ii. Vehicle loans (secured)		
- from banks	8,813,922	3,151,850
- from others	8,786,059	10,393,250
(Vehicle loans are secured by hypothecation of vehicles and are payable in equal monthly installments)		
iii. Long term maturities of finance lease obligations (secured)		
- from others [See note 39(ii)(b)]	-	5,885,358
(Secured by hypothecation of fixed assets purchased under finance lease arrangements and are payable in equal monthly installments)		
iv. Public Deposits (unsecured)	52,076,000	471,833,000
(Public deposits are repayable after 2 or 3 years from the date of acceptance of public deposit)		
	<b>1,018,275,981</b>	<b>1,673,463,458</b>
<b>b. Details for term loans covered under Note 5(a)(i) and Note 10(a)(i) is as follows:</b>		
I. Term loans under long term borrowings	948,600,000	1,182,200,000
II. Term loans under other current liabilities	234,366,990	193,803,193
	<b>1,182,966,990</b>	<b>1,376,003,193</b>

## Notes forming part of the consolidated financial statements

	As at 31.03.2014 (Rupees)	As at 31.03.2013 (Rupees)
<b>c. Security and repayment details for term loans covered under Note 5(a)(i) and Note 10(a)(i) is as follows:</b>		
i. Term loan from others carries interest @ 13.50% p.a. and is repayable in 24 equal quarterly installment of Rs. 33,400,000. This is secured by first pari passu charge on movable fixed assets of the existing CNBC news channels and was collaterally secured by pledge of shares upto the previous year by the promoters/ group entities, personal guarantee of the Director of the Company and corporate guarantee of Network18 Media & Investments Limited. Term loan outstanding as on 31 March, 2014 aggregating to Rs. 232,200,000 is repayable in 7 quarterly installment of Rs. 33,400,000.	<b>232,200,000</b>	365,800,000
ii. Term loan from bank carries interest @ base rate plus 3.5% p.a. and is repayable in 21 equal 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 Media Private Limited. Term loan outstanding as on 31 March, 2014 aggregating to Rs. 950,000,000 is repayable in 16 equal quarterly stepped up installments.	<b>950,000,000</b>	990,000,000
iii. Term loan from bank carries interest @ 15.75% p.a. and repayable in equal monthly installments of Rs. 350,000. The term loan is secured by first charge over entire fixed assets as on 31 March, 2014 of IBN Lokmat News Private Limited, and unconditional and irrevocable corporate guarantee of the Company and Lokmat Media Limited. Term loan outstanding as on 31 March, 2014 aggregating to Rs. 766,990 is repayable in 2 equal monthly installment of Rs. 350,000.	<b>766,990</b>	20,203,193
	<b>1,182,966,990</b>	1,376,003,193
<b>6 Other long-term liabilities</b>		
a. Trade payables	<b>182,861</b>	127,094
b. Interest accrued but not due on public deposits	<b>5,279,504</b>	29,399,837
	<b>5,462,365</b>	29,526,931
<b>7 Long-term provisions</b>		
Provision for employee benefits:		
i. Provision for compensated absences	<b>91,789,136</b>	43,129,855
ii. Provision for gratuity (net) [See note 32(II)(d)]	<b>122,755,883</b>	93,879,724
	<b>214,545,019</b>	137,009,579
<b>8 Short-term borrowings</b>		
i. Cash credit (including loan repayable on demand)		
- from bank (secured)	<b>3,050,740,288</b>	2,482,671,040
(See note (a) below for security and terms of repayment)		
ii. Public deposits (unsecured)	-	421,378,878
(Public deposits are repayable within 1 year from the date of acceptance of public deposits)		
iii. Loan from banks (unsecured) (repayable on demand)	<b>177,972,437</b>	232,185,321
	<b>3,228,712,725</b>	3,136,235,239

## Notes forming part of the consolidated financial statements

	As at 31.03.2014 (Rupees)	As at 31.03.2013 (Rupees)
<b>a. Security and repayment details for cash credit facilities including working capital demand loans are as follows:</b>		
i. The cash credit including working capital demand loan is repayable on demand and carries interest @ 10.50% p.a. to 16.50% p.a. and is secured against first pari passu hypothecation charge on all existing and future current assets of borrower's channels CNN IBN and IBN7.	347,264,406	-
ii. The cash credit including working capital demand loan is repayable on demand and carries interest @ 12.10% p.a. to 12.65% p.a. and is secured against first pari passu hypothecation charge on all existing and future current assets of borrower's channels CNBC TV18 and CNBC Awaaz	598,776,708	-
iii. The cash credit including working capital demand loan is repayable on demand and carries interest @ 12.00% p.a. to 12.25% p.a. and is secured against second pari passu charge by way of hypothecation of the borrower's entire current assets and second pari passu charge of all the borrower's present and future moveable assets.	241,220,886	-
iv. The cash credit including working capital demand loan is repayable on demand and is secured by a first pari passu charge over fixed assets and current assets of Viacom18 Media Private limited.	1,700,338,153	1,878,175,938
v. The cash credit including working capital demand loan is repayable on demand and is secured by a first pari passu charge over fixed assets and current assets of Viacom 18 Media Private Limited	160,000,000	-
vi. The cash credit is secured by first pari passu charge on all the current assets of the IBN Lokmat News Private Limited and additionally secured by unconditional and irrevocable corporate guarantee of the Company and Lokmat Media Limited.	3,140,135	3,429,825
vii. The cash credit including working capital demand loan 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.	-	286,225,651
viii. The cash credit including working capital demand loan 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.	-	314,748,556
ix. 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 TV18.	-	91,070
	<b>3,050,740,288</b>	<b>2,482,671,040</b>
<b>9 Trade payables</b>		
Trade payables- other than acceptances	<b>5,230,500,537</b>	<b>4,809,852,637</b>

**Notes forming part of the consolidated financial statements**

	As at 31.03.2014 (Rupees)	As at 31.03.2013 (Rupees)
<b>10 Other current liabilities</b>		
a. Current maturities of long-term debt		
i. Term loans		
- from banks	100,766,990	60,203,193
- from others	133,600,000	133,600,000
(See note 5 (c) - for the details of security and repayment details of long term borrowings)		
	<b>234,366,990</b>	193,803,193
ii. Vehicle loans (secured by hypothecation of vehicles)		
- from bank	4,167,323	1,559,681
- from others	6,065,228	8,767,927
iii. Public deposits (unsecured) (Public deposits are repayable within 1 year from the reporting date)	405,822,932	487,562,000
b. Current maturities of finance lease obligations [See note 39(ii)(b)] (Secured against assets obtained under finance lease arrangements)	5,885,358	2,567,496
c. Interest accrued but not due on borrowings	59,407,603	115,479,350
d. Interest accrued and due on borrowings	1,843,453	-
e. Income billed in advance (unearned revenue)	216,926,756	171,159,219
f. Unclaimed matured deposits and interest accrued thereon	28,754,289	109,110,256
g. Other payables		
- Statutory dues (contributions to PF, ESIC, Withholding Taxes, VAT, Service Tax, etc.)	387,655,586	376,974,561
- Payables on purchase of fixed assets	48,986,481	22,189,971
- Advances from customers	438,532,745	194,424,122
- Book overdraft	420,006,819	8,838,782
- Security / trade deposits received	4,417,050	3,182,500
	<b>2,262,838,613</b>	1,695,619,058
<b>11 Short - term provisions</b>		
a. Provisions for employee benefits		
- Provision for compensated absences	16,062,617	6,130,714
- Provision for gratuity [See note 32(II)(d)]	33,325,389	22,255,519
	<b>49,388,006</b>	28,386,233
b. Other provisions		
Provision for current tax (net of advance tax)	64,014,176	1,845,235
	<b>64,014,176</b>	1,845,235
	<b>113,402,182</b>	30,231,468



## TV18 Broadcast Limited

## Notes forming part of the consolidated financial statements

## 12 Fixed assets

Particulars	Gross block				Accumulated depreciation				(Amount in Rupees)	
	Opening balance as at 1.04.2013	Transferred in pursuant to acquisition (see note 36)	Additions	Closing balance as at 31.03.2014	Opening balance as at 01.04.2013	Transferred in pursuant to acquisition (see note 36)	Depreciation / Amortisation Expense for the year	On disposals	Closing balance as at 31.03.2014	Net block As at 31.03.2014 As at 31.03.2013
<b>(a) Tangible assets</b>										
Buildings	-	315,040	-	315,040	-	315,040	-	-	315,040	-
Freehold land	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Leasehold improvements	3,130,564 (3,130,564)	-	-	3,130,564 (3,130,564)	-	-	-	-	3,130,564 (3,130,564)	3,130,564
Plant and equipment - on finance lease	455,645,519 (480,546,357)	67,263,580 (-)	38,179,370 (15,559,579)	561,088,469 (455,645,519)	353,523,375 (316,190,278)	48,646,288 (-)	66,252,762 (76,683,751)	-	468,424,425 (353,523,375)	102,122,144
- others	11,754,532 (11,754,532)	-	-	11,754,532 (11,754,532)	1,327,200 (661,334)	-	765,866 (765,866)	-	2,093,066 (1,327,200)	10,427,332
Electrical installation	2,111,320,423 (2,368,966,401)	1,490,597,203 (-)	198,145,231 (48,397,399)	3,793,597,027 (306,263,377)	1,146,764,451 (1,289,481,013)	1,281,190,866 (-)	167,616,148 (153,801,233)	3,246,459 (296,517,795)	2,592,325,006 (1,146,764,451)	964,555,972
Computers - on finance lease	47,424,881 (45,302,417)	-	3,245,539 (4,890,843)	50,640,710 (47,424,881)	21,344,870 (18,974,190)	-	3,635,541 (3,360,855)	11,036 (990,175)	24,969,375 (21,344,870)	26,080,011
- others	684,119 (684,119)	-	-	684,119 (684,119)	270,242 (159,347)	-	110,895 (110,895)	-	381,137 (270,242)	413,877
Furniture and fixtures	384,038,892 (345,682,029)	124,631,672 (13,826,976)	59,776,534 (49,873,710)	531,572,363 (384,038,892)	244,466,754 (209,069,946)	116,500,449 (6,480,755)	53,465,702 (53,465,639)	34,345,081 (24,945,586)	380,087,824 (244,466,754)	139,572,138
Vehicles	58,749,595 (61,237,755)	38,141,099 (-)	3,776,017 (2,034,504)	100,419,355 (58,749,595)	25,403,684 (22,104,646)	31,016,299 (-)	5,775,948 (5,777,438)	58,621 (2,418,400)	62,137,310 (25,403,684)	33,345,911
Office equipment	84,230,691 (67,424,819)	12,803,397 (-)	23,064,320 (21,213,551)	100,141,621 (84,230,691)	28,031,918 (23,373,994)	11,502,225 (-)	8,775,054 (6,701,581)	4,781,971 (2,043,657)	43,527,226 (28,031,918)	56,198,773
Total	3,193,782,216 (3,422,210,769)	1,751,704,274 (14,470,079)	331,596,405 (144,909,451)	5,222,757,908 (3,193,782,216)	1,845,465,792 (1,905,353,470)	1,501,711,933 (6,705,939)	309,546,949 (303,661,892)	42,737,796 (370,255,509)	3,613,966,878 (1,845,465,792)	1,348,316,424
<b>(b) Intangible assets</b>										
News archives	20,498,422 (20,498,422)	-	-	20,498,422 (20,498,422)	15,172,922 (14,199,247)	-	973,675 (973,675)	-	16,146,597 (15,172,922)	5,325,500
Computers software	361,044,802 (333,517,018)	34,212,786 (11,363,520)	34,985,704 (30,721,096)	427,207,884 (361,044,802)	307,227,184 (291,450,988)	33,466,145 (4,779,987)	23,507,970 (15,547,881)	2,264,526 (14,551,672)	361,936,773 (35,877,418)	53,817,418
Programming cost	233,913,573 (87,803,933)	-	170,377,590 (146,108,640)	298,797,563 (233,913,573)	104,265,046 (15,691,311)	-	154,884,569 (88,573,735)	105,493,600 (-)	153,456,015 (104,265,046)	129,646,527
Website cost	552,800 (-)	-	-	552,800 (-)	406,395 (-)	-	146,405 (-)	-	552,800 (-)	146,405
Film release rights	-	120,337,394 (-)	-	120,337,394 (-)	-	82,873,818 (-)	2,259,409 (-)	-	85,133,227 (-)	-
Copyrights and other rights	-	3,166,309,464 (-)	7,500,000 (-)	3,173,809,464 (-)	-	2,135,839,674 (-)	65,046,644 (-)	-	2,200,866,318 (-)	-
Licenses	-	-	9,646,234 (-)	9,646,234 (-)	-	-	1,738,964 (-)	-	1,738,964 (-)	-
Total	615,009,397 (442,372,713)	3,320,859,644 (11,363,520)	222,509,528 (176,830,736)	4,050,849,761 (615,009,397)	427,071,547 (321,461,273)	2,252,179,637 (4,779,987)	248,357,636 (115,381,959)	107,758,126 (14,551,672)	2,819,850,694 (427,071,547)	1,230,999,067
Previous year										
Total (a+b)	3,809,791,613 (3,864,582,942)	5,072,563,918 (25,833,599)	554,105,933 (321,740,187)	9,273,607,669 (402,365,115)	2,272,537,339 (2,226,814,743)	3,753,891,570 (11,485,926)	557,904,585 (419,043,851)	150,495,922 (384,807,181)	6,433,837,572 (2,272,537,339)	2,839,770,097
Previous year										
Previous year										
Previous year										

