

ANNUAL REPORT

2012-13

TV 18
TV18 BROADCAST LIMITED



BOARD OF DIRECTORS

Mr. Manoj Mohanka	Chairman
Mr. Raghav Bahl	Director
Mr. Sanjay Ray Chaudhuri	Director
Mr. Hari S. Bhartia	Director

COMPANY OFFICIALS

Network18 Group CFO

Mr. R.D.S. Bawa

Network18 Group CEO & Manager (TV18)

Mr. Saikumar Ganapathy Balasubramanian

Network18 Group Senior VP - Corporate Affairs

Mr. Anil Srivastava

General Manager - Finance

Mr. Gurdeep Singh Puri

DGM - Corporate Affairs & Company Secretary

Mr. Hitesh Kumar Jain

STATUTORY AUDITORS

Deloitte Haskins & Sells
Chartered Accountants

STOCK EXCHANGE(S) & STOCK CODE(S)

National Stock Exchange of India Limited (TV18BRDCST)
BSE Limited (532800)

BANKERS

ICICI Bank Limited
ING Vysya Bank Limited
Kotak Mahindra Bank Limited
Oriental Bank of Commerce
Syndicate Bank
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
E-mail: delhi@linkintime.co.in

COMPANY ADDRESSES

Registered Office

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

Corporate Office

Express Trade Tower,
Plot No. 15-16, Sector-16A,
Noida - 201301 (U.P.)
Tel. : (0120) - 434 1818
Fax : (0120) - 432 4110

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Notice

Notice is hereby given that the **8th Annual General Meeting** of the Members of M/s TV18 Broadcast Limited will be held on **Monday, the 29th day of July 2013 at 3.30 P.M.** at MPCU, Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Niwas Marg, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi – 110 054 to transact the following businesses: -

ORDINARY BUSINESS

1. To receive, consider & adopt the Audited Balance Sheet as at 31st March 2013, Statement of Profit & Loss for the financial year ended on that date and the Reports of the Board of Directors & Auditors thereon.
2. To appoint a Director in place of Mr. Raghav Bahl, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sanjay Ray Chaudhuri, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company and to fix their remuneration and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**.

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

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

Hitesh Kumar Jain

Place : Noida
Dated : 13 May, 2013

DGM-Corporate Affairs
& Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A BLANK PROXY FORM IS ENCLOSED WITH THIS NOTICE AND IF INTENDED TO BE USED, THE PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members/ Proxies are requested to bring their copy of Annual Report as no copies will be made available at the Meeting. Those members who do not receive copies of Annual Report can collect their copies from the Registered Office of the Company.
3. Members/ proxies should bring the attendance slips duly filled in for attending the Meeting. Under no circumstances, photocopies of the attendance slip will be allowed for admission to the meeting place.
4. Corporate Members are requested to send a duly certified copy of the Board Resolution / Power of Attorney authorising their representative to attend and vote on their behalf at the Meeting.
5. Members can avail the nomination facility with respect to shares held, by submitting a request in the Nomination Form to the Company or to its Registrar and Share Transfer Agent (“RTA”), M/s Link Intime India Private Limited, (“Link Intime”). Nomination Form can be downloaded from the website of the Company **www.network18online.com** under the section TV18 financials.
6. Mr. Raghav Bahl and Mr. Sanjay Ray Chaudhuri, Directors, retiring by rotation at the ensuing Meeting and being eligible, offer themselves for re-appointment. Brief profile of both the Directors, nature of their expertise in specific functional area and names of other Public Limited Companies in which they hold Directorship and Chairmanship / membership of Committees of Board, shareholding and relationship between directors *inter-se*, as required under Clause

- 49 of the Listing Agreement entered into with the Stock Exchange(s), are provided in the Corporate Governance Report forming part of the Annual Report. The Board of Directors recommends their respective re-appointment.
7. The Registers of Members and Share Transfer Books of the Company will be closed from Monday, the 22nd day of July 2013 to Monday, the 29th day of July 2013, both days inclusive.
 8. All documents referred to in the accompanying notice are available for inspection at the Registered Office of the Company on all working days except Saturday, between 11.00 A.M. to 1.00 P.M. upto the date of Meeting.
 9. Register of Director's Shareholding pursuant to Section 307 of the Companies Act, 1956 shall be kept open and accessible at the Meeting for the inspection of person having right to attend the Meeting.
 10. Members are requested to send all the correspondence concerning registration of transfer, transmission, subdivision, consolidation of shares or any other share related matters to the Company's RTA, Link Intime, at 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase – I, Near PVR Naraina, New Delhi-110 028.
 11. Members who hold shares in electronic mode are requested to intimate immediately the change in their address and other details to their Depository Participant with whom they are maintaining their demat accounts. Members who hold shares in physical mode are requested to intimate immediately any change in their address and other details to the Company's RTA, Link Intime.
 12. The details of the Stock Exchanges, on which the securities of the Company are listed, are given separately in the Annual Report of the Company.
 13. **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.**
 14. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's RTA, Link Intime, for consolidation into a single folio.
 15. Non-Resident Indian Members are requested to inform Link Intime, immediately of change in their residential status on return to India for permanent settlement.
 16. **SEBI, with intent to promote the use of electronic payment system, has directed all the listed companies, vide its circular no. CIR/MRD/DP/10/2013 dated March 21, 2013, to obtain the bank details of all its investors for enabling fund transfer, if any, through ECS, NEFT, RTGS etc. Accordingly in compliance of the aforesaid SEBI circular, you are requested to update with your DP your bank details viz. Bank Account no., MICR (Magnetic Ink Character Recognition), IFSC (Indian Financial System Code), etc. that are required for making electronic payment and also provide the same either to the Company or its RTA, Link Intime.**
 17. **To support the "Green Initiative in the Corporate Governance" of Ministry of Corporate Affairs (MCA) wholeheartedly, members, who have not registered their e-mail addresses so far for receiving the Annual Report and other communication from the Company electronically, are requested to register the same. In this regard a "consent for receiving documents in electronic mode" is enclosed in the Annual Report. Members are requested to send the same to the Company at its Registered Office or to its RTA, Link Intime.**

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 8th Annual Report and audited accounts of M/s TV18 Broadcast Limited (herein after referred as the 'Company' or 'TV18') for the financial year ended March 31, 2013.

FINANCIAL RESULTS

The key financial figures on **standalone performance** of your Company for the financial year ended March 31, 2013 are summarised as under:

(Rs. in Lakhs)		
Particulars	Financial Year ended March 31, 2013	Financial Year ended March 31, 2012
Total Revenues	57,047	68,735
Profit /(loss) before interest and depreciation	13,539	12,197
Interest	10,102	8,540
Depreciation	2,291	2,446
Profit /(loss) before tax	1,146	1,211
Provision for taxes / deferred tax	123	287
Net Profit /(Loss) after tax	1,023	924

BUSINESS OPERATIONS

During the year under review your Company reported a strong operating performance despite a slow in advertising environment. The revenue of your Company during the current year was Rs. 57,047 lakhs as against Rs. 68,735 lakhs in the previous year. During Financial Year 2012-13 the Company started reporting distribution revenues on a net basis (subscription revenue – carriage costs) which resulted in lower reported operating revenue and lower reported expenses leaving profit the same. Business News Operations showed a strong performance and reported an operating profit of Rs. 10,080 lakhs in Financial Year 2012-13 as compared to Rs. 5,470 lakhs during the previous year. Similarly, General News Operations broke into positive territory and reported an operating profit of Rs. 320 lakhs in Financial Year 2012-13 against a loss of Rs. 430 lakhs during the previous year. The Company has earned a net profit of Rs. 1,023 lakhs during the current year as against a profit of Rs. 924 lakhs during the previous year.

Audited Consolidated Financial Statements for the year ended March 31, 2013 also forms part of the Annual Report of the Company.

TRANSFER TO RESERVES

Your Company has not made any transfer to the Reserves during the financial year 2012-13.

DIVIDEND

In order to conserve the resources, your Directors do not

recommend any Dividend for the financial year ended March 31, 2013.

DEPOSITS

During the year under review your Company did not invited fresh deposits but the Company has accepted deposits in the past and as on March 31, 2013, the Company had an aggregate sum of Rs. 147.93 crores under its Fixed Deposit scheme. There was no failure in repayment of interest due on Fixed Deposits by the Company. Reminders were sent to 532 Deposit holders who have not claimed repayment of their matured fixed deposits which became due till March 31, 2013 amounting to Rs. 9.86 crores.

The Credit Rating Agency, ICRA has affirmed the credit rating for the Fixed Deposit Scheme of your Company as "MA-" (Pronounced as MA Minus). The above rating which was earlier placed under "Rating Watch with Developing Implications" has now been taken off and "Stable" outlook has been assigned to the rating.

Your Company conveys it's thanks to the deposit holders for the great confidence shown in the Company.

RIGHTS ISSUE

During the year under review your Company raised Rs. 2699.16 Crores by successfully completing the Rights Issue of its 134,95,77,882 equity shares issued at Rs. 20/- per share to its existing equity shareholders offered in the ratio of 41 equity shares for every 11 equity shares held on Record Date i.e. September 17, 2012.

The Rights Issue was opened on September 25, 2012 and closed on October 15, 2012. Shares were allotted on October 23, 2012.