Figures in brackets pertain to the previous year

## Notes forming part of the consolidated financial statements

	As at 31.03.2014 (Rupees)	As at 31.03.2013 (Rupees)
<b>13 Non current investments</b>		
<b>Investments (at cost)</b>		
<b>A. Trade</b>		
<b>- in equity shares of</b>		
<b>a. Associate company (Unquoted)</b>		
i. 6,094,190 (Previous year Nil) equity shares of Eenadu Television Private Limited of Rs. 10 each fully paid up (see note below)	<b>4,588,131,924</b>	-
<b>b. Other entities (Unquoted)</b>		
ii. 27,500 (Previous year Nil) equity shares of Ushodaya Enterprises Private Limited of Rs. 100 each fully paid up	<b>373,803,480</b>	-
<b>- in preference shares of</b>		
<b>a. Joint venture (Unquoted)</b>		
i. 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	<b>25,000,000</b>	25,000,000
<b>B. Other investments</b>		
<b>- in equity shares of</b>		
<b>a. Other entities (Quoted)</b>		
i. 275,000 (Previous year 275,000) equity shares of Refex Refrigerants Limited of Rs. 10 each fully paid up	<b>1</b>	1
ii. 474,308 (Previous year 474,308) equity shares of KSL & Industries Limited of Rs. 4 each fully paid up	<b>8,869,560</b>	8,869,560
<b>b. Other entities (Unquoted)</b>		
i. 898,500 (Previous year 898,500) equity shares of Delhi Stock Exchange Association Limited of Rs. 10 each fully paid up	<b>1</b>	1
	<b>4,995,804,966</b>	33,869,562
Aggregate amount of quoted investments	<b>8,869,561</b>	8,869,561
Market value of quoted investments	<b>11,406,748</b>	18,688,877
Aggregate amount of unquoted investments	<b>4,986,935,405</b>	25,000,001

Note: Investment in associate

Name of associate	Country of incorporation	Ownership interest (%)	Original cost of investment	Amount of goodwill in original cost	Group's share in accumulated profit/(loss)	Carrying amount of investment
Eenadu Television Private Limited	India	24.50%	4,496,335,822	3,456,224,661	91,796,102	4,588,131,924

## Notes forming part of the consolidated financial statements

	As at 31.03.2014 (Rupees)	As at 31.03.2013 (Rupees)
<b>14 Long - term loans and advances</b>		
a. Capital advances (Unsecured, considered good)	96,266,920	20,726,073
b. Security deposits		
- Unsecured, considered good	283,636,395	230,325,185
- Doubtful	-	2,122,360
	<u>283,636,395</u>	<u>232,447,545</u>
Less: Provision for doubtful debts	-	(2,122,360)
	<u>283,636,395</u>	<u>230,325,185</u>
c. Loans and advances to employees		
- Unsecured, considered good	57,431,316	68,883,741
- Doubtful	47,017,187	56,478,188
	<u>104,448,503</u>	<u>125,361,929</u>
Less: Provision for doubtful loans and advances	(47,017,187)	(56,478,188)
	<u>57,431,316</u>	<u>68,883,741</u>
d. Advance income tax (net of provision for tax) (Unsecured, considered good)	1,839,441,215	1,641,072,807
e. MAT credit entitlement (Unsecured, considered good)	44,269,683	-
f. Advance to vendors		
- Unsecured, considered good	281,099,724	134,687,370
- Doubtful	87,050,113	47,867,195
	<u>368,149,837</u>	<u>182,554,565</u>
Less: Provision for doubtful loans and advances	(87,050,113)	(47,867,195)
	<u>281,099,724</u>	<u>134,687,370</u>
	<u>2,602,145,253</u>	<u>2,095,695,176</u>
<b>15 Other non - current assets</b>		
(Unsecured, considered good)		
a. Advance against purchase of shares [See note 35(b)]	-	19,500,000,000
b. Long-term receivables - others (See note 40)	-	1,086,309,861
c. Deposit accounts with banks*	48,272,640	151,266,669
	<u>48,272,640</u>	<u>20,737,576,530</u>
* Fixed deposits are under lien with banks against bank guarantees to Custom authorities to meet export obligations and with vendors and are restricted from being exchanged or used to settle a liability for more than 12 months from the balance sheet date.		
<b>16 Current investments</b>		
<b>Investment in mutual funds (at lower of cost and fair value)</b>		
a. Nil (Previous year 7,203,350) units of Rs. 10 each in Birla Mutual Fund*	-	90,563,402
b. Nil (Previous year 22,656) units of Rs. 10 each in Reliance Mutual Fund	-	34,634,529
c. Nil (Previous year 721,643) units of Rs. 10 each in Deutsche Mutual Fund	-	65,489,466
d. Nil (Previous year 116,318 ) units of Rs. 10 each in Religare Mutual Fund	-	116,517,703
e. Nil (Previous year 74,796 ) units of Rs. 10 each in Tata Mutual Fund	-	83,361,760
f. Nil (Previous year 96,281 ) units of Rs. 10 each in L&T Mutual Fund	-	97,401,431
g. Nil (Previous year 57,027) units of Rs. 10 each in DSP Blackrock Liquidity Fund	-	57,044,799
h. Nil (Previous year 458,630 ) units of Rs. 10 each in ICICI Prudential Mutual Fund	-	48,493,276
i. Nil (Previous year 63,193) units of Rs. 10 each in Morgan Mutual Fund	-	63,224,208
j. Nil (Previous year 82,141) units of Rs. 10 each in Taurus Mutual Fund	-	82,148,746
k. Nil (Previous year 51,262) units of Rs. 10 each in Daiwa Mutual Fund	-	51,289,106
	-	<u>790,168,426</u>
Aggregate amount of unquoted investments	-	790,168,426
*Aggregate amount for diminution in value of investments	-	872,168

## Notes forming part of the consolidated financial statements

	As at 31.03.2014 (Rupees)	As at 31.03.2013 (Rupees)
<b>17 Inventories</b>		
(At lower of cost and net realisable value)		
a. Tapes and compact discs	19,397	24,138
b. Programming and film rights	2,691,568,095	1,993,365,856
c. Stores and spares	3,245,765	-
d. Projects in progress	627,656,115	753,977,293
	<u>3,322,489,372</u>	<u>2,747,367,287</u>
<b>18 Trade receivables (Unsecured)</b>		
a. Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
- considered good	933,235,335	335,205,881
- considered doubtful	577,665,134	304,148,423
Less: Provision for doubtful trade receivables	<u>(577,665,134)</u>	<u>(304,148,423)</u>
	<u>933,235,335</u>	<u>335,205,881</u>
b. Other trade receivables		
- considered good	3,810,804,151	4,265,706,713
- considered doubtful	78,955,780	46,974,333
Less: Provision for doubtful trade receivables	<u>(78,955,780)</u>	<u>(46,974,333)</u>
	<u>3,810,804,151</u>	<u>4,265,706,713</u>
	<u>4,744,039,486</u>	<u>4,600,912,594</u>
<b>19 Cash and bank balances</b>		
<b>A. Cash and cash equivalents</b>		
a. Cash on hand	1,800,146	1,808,027
b. Cheques on hand	881,248,056	630,048,152
c. Balances with banks		
i. in current accounts [See note (a) below]	999,822,876	1,134,146,305
ii. in demand deposit accounts		
- original maturity 3 months or less	97,088,698	745,846,707
	<u>1,979,959,776</u>	<u>2,511,849,191</u>
<b>B. Other bank balances</b>		
a. In other deposit accounts		
- original maturity more than 3 months [See note (b) to (d) below]	903,794,437	181,828,334
	<u>2,883,754,213</u>	<u>2,693,677,525</u>
<b>Notes:</b>		
a. Unutilised money of rights issue	-	143,259,020
b. Balance with banks held as per Rule 3A of Companies (Acceptance of deposits) Rules, 1975	60,873,440	14,783,550
c. Balances held as margin money against borrowings	-	79,345,000
d. Fixed deposits are under lien with banks against bank guarantees to the Custom authorities	73,037,100	-