ACQUISITION OF ETV CHANNELS

During the last fiscal the Board of Directors of your Company had announced the plan of the Company to enter into the fast growing space of regional television through the acquisition of ETV Channels. During the year under review, your Company had remitted Rs. 1950 Crores to Arimas Trading Private Limited for the purpose of acquisition of equity securities of Equator Trading Private Limited. Equity securities are yet to be transferred in the name of the Company due to pending completion of legal formalities which are under process.

CHANGES IN CAPITAL STRUCTURE

During the year under review following changes were effected in the Share Capital of your Company.

• INCREASE IN THE AUTHORISED SHARE CAPITAL

Authorised Capital of your Company increased from Rs. 292,00,00,000 (Rupees Two Hundred and Ninety Two crores only) comprising of 146,00,00,000 equity shares of face value of Rs. 2/- each to Rs. 1000,00,00,000 (Rupees One Thousand crores Only) comprising of 500,00,00,000 equity shares of Rs. 2/- each.

• INCREASE IN THE PAID-UP SHARE CAPITAL

During the year ended March 31, 2013, the paid-up equity share capital of your Company increased from Rs. 72,41,63,742 comprising of 36,20,81,871 fully paid up equity shares of Rs. 2/- each to Rs. 342,33,19,506 comprising of 171,16,59,753 fully paid up equity shares of Rs. 2/- each. The increase in the paid up share capital of the Company was consequent to Rights Issue of 134,95,77,882 equity shares.

EMPLOYEES STOCK OPTION SCHEME

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

Remuneration/Compensation Committee (“the Committee”) of the Board of Directors of the Company manages the ESOP 2007. During the financial year ended on March 31, 2013 the Committee granted 75,00,000 options under ESOP 2007 to the employees of the Company/ Holding company. Further due to global turmoil and downfall in Indian Stock Market, the price of the share(s) of the Company has rendered the options, which have been granted and vested, unattractive and unviable to exercise. The exercise period for 6,51,733 options was expiring during the year. Therefore in order to uphold the basic objective of ESOP Scheme i.e. rewarding the deserving employees and in their beneficial interest, the exercise period for these options was extended for a further period of one year from the expiry of their respective current exercise period.

Pursuant to sub-clause (f) of Clause 5.3 of SEBI Guidelines and in accordance with clause 5 read with clause 19 of ESOP 2007, the Committee has adjusted, in proportion to the Rights Issue ratio (i.e. 41:11), the number of ungranted options and options that have been granted but not yet exercised and thereby increased 3,89,84,727 new options to the total pool of the options under ESOP 2007. After such increase the total number of options under ESOP 2007 has increased from existing 1,25,00,000 options to 5,14,84,727 options.

The details, as required to be disclosed under Clause 12 & 19 of SEBI Guidelines, are provided in Annexure - A to this Report.

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

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

As per clause 5A of the Listing Agreement, status of outstanding shares (pertains 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, 2013, 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, 2012.	2	250
Number of shareholders who approached to the Company / RTA for transfer of shares from Unclaimed Suspense Account during the year ended March 31, 2013.	-	-
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year ended March 31, 2013.	-	-
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, 2013.	2	250

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

MANAGEMENT’S DISCUSSION AND ANALYSIS REPORT

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

DIRECTORS

Mr. Raghav Bahl and Mr. Sanjay Ray Chaudhuri, Directors

of the Company, are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for their re-appointment. Brief profiles of directors being re-appointed, nature of their expertise in specific functional areas and relevant details of their directorships in other public companies and Board committee positions are provided in the Corporate Governance Report of the Company forming a part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) in the preparation of the annual accounts for the financial year ended March 31, 2013, the applicable Accounting Standards have been followed;
- 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 the end of the financial year and of profit or loss of the Company for the year under review;
- 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;
- iv) the Directors have prepared the accounts for the financial year ended March 31, 2013 on a 'going concern' basis.

SUBSIDIARY COMPANIES

During the year under review TV18 has acquired 2,28,000 equity shares of face value of Rs. 10/- each of IndiaCast Media Distribution Private Limited and consequently IndiaCast Media Distribution Private Limited has become a Wholly Owned Subsidiary of the Company.

As at March 31, 2013 we have 7 subsidiaries (including step down subsidiaries), namely: ibn18 (Mauritius) Limited, RVT Media Private Limited, AETN18 Media Private Limited, IndiaCast Media Distribution Private Limited, IC Media Distribution Services Private Limited, IndiaCast UK Limited and IndiaCast US Limited.

In terms of provisions of Section 212 of the Companies Act, 1956 a statement of your Company's interest in its subsidiary companies as on March 31, 2013 is attached as Annexure – B

Pursuant to Section 212 of the Companies Act, 1956, your Company is required to attach the Balance Sheet, Statement of Profit & Loss and the Reports of the Directors' and Auditors' of its subsidiaries alongwith its Balance

Sheet. However in terms of general exemption provided by Ministry of Corporate Affairs under Section 212(8) of the Companies Act, 1956 vide its circular no. 51/12/2007-CL-III dated February 8, 2011 the Company is not attaching the aforesaid documents of its subsidiaries. The annual accounts of the subsidiary companies will be made available to the shareholders of the Company and to the shareholders of the subsidiary companies seeking such information at any point of time and they shall also be kept for inspection by any shareholders at the registered office of the Company.

JOINT VENTURES

- **Viacom18 Media Private Limited** – (Through 50:50 JV of the Company with Viacom Inc.) Owns and operates 'Colors', leading Hindi General Entertainment Channel (GEC), 'MTV', the leading Youth Entertainment destination, 'Nick & Nick Jr.', leading Kids channels, 'Vh1', leading Premier English channel, 'Sonic', multi-platform for animation & live action shows, 'Comedy Central', English comedy channel and 'Viacom18 Motion Pictures', a film division which focuses on film production, marketing and distribution.
- **IBN Lokmat News Private Limited** – (Through 50:50 JV of the Company with Lokmat group) Operates 'IBN Lokmat', the Marathi language news channel.
- **IndiaCast Media Distribution Private Limited** – TV18 and Viacom18 has announced a Strategic Joint Venture called "IndiaCast" for the purpose of Domestic and International Channel distribution, Placement Services and Content Syndication for TV18, Viacom18, A+E Networks | TV18 and Eenadu Group across all platforms including Cable, DTH, IPTV, HITS, and MMDS. In addition to 26 channels of above mentioned group, IndiaCast will also distribute Sun Network Channels & Disney Channels in Hindi Speaking Markets (HSMs).

As at March 31, 2013 TV18 is holding 100% shares of IndiaCast and Viacom 18 is in the process of acquiring 50% stake in IndiaCast to make it a 50:50 JV with the Company.

CONSOLIDATED FINANCIAL STATEMENTS

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

STATUTORY AUDITORS

The term of the Statutory Auditors, M/s. Deloitte Haskins & Sells, Chartered Accountants, expires at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received a certificate from M/s. Deloitte Haskins & Sells, Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956

and they are not disqualified for such re-appointment within the meaning of section 226 of such Act.

Your Board has duly examined the Report issued by the Statutory Auditor's of the Company on the Accounts for the financial year ended March 31, 2013. The Notes forming part of Annual Audited Accounts for the financial year ended March 31, 2013 are self explanatory and hence do not call for any further clarifications.

COST AUDITORS

Pursuant to the Cost Audit Order as notified by the Ministry of Corporate Affairs (Cost Audit Branch) vide circular dated May 2, 2011 read with Cost Accounting Records (Telecommunication Industry) Rules 2011 as notified by the Ministry of Corporate Affairs (MCA) vide GSR 869(E) dated December 7, 2011, the Company has 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. The Cost Audit Report would be submitted to the Central Government within the time as prescribed in the relevant statute / MCA circular.

The Company was required to submit the Compliance Report pertaining to cost records for the Financial Year 2011-12 by February 28, 2013 with the Central Government which the Company has submitted on January 11, 2013. Further for financial year 2012-13, the Company has to submit the Cost Audit Report by September 30, 2013, which shall be submitted in due course.

CORPORATE GOVERNANCE

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

PARTICULARS OF EMPLOYEES

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

the same to the Company Secretary of the Company at the Corporate Office address of the Company.

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

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

A. Conservation of Energy

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

Disclosure of foreign exchange earnings and outgo as required under Rule 2(C) is given in Note no. 31 of "Notes forming part of the financial statements" forming part of the Audited Annual Accounts of the Company for the financial year 2012-13.

The total foreign exchange earning was of Rs. 1,325.92 lakhs in the financial year 2012-13 as against Rs. 1,088.86 lakhs during the previous financial year. The total foreign exchange expenditure during the year under review was Rs. 4,924.52 lakhs as against Rs. 3,943.74 lakhs during the previous financial year ended March 31, 2012.

ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation of the contribution made by employees at all levels for achieving the outstanding performance and goals of the Company. Your Directors also convey their appreciation to Joint Venture partners, media agencies, viewers, business associates, bankers for their faith and confidence reposed in the Company and also would like to appreciate various regulatory and Government authorities for their assistance and co-operation and look forward to their continued support in future.