## Notes forming part of the consolidated financial statements

	As at 31.03.2014 (Rupees)	As at 31.03.2013 (Rupees)
<b>20 Short - term loans and advances</b>		
(Unsecured, considered good)		
a. Loans and advances		
- to related parties (See note 34)		
- to fellow subsidiaries	2,929,253,150	2,453,624,516
- to joint ventures	19,684,394	6,064,875
- to entities under significant influence of key managerial person	539,497,350	543,430,774
- to employees	14,867,518	64,440,621
- to others	939,124,030	464,711,406
	<u>4,442,425,442</u>	<u>3,532,272,192</u>
b. Security deposits	16,158,538	47,337,496
c. Prepaid expenses	122,969,939	178,860,148
d. Advance income tax (net of provision)	255,759,327	-
e. MAT credit entitlement	2,449,369	1,750,288
f. Balance with government authorities		
- Service tax credit receivable	370,914,904	324,674,822
g. Others		
- Advance to vendors	61,019,060	34,377,588
	<u>5,271,696,579</u>	<u>4,119,272,534</u>
<b>21 Other current assets</b>		
(Unsecured, considered good)		
a. Unbilled revenue	501,927,519	171,414,056
b. Unamortised expenses		
Share issue expenses		
Opening Balance	-	111,276,733
Add: Amount incurred for rights issue during the year	-	612,161,208
Less: Rights issue related expenses adjusted by transferring to Securities Premium Account [See note 4 (a)]	-	(723,437,941)
	<u>-</u>	<u>-</u>
c. Others		
- Short-term receivables	1,086,309,861	-
- Interest accrued but not due on deposits and advances	28,056,878	189,948,460
	<u>1,616,294,258</u>	<u>361,362,516</u>
<b>22 Revenue from operations</b>		
a. Sale of services		
i. Advertisement, subscription and program syndication	18,303,947,479	14,812,371,017
ii. Sale of content and film distribution and syndication	1,191,723,717	1,891,361,817
iii. Other media income and equipment rentals	163,080,021	202,913,726
	<u>19,658,751,217</u>	<u>16,906,646,560</u>
b. Other operating income		
i. Advances from customers written back	22,500,000	84,673,616
	<u>22,500,000</u>	<u>84,673,616</u>
	<u>19,681,251,217</u>	<u>16,991,320,176</u>

## Notes forming part of the consolidated financial statements

	As at 31.03.2014 (Rupees)	As at 31.03.2013 (Rupees)
<b>23 Other income</b>		
a. Interest income on		
- Loans and advances to related parties (see note 34)	79,081,698	65,626,183
- Deposit accounts with banks	82,280,628	100,905,966
- Income tax refund	20,863,006	23,883,554
b. Net gain on sale of		
- current investments	-	42,633,134
- long-term investments	-	3,310,549
c. Dividend income		
- from current investments -others	38,432,177	88,683,290
- from long-term investments -others	500	50,000
d. Other non-operating income		
- Liabilities / provisions no longer required written back	84,248,231	94,990,380
- Miscellaneous income	19,261,196	18,490,176
	<u>324,167,436</u>	<u>438,573,232</u>
<b>24 Employee benefits expense</b>		
a. Salaries and wages	2,473,603,047	2,253,077,757
b. Contribution to provident and other fund (see note 32)	126,772,796	103,184,249
c. Gratuity expense (see note 32)	45,590,047	32,873,913
d. Expense on employee stock option scheme (see note 33)	(2,214,034)	1,185,280
e. Staff welfare expenses	203,303,132	162,388,778
	<u>2,847,054,988</u>	<u>2,552,709,977</u>
<b>25 Finance costs</b>		
a. Interest expense on		
- Term loans	197,929,633	570,847,007
- Cash credits	42,403,836	352,732,827
- Public deposits	99,062,987	307,151,780
- Others	6,674,749	6,423,151
b. Other borrowing costs	259,217,930	198,854,674
	<u>605,289,135</u>	<u>1,436,009,439</u>
<b>26 Other expenses</b>		
a. Programming costs	5,086,475,197	4,721,007,169
b. Studio and equipment hire charges	48,901,935	42,098,967
c. Telecast and uplinking fees	337,359,571	99,509,509
d. Airtime purchased	168,476,411	47,218,096
e. Tapes consumed	2,853,151	6,498,924
f. Royalty expenses	203,091,902	238,341,629
g. Content expenses	154,635,999	162,923,159
h. Media professional fees	237,408,944	271,323,407
i. Other production expenses	249,723,940	192,765,324
j. Rent including lease rentals [see note 39]	317,369,813	291,186,102
k. Electricity expenses	105,411,560	88,218,295
l. Insurance	40,285,360	25,878,569
m. Travelling and conveyance	495,150,415	433,805,069
n. Vehicle running and maintenance	94,865,300	87,386,861

## Notes forming part of the consolidated financial statements

	As at 31.03.2014 (Rupees)	As at 31.03.2013 (Rupees)
o. Communication expenses	97,850,192	81,894,073
p. Distribution, advertising and business promotion	5,974,372,444	5,680,332,282
q. Repairs and maintenance		
- Plant & machinery	123,115,704	100,906,491
- Others	51,072,877	36,625,232
r. Legal and professional (See note below)	275,718,736	253,395,353
s. Rates and taxes	39,609,511	44,267,027
t. Office upkeep and maintenance	89,510,354	75,377,892
u. Directors sitting fees	240,000	230,000
v. Loss on fixed assets sold / scrapped / written off (net)	1,943,040	12,939,124
w. Net loss on foreign currency transactions and translations	15,993,304	23,217,672
x. Non-current investments written off	-	8,566,250
y. Loss on sale of current investments	4,067,591	-
z. Diminution/adjustments to carrying value of current investments	-	872,168
aa. Bad debts and provision for doubtful trade and other receivable, loans and advances (net)	401,782,595	182,217,299
ab. Dealers commission	40,500,000	50,700,892
ac. Miscellaneous expenses	69,115,342	58,939,060
	<u>14,726,901,188</u>	<u>13,318,641,895</u>

**Note:****Payments to the auditors comprises (net of service tax input credit, where applicable):**

(a) To statutory auditors		
a. For Statutory audit fees*	7,550,000	5,700,000
b. For other services (including limited reviews, certifications and excluding Rs. 4,985,000 in previous year being expenses related to the rights issue adjusted against the securities premium account)	6,215,000	5,500,000
c. Reimbursement of expenses	226,402	99,700
	<u>13,991,402</u>	<u>11,299,700</u>
(b) To cost auditors for cost audit	550,000	425,000
	<u>14,541,402</u>	<u>11,724,700</u>

\* Includes fees for audit of financial statements of subsidiaries and joint controlled entity.

**27 Exceptional items**

a. Severance pay	102,778,000	-
b. Consultancy charges	171,324,315	-
	<u>274,102,315</u>	<u>-</u>

**Note:**

Exceptional items represent one-time severance pay as part of the Company's restructuring initiative to realise operational synergies across the news network and consultancy charges for integration and acquisition of ETV channels.



## Notes forming part of the consolidated financial statements

### 28. Contingent liabilities and capital commitments

#### - In case of the Company

- i. The Company had purchased capital equipment under the 'Export Promotion Capital Goods Scheme'. As per the terms of the licenses granted under the scheme, the Company had undertaken to achieve an export commitment of Rs. 874,014,347 (Previous year Rs. 874,014,347) over a period of 8 years commencing from 10 August, 2005. In the event the Company is unable to execute its export obligations, the Company shall be liable to pay customs duty of Rs. 109,251,793 (Previous year Rs. 109,251,793) and interest on the same at the rate of 15 percent compounded annually. The banks have given a guarantee amounting to Rs. 104,947,427 (Previous year Rs. 136,247,427) on behalf of the Company to the customs authorities for the same. The Company has made applications of Rs. 874,014,347 (Previous year Rs. 143,460,616) to the Director General of Foreign Trade for issuance of the export obligation discharge certificate (EODC) towards fulfilment of its export obligation and has received the EODC for Rs. 332,263,040 in respect thereof during the year and EODC for balance of Rs. 541,751,307 is awaited as at the year end.
- ii. Claims against the Company not acknowledged as debts include demands raised by Income Tax authorities aggregating to Rs. 272,629,554 (Previous year Rs. 424,978,295). Amounts deposited by the Company against these claims – Rs. 82,406,373 (Previous year Rs. 82,406,373) which is included in Advance Income Tax in Note 14(d). No provision has been made in the accounts for these demands as the Company expects a favourable decision in appeal.
- iii. 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. 7,814,250 was outstanding in respect of such loans.
- iv. 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. 35,562,492 was outstanding in respect of such loan.
- v. 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 21 September, 2011.
- vi. Mr. Victor Fernandes ("plaintiff") has preferred an Appeal before the Hon'ble Supreme Court of India against the order of the Hon'ble Securities Appellate Tribunal (SAT) dated 8 February, 2013 which dismissed the appeal relating to grant of listing approval by the National Stock Exchange (NSE) for the rights issue of the Company. Based on the legal advice by the legal counsel, management is of the view that the above claims made by the plaintiffs are unlikely to succeed and has accordingly made no provisions in the financial statements.
- vii. 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. 3,100,405,000 (Previous year Rs. 3,115,238,072). In the opinion of the management, no material liability is likely to arise on account of such claims/law suits and thus no provision has been made against these in the financial statements.
- viii. The Company has received legal notice of claims/ lawsuits filed by Rahmat Fatima Ammanullah ("Plaintiff") against IBN7 Hindi News channel, Mr Suresh Ranjan, Mr. Ashutosh Gupta, Mr. Chandra Mohan Kumar, Mr. Rajdeep Sardesai and Mr. Raghav Bahl ("Defendants") thereby alleging that the news broadcasted by the defendants has damaged the plaintiff's reputation and standing before her family, friends, peers, society and has caused extreme mental agony and trauma. The Plaintiff has prayed for a claim of Rs. 1,000,000,000 against the Defendants along with the cost of litigation, the suit is currently pending. 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.

## Notes forming part of the consolidated financial statements

### - In the case of Equator:

	As at 31.03.2014	As at 31.03.2013
Particulars	Total	Total
Claims against Equator not acknowledged as debts	1,512,902,100	-
Taxation matters in respect of which appeals are pending	597,036,032	-
	<b>2,109,938,132</b>	<b>-</b>

### - In the case of Viacom18:

		As at 31.03.2014		As at 31.03.2013	
Particulars	% of interest	Total	Group's share	Total	Group's share
Claims against Viacom18 not acknowledged as debts	50	30,780,000	15,390,000	33,305,432	16,652,716
Taxation matters in respect of which appeals are pending	50	1,261,960,485	630,980,243	710,653,218	355,326,609
Guarantee given by Viacom18	50	150,000,000	75,000,000	1,500,000	750,000
		<b>1,442,740,485</b>	<b>721,370,243</b>	<b>745,458,650</b>	<b>372,729,325</b>

### - Commitments

		As at 31.03.2014	As at 31.03.2013
Particulars	Total	Total	Total
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (see note 1)	169,661,544	87,192,273	
(b) Other commitments for non-cancellable agreement with the vendors (see note 2)	88,635,000	113,560,000	
	<b>258,296,544</b>	<b>200,752,273</b>	

#### Notes

1.	Share of Group in capital commitments of jointly controlled entities	37,259,047	5,119,435
2.	Share of Group in other commitments of jointly controlled entities	88,635,000	113,560,000

## 29. Earnings per equity shares

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 during the year. The details are:

Particulars	Unit	Year ended 31.03.2014	Year ended 31.03.2013
<b>Earnings per equity shares:</b>			
a. Net profit/(loss) after tax	Rs.	1,036,318,777	(254,489,419)
b. Weighted average of number of equity shares used in computing basic earnings per share (Nominal value is Rs 2 per share)	Numbers	1,711,708,789	953,677,655
c. Basic earnings / (loss) per share (a/b)*	Rs.	0.61	(0.27)
d. Weighted average of the number of shares issued under Options	Numbers	8,992,822	10,959,207
e. Adjustment for number of shares that would have been issued at the fair value	Numbers	(8,506,028)	(10,496,127)
f. Weighted average of number of equity shares used in computing diluted earnings per share (b+d+e)	Numbers	1,712,195,583	954,140,734
g. Diluted earnings / (loss) per share (a/f)*	Rs.	0.61	(0.27)*

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

## Notes forming part of the consolidated financial statements

### 30. Deferred tax

The Group has carried out its tax computation in accordance with the mandatory Accounting Standards (AS) 22 – 'Accounting for Taxes on Income' referred in Companies (Accounting Standards) Rules, 2006. In case of Company, in the absence of virtual certainty, no deferred tax assets have been recognised on the amount of carried forward tax losses and unabsorbed depreciation. The major components of deferred tax assets (DTA)/ deferred tax liabilities (DTL) of the Group as recognised in the consolidated financial statements are as follows:

(Amount in Rupees)

Particulars	As at 31.03.2014	As at 31.03.2013
<b>Deferred tax asset</b>		
On difference between book balance and tax balance of fixed assets	-	51,412,181
Provision for compensated absences	36,210,712	-
Provision for doubtful trade and other receivable, loans and advances	77,044,742	34,599,166
Provision for gratuity and other employee benefits	10,845,019	451,253
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	160,060,439	129,441,730
	<b>284,160,912</b>	<b>215,904,330</b>
<b>Deferred tax liability</b>		
Inventory amortisation	230,963,746	205,087,118
On difference between book balance and tax balance of fixed assets	6,029,452	1,724,448
Others	772,619	-
	<b>237,765,817</b>	<b>206,811,566</b>
<b>Net deferred tax asset</b>	<b>46,395,095</b>	<b>9,092,764</b>

### 31. Segmental information

The Group has identified business segments as its primary segment and geographical segments as its secondary segment. Business segments are primarily broadcasting and content segment and film production and distribution segment. Broadcasting and content segment consists of television content and airtime sales. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments. Geographical revenues are allocated based on the location of the customer. Geographical segment is considered based on sales within India and outside India. However, as per Para 48 of Accounting Standard (AS) 17 on "Segment Reporting", the segment revenue/assets by geographical location does not fall with the criteria set out therein and therefore geographical segment information has not been given in the consolidated financial statements.

(Amount in Rupees)

	Particulars	Broadcasting and content	Film production and distribution	Elimination	Total
i.	<b>Income from operations</b>	<b>18,954,589,911</b>	<b>1,017,661,306</b>	<b>(291,000,000)</b>	<b>1,968,1251,217</b>
		15,684,498,207	1,734,321,969	(427,500,000)	16,991,320,176
ii.	<b>Segment results</b>	<b>1,850,545,011</b>	<b>(242,045,698)</b>	<b>(59,108,857)</b>	<b>1,549,390,456</b>
		832,314,147	(4,207,977)	(127,181,714)	700,924,456
iii.	Add: Unallocated income				<b>141,942,104</b>
					248,157,529
iv.	Add: Interest income				<b>182,225,332</b>
					190,415,703

## Notes forming part of the consolidated financial statements

	Particulars	Broadcasting and content	Film production and distribution	Elimination	Total
v.	Less: Finance costs				<b>605,289,135</b> <i>1,436,009,439</i>
vi.	Less: Exceptional items				<b>274,102,315</b> <i>-</i>
vii.	<b>Profit/(loss) before tax</b>				<b>994,166,442</b> <i>(296,511,754)</i>
viii.	Tax expenses				<b>138,249,158</b> <i>125,879,036</i>
ix.	<b>Profit / (Loss) after tax before share of profit/(loss) of associates and minority interest</b>				<b>855,917,284</b> <i>(422,390,790)</i>
x.	Share in profit of associate				<b>37,538,780</b> <i>-</i>
xi.	Minority interest				<b>(142,862,713)</b> <i>(167,901,371)</i>
xii.	<b>Profit/ (Loss) for the year</b>				<b>1,036,318,777</b> <i>(254,489,419)</i>
xiii.	Segment assets	43,952,100,917 <i>39,887,853,955</i>	3,443,053,907 <i>3,840,961,889</i>	(258,912,318) <i>(196,746,720)</i>	<b>47,136,242,506</b> <i>43,532,069,124</i>
xiv.	Unallocated assets				<b>(55,246,987)</b> <i>818,124,939</i>
xv.	<b>Total assets</b>				<b>47,080,995,519</b> <i>44,350,194,063</i>
xvi.	<b>Segment liabilities</b>	9,032,446,917 <i>8,101,177,258</i>	249,352,162 <i>344,200,333</i>	(36,372,247) <i>(33,800,481)</i>	<b>9,245,426,832</b> <i>8,411,577,110</i>
xvii.	Unallocated liabilities				<b>2,828,310,590</b> <i>3,100,361,260</i>
xviii.	<b>Total liabilities</b>				<b>12,073,737,422</b> <i>11,511,938,370</i>
xix.	Capital expenditure				<b>554,105,933</b> <i>321,740,187</i>
xx.	Depreciation and amortisation				<b>557,904,585</b> <i>419,043,851</i>
xxi.	Non-cash expenditure other than depreciation				<b>405,069,248</b> <i>198,116,468</i>

Note: Amounts in italics represent previous year's figures.

### 32. Employee Benefits

#### I. Defined contribution plans

The Group makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the Schemes, the group is required to contribute a specified percentage of the payroll costs to fund the benefits.

The Group recognised Rs. 126,055,665 (Previous year Rs. 101,967,295) for Provident Fund contributions and Rs. 717,131 (Previous year Rs. 1,216,954) for Employee State Insurance Scheme in the Consolidated Statement of Profit and Loss. The contributions payable to this plan by the Group is at the rate specified in the rules of the schemes.

## Notes forming part of the consolidated financial statements

### II. Defined benefit plans

#### Gratuity

The following table set out the funded/unfunded status of the defined benefits schemes and the amount recognised in the consolidated financial statements:

Particulars	31.03.2014 (Rupees)	31.03.2013 (Rupees)
<b>a. Change in defined benefit obligation</b>		
i. Present value of obligation at the beginning of the year	141,714,084	119,432,571
ii. Present value of obligation at the period pertaining to liability on account of acquisition of Equator and conversion of IndiaCast Media from subsidiary to jointly controlled entity	93,825,500	-
iii. Present value of obligation at the period pertaining to liability on account of acquisition of IndiaCast Media	-	1,577,189
iv. Current service cost	25,085,643	23,047,847
v. Interest expense	13,392,320	10,276,105
vi. Actuarial (gain) / loss	8,618,889	1,848,499
vii. Benefits paid	(45,390,071)	(14,468,127)
viii. Present value of obligations at the end of the year	237,246,365	141,714,084
<b>b. Change in fair value of plan assets</b>		
i. Plan assets at the beginning of the year	25,578,841	23,434,537
ii. Fair value of plan assets at the beginning of the year pertaining to liability received on account of acquisition of Equator	54,269,776	-
iii. Expected return on plan assets	2,591,613	1,991,850
iv. Actual contribution	5,446,409	2,780,000
v. Benefits paid	(5,636,738)	(2,934,235)
vi. Actuarial gain / (loss)	(1,084,808)	306,689
vii. Plan assets at the end of the year	81,165,093	25,578,841
<b>c. Return on plan assets</b>		
i. Expected return on plan assets	2,591,613	1,991,850
ii. Actuarial gain / (loss)	(1,084,808)	306,688
iii. Actual return on plan assets	1,506,805	2,298,538
<b>d. Net asset/(liability) recognised in the consolidated balance sheet</b>		
i. Present value of defined benefit obligations	237,246,365	141,714,084
ii. Fair value of plan assets	81,165,093	25,578,841
iii. Net liability/(asset) recognised in the consolidated balance sheet	156,081,272	116,135,243
- Non current liability	122,755,883	93,879,724
- Current liability	33,325,389	22,255,519
<b>e. Expenses recognised in the Consolidated Statement of Profit and Loss</b>		
i. Current service costs	25,085,643	23,047,847
ii. Interest expense	13,392,320	10,276,105
iii. Expected return on investment	(2,591,613)	(1,991,850)
iv. Net actuarial (gain)/loss recognised during the year	9,703,697	1,541,811
v. Past service	-	-
vi. Expenditure recognised in the Consolidated Statement of Profit and Loss	45,590,047	32,873,913
<b>f. Principal actuarial assumptions for gratuity and long term compensated absences</b>		
i. Discount rate	8.50% p.a.	8.00% p.a.
ii. Salary escalation	6.00% p.a.	6.00% p.a.
iii. Expected rate of plan assets return	8.50% p.a.	8.50% p.a.

## Notes forming part of the consolidated financial statements

iv. Mortality tables used	<b>IALM (2006-08) duly modified</b>	IALM (1994-96) duly modified
v. Retirement age	<b>60 Years</b>	60 Years
vi. Withdrawal rates		
- Upto 30 years	<b>3%</b>	3%
- Upto 44 years	<b>2%</b>	2%
- Above 44 years	<b>1%</b>	1%

### Notes:

- The discount rate is based on the prevailing market yield of Government of India securities as at the balance sheet date for the estimated term of obligations.
- The expected rate of return on plan assets 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, increments and other relevant factors.
- The planned assets of the Group are managed by the Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan.

<b>5. Year ended</b>	<b>Present value of the gratuity benefits</b>	<b>Experience adjustments arising on the gratuity benefits</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
<b>31.03.2014</b>	237,246,365	8,618,889
<b>31.03.2013</b>	141,718,370	1,848,499
<b>31.03.2012</b>	119,432,571	(942,903)
<b>31.03.2011</b>	56,458,354	7,906,479

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

- The Company had established an Employee Stock Option Plan (ESOP 2007) in accordance with the Securities and Exchange Board of India (SEBI) (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 which have been approved by the Board of Directors and the shareholders. A Remuneration/Compensation Committee comprising independent, non-executive members of the Board of Directors administer the ESOP 2007. All options under the ESOPs are exercisable for equity shares. The Company plans to grant upto 51,484,727 options to eligible employees and directors of the Company and its subsidiaries and its holding company. The Company had increased the maximum number of options that can be granted under ESOP 2007 from 8,500,000 to 12,500,000 options at Annual General Meeting held on 9 September, 2011 and which was further increased to 51,484,727 options pursuant to the Rights Issue vide Remuneration/Compensation Committee resolution dated 30 October, 2012.
- Options which have been granted under ESOP 2007 shall vest with the grantee over the vesting period from the date of grant. The exercise period of the options is a period of two years after the vesting of the options. Each option is exercisable for one equity share of Rs. 2 each fully paid up on payment of exercise price (as determined by the Remuneration/Compensation Committee) of share determined with respect to the date of grant.
- During the previous year, the Remuneration/Compensation Committee of the Board of Directors had granted 7,500,000 options of the Company under GBN Employee Stock Option Plan 2007 to the eligible employees.

The vesting period, vesting terms and exercise period for these options were as follows:

<b>Particulars</b>	<b>Employee Stock Option Plan 2007</b>	<b>Employee Stock Option Plan 2007</b>
Options granted	2,500,000	5,000,000
Vesting date	Options to vest equally over 2 years (50% options to vest each year) from the date of grant	Options to vest equally over 5 years (20% options to vest each year) from the date of grant.
Vesting requirement	Two years of service from the date of grant of option.	Five years of service from the date of grant of option.
Exercise Period	During two years after vesting date.	During two years after vesting date.

The Company has granted 14,731,849 options upto 31 March, 2014.