For and on behalf of the Board of Directors

Place : Noida
Date : 13 May, 2013

Manoj Mohanka
Chairman

Annexure - A

Information regarding 'The GBN Employee Stock Option Plan 2007' during the year ended on March 31, 2013 in terms of Regulation 12 and 19 of SEBI (Employees Stock Option and Employees Stock Purchase Scheme) Guidelines, 1999 is as under:

Sl. No.	Particulars	Details
1	Options Granted	75,00,000
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	27,63,568
4	Options Exercised	Nil
5	Total No. of Shares arising as a result of exercise of Options	Nil
6	Options Lapsed	5,40,772
7	Variation in terms of Options	There was no variation in the terms of the options granted. However exercise period for 6,51,733 options was extended by further one year in the best interest of the concerned employees.
8	Money realized by exercise of Options	Nil
9	Total number of Options in force as on March 31, 2013	10,959,207
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.	Mr. Saikumar, Network18 Group CEO & Manager (TV18)– 50,00,000 & Mr. R.D.S. Bawa, Network 18 Group CFO–25,00,000 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'.	0.10
12	Computation of employee compensation cost and effect on profit and EPS (a) Method of calculation of employee compensation cost (b) Difference between the employee compensation cost so computed at (a) above and the employee compensation cost to statement of Profit & Loss if the Company has used the fair value of the option	Intrinsic value as per SEBI ESOP guidelines Rs. 40,546,282
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. 102,233,593 (Rs. 40,546,282) Rs. 61,687,311 0.06 0.06
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.)	Above Market Price 75,00,000 26.00 17.88
15	Description of the method and significant assumptions used during the year to estimate the fair value of the options, including the following weighted average information: Risk free rate of interest (%) Expected life of the option from the date of grant (in years) Expected volatility (%) Dividend yield (%) The price of the underlying share in market at the time of option grant (Rs.)	The Company has adopted Black Scholes pricing model for valuation of options. The main assumptions are as under 7.38% 4.50 years 94.19% 0 Rs. 25.50 (NSE)

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

1	Name of the subsidiary(ies)	ibn18 (Mauritius) Limited	RVT Media Private Limited	AETN18 Media Private Limited	IndiaCast Media Distribution Private Limited	IC Media Distribution Services Private Limited	IndiaCast US Limited	IndiaCast UK Limited
2	Financial year of the subsidiary ended on	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31 March*	31 March*	31 March*
3	Shares of the subsidiary held by the company on the above date							
	a) No. of Shares and face value	100 Equity shares of US\$1 each	96,615 Equity shares of Rs. 10/- each	2,39,67,836 Equity shares of Rs. 10/- each	228,000 Equity shares of Rs. 10/- each	10,000 Equity shares of Rs. 10/- each	1,00,000 Equity shares of \$ 1/- each	60,000 Equity shares of £ 1/- each
	b) Holding Companies interest (%)	100	100	51	100	100	100	100
4	Net aggregate amount of Profit/Loss of the subsidiary so far as they concern members of the Holding company:							
	(i) Dealt with in the Holding Company's accounts:							
	a) For the financial year of the subsidiary (Rs.)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	b) For the Previous Financial years since it become Holding Company's Subsidiary (Rs.)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	(ii) Not dealt with in the Holding Company's accounts:							
	a) For the financial year of the subsidiary (Rs.)	5,98,16,128/-	(2,02,548/-)	(17,47,54,716/-)	59,63,442/-	(5,87,600/-)	(1,89,492/-)	(2,13,147/-)
	b) For the Previous Financial years since it become Holding Company's Subsidiary (Rs.)	(58,42,97,844/-)	(1,60,058/-)	(26,24,73,003/-)	NA	NA	NA	NA
5	Material changes in subsidiary between the end of its financial year and the financial year of the holding company							
	a) Fixed Assets	NA	NA	NA	NA	NA	NA	NA
	b) Investments made	NA	NA	NA	NA	NA	NA	NA
	c) Money lent by subsidiary	NA	NA	NA	NA	NA	NA	NA
	d) Money borrowed by the subsidiary for any purpose other than that of meeting current liabilities	NA	NA	NA	NA	NA	NA	NA

* Companies were incorporated during the financial year 2012-13 and their first financial year shall be from the date of their respective incorporation till March 31, 2014. Accordingly figures for these companies are unaudited.

Management Discussion and Analysis Report

Industry Status¹

The Indian M&E industry grew from INR 728 billion in 2011 to INR 821 billion in 2012, registering an overall growth of 12.6 percent. Given the impetus introduced by digitization, continued growth of regional media, upcoming elections, strength in the film sector and fast increasing new media businesses, the industry is estimated to achieve a growth rate of 11.8 percent in 2013 to touch INR 917 billion. The sector is projected to grow at a healthy CAGR of 15.2 percent to reach INR 1661 billion by 2017 (Source: FICCI KPMG Report 2013)

Overall Industry Size (INR Bn)*	2008	2009	2010	2011	2012	Growth in 2012 over 2011	2013 P	2014 P	2015 P	2016 P	2017 P	CAGR (2010-15)
Television	241	257	297	329	370	12.5%	420	501	607	725	848	18.0%
Print	172	175	193	209	224	7.3%	241	261	286	311.2	340	8.7%
Film	104	89	83	93	112	21.0%	122	138	154	171.7	193	11.5%
Radio	8	8	10	12	13	10.4%	14	15	19	22.7	27	16.6%
Music	7	8	9	9	11	18.1%	12	13	15	18.3	23	16.2%
Out of Home	16	14	17	18	18	2.4%	19	21	23	25	27	8.4%
Animation & VFX	18	20	24	31	35	13.9%	41	47	54	63.1	73	15.8%
Gaming	7	8	10	13	15	17.7%	20	24	31	36.2	42	22.4%
Digital Advertising	6	8	10	15	22	40.9%	28	37	49	65.1	87	32.1%
Total	580	587	652	728	821	12.6%	917	1059	1238	1438	1661	15.2%

(Source: FICCI-KPMG Report 2013)

Industry Growth – Fundamental Drivers

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

- **Evolving socio-economic environment in India** – Led largely by a combination of two key macro factors, India has emerged as a growth engine for discretionary consumption products and services, especially media and entertainment. The first one is the 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. Second, since liberalization, the country has witnessed economic growth, which has corresponded with the influx of foreign capital and brands as well as stronger integration with the global socio-economic environment. This has led to the emergence of an ever increasing large consuming class, with rising disposable incomes, which is globally aware and acquisitive in nature. While in the financial year 2012-2013, there was a considerable slowdown in the Indian economy, the growth impetus in the economy has not been eliminated.
- **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. Many digital platforms, ranging from digital cable, DTH, IPTV to digitization of films, print and online sales of music now exist. Digital technology continues to revolutionize media distribution – be it the rapid growth of DTH and digital cable, or increased digitization of film exhibition – and has enabled wider and more cost effective reach across diverse and regional markets, and the development of targeted media content. There has been increased proliferation and consumption of digital media content – be it newspapers and magazines, digital film prints, and online video and music or entirely new categories such as social media. For example, the print players are increasing becomingly available on the digital platforms in order to establish a connect with current readers as well as to establish a relationship with new readers. Accordingly, online advertising spends have seen a spurt in growth vis a vis spends on traditional media. At the same time, the ability to develop models that get consumers to pay for online content is still limited. Currently, advertising is the primary source of revenue online but new revenue models are likely to emerge as the payment infrastructure develops and consumers begin to pay for content. Going forward, the adoption of 3G and 4G services could further fuel broadband penetration and offer opportunities for scaling digital media businesses. The 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). Phase 1 saw significant progress in implementation of mandatory digital access system (DAS) across the four metros. The industry now hopes to realize

¹ Source: FICCI KPMG Report 2013

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. Phase 2 digitization across the next 38 cities is anticipated to build on this further and make digital television a truly mass phenomenon in the country. Digital television provides the consumer access to a higher number of TV channels, customized tariffs, availability of broadband and other value-added-services, and enhanced user experience through better viewing quality and consumer service.

- **Regionalization** – This is another one of the most significant growth drivers for the industry. Regional television and print continued its strong growth trajectory owing to growth in incomes and consumption in the regional markets. National advertisers are looking at these markets as the next consumption hubs and local advertisers are learning the benefits of marketing their products. In order to tap the increasing regional budgets of the national advertisers and growing interests of local advertisers, media players are in expansion mode to increase their footprint in these regions.
- **Growing importance of new media** – Another key trend is the convergence and multi-platform presence of media services in the country. 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. Over the past years, content providers have ensured that the same content is increasingly deployed across platforms, from television to online to mobile and beyond. Whether its e-papers or online streaming of shows or mobile based applications, the convergence of content across key “screens” is a defining phenomenon in the industry. Considering the growth in India’s telecom and IT markets especially mobile and wireless market, this wave of convergence is bound to be strengthened. Availability of infrastructure and appropriately 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.
- **Pay-led Revenue Models** – The Indian media & entertainment industry continues to be highly advertising dependent, especially from the content owner’s perspective i.e. television and radio broadcasters, print and online publishers. Advertising spends are expected to grow at a CAGR of 14 percent to reach INR 630 billion in 2017. The media industry’s ad revenue dependence is expected to continue for some time, largely due to the relatively low ARPUs on account of hyper competition and lower price elasticity of consumers. However, with digitisation and the growth in addressable media, revenue models based on end-user revenues are gaining traction. Audiences are becoming more willing to pay for content and value added services. Technology has enabled convenience and superior quality offerings to consumers who have responded positively. The growth in ticket prices of movies at multiplexes, increasing number of Pay-TV subscribers, increasing penetration of DTH with its user-friendly interface and technology, and introduction of Value Added Services (VAS) by media players are some examples of pay markets gaining importance.
- **Narrowcasting** – Over the past years, the media industry has also witnessed the emergence of niche services and brands. These niche offerings are highly focused channels, shows and formats which seek to segment audiences and deliver unique offerings to them based on their preferences. This has in turn allowed advertisers to reach out to their consumers more effectively. Narrowcasting is inextricably linked to the growth of addressable media in the country and the digital wave. A key outcome of the push in digitization will be the ability to increase production budgets and invest in differentiated genres and multilingual content. Digitization of distribution infrastructure in TV is also expected to improve broadcast economics, (with lower carriage fees, more equitable distribution of subscription revenues across the value chain and the ability to increase ARPUs). In turn this could drive more investments in production quality, and niche and targeted genres of content/ packaging in the medium term.
- **360 degree connect with consumers** - As consumers evolve and with India’s growing young population, there is a heightened need to engage with them across platforms and experiences. There is a greater need for integration and innovation across traditional and new media, with changing media consumption habits and preferences for niche content.
- **Regulatory and Policy Support** - Regulatory interventions have been a key enabler of growth for the sector. Anticipated developments in 2013 such as continued cable DAS rollout, Phase 3 licensing for Radio and 4G rollout, will spur growth in the medium term.
- **Other Key Enablers** – Apart from the above, there are other important factors such as gradual de-regulation in industry policies, easier availability of institutional capital for funding growth and the opening up of global markets for Indian media content that have facilitated growth.