## Notes forming part of the consolidated financial statements

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

Particulars	ESOP 2007		ESOP 2007	
	Year ended 31.03.14		Year ended 31.03.13	
	Options (Numbers)	Weighted Average Price (Rupees)	Options (Numbers)	Weighted Average Price (Rupees)
a. Outstanding at the beginning of year	10,959,207	31.70	3,999,979	25.40
b. Granted during the year	-	-	7,500,000	26.00
c. Exercised during the year	-	-	-	-
d. Forfeited during the year	1,894,217	43.46	442,137	24.01
e. Expired during the year	72,168	27.70	98,635	27.70
f. Outstanding at the end of the year	8,992,822	22.49	10,959,207	31.70
g. Exercisable at the end of the year	3,436,822	23.30	2,763,568	42.69
h. Number of equity shares of Rs. 2 each fully paid up to be issued on exercise of option	8,992,822	22.49	10,959,207	31.70
i. Weighted average share price at the date of exercise	-	-	-	-
j. Weighted average remaining contractual life (years)	2.76	NA	2.62	NA

- e. Proforma 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 proforma amounts as indicated:

Particulars	Year ended 31.03.2014 (Rupees)	Year ended 31.03.2013 (Rupees)
1. Net profit/ (loss) as reported	1,036,318,777	(254,489,419)
2. Add: Expense/(written back) on employee stock option (ESOP) scheme debited to the Consolidated Statement of Profit and Loss	(2,214,034)	1,185,280
3. Less: Stock based employee compensation expense based on fair value	3,990,683	41,731,562
4. Difference between (2) and (3)	(6,204,717)	(40,546,282)
5. Adjusted proforma Profit/(Loss)	1,030,114,060	(295,035,701)
6. Difference between (1) and (5)	6,204,717	40,546,282
7. Basic earnings per share as reported	0.61	(0.27)
8. Proforma basic earnings per share	0.60	(0.31)
9. Diluted earnings per share as reported	0.61	(0.27)
10. Proforma diluted earnings per share	0.60	(0.31)

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

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Risk free interest rates (in %)	8.18%	7.38%
Expected life (in years)	6.21 years	4.50 years
Volatility (in %)	33.43%	94.19%
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.



## Notes forming part of the consolidated financial statements

Note:

The Company has formulated Employee Stock Option Schemes (ESOS) in accordance with the Securities Exchange Board of India (SEBI) (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Schemes provide for grant of options to employees of the Company/entity and its subsidiaries to acquire equity shares of the Company/entity that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines; the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price is amortised on a straight-line basis over the vesting period.

### 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	Abbreviation	Nature of Relationship
1 Network18 Media & Investments Limited	Network18	Holding company
2 Viacom18 Media Private Limited	Viacom18	Jointly controlled entity of TV18
3 IBN Lokmat News Private Limited	IBN Lokmat	Jointly controlled entity of TV18
4 IndiaCast Media Distribution Private Limited	IndiaCast Media	Jointly controlled entity (subsidiary company upto 31 March, 2013) of TV18 (w.e.f. 1 April, 2013)
5 IndiaCast UTV Media Distribution Private Limited	IndiaCast UTV	Subsidiary company of IndiaCast Media
6 INDIACAST UK LTD	IndiaCast UK	Subsidiary company of IndiaCast Media
7 Eenadu Television Private Limited (w.e.f. 22 January, 2014)	Eenadu	24.5% associate company of Equator
8 Raghav Bahl	RB	Key Management Personnel (KMP)
9 Web18 Software Services Limited	Web18	Fellow subsidiary Company
10 Infomedia 18 Limited	Infomedia	Fellow subsidiary Company
11 Digital18 Media Limited	Digital18	Fellow subsidiary Company
12 Big Tree Entertainment Private Limited	Bigtree	Fellow subsidiary Company
13 e-Eighteen.com Limited	E-18	Fellow subsidiary Company
14 Setpro18 Distribution Limited	Setpro18	Fellow subsidiary Company
15 E-18 Limited, Cyprus	E-18, Cyprus	Fellow subsidiary Company
16 Television Eighteen Mauritius Limited, Mauritius	TEML	Fellow subsidiary Company
17 TV18 Home Shopping Network Limited	TV18 HSN	Fellow subsidiary Company
18 Web 18 Holdings Limited, Cayman Islands	Web18 Holding	Fellow subsidiary Company
19 BK Holdings Limited, Mauritius	BKH	Fellow subsidiary Company
20 Moneycontrol Dot Com India Limited	MCD	Fellow subsidiary Company
21 Colosseum Media Private Limited	Colosseum	Fellow subsidiary Company
22 Greycells18 Media Limited	Greycells18	Fellow subsidiary Company
23 Stargaze Entertainment Private Limited	Stargaze	Fellow subsidiary Company
24 Webchutney Studio Private Limited	Webchutney	Fellow subsidiary Company till 22 May, 2013
25 NewsWire18 Limited	Newswire	Fellow subsidiary Company till 27 December, 2012
26 Network18 Publications Limited	Network18 Pub	Entity under significant influence of KMP
27 Network18 Group Senior Professional Welfare Trust	Network18 GSP	Entity under significant influence of KMP
28 24X7 Learning Private Limited	24X7	Entity under significant influence of KMP
29 IBN18 Trust	IBN18 Trust	Entity under significant influence of KMP

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

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

## Notes forming part of the consolidated financial statements

(Amount in Rupees)

	Transactions	Holding Company	Fellow subsidiaries	Jointly controlled entities	Subsidiaries of jointly controlled entities	Entities under significant influence	Total
(i)	<b>Transactions during the year</b>						
(a)	<b>Income from operations and other income</b>						
	Network18	44,134,232 (77,808,921)	- (-)	- (-)	-- (-)	- (-)	<b>44,134,232</b> (77,808,921)
	Digital18	- (-)	14,298,389 (3,871,316)	- (-)	- (-)	- (-)	<b>14,298,389</b> (3,871,316)
	Bigtree	- (-)	2,263,942 (92,736)	- (-)	- (-)	- (-)	<b>2,263,942</b> (92,736)
	E-18	- (-)	15,688,961 (-)	- (-)	- (-)	- (-)	<b>15,688,961</b> (-)
	Setpro18	- (-)	- (6,396,404)	- (-)	- (-)	- (-)	<b>-</b> (6,396,404)
	TV18 HSN	- (-)	22,012,500 (37,146,003)	- (-)	- (-)	- (-)	<b>22,012,500</b> (37,146,003)
	Greycells18	- (-)	4,682,496 (4,682,496)	- (-)	- (-)	- (-)	<b>4,682,496</b> (4,682,496)
	Viacom18	- (-)	- (-)	71,165,714 (58,802,783)	- (-)	- (-)	<b>71,165,714</b> (58,802,783)
	IBN Lokmat	- (-)	- (-)	3,636,000 (9,441,257)	- (-)	- (-)	<b>3,636,000</b> (9,441,257)
	IndiaCast Media	- (-)	- (-)	13,836,449 (-)	- (-)	- (-)	<b>13,836,449</b> (-)
	IndiaCast UTV	- (-)	- (-)	- (-)	232,437,687 (-)	- (-)	<b>232,437,687</b> (-)
	IndiaCast UK	- (-)	- (-)	- (-)	2,087,609 (-)	- (-)	<b>2,087,609</b> (-)
	Network18 Pub	- (-)	- (-)	- (-)	- (-)	2,500,000 (2,514,981)	<b>2,500,000</b> (2,514,981)
	<b>Total</b>	<b>44,134,232</b> (77,808,921)	<b>58,946,288</b> (52,188,955)	<b>88,638,163</b> (68,244,040)	<b>234,525,296</b> (-)	<b>2,500,000</b> (2,514,981)	<b>428,743,979</b> (200,756,897)
(b)	<b>Interest received</b>						
	TEML	- (-)	33,205,066 (30,020,909)	- (-)	- (-)	- (-)	<b>33,205,066</b> (30,020,909)
	TV18 HSN	- (-)	- (3,166,377)	- (-)	- (-)	- (-)	<b>-</b> (3,166,377)
	BKH	- (-)	45,876,632 (32,342,543)	- (-)	- (-)	- (-)	<b>45,876,632</b> (32,342,543)
	<b>Total</b>	<b>-</b> (-)	<b>79,081,698</b> (65,529,829)	<b>-</b> (-)	<b>-</b> (-)	<b>-</b> (-)	<b>79,081,698</b> (65,529,829)
(c)	<b>Amount written back during the year</b>						
	TEML	- (-)	- (50,368,507)	- (-)	- (-)	- (-)	<b>-</b> (50,368,507)
	<b>Total</b>	<b>-</b> (-)	<b>-</b> (50,368,507)	<b>-</b> (-)	<b>-</b> (-)	<b>-</b> (-)	<b>-</b> (50,368,507)

## Notes forming part of the consolidated financial statements

(Amount in Rupees)

	Transactions	Holding Company	Fellow subsidiaries	Jointly controlled entities	Subsidiaries of jointly controlled entities	Entities under significant influence	Total
<b>(d)</b>	<b>Amount written off during the year</b>						
	IBN Lokmat	- (-)	- (-)	- (2,456,013)	- (-)	- (-)	- (2,456,013)
	<b>Total</b>	- (-)	- (-)	- (2,456,013)	- (-)	- (-)	- (2,456,013)
<b>(e)</b>	<b>Expenditure for services received</b>						
	Network18	129,803,128 (79,772,599)	- (-)	- (-)	- (-)	- (-)	<b>129,803,128</b> (79,772,599)
	Infomedia	- (-)	- (2,180,526)	- (-)	- (-)	- (-)	- (2,180,526)
	Digital18	- (-)	18,171,500 (10,341,100)	- (-)	- (-)	- (-)	<b>18,171,500</b> (10,341,100)
	Bigtree	- (-)	350,463 (-)	- (-)	- (-)	- (-)	<b>350,463</b> (-)
	Newswire	- (-)	- (4,280,256)	- (-)	- (-)	- (-)	- (4,280,256)
	Setpro18	- (-)	- (344,451,696)	- (-)	- (-)	- (-)	- (344,451,696)
	Colosseum	- (-)	60,371,156 (58,601,695)	- (-)	- (-)	- (-)	<b>60,371,156</b> (58,601,695)
	E-18	- (-)	- (1,347,430)	- (-)	- (-)	- (-)	- (1,347,430)
	Webchutney	- (-)	- (600,000)	- (-)	- (-)	- (-)	- (600,000)
	Viacom18	- (-)	- (-)	694,609,444 (279,151,861)	- (-)	- (-)	<b>694,609,444</b> (279,151,861)
	IBN Lokmat	- (-)	- (-)	1,247,519 (1,551,599)	- (-)	- (-)	<b>1,247,519</b> (1,551,599)
	Network18 Pub	- (-)	- (-)	- (-)	- (-)	3,907,269 (3,499,568)	<b>3,907,269</b> (3,499,568)
	<b>Total</b>	<b>129,803,128</b> (79,772,599)	<b>78,893,119</b> (421,802,703)	<b>695,856,963</b> (280,703,460)	- (-)	<b>3,907,269</b> (3,499,568)	<b>908,460,479</b> (785,778,330)
<b>(f)</b>	<b>Reimbursement of expenses received</b>						
	Network18	37,404,373 (42,311,337)	- (-)	- (-)	- (-)	- (-)	<b>37,404,373</b> (42,311,337)
	Infomedia	- (-)	10,000,000 (-)	- (-)	- (-)	- (-)	<b>10,000,000</b> (-)
	Digital18	- (-)	11,154,472 (15,137,553)	- (-)	- (-)	- (-)	<b>11,154,472</b> (15,137,553)
	Bigtree	- (-)	340,311 (278,669)	- (-)	- (-)	- (-)	<b>340,311</b> (278,669)
	E-18	- (-)	58,320,838 (55,793,299)	- (-)	- (-)	- (-)	<b>58,320,838</b> (55,793,299)

**Notes forming part of the consolidated financial statements**

(Amount in Rupees)

	Transactions	Holding Company	Fellow subsidiaries	Jointly controlled entities	Subsidiaries of jointly controlled entities	Entities under significant influence	Total
	Setpro18	- (-)	- (7,014,898)	- (-)	- (-)	- (-)	- (7,014,898)
	TV18 HSN	- (-)	20,510,425 (73,869,173)	- (-)	- (-)	- (-)	<b>20,510,425</b> (73,869,173)
	Colosseum	- (-)	224,495 (80,466)	- (-)	- (-)	- (-)	<b>224,495</b> (80,466)
	Greycells18	- (-)	3,826,069 (3,576,551)	- (-)	- (-)	- (-)	<b>3,826,069</b> (3,576,551)
	Stargaze	- (-)	- (47,294)	- (-)	- (-)	- (-)	- (47,294)
	Newswire	- (-)	- (157,690)	- (-)	- (-)	- (-)	- (157,690)
	Viacom18	- (-)	- (-)	34,305,581 (84,949,283)	- (-)	- (-)	<b>34,305,581</b> (84,949,283)
	IBN Lokmat	- (-)	- (-)	30,872,805 (45,557,926)	- (-)	- (-)	<b>30,872,805</b> (45,557,926)
	IndiaCast Media	- (-)	- (-)	1,005,488 (-)	- (-)	- (-)	<b>1,005,488</b> -
	<b>Total</b>	<b>37,404,373</b> <b>(42,311,337)</b>	<b>104,376,610</b> <b>(155,955,593)</b>	<b>66,183,874</b> <b>(130,507,209)</b>	- (-)	- (-)	<b>207,964,857</b> <b>(328,774,139)</b>
<b>(g)</b>	<b>Reimbursement of expenses paid</b>						
	Network18	61,901,626 (116,248,062)	- (-)	- (-)	- (-)	- (-)	<b>61,901,626</b> (116,248,062)
	Digital18	- (-)	- (197,200)	- (-)	- (-)	- (-)	- (197,200)
	E-18	- (-)	498,522 (185,726)	- (-)	- (-)	- (-)	<b>498,522</b> (185,726)
	Setpro18	- (-)	- (127,645,546)	- (-)	- (-)	- (-)	- (127,645,546)
	Colosseum	- (-)	7,397 (424,275)	- (-)	- (-)	- (-)	<b>7,397</b> (424,275)
	Newswire	- (-)	- (52,877)	- (-)	- (-)	- (-)	- (52,877)
	Viacom18	- (-)	- (-)	27,709,758 (11,749,449)	- (-)	- (-)	<b>27,709,758</b> (11,749,449)
	IBN Lokmat	- (-)	- (-)	4,109,828 (4,830,079)	- (-)	- (-)	<b>4,109,828</b> (4,830,079)
	IndiaCast Media	- (-)	- (-)	581,744 (-)	- (-)	- (-)	<b>581,744</b> (-)
	<b>Total</b>	<b>61,901,626</b> <b>(116,248,062)</b>	<b>505,919</b> <b>(128,505,624)</b>	<b>32,401,330</b> <b>(16,579,528)</b>	- (-)	- (-)	<b>94,808,875</b> <b>(261,333,214)</b>

## Notes forming part of the consolidated financial statements

(Amount in Rupees)

	Transactions	Holding Company	Fellow subsidiaries	Jointly controlled entities	Subsidiaries of jointly controlled entities	Entities under significant influence	Total
<b>(h)</b>	<b>Assets purchased</b>						
	Network18	660,285	-	-	-	-	660,285
		(-)	(-)	(-)	(-)	(-)	(-)
	<b>Total</b>	<b>660,285</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>660,285</b>
		(-)	(-)	(-)	(-)	(-)	(-)
<b>(i)</b>	<b>Assets sold</b>						
	Network18	122,414	-	-	-	-	122,414
		(-)	(-)	(-)	(-)	(-)	(-)
	<b>Total</b>	<b>122,414</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>122,414</b>
		(-)	(-)	(-)	(-)	(-)	(-)
<b>(ii)</b>	<b>Balances as at the year end</b>						
<b>(a)</b>	<b>Loan and advances (outstanding against cost allocation expenses reimbursement)</b>						
	Digital18	-	1,851,508	-	-	-	1,851,508
		(-)	(4,012,078)	(-)	(-)	(-)	(4,012,078)
	Bigtree	-	310,853	-	-	-	310,853
		(-)	(29,118)	(-)	(-)	(-)	(29,118)
	E-18	-	18,082,363	-	-	-	18,082,363
		(-)	(14,853,086)	(-)	(-)	(-)	(14,853,086)
	Setpro18	-	86,845,907	-	-	-	86,845,907
		(-)	(86,845,911)	(-)	(-)	(-)	(86,845,911)
	TV18 HSN	-	6,465,305	-	-	-	6,465,305
		(-)	(4,918,095)	(-)	(-)	(-)	(4,918,095)
	Colosceum	-	-	-	-	-	-
		(-)	(9,543)	(-)	(-)	(-)	(9,543)
	Greycells18	-	520,239	-	-	-	520,239
		(-)	(12,345,185)	(-)	(-)	(-)	(12,345,185)
	Viacom18	-	-	10,002,582	-	-	10,002,582
		(-)	(-)	(1,420,440)	(-)	(-)	(1,420,440)
	IBN Lokmat	-	-	9,421,832	-	-	9,421,832
		(-)	(-)	(4,644,435)	(-)	(-)	(4,644,435)
	IndiaCast Media	-	-	259,980	-	-	259,980
		(-)	(-)	(-)	(-)	(-)	(-)
	Network18 Pub	-	-	-	-	11,571,276	11,571,276
		(-)	(-)	(-)	(-)	(15,504,700)	(15,504,700)
	<b>Total</b>	<b>-</b>	<b>114,076,175</b>	<b>19,684,394</b>	<b>-</b>	<b>11,571,276</b>	<b>145,331,845</b>
		(-)	(123,013,016)	(6,064,875)	(-)	(15,504,700)	(144,582,591)
<b>(b)</b>	<b>Loan and advance receivable (loans given outstanding including interest accrued)</b>						
	TEML	-	1,237,320,530	-	-	-	1,237,320,530
		(-)	(984,459,000)	(-)	(-)	(-)	(984,459,000)
	BKH	-	1,577,856,445	-	-	-	1,577,856,445
		(-)	(1,346,152,500)	(-)	(-)	(-)	(1,346,152,500)
	Network18 GSP	-	-	-	-	527,926,074	527,926,074
		(-)	(-)	(-)	(-)	(527,926,074)	(527,926,074)
	<b>Total</b>	<b>-</b>	<b>2,815,176,975</b>	<b>-</b>	<b>-</b>	<b>527,926,074</b>	<b>3,343,103,049</b>
		(-)	(2,330,611,500)	(-)	(-)	(527,926,074)	(2,858,537,574)

**Notes forming part of the consolidated financial statements**

(Amount in Rupees)

	Transactions	Holding Company	Fellow subsidiaries	Jointly controlled entities	Subsidiaries of jointly controlled entities	Entities under significant influence	Total
<b>(c)</b>	<b>Trade receivables</b>						
	Network18	36,689,100 (24,244,974)	- (-)	- (-)	- (-)	- (-)	<b>36,689,100</b> (24,244,974)
	Digital18	- (-)	393,752 (1,321,852)	- (-)	- (-)	- (-)	<b>393,752</b> (1,321,852)
	Bigtree	- (-)	1,917,897 (-)	- (-)	- (-)	- (-)	<b>1,917,897</b> (-)
	Setpro18	- (-)	- (3,840,832)	- (-)	- (-)	- (-)	<b>-</b> (3,840,832)
	TV18 HSN	- (-)	4,527,243 (81,129,824)	- (-)	- (-)	- (-)	<b>4,527,243</b> (81,129,824)
	Greycells18	- (-)	430,634 (42,677,470)	- (-)	- (-)	- (-)	<b>430,634</b> (42,677,470)
	Viacom18	- (-)	- (-)	11,815,910 (17,806,098)	- (-)	- (-)	<b>11,815,910</b> (17,806,098)
	IBN Lokmat	- (-)	- (-)	39,730 (18,661,308)	- (-)	- (-)	<b>39,730</b> (18,661,308)
	IndiaCast Media	- (-)	- (-)	24,223,772 (-)	- (-)	- (-)	<b>24,223,772</b> (-)
	IndiaCast UTV	- (-)	- (-)	- (-)	114,599,688 (-)	- (-)	<b>114,599,688</b> (-)
	IndiaCast UK	- (-)	- (-)	- (-)	900,637 (-)	- (-)	<b>900,637</b> (-)
	Network18 Pub	- (-)	- (-)	- (-)	- (-)	31,047,672 (27,797,486)	<b>31,047,672</b> (27,797,486)
	<b>Total</b>	<b>36,689,100</b> (24,244,974)	<b>7,269,526</b> (128,969,978)	<b>36,079,412</b> (36,467,406)	<b>115,500,325</b> (-)	<b>31,047,672</b> (27,797,486)	<b>226,586,035</b> (217,479,844)
<b>(d)</b>	<b>Trade payables</b>						
	Network18	55,904,204 (31,424,409)	- (-)	- (-)	- (-)	- (-)	<b>55,904,204</b> (31,424,409)
	Digital18	- (-)	- (258,818)	- (-)	- (-)	- (-)	<b>-</b> (258,818)
	Setpro18	- (-)	- (15,194,476)	- (-)	- (-)	- (-)	<b>-</b> (15,194,476)
	E-18	- (-)	26,808 (382,566)	- (-)	- (-)	- (-)	<b>26,808</b> (382,566)
	E-18, Cyprus	- (-)	61,259 (61,259)	- (-)	- (-)	- (-)	<b>61,259</b> (61,259)
	TV18 HSN	- (-)	53,401 (53,401)	- (-)	- (-)	- (-)	<b>53,401</b> (53,401)
	Colosseum	- (-)	15,044,897 (483,685)	- (-)	- (-)	- (-)	<b>15,044,897</b> (483,685)
	Webchutney	- (-)	- (202,248)	- (-)	- (-)	- (-)	<b>-</b> (202,248)

## Notes forming part of the consolidated financial statements

(Amount in Rupees)