(Source: FICCI-KPMG Report 2013)

TV18 Broadcast Limited

Opportunities, Growth Drivers and Concerns²

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

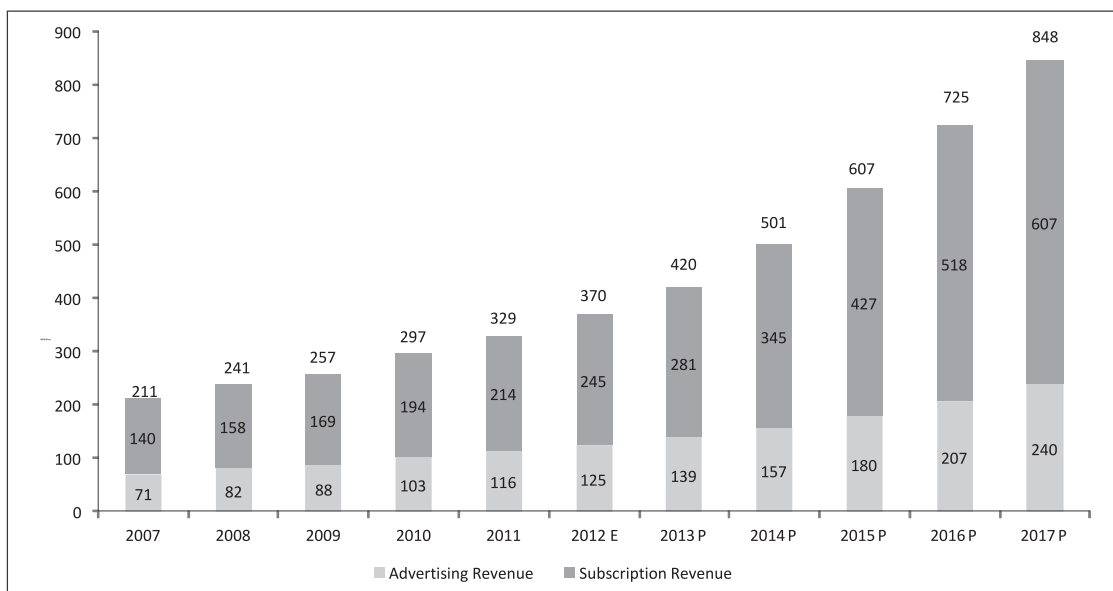
Our parent, Network18 Media & Investments Ltd, is a media and entertainment company in India, with interests in television, internet, filmed entertainment, digital commerce, magazines, mobile content and allied businesses. TV18 Broadcast Ltd [BSE: 532800, NSE: TV18BRDCST] operates broadcast, filmed entertainment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

The Indian Television Industry³

Television is the largest medium for media delivery in India in terms of revenue, representing around 45 percent of the total media industry. The TV industry continues to have headroom for further growth as television penetration in India is still at approximately 60 percent of total households. India continues to be the third largest TV market after USA and China with 153 million television households. Cable and Satellite (C&S) penetration of television households is close to 90 percent, with DTH driving a significant part of the growth in the last 12 months. With the ongoing digitization of all analog cable subscribers imminent, penetration level of digital households is expected to increase significantly, going forward. The overall television industry was estimated to be INR 370 billion in 2012, and is expected to grow at a CAGR of 18 percent over 2012-17, to reach INR 848 billion in 2017.

At, TV18 Broadcast Ltd, we operate one of India's popular television broadcast networks. This 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, MTV, SONIC, Comedy Central, VH1, Nick, Nick Jr. and Nick Teen - and Viacom18 Motion Pictures, the group's filmed 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 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.

TV INDUSTRY: REVENUE MIX



Source: KPMG Analysis, Industry Analysis

2 Source: FICCI KPMG Report 2013

3 Source: FICCI KPMG Report 2013

Key trends & growth drivers for the Indian Television Industry⁴

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

❖ Significant potential for growth, based on TV penetration levels

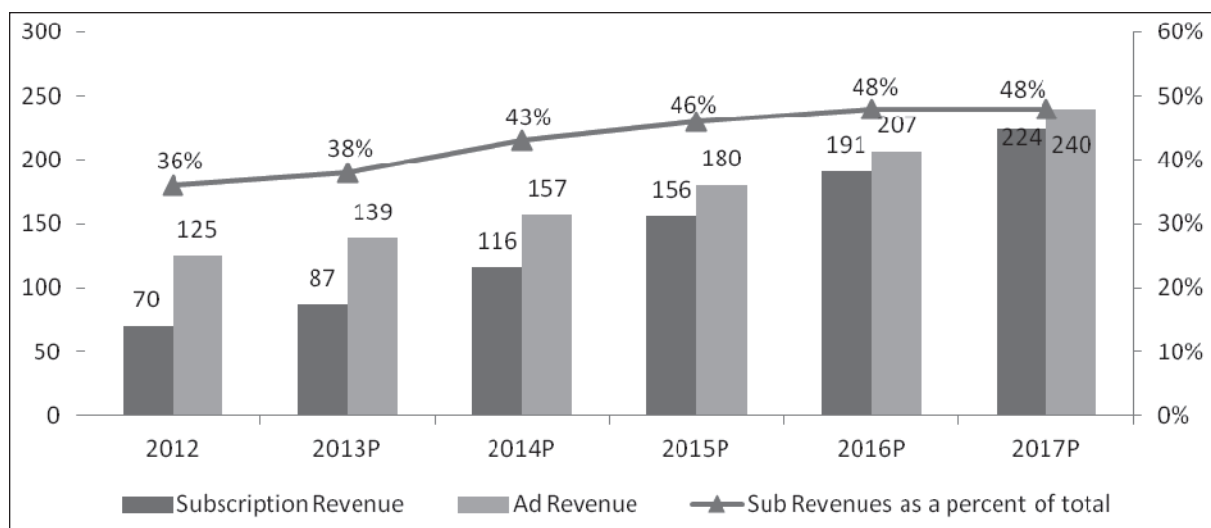
India was estimated to have around 153 million TV households in 2013, which implies a TV penetration of approximately 60 percent. In 2017, TV penetration is estimated to rise to approximately 70 percent, which still offers potential for penetration-led growth (post 2016) as income levels rise, based on TV penetration levels in other mature as well as emerging economies.

❖ 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 phase 2 digitization across 38 cities. 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 to benefit from increased subscription revenues: Addressability is expected to increase the revenue share of broadcasters, leading to a significant increase in subscription revenue uptakes for broadcasters. Subscription revenue for broadcasters is estimated to grow at a CAGR of 26 percent from 2012 to 2017. Increase in the declared subscriber base and aggregation of distribution on behalf of broadcasters is expected to drive up the share of subscription to total broadcaster revenue from 36 percent in 2012 to 48 percent in 2016. (Source: FICCI KPMG Report 2013). For mature broadcasters, a significant share of subscription revenues is expected to flow to the bottom line. While broadcasters re-align their revenue model, decreasing dependence on advertisement revenues, sustaining strong subscription revenues builds a case for the launch of niche channels and investment in content for existing channels. Digitization provides an opportunity for the number of channels to go up and the niche channels to increase their offerings.
- o Apart from subscription revenues, a medium term correction in broadcast carriage fees is also expected as a result of the on-going digitisation drive. A shift to digital removes the bandwidth constraints of analog cable, and the number of channels that may be carried increases significantly. However, placement is expected to remain crucial even on a digital platform, and a decline in the carriage fee may be offset to some extent by an increase in the placement fee.
- o Developments and refinements in viewership measurement systems may also affect the way advertising is distributed among channels.

TV BROADCAST INDUSTRY REVENUES



⁴ Source: FICCI KPMG Report 2013

❖ Slowdown impacts advertising revenues, Long-term growth healthy

2012 has been a challenging year for the television broadcasting industry. Advertising rates faced pressure from the global and domestic economic slowdown, resulting in a lower than expected increase in advertising revenues, particularly in the second half of the year. The absence of a mega sporting event, like a Cricket World Cup in 2011, and a muted advertiser response to season 5 of the IPL contributed to the low television ad spends in 2012. Advertisement spends are expected to grow in 2013 at similar levels as experienced in 2012. In the long term, however, India continues to be a growth market, and the advertisement market is expected to grow at a CAGR of 14 percent over 2012-17. (Source: FICCI KPMG Report 2013).