	Transactions	Holding Company	Fellow subsidiaries	Jointly controlled entities	Subsidiaries of jointly controlled entities	Entities under significant influence	Total
	Viacom18	- (-)	- (-)	412,684,233 (311,690,920)	- (-)	- (-)	412,684,233 (311,690,920)
	IBN Lokmat	- (-)	- (-)	512,599 (441,212)	- (-)	- (-)	512,599 (441,212)
	IndiaCast Media	- (-)	- (-)	180,486 (-)	- (-)	- (-)	180,486 (-)
	<b>Total</b>	<b>55,904,204</b> <i>(31,424,409)</i>	<b>15,186,365</b> <i>(16,636,453)</i>	<b>413,377,318</b> <i>(312,132,132)</i>	<b>-</b> <i>(-)</i>	<b>-</b> <i>(-)</i>	<b>484,467,887</b> <i>(360,192,994)</i>
<b>(e)</b>	<b>Payable on purchase of fixed assets</b>						
	Viacom18	- (-)	- (-)	21,374,060 (-)	- (-)	- (-)	21,374,060 (-)
	<b>Total</b>	<b>-</b> <i>(-)</i>	<b>-</b> <i>(-)</i>	<b>21,374,060</b> <i>(-)</i>	<b>-</b> <i>(-)</i>	<b>-</b> <i>(-)</i>	<b>21,374,060</b> <i>(-)</i>
<b>(f)</b>	<b>Corporate guarantee given</b>						
	IBN Lokmat	- (-)	- (-)	124,500,000 (124,500,000)	- (-)	- (-)	124,500,000 (124,500,000)
	<b>Total</b>	<b>-</b> <i>(-)</i>	<b>-</b> <i>(-)</i>	<b>124,500,000</b> <i>(124,500,000)</i>	<b>-</b> <i>(-)</i>	<b>-</b> <i>(-)</i>	<b>124,500,000</b> <i>(124,500,000)</i>
<b>(g)</b>	<b>Corporate guarantee taken</b>						
	Network18	1,032,200,000 <i>(1,137,500,000)</i>	- (-)	- (-)	- (-)	- (-)	1,032,200,000 <i>(1,137,500,000)</i>
	<b>Total</b>	<b>1,032,200,000</b> <i>(1,137,500,000)</i>	<b>-</b> <i>(-)</i>	<b>-</b> <i>(-)</i>	<b>-</b> <i>(-)</i>	<b>-</b> <i>(-)</i>	<b>1,032,200,000</b> <i>(1,137,500,000)</i>

Figures in italics pertains to the previous year

## 35. Utilisation of Rights issue proceeds

## (a) Rights issue I (Year ended 31 March, 2011)

The Company had allotted 54,495,443 partly paid equity 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 News Private Limited	250,000,000	250,000,000
General corporate purposes	995,324,000	995,324,000
Rights issue expenses**	200,000,000	196,935,250
	<b>5,095,324,000</b>	<b>5,092,259,250</b>

\* Surplus available after actual rights issue expenses incurred including provisions on right issue has been utilised towards investment in Viacom18 Media Private Limited.

\*\* The difference between proposed and actual utilisation of Rs. 3,064,750 is on account of non payment of full and final call money on 49,036 shares.

The rights issue proceeds had been fully utilised for the objects of the issue as at 31 March, 2013.



## Notes forming part of the consolidated financial statements

### (b) Rights issue II (Year ended 31 March, 2013)

Pursuant to the approval from Stock Exchange Board of India (SEBI), the subscription to the second Rights Issue of the Company opened on 25 September, 2012 and closed on 15 October, 2012. This Rights Issue was for acquisition of ETV channels, repayment of certain loans and general corporate purposes. The Rights Issue was subscribed to the extent of 130.08% (net of rejections) of the issue size in terms of number of shares. On 23 October, 2012 the Capital Issues Committee of the Board of Directors of the Company allotted 1,349,577,882 equity shares of Rs. 2 each amounting to Rs. 2,699,155,764 at a premium of Rs. 18 each aggregating to Rs. 24,292,401,876. During the previous year, the Company had received the entire proceeds from the rights issue amounting to Rs. 26,991,557,640, the status of utilization of rights issue proceeds till the previous year is set out below:

(Amount in Rupees)

Objects of the issue	Proposed utilization	Actual utilization
ETV acquisition *	19,250,000,000	19,250,000,000
Repayment/Pre-payment, in full or in part, of certain loans and repayment of Public Deposits	4,216,000,000	4,216,000,000
General corporate purposes	2,784,000,000	2,784,000,000
Rights issue expenses **	741,557,640	741,557,640
	<b>26,991,557,640</b>	<b>26,991,557,640</b>

\* As at 31 March, 2013, the Company paid Rs. 19,500,000,000 to Arimas Trading Private Limited for acquisition of 100% stake of Equator Trading Enterprises Private Limited (Promoters of ETV). The shares got transferred in the name of the Company on 22 January, 2014 after legal compliances and Equator Trading Enterprises Private Limited has become a wholly owned subsidiary of the Company, since that date. (see note 36)

\*\* Surplus of Rs 20,817,124 available after actual rights issue expenses incurred (including provisions) on rights issue have been utilized towards repayment of Public Deposits.

The rights issue proceeds had been fully utilised for the object of the issue during the previous year.

36. Subsequent to receipt of all regulatory approvals, the Company has successfully completed the acquisition of 100% equity securities of Equator Trading Enterprises Private Limited w.e.f. 22 January, 2014. The Company has paid a sum of Rs. 3,050,000,000 for equity shares and Rs. 17,480,000,000 for debentures to complete the transaction as per Share Purchase Agreement. On 22 January, 2014 the Company through acquisition of 100% interest in Equator Trading Enterprises Private Limited has successfully completed the acquisition of (i) 100% interest in Panorama Television Private Limited which is engaged in the business of program production and broadcast of satellite television channels in Hindi and Urdu languages predominantly to India viewers namely ETV Uttar Pradesh, ETV Madya Pradesh, ETV Rajasthan, ETV Bihar and ETV Urdu channel ("ETV News Channel") (ii) 50% interest in Prism TV Private Limited which is engaged in the business of program production and broadcast of satellite television in various languages predominantly to India viewers namely ETV Marathi, ETV Kannada, ETV Bangla, ETV Gujarati and ETV Oriya ("ETV non Telegu GEC Channels") and (iii) 24.50% interest in Eenadu Television Private Limited which is engaged in the business of program production and broadcast of satellite television channels namely ETV Telugu and ETV Telugu News ("ETV Telugu Channels"). The Company will have Board and Management Control of ETV News Channels and ETV Non Telugu GEC Channels.

### 37. Barter transactions

During the year ended 31 March, 2014, the Group had entered into barter transactions, which were recorded at the contract price of consideration receivable or payable. The Consolidated Statement of Profit and Loss for the year ended 31 March, 2014 reflects revenue from barter transactions of Rs. 149,546,848 (Previous year Rs. 120,549,739) and expenditure of Rs. 95,985,689 (Previous year Rs. 116,705,627) being the contract price of barter transactions provided and received.

### 38. 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:

Particulars	Currency	Foreign Currency Value	Rupees
Trade receivables	AUD	148,644 (67,080)	8,251,558 (3,764,530)
	CAD	8,415 (28,725)	454,575 (1,518,404)

## Notes forming part of the consolidated financial statements

Trade receivables	GBP	1,257,928 (115,158)	125,604,111 (9,479,813)
	SGD	98,395 (59,652)	4,672,245 (2,613,350)
	USD	7,425,297 (3,816,327)	447,123,952 (207,567,778)
	MYR	84,375 (-)	1,545,320 (-)
	EURO	33,353 (-)	2,754,133 (-)
Trade payables	AUD	289,173 (2,413)	4,800,411 (135,383)
	EURO	17,410 (2,678)	1,437,660 (186,204)
	GBP	44,523 (31,905)	4,445,547 (2,626,477)
	SGD	19,034 (13,853)	1,010,870 (606,938)
	USD	9,720,876 (4,083,525)	584,223,302 (222,097,513)
	AED	95,172 (-)	1,547,990 (-)
Loans and advances	AED	66,535 (34,823)	1,082,198 (513,701)
	EURO	20,771 (16,836)	1,715,180 (1,170,812)
	GBP	11,070 (10,557)	1,105,329 (869,069)
	SGD	141 (259)	6,668 (11,362)
	USD	793,187 (72,000)	47,670,409 (3,916,011)
	AUD	300 (-)	16,577 (-)
Other current assets	USD	5,976 (-)	359,171 (-)

Figures in bracket are for previous year.

### 39. 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 Consolidated Statement of Profit and Loss. The Group has taken various assets, residential/ commercial premises under cancellable /non-cancellable operating leases. The cancellable lease agreements are normally renewed on expiry. Operating lease charges amounting to Rs. 317,369,813 (Previous year Rs. 291,186,102) 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 31.03.2014	As at 31.03.2013
Not later than one year	330,601,876	287,075,573
Later than one year but not later than five years	949,315,646	883,736,062
More than five years	267,668,851	253,970,782

## Notes forming part of the consolidated financial statements

### ii) Obligation towards Finance leases (As lessee)

The Group has entered into finance lease arrangements for certain equipment which provide the Group an option to purchase the assets at the end of the lease period. Finance lease payment amounting to Rs. 3,734,517 (Previous year Rs. 3,869,805) has been paid during the year. The total minimum lease payments and its present value discounted at the interest rate implicit in the lease are:

	As at 31.03.2014	As at 31.03.2013
<b>a. Minimum lease payments</b>		
Not later than 1 year	6,277,838	3,734,517
Later than 1 year but not later than 5 years	-	6,277,838
	<b>6,277,838</b>	<b>10,012,355</b>
<b>b. Present value of minimum lease payments</b>		
Not later than 1 year	5,885,358	2,567,496
Later than 1 year but not later than 5 years	-	5,885,358
	<b>5,885,358</b>	<b>8,452,854</b>
<b>c. Reconciliation</b>		
Total minimum lease payments as above	6,277,838	10,012,355
Less: Future finance charges	392,480	1,559,501
<b>Net Present Value</b>	<b>5,885,358</b>	<b>8,452,854</b>

### 40. Scheme of Arrangement

#### (i) In case of Viacom18 (For the jointly controlled entity):

- a) During the year, as per the order of "District Court of Nicosia, Republic of Cyprus, The Indian Film Company (Cyprus) Limited has been merged with its parent company The Indian Film Company Limited ("TIFC") in accordance with section 198 -200 of Cyprus Companies Law, Cap 113. Further, the true copy of the court order was filed with the Registrar of Companies, Cyprus to give effect of the merger as on 6 November, 2013. Pursuant to the merger of significant integral entity, TIFC has been reclassified as an integral operation of the Group and accordingly, foreign exchange translation differences are taken through the Statement of Profit and Loss effective from 6 November, 2013. Exchange translation difference prior to merger, was taken to foreign currency translation reserve as a part of consolidation adjustment.

#### b) During the previous year:

- (i) The Hon'ble High Court of Bombay vide its order dated 2 November, 2012 had approved the Scheme of Arrangement (the "Scheme") between Viacom18 Media Private Limited ("Viacom18") and its indirect wholly owned subsidiary IFC Distribution Private Limited ("IFC") inter-alia involving the merger of IFC with Viacom18. A copy of the Court order was filed with the Office of Registrar of Companies, Mumbai on 1 December, 2012 and accordingly the Scheme has come into effect from 1 December, 2012 (the "Effective Date") with the Appointed Date being 1 January, 2012 (the "Appointed Date"). The accounting has been done as per the "Pooling of Interests method" in accordance with AS-14 "Accounting for Amalgamations" as notified by the Companies (Accounting Standards) Rules, 2006. No shares were issued pursuant to the Scheme given that IFC was an indirect wholly owned subsidiary of Viacom18.
- (ii) Pursuant to the aforesaid Scheme, the debit balance in the Statement of Profit and Loss of Viacom18 to the extent of Rs. 1,339,745,600 as at 31 March, 2011 had been adjusted from the Securities Premium Account. Had the Scheme not prescribed the aforesaid accounting treatment, the balance in Securities Premium Account would have been higher by Rs. 2,679,491,201 (Group's Share Rs. 1,339,745,600) as at 31 March, 2013.
- (iii) The Viacom18 had fair valued its assets and liabilities on the effective date in accordance with the Scheme (such assets and liabilities comprise Film Rights, Trade Receivables, Loans and Advances and Deferred Tax Liability) and had in accordance with the Scheme, debited Rs. 581,522,653 (Group's Share Rs. 290,761,326) to the Securities Premium Account being the differential between the book value and the fair value. Had the Scheme not prescribed the aforesaid accounting treatment, the said amount would have been debited to the Statement of Profit and Loss instead of being debited to the securities premium account, the loss for the year ended 31 March, 2013 would have increased from Rs. 405,546,044 (Group's share Rs. 202,773,022) to Rs. 987,068,697 (Group's share Rs. 493,534,348).

## Notes forming part of the consolidated financial statements

### 41. A) Interest in jointly controlled entities :

The Company's interests in jointly controlled entities are:

Name of the entity	Country of Incorporation	Percentage of ownership interest as at 31 March, 2014	Percentage of ownership interest as at 31 March, 2013
IBN Lokmat News Private Limited	India	50%	50%
Viacom18 Media Private Limited	India	50%	50%
IndiaCast Media Distribution Private Limited	India	50%	- (see note)

Note: It was a 100% subsidiary till 31 March, 2013

The Company's share of assets, liabilities, income and expenditure of the joint controlled companies as included in the consolidated balance sheet and consolidated Statement of Profit and Loss are as follows:

Particulars	As at / Year ended 31.03.2014 (Rupees)	As at / Year ended 31.03.2013 (Rupees)
<b><u>Assets</u></b>		
<b>1 Non - current assets</b>		
- Fixed assets	245,134,604	220,115,689
- Goodwill on consolidation	658,226,798	564,636,523
- Deferred tax assets (net)	20,956,785	-
- Long - term loans and advances	1,634,493,319	1,026,409,359
- Other non- current assets	-	1,086,309,861
<b>2 Current assets</b>		
- Inventories	3,201,572,841	2,747,367,288
- Trade receivables	2,124,306,670	1,786,772,404
- Cash and bank balances	1,252,577,099	929,470,479
- Short - term loans and advances	996,469,936	553,636,019
- Other current assets	1,589,991,075	172,239,343
<b><u>Liabilities</u></b>		
<b>3 Non - current liabilities</b>		
- Long - term borrowings	850,000,000	950,000,000
- Other long-term liabilities	182,861	127,094
- Long - term provisions	7,540,483	2,343,646
<b>4 Current liabilities</b>		
- Short - term borrowings	1,881,450,724	2,113,791,085
- Trade payables	3,563,300,694	2,260,264,426
- Other current liabilities	713,753,389	225,123,749
- Short - term provisions	19,716,082	10,834,013
<b>5 Shareholders' funds</b>		
- Post-acquisition reserves	(841,474,107)	(1,308,386,153)
<b>6 Revenue</b>		
- Revenue from operations	14,205,151,433	7,705,083,939
- Other income	52,885,761	54,165,548
<b>7 Expenses</b>		
- Employee benefits expenses	1,263,899,953	691,221,592
- Finance costs	376,841,684	424,304,311
- Depreciation and amortisation expense	103,926,637	87,113,912
- Other expenses	11,237,285,607	6,916,561,107
<b>8 Tax expenses</b>	82,992,576	110,656,586

## Notes forming part of the consolidated financial statements

### B) Goodwill on consolidation

	As at 31.03.2014 (Rupees)	As at 31.03.2013 (Rupees)
Opening balance	4,586,653,757	4,467,166,496
Add: On acquisition of subsidiaries during the year	14,101,188,538	119,487,261
Less: On conversion of subsidiaries into jointly controlled entity during the year	(11,719,501)	-
Closing balance	18,676,122,794	4,586,653,757

### C) The effect of acquisition of subsidiaries:

	As at 31.03.2014 (Rupees)	As at 31.03.2013 (Rupees)
<b>Liabilities</b>		
- Non-current liabilities	12,870,000,000	2,020,839
- Current liabilities	1,858,456,268	1,471,899,096
<b>Assets</b>		
- Non-current assets	14,525,200,768	25,821,054
- Current assets	3,178,435,474	1,427,879,879
Revenue for the period ended	1,021,908,406	3,922,255,272
Expenses for the period ended	1,027,615,405	3,916,171,125
Profit/(Loss) before tax for the period ended	(5,706,999)	6,084,147
Profit after tax for the period ended	68,312,474	5,059,923

Equator Trading Enterprises Private Limited has become a 100% subsidiary of TV18 w.e.f. 22 January, 2014.

IndiaCast Media Distribution Private Limited had become a 100% subsidiary of TV18 w.e.f. 1 July, 2012 and subsequently it was converted into a jointly controlled entity of TV18 w.e.f 1 April, 2013.

## Notes forming part of the consolidated financial statements

42. 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	Equator	Prism	Panorama	Ibn18 Mauritius
Reporting Currency	INR	INR	INR	INR	INR	USD
Exchange rate for conversion	1	1	1	1	1	60
Capital	966,150	482,684,660	2,000,000,000	250,513,400	249,596,080	5,075
Reserves	345,031,144	(248,082,399)	(24,364,840)	1,245,443,637	1,063,970,398	(2,887,063)
Total Assets	661,799,822	429,284,409	14,982,380,122	2,952,719,537	2,093,485,061	2,820,056,369
Total Liabilities	315,802,528	194,682,148	13,006,744,962	1,456,762,500	779,918,583	2,822,938,357
Investments (except in case of investments in subsidiaries)	-	-	11,551,096,484	-	-	-
Turnover (including other income)	-	286,242,209	338,669	2,692,473,821	1,467,173,252	79,133,686
Profit/(Loss) before taxation	(200,100)	(136,718,306)	(906)	(1,269,693,385)	623,270,760	77,929,160
Provision for taxation (including deferred tax)	-	13,040	-	-	214,809,054	2,337,902
Profit/(Loss) after taxation	(200,100)	(136,731,346)	(906)	(1,269,693,385)	408,461,706	75,591,258
Proposed Dividend	-	-	-	-	-	-
Country	India	India	India	India	India	Mauritius

43. 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

**RDS Bawa**  
Chief Financial Officer

**Hitesh Kumar Jain**  
DGM Corporate Affairs  
& Company Secretary

Noida  
27 May, 2014



## TV18 Broadcast Limited

(CIN - L74300DL2005PLC137214)

Regd. Office: 503, 504 & 507, 5th Floor, Mercantile House, 15, Kasturba Gandhi Marg, New Delhi - 110 001

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id*		Folio No.	
Client Id*		No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the **9th ANNUAL GENERAL MEETING** of the Company held on Tuesday, September 30, 2014 at 12.00 noon at Tivoli Garden Resort, Khasra No. 646-653, Chattarpur Road, Near Chattarpur Mandir, New Delhi-110074.

Signature of Shareholder/proxy

\* Applicable for investors holding shares in electronic form.

### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]



## TV18 Broadcast Limited

(CIN - L74300DL2005PLC137214)

Regd. Office: 503, 504 & 507, 5th Floor, Mercantile House, 15, Kasturba Gandhi Marg, New Delhi - 110 001

Name of the member(s) :		e-mail Id:	
Registered address:		Folio No/*Client Id:	
		*DP Id:	

I/We, being the member(s) of \_\_\_\_\_ shares of TV18 Broadcast Limited, hereby appoint:

- 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my /our behalf at the **9th ANNUAL GENERAL MEETING** of the Company, to be held on Tuesday, September 30, 2014 at 12.00 noon at Tivoli Garden Resort, Khasra No. 646-653, Chattarpur Road, Near Chattarpur Mandir, New Delhi-110074 and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions		For	Against
1.	Consider and adopt:		
	a) Audited Financial Statement, Reports of the Board of Directors and Auditors		
	b) Audited Consolidated Financial Statement		
2.	Re-appointment of Mr. Raghav Bahl who retires by rotation		
3.	Appointment of Auditors and fixing their remuneration		
4.	Appointment of Mr. Manoj Mohanka as an Independent Director		



Resolutions		For	Against
5.	Appointment of Mr. Hari S. Bhartia as an Independent Director		
6.	Ratification of the remuneration of the Cost Auditors		
7.	Approval of borrowing power not exceeding an amount of Rs. 1,500 crore over and above the paid-up capital, free reserves and securities premium account		
8.	Approval of offer or invitation to subscribe to Non-Convertible Debentures on private placement		
9.	Adoption of new Articles of Association of the Company		

\* Applicable for investors holding shares in electronic form.

Affix  
Re. 1  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

**Notes:**

**(1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**

**(2) A Proxy need not be a member of the Company.**

(3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

\*\* (4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

(5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

(6) In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.






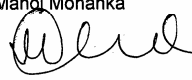



**TV18 BROADCAST LIMITED**

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





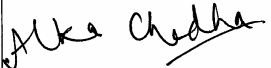
**FORM A**

**Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges**

1	Name of the Company	TV18 Broadcast Limited
2	Annual Standalone Financial Statements for the year ended	31 <sup>st</sup> March, 2014
3	Type of Audit observation	Unqualified
4	Frequency of observation	Not Applicable since unqualified for 31 March, 2014
5	To be signed by	
	Chief Executive Officer/ Managing Director	<p>Mr. Saikumar Ganapathy Balasubramanian Group CEO &amp; Manager TV18 Broadcast Limited</p>  
	CFO	<p>Mr. Raman Deep Singh Bawa Chief Financial Officer</p>  
	Auditor of the Company	<p>Refer our Audit Report dated 27 May, 2014 on the standalone financial statements of the Company</p> <p><b>For DELOITTE HASKINS &amp; SELLS</b> Chartered Accountants (ICAI Registration No. 015125N)</p>  <p><b>ALKA CHADHA</b> Partner (Membership No. 93474) Noida 27 May, 2014</p>
	Audit Committee Chairman	<p>Mr. Manoj Mohanka</p>  

**FORM A**

**Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges**

1	Name of the Company	TV18 Broadcast Limited
2	Annual Consolidated Financial Statements for the year ended	31 <sup>st</sup> March, 2014
3	Type of Audit observation	Unqualified
4	Frequency of observation	Not Applicable since unqualified report
5	To be signed by	
	Chief Executive Officer/ Managing Director	<p>Mr. Saikumar Ganapathy Balasubramanian, Group CEO &amp; Manager TV18 Broadcast Limited</p>  
	CFO	<p>Mr. Raman Deep Singh Bawa Chief Financial Officer</p>  
	Auditor of the Company	<p>Refer our Audit Report dated 27 May, 2014 on the consolidated financial statements of the Company</p> <p>For <b>DELOITTE HASKINS &amp; SELLS</b> Chartered Accountants (ICAI Registration No. 015125N)</p>  <p><b>ALKA CHADHA</b> Partner (Membership No. 93474) Noida 27 May, 2014</p>
	Audit Committee Chairman	<p>Mr. Manoj Mohanka</p> 