❖ Regional & Niche channels

Regional markets form a sizeable portion of the total TV pie - Regional channels accounted for approximately 26.6 percent of total television viewership in 2012. Of this, the Tamil and Telugu markets account for approximately 50 percent of total regional viewership (marginal decline from 52 percent in 2011). In comparison, Marathi and Bengali markets account for close to 29 percent of total regional viewership. Regional channels command an advertising market share of 27.2 percent, which is proportionate to their viewership share. Advertising interest in regional markets is strong and broadcasters see immense potential for revenues from local advertisers who may be willing to pay a premium to reach their targeted audience. With the exception of the Bengal ad market which de-grew and the Marathi ad market which grew by 4-5 percent, most other regional ad markets, led by the South, grew between 12 percent and 15 percent (Source: FICCI KPMG Report 2013). They appear to have been more insulated from the current economic slowdown than national channels. Digitization will also open up avenues for broadcasters to launch subscription driven, specialty channels in India and also provide an opportunity to insert localized content and advertising, translating into premium advertisement rates. Growth in the number of niche and regional channels will have an inclusive and expansionary impact on the television sector. The emergence of targeted and focused channels will allow advertisers to derive maximized value and at the same time increase the participation of local and regional advertisers, thus impacting sector revenue growth.

❖ Potential in HD and premium viewing

Buoyed by increasing LCD and LED TV sales, which are expected to grow to around 15 million units by 2016 (Appx.100% of TV annual sales in 2016E), broadcasters and DTH players have expanded their HD offerings this year. With an increasing uptake of affordable HD TVs, consumers may be willing to pay a premium for a better viewing experience on these television sets. While HD penetration amongst the existing subscribers is low, this is expected to increase significantly going forward. The demand for HD channels amongst consumers is moving beyond specific events, sports and movies.

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

Even today, a large number of Indian households do not have access to television, especially in the rural areas. With strengthening distribution, easing of hardware prices and growing awareness levels, the country's television footprint is set to expand further. With the increase in consumption power, many households are now opting for multiple television sets expanding the market further. As per Information and Broadcasting (I&B) ministry estimates, institutional and multi TVs account for approximately 17 percent of television sets in metro cities (Source: FICCI KPMG Report 2013). Environmental factors such as increasing access to electricity (especially in rural areas) and the continued delivery of quality content are further enablers of greater penetration in the Indian television industry.

❖ Emergence of multi-screen TV content consumption

Indian consumers are beginning to consume television content on non-TV devices like smart-phones, tablets, and personal computers. With the rapid growth expected in broadband internet usage, multiple device consumption is expected to grow exponentially in the coming years. According to Media Partners Asia, the broadband internet subscribers are likely to move from 18.5 million in 2012 to over 100 million in 2017. (MPA Annual Report 2012)

❖ Consolidation

2012 was a year of consolidation with significant deal activity across the television value chain. The broadcasting industry witnessed action as players took the M&A route to enter new markets, expand presence in regional markets, consolidate presence in focus markets and exit non-core businesses. Going forward, significant fund raising activity is also expected in the distribution sector as MSOs make heavy capital investments for digitisation, and DTH providers look for funds needed for expansion and customer acquisition. The broadcasting industry may also witness consolidation, as channels enter more regional markets and make significant investments in content and distribution (Source: FICCI KPMG Report 2013)

Key risks & challenges for the Indian Television Industry⁵

❖ Implementation of the mandatory digitisation regime

While digitisation has been planned in a phased manner, its successful implementation is critical for the long term growth of the television industry. All Industry stakeholders will need to ensure that issues ranging from infrastructural (Availability of boxes, customer support etc) 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. On an overall basis, the total TV advertisement market is estimated to have grown around 8 percent in 2012, lower than industry expectations. In comparison, growth in the TV advertisement market was estimated to be 12 percent in 2011 and 17 percent in 2010. 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. The TAM blackout following the launch of digitisation coincided with the festive season and this further accentuated the impact of the dampened advertising sentiment. (Source: FICCI KPMG Report 2013)

❖ Competition from other media

Owing to multiple factors, including the mass nature of television, some proportion of advertising revenue is also moving away and into media such as internet, mobile and radio which are relatively cheaper, more measurable and have greater local connect. 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 Industry⁶

The Indian film industry had an exciting year with estimated revenues of INR 112.63 Billion in 2012 indicating a growth of 21% percent vis-à-vis 2011. Quality content combined with the revival of Hindi films with mass connect improved the occupancy rates which in-turn increased domestic 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 percent in 2012. Albeit on a small base, ancillary revenues such as licensing and merchandising, in-cinema advertising and pay per view also displayed strong growth in 2012. With several high budget Hindi releases lined up across the year, 2013 is expected to sustain the growth momentum witnessed in 2012. The Indian film industry is projected to grow at a CAGR of 11.5 percent to touch INR 193.3 Billion in 2017. 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.

Revenue (INR Billions)	2008	2009	2010	2011	2012	2013P	2014P	2015P	2016P	2017P	2011-12 (YoY growth)	CAGR 2012-2017
Domestic Theatrical	80.2	68.5	62	68.8	85.1	92.4	104.7	115.3	127.6	142.2	23.8%	10.8%
Overseas Theatrical	9.8	6.8	6.6	6.9	7.6	8.3	9	9.8	10.8	11.9	9.0%	9.4%
Home Video	3.8	4.3	2.3	2	1.7	1.4	1.2	1.1	1	0.9	-15.0%	-12.0%
Cable & Satellite Rights	7.1	6.3	8.3	10.5	12.8	14.1	16.2	19.1	22.7	27.3	20.0%	16.8%
Ancillary Revenue Streams	3.5	3.5	4.1	4.7	5.4	6.2	7.2	8.3	9.6	11.1	15.2%	15.5%
Total	104.4	89.4	83.3	92.9	112.6	122.4	138.3	153.6	171.7	193.3	21%	11.5%

⁵ Source: FICCI KPMG Report 2013

⁶ Source: FICCI KPMG Report 2013

Key risks & challenges for the Indian Film Industry⁷

- Piracy

In spite of some changes that have helped the industry battle this issue aggressively, the issue of piracy remains a critical issue for the Indian film industry. During January to September 2012, the Motion Pictures Association (MPA) had identified 53 forensic matches to camcording incidents in India, a 77 percent increase as compared to 30 camcording incidents for the same period in 2011. The audit report of first nine months of 2012 revealed that India accounted for 54 percent of all forensic matches in the Asia-Pacific region.
- 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
- Reliance on theatrical revenues

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

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

With theatre viewing limited to 3-5 percent of the Indian population, the film industry stands to gain immensely by increasing the overall size of the addressable market. There is a lack of standardization across the country with entertainment being a state subject. Rationalization of the tax structure across the country may increase the total pie of cinema going audience, avoid distortion in theatre density and support the overall growth of the film industry especially for national theater chains and pan-India film production houses.
- Lack of quality shooting infrastructure

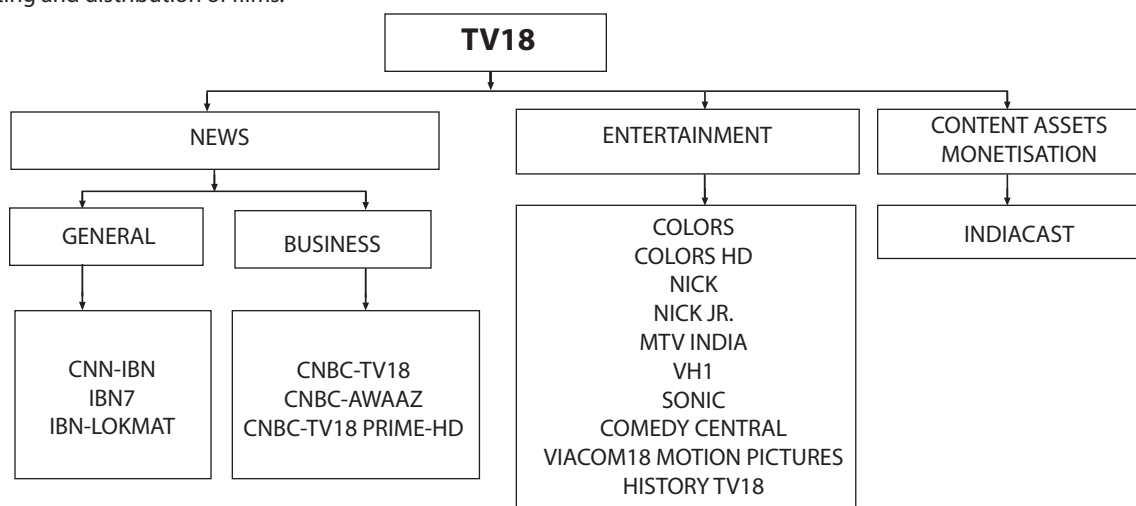
Despite being a huge film-producing nation, there are only four major film cities in the country which are located at Mumbai, Hyderabad, Noida and Chennai. A rapid growth in broadcast and advertising requirements has exerted strong pressure on each of these cities. Though there is a clear potential for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

BUSINESS OVERVIEW

Our 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 operates one of India's popular television broadcast networks. Our network reached an average of approximately 222.92 million television viewers in first quarter of the calendar year 2013. (Source TAM; CS 4+ Yrs, Market All India, Wk 1 '13 – Wk 13 '13). We broadcast television channels across genres such as general news, business news, Hindi general entertainment, kids, youth, English entertainment, factual entertainment and teleshopping, primarily in English, Hindi and key regional languages. This 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

⁷ Source: FICCI KPMG Report 2013, Internal Reports

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, MTV, SONIC, Comedy Central, VH1, Nick, Nick Jr. and Nick Teen - and Viacom18 Motion Pictures, the group's filmed 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 and Viacom18 have also formed a strategic joint venture called IndiaCast, a multi-platform 'content asset monetization' entity mandated to drive domestic and international channels distribution, placement services and content syndication for the bouquet of channels from TV18, Viacom18 and other broadcasters. Our news and entertainment segments are engaged in the programming, production and broadcasting of television content and the acquisition, production, syndication, marketing and distribution of films.



We generate revenue primarily through the sale of advertisements, sponsorships and subscriptions on our television channels and through theatrical and ancillary revenues of our films.

TELEVISION BROADCASTING

We have television channels in news and entertainment genres, including general news, business news, Hindi general entertainment, kids, factual entertainment, youth, English & factual entertainment genres and home shopping. As a television network, we reached an average of approximately 222.92 million television viewers in first quarter of the calendar year 2013. (Source TAM; CS 4+ Yrs, Market All India, Wk 1 '13 – Wk 13 '13).

NEWS

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

Business News

CNBC-TV18 & CNBC Awaaz are pioneers of business news broadcasting in India and have been acclaimed as leaders in the business news genre on Indian Television. The Network18 Group launched its business news operations in India with the launch of CNBC-TV18 in December 1999. In January 2005, the reach was expanded into Hindi-language business news with the launch of CNBC Awaaz. CNBC-TV18 and CNBC Awaaz, our business news television channels, were leaders in the English and Hindi business news genres with a 56% combined market share in the year ended December 29, 2012, according to TAM. (Source: TAM; TG : CS AB Males 25+, Market: All India, Period: 1st Jan-29th Dec 2012, All Days, 0600-2400 hrs). The

TV18 Broadcast Limited

majority of our business news programming is researched, produced and edited by our local editorial teams and in-house studios, although we supplement this programming with CNBC's global content through our agreement with CNBC-AP.

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

We believe CNBC-TV18 and CNBC Awaaz attract a considerable level of out-of-home viewership, particularly in corporate offices, public marketplaces and other business areas. Thus, we believe that our viewership in the English and Hindi business news genres is higher than the viewership reported by TAM, which measures only in-home viewership. As evidence of this and the reach of these channels to affluent business leaders in India, the advertising power ratios of business news television channels are higher than those of entertainment television channels. Amongst all television genres, English General News and English business news tend to enjoy one of the highest power ratios (ad revenue percentage to viewership percentage ratios). Our channels, due to their leadership, command a significant proportion of ad revenues in their respective genres.

CNBC-TV18: CNBC-TV18 is India's No.1 English language business news television channel in terms of viewership, with 49% market share in the English business news genre (Source: TAM, Period: 1st Jan-29th Dec 2012, TG : CS AB Males 25+, All India, 0600-2400 hrs). 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 website, moneycontrol.com, and mobile applications. CNBC-TV18 hosts a number of industry benchmark awards, such as the 'India Business Leader Awards', 'Emerging India Awards', 'CFO Awards' to recognize excellence in business leadership. Some of the popular programs on CNBC-TV18 include 'Bazaar Morning Call', our daily market opening show, and 'India Business Hour', which is a recap of the day's key business news. We also broadcast targeted special interest programs, such as 'Young Turks', a show on young entrepreneurs and achievers, 'Storyboard', an advertising and marketing program, 'Indianomics', a weekly program on India's place in the global economy, 'The Firm', a weekly show on corporate law, 'Overdrive', an automobile program, and 'Tech Toyz', a weekly program showcasing new consumer gadgets and technology. Over the years, CNBC-TV18 has received numerous awards including:

- Across the years, multiple 'Best Business Channel' citations for CNBC-TV18 at leading forums like the Indian Television Academy Awards, Indian Telly Awards, News Television Awards (NT Awards).
- Awards for CNBC-TV18's leading programs such as 'Young Turks' ('Best Business Talk Show', NT Awards 2007 & 2008), 'India Business Hour' (Daily primetime news cast, NT Awards 2010), 'What's Hot' ('Best Talk Show on News & Current Affairs' 2005), 'Tech Toyz' (Technology show, NT Awards 2010 & 2013), 'Storyboard' ('Best Business News Show English', NT Awards 2007), 'Overdrive' ('Auto show', NT Awards 2010 & 2013).
- Awards for CNBC-TV18's leading journalists like Udayan Mukherjee ('Best Business News Anchor', NT Awards 2007, 2010 & 2011, Ramnath Goenka Journalist of the Year (Broadcast) 2012), Shereen Bhan ('Best Business News Anchor', NT Awards 2013, FICCI woman of the year 2005, named Young Global Leader by the World Economic Forum)
- CNBC-TV18 has been rated 'India's No.1 English News Channel' by the Exchange4media 'Pitch Brandometer Survey' 2009, 2010
- Awards for numerous channel promos and creative work at acclaimed platforms such as Rapa, Promax & Promax BDA, News Television Awards.

CNBC Awaaz: CNBC Awaaz is India's No.1 Hindi business news television channel in terms of viewership, leading with 60% market share in the Hindi business news genre (Source: TAM, Period: 1st Jan-29th Dec 2012, TG : CS AB Males 25+, HSM, 0600-2400 hrs). 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, shopping trends, service and product launches and personal taxation. Among CNBC Awaaz's popular programs are 'Stock 20-20', a pre markets opening show, 'Aaj Ka Karobaar' a daily evening program and leading feature shows like 'Tech Guru', 'Property Guru'. Key awards for CNBC Awaaz include:

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

CNBC-TV18 Prime HD: We launched this service in November 2011, making it India's first HD enabled business news service. Viewers are offered live, unprecedented access to global markets through the day along with rich in-depth live financial data and news alerts, through a unique '2 window' screen architecture. The channel is available on leading DTH and digital cable platforms in the country.

General News

We operate 3 general news channels, namely CNN-IBN, IBN7 and IBN-Lokmat (In partnership with Lokmat Group). Through the 'IBN Network' of general and regional channels, we have established a strong presence in English, Hindi and regional news categories in the country. In the last few years, CNN-IBN, 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: CNN-IBN was launched in December 2005 as a 24-hour English news channel in India and has since become one of India's leading English language news and current affairs channels, capturing a genre leading 30.3% market share (Source: TAM, Market Share, Market: All India, Period: 01st Jan-29th Dec 2012, Time Period: 0600-2400, All Days, TG: CS AB 15-54). It provides 24-hour coverage of national and international news relating to politics, business and financial affairs, sports and entertainment. CNN-IBN, we believe, is highly regarded for its editorial integrity, high production standards and unbiased, issue based coverage of news and current affairs. The channel has transcended television, and reaches its viewers through various other media like Internet, mobile and voice. Among CNN-IBN's popular programs are 'India at 9', 'Face the Nation', 'The Last Word' and 'News 360', our daily primetime news programs. CNN-IBN also pioneered the concept of inclusive journalism in India with its program, Citizen Journalist and airs various news-driven specials from time to time. CNN-IBN is also integrated with the digital media businesses of Network18. Audiences can watch live streaming video feeds, access our live news updates and connect and interact with our news editors through our website www.ibnlive.com, our mobile applications and various communities. Ibnlive.com provides streaming video feeds, downloadable tickers and breaking news alerts on cell phones. Key Awards for CNN-IBN:

- Across the years, multiple 'Best English News Channel' awards for CNN-IBN at leading forums like the Indian Television Academy Awards, Indian Telly Awards, News Television Awards (NT Awards)
- Multiple Awards for Rajdeep Sardesai, Editor-in-Chief for IBN channels and other leading journalists
- Rajdeep Sardesai: 'Best News Anchor', ITA Awards (2006 to 2012), News Television Awards (2007, 2008, 2010, 2011 & 2013), Ramnath Goenka Excellence in Journalism award (2006-2007)
- Karan Thapar: Asian Television Awards (2007 & 2010), News Television Awards 2011, Indian News Broadcasting Awards (2008)
- Awards for CNN IBN's leading programs such as 'Citizen Journalist Show' (Asian Television Awards - 2010, 2011 & 2012), (Indian Television Academy Awards - 2009), (Indian Telly Awards - 2006); 'India at 9' (Asian Television Awards - 2010, NT Awards - 2007 & 2013); 'Living It Up' (Best Lifestyle & Fashion News Show: NT Awards - 2008 & 2011); 'State of the Nation' (NT Awards - 2008, Indian Telly Awards - 2006)

IBN7: IBN7, launched in March 2005, is a 24-hour Hindi language general news television channel. IBN-7 is emerging as one of the leading Hindi national news channels in the country leading peers such as News24 & NDTV India in the Hindi general news genre with a market share of 8.4% (Source: TAM Channel Share, Market: HSM, Period: 01st Jan-29th Dec 2012, Time Band: 0600-2400, TG: CS Male 15+ yrs). IBN7 provides 24-hour coverage of national and international news relating to politics, business and financial affairs, sports and entertainment. IBN7 also provides its news broadcasts; streaming video feeds, downloadable stock tickers and breaking news alerts for cellular phones via its website, khabar.ibn.in.com. Key IBN7 Awards:

- Multiple Awards for IBN7's leading program 'Zindagi Live' ('Best News Talk Show', NT Awards 2008, 2009, 2010, 2012, 2013), Indian News Broadcasting Award (2010), Indian Television Academy Awards (2010, 2013), Laadli Award (2009 & 2010)
- Awards for numerous channel promos and creative work at acclaimed platforms such as Promax & Promax BDA, Indian News Broadcasting Awards.

IBN-Lokmat: IBN-Lokmat, launched in April 2008, a joint venture with Lokmat Media Private Limited, is one of India's leading Marathi language general news and current affairs television channels, with a market share of 31% in its genre (Source: TAM; TG: CS AB 15+; Market: Maharashtra; Period: 1st Jan-29th Dec 2012, All Days, 0600-2400 hrs). IBN-Lokmat provides 24-hour coverage of national and international news relating to politics, business and financial affairs, sports and entertainment. The channel successfully completed five glorious years in 2013. Within a span of five years the channel has managed to position itself on the top ladder in the regional news industry. It has won multiple awards for its programming:

- Reportaaz- Ramnath Goenka Awards (2010, 2011) NT Awards (2010, 2011, 2012)
- Ladli Media awards gender sensitivity (2009, 2012)
- Prime Time News Show- NT Awards (2010, 2011, 2012)
- Recipient of 12 National awards for its various shows in FY 2012 in the Marathi category

GENERAL ENTERTAINMENT

We operate a network of general entertainment television channels i.e. Colors, Colors HD, MTV India, Vh1, Sonic, Nick, Nick Jr. and recently launched Comedy Central through Viacom18, a 50-50 joint venture between MTV Asia, a wholly-owned subsidiary of Viacom International Inc. and TV18 Broadcast Ltd. Our Viacom18 group channels collectively reach out to approximately an average of 127.7 million viewers across Hindi Speaking Markets and approximately an average of 141.9 million viewers across All India every week, according to TAM (Source: TAM; CS 4+ Yrs; Wk 1'13 – Wk 13'13). Viacom18 was also named one of the best places to work in the media and entertainment industry by the Great Places to Work Institute in 2012.

COLORS: Colors is Viacom18's flagship brand in the mass entertainment space in India and 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 shows like Balika Vadhu, Uttaran, Madhubala, Sasural Simar Ka, Na Bole Tum Na Maine Kuch Kaha, India's Got Talent, Bigg Boss, and Jhalak Dikha Jaa amongst others.

Colors was amongst the top ranking television channels in its genre (Hindi general entertainment television channel) in terms of viewership with a 18% market share (Source: TAM, Avg. Weekly GRPs, Period: wk 1 – 52 (Jan-Dec) 2012, CS 4+, HSM) and a 5.11% viewership market share amongst all TV channels in the year 2012 (Source: TAM; TG: CS 4+; Market: All India; Period: wk 1-52 2012, All Days, 0000-2400 hrs). Not only this, in the financial year 2012-2013, Colors was the 2nd ranked television channel in its genre in terms of viewership with a 19% market share (Source: TAM, Period: 1st Apr 2012 – 31st Mar 2013, CS 4+, HSM) and a 6.8% market share amongst all TV channels during the same period (Source: TAM; TG: CS 4+; Market: HSM; Period: 1st Apr '12 – 31st Mar '13, All Days, 0000-2400 hrs). In fact, within a few weeks of its launch, Colors 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). Colors is also available as Colors HD, a high definition service, on key digital platforms that support HD broadcast. Since its launch, the channel has gained immense popularity through its focus on relevant and fresh concepts in Hindi GEC programming, with reality shows and serials such as 'Fear Factor- Khatron ke Khiladi', 'Bigg Boss', 'Balika Vadhu' and 'Uttaran'. Since its rise to No.1, Colors has consistently remained amongst the top 3 general entertainment channels. We believe that Colors, with its consistent leadership in the important and lucrative Hindi mass entertainment segment, is well positioned to act as a key value driver for Viacom18 and our Company.

MTV India: MTV India with 21% market share is the most preferred youth channel in India (Source: TAM, Period- FY2012-2013 i.e. Apr 2012-Mar 2013, 15-24 SEC AB, HSM, 07:00 – 22:00). With diversity in its offering, the M in MTV epitomises a multidimensional and multiplatform approach, with the brand engaging audience at multiple levels. Globally, MTV has been the number one destination across platforms for young people. In India, MTV is distributed to 63mm households. In the social media space, MTV is the most followed brand across categories connecting 13 MM duplicated fan base across show pages. MTV engages with its audience through cult shows like MTV Roadies, Coke Studio@MTV, MTV Sound Trippin, MTV Unplugged, MTV Splitsvilla, MTV Reality Stars; or iconic VJ's like Rannvijay, Nikhil, Anusha & Bani, or hugely engaging

digital properties like Roadies Battleground, Tata Nano Drive with MTV, MTV Gang Next, MTV Ecolution. Targeted brand licensing makes MTV products available across 35 unique categories and the MTV Live business gives young people their dose of MTV through properties like MTV Coke Studio Minicerts, MTV Bloc Party, MTV Aquanoon and MTV Video Music Awards. MTV Gatecrash is a music lover's getaway ticket to enjoy the best gigs in the country. The channel also encourages to give back to society with an initiative like MTVACT which works towards making the youth future friendly and also support organizations, NGO's and voluntary workers who are working towards issues concerning environment. MTV's philosophy - STAY RAW, is an idea that encourages young people to be and do only what they want to. Key Awards for MTV:

- MTV has received several recognitions for its channel properties such as Best branded content 'Coke Studio @MTV', Best Youth reality show MTV Roadies, Best use of branded content Drive with MTV to name a few.
- MTV has also won multiple awards for innovative marketing and clutter breaking creative work, year on year, at acclaimed national and international platforms such as Festival of Media Asia, Envies, Promax and Goafest and was recently awarded the Pitch – Youth Marketer of the Year award 2012.

Nick: With a relative share of 16%, Nick reaches out to more than 11 million kids week on week (Source: TAM Period: Wk 1-52 (Jan-Dec) 2012, 4-14 ABC HSM 07:00 – 22:00). Nick is available in Hindi, English, Tamil and Telugu. With an approach that puts 'kids first', Nick is all about comedy, fun and humour and takes pride in encouraging kids to be themselves. With Nick's promise of 'Fun Unlimited', it has today become the preferred comedy destination for kids in India, with shows like Motu Patlu, Keymon Ache, Ninja Hattori and SpongeBob SquarePants, amongst many others. Being true to its philosophy of connecting with kids wherever they are, Nick gives kids a complete multi-platform brand experience with touch points ranging from on ground activation, digital innovation and consumer products to name a few. Key Awards for Nick:

- Promax World : Bronze for the Keymon Spin Comedy Program Promotion Campaign using Integrated Media.
- WOW Awards 2012- Winner of the Bronze Award in the category: 'Nick Young Astronauts- Activation Program of the year by a media brand with on ground connect'.

Sonic: The action and adventure channel launched in December 2011 and is targeted at boys. Sonic is a 24-hour digital channel available in English, Hindi and Bengali. Sonic will ride the wave of digitisation and grow as India gets digitised. The channel broadcasts some of the popular action shows like Power Rangers, Supastrikas and Kung Fu Panda-The Legend of Awesomeness amongst others. Sonic, goes beyond television to engage and interact with its target audience by building the online community through www.sonicgang.com.

- 8 Awards for numerous channel promos and creative work at acclaimed national and international platforms such as Promax India(2 golds & 3 silvers), Promax Asia(Gold), and Promax World (2 silvers).

Nick Jr.: The channel was launched in December 2012 to connect with pre- schoolers aged 2 to 6 years and young mothers. The channel is truly the 'Smart Place to Play'. Nick Jr. is a digital channel in English & Hindi and aims to be like a surrogate mother handholding kids and helping them learn and develop new skills and knowledge in a way that is entertaining as well as caring. Nick Jr. educates and entertains through internationally acclaimed shows like Dora the Explorer, Go Diego Go, Blus Clues, Bubble Guppies and Wonderpets. With the launch of Nick Jr., the Nickelodeon franchise became an all-encompassing ecosystem for kids of all ages and brands of all genres, to interact, engage and grow together.

Vh1: Vh1 is a leader in the English music and lifestyle genre with a 26% market share, ahead of all English Entertainment and Lifestyle channels. (Source: TAM, Period: April 2012-March 2013), Markets: 5 Metros TG: 15-24 AB years SEC AB, Time Band: 7:00 to 24:00). The channel runs long-form differentiated content such as Jersey Shore, Pop Profiles, Metal Evolution, Guy Code etc.

Comedy Central: Comedy Central had 15% market share within the first year of launch among 10 English Entertainment channels (Source: TAM, Period: April 2012-March 2013, Markets: 5 Metros TG: 25-34 AB years SEC AB, Time Band: 7:00 to 24:00). The channel is a destination for the biggest comedy shows including Saturday Night Live, Daily Show with John Stewart, Seinfeld, Anger Management, Suits etc.

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 HistoryTV18 in October 2011. Within a few weeks of launch, HistoryTV18 emerged as India's No.1 factual entertainment channel with an average weekly viewership share of 31% in 6 metros market cluster (Source: TAM, CS 15+AB, 6 Metros, Week 42, 2011 - Week 13, 2012,

TV18 Broadcast Limited

0600-2400 Hrs; Average Weekly Market Share). HistoryTV18 broadcasts award-winning original non-fiction series and event specials that connect history with viewers in an informative, immersive and entertaining manner across multiple platforms. HISTORY TV18 sustained its superior content performance this year with the highest time spent per viewer of 27.3 mins in 6 metro market cluster vis-à-vis competition, a lead it has maintained since its launch. While new shows engaged new audiences, HISTORY TV18's regular shows continued to enthrall old audiences. 'Pawn Stars', a show which best exemplifies HISTORY TV18's differentiated content was the most viewed in the Factual Entertainment genre, rating consistently on the launch of a new season**. Fresh from the success of its first local production 'The Greatest Indian', HISTORY TV18 launched its second local production 'Bollywood@100'. The channel continues to sustain a healthy engagement on Social Media platforms reaching over 1 million fans on Facebook. A large number of interesting discussions on Twitter have made HISTORY TV18's already thriving Twitter community one of the most active among Factual Entertainment channels with over 24,000 followers. With a connectivity of over 55 million households across on leading cable and DTH platforms, HISTORY TV18 now reaches out to 101 million viewers across India.

(* Source: TAM, Market: 6 Metros, TG: CS AB 15+, Period: Wk 14'12 to Wk 13'13 All Days, 0600-2400 hrs, ** Source: TAM, Market: All India, TG: CS AB 15+, Period: Wk 51'12 All Days, 0600-2400 hrs, Dur 10 min+)

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 concept (or creative) development, production, marketing, distribution, merchandising and syndication, worldwide. In just two 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 20 Hindi and 13 Hollywood films in this short span of time. It also holds the rare distinction of having 11 titles in the last two years to have run successfully in theatres for more than 50 days. The Studio has also backed path-breaking and much-appreciated creative work in the form of hits like Special 26, Kahaani, Gangs of Wasseyapur, OMG - Oh My God!, Shaitaan, That Girl in Yellow Boots, Pyaar ka Punchnama, Inkaar and Saheb, Biwi Aur Gangster Returns. Viacom18 Motion Pictures swept all the popular and critical film awards this year with Kahaani, and Gangs of Wasseyapur taking the top honours. 2013's slate includes highly acclaimed films such as Bombay Talkies, Bhaag Milkha Bhaag, Madras Cafe, Queen and Boss. Viacom18 Motion Pictures also has an 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 and G.I. Joe: Retaliation being released in the country.

ETV ACQUISITION

In January 2012, the Board of Directors of TV18 approved the acquisition of (i) 100% interest in regional news channels in Hindi namely ETV Uttar Pradesh, ETV Madhya Pradesh, ETV Rajasthan and ETV Bihar and ETV Urdu channel ("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"). At the same time, the Board of directors of TV18 announced Rights Issue of equity shares, the proceeds of which were to be utilised for repay existing debt and fund the acquisition of aforementioned channels. The rights issue was successfully completed in October and we are in the process of consummating the transaction, subject to pending regulatory approvals.

CONTENT ASSET MONETISATION - Broadcast & New Media Aggregation

INDIACAST: In July 2012, we announced the formation of a strategic joint venture with Viacom18 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 has emerged as one of the country's leading content aggregators. In a key development, IndiaCast recently announced a joint venture with UTV Global Broadcasting focused on domestic broadcast distribution. As

a result of this, IndiaCast has now 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 15000 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 Network18 group (including linear distribution & syndicated shows) is now available in over 125 countries. A good example of opening new frontiers, IndiaCast has sold the remake rights for a Colors' popular drama series 'Uttaran' to be produced locally in Western Africa in the regions local language - an absolute first for an Indian fiction show. The strategy has been focused on delivering world class content from the group to not only the large NRI diaspora across the world, but also local audiences in foreign territories.

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

CNBC-TV18		
Awards	Category	Winners
NT Awards 2013	Auto Show	Overdrive
	Technology based Show	Tech Toyz
	Show Packaging	Tech Toyz
CNBC Awaaz		
NT Awards 2013	Best Business Feature Show	Awaaz Entrepreneur
CNN-IBN		
Asian Television Awards 2012	Best Cross-Platform Content	The Citizen Journalist Show
Indian Television Academy Awards 2012	Best English News Channel	CNN-IBN
	Best Anchor - News/Current Affairs Show	Rajdeep Sardesai
Exchange4media News Broadcasting Awards 2012	Best News Coverage (National)	Lokpal Bill
The Laadli Media Awards 2012	Gender Sensitivity	Real Heroes
News Television Awards 2013	Best Daily Prime Time News Show	India at 9
	Best News Documentary	Ground Zero Gujarat
	Best Current Affairs Feature	Ground Zero Gujarat
	Best Entertainment Feature	Music Maestros (S D Burman)
	Best Business Talk Show	Rate the Budget
	Best Sports Feature	The Contenders (Hockey Special)
	Best-Presented Popular News Show	India at 9
	Best Public Debate Show	Question Time Didi
	Best TV News Presenter	Rajdeep Sardesai
	Best TV News Reporter	Anubha Bhonsle
	Best Use of Graphics in a Promo	Olympics Omnibus
	Best News Cinematographer	Prakasam
	Best News Channel Website	IBNLive.com

IBN 7		
Awards	Category	Winners
News Television Awards 2013 - Programming Awards	Best News Talk Show (Hindi)	Zindagi LIVE – Gujarat Riots; (fifth award in a row)
	Best Auto Show (Hindi)	Top Drive
	Best Entertainment News Show (Hindi)	2G
News Television Awards 2013 - Promo, Design & Packaging Awards	Best Set Design (Virtual) (Hindi)	Dreamz Unlimited (Budget 2012-Touchscreen)
	Championing The Cause Of The Physically Challenged	Super Idols
Indian Television Academy Awards	Best News and Current Affairs Show	Zindagi LIVE (Godhra)
	ITA Special Laurel Award	Super Idols
ENBA Awards	Best in-show Graphics	Budget 2012- Dreamz Unlimited
IBN LOKMAT		
Awards	Category	Winners
ENBA Awards 2012	Best News Program	IBN Lokmat
	Best Spot News Reporting	Suvarna Dusane-Jagadale (Mayor & Cash dealing)
	Best Coverage Award	Alka Dhupkar-Farmer's Suicide Coverage
News Television Awards 2012	Best News Reporting Coverage Award	IBN-Lokmat Bhuldhana Malnutrition Show
	Best Investigative Feature Award	Reportaaz-Usane Matrutva
	Daily Prime Time Show	Prime Time
	Best News Documentary Show	Reportaaz-Dhumastya Barfatale Anand Ghar
	Best Entertainment Feature Show	Factrichi 100 Varshe
	Best News Reporter	Alka Dhupkar
	Best Film Critics	Amol Parchure
	Best Show Packaging	Factrichi 100 Varshe
	Best Graphics Awards	IBN-Lokmat
Chameli Devi Jain Award 2012	Outstanding Award for Woman Journalist	Alka Dhupkar
Ladli Media National Award 2012	Ladli Media National Awards-Women Issues	Reprotaaz- Kolhapurchya Leki by Prajkta Dhulap
Krantiveer Savitribai Phule Sangharsh Purskar 2012	Best Campaign on Women Issues	Alka Dhupkar- Campaign on Women Issue like Female Feticide, Honor Killing
Sanctuary Asia Wind under Wing Award 2012	Best Environment Journalism	Arati Kulkarni- Stories on Tadoba Illegal Mines /Raigad Illegal Iron Ore Mines

COLORS			
Awards	Category	Winners	
Indian Telly Awards 2013	TV Show Packaging (Fiction)	Madhubala - Ek Ishq Ek Junoon	
	Videography (Best TV Cameraman - Fiction)	Sanskar Dharohar Apno Ki	
	Jury Actor in a Negative Role	Uttaran	
	Jury Actress in a Lead Role	Balika Vadhu	
	Anchor/s	Jhalak Dikhhla Ja	
	Actress in a Supporting Role	Madhubala - Ek Ishq Ek Junoon	
	Actor in a Lead Role	Na Bole Tum Na Maine Kuch Kaha	
	Continuing TV Programme	Balika Vadhu — Kachchi Umar Ke Pakke Rishte	
	Drama Series	Sasural Simar Ka	
	Reality Show	Big Boss Season - 6	
	Televised Awards Show	Colors Golden Petal Awards 2012	
	Variety Entertainment Show	Fremantle Media	
	On Screen Couple	Madhubala - Ek Ishq Ek Junoon	
		Madhubala - Ek Ishq Ek Junoon	
The Indian Television Awards 2012 - General Jury Awards	Best Anchor - Music & Film-based Show	Jhalak Dikhhla Ja	
	Best Actress in a Negative Role	Rishta Khatta Meetha	
	GR8! Performer of the Year - Male	Madhubala - Ek Ishq Ek Junoon	
	Best Talk/Chat Show	The Late Night Show - Undercover Productions on Colors	
	Best Costumes	Balika Vadhu -Kacchi Umar Ke Pakke Rishte	
	Best Videography	Balika Vadhu - Kacchi Umar Ke Pakke Rishte	
	Best Title Music/Song Track	Balika Vadhu - Kacchi Umar Ke Pakke Rishte	
The Indian Television Awards 2012 - Popular Awards	Best Dialogues	Balika Vadhu -Kacchi Umar Ke Pakke Rishte	
	Best Actor	Parichay - Nayee Zindagi Kay Sapno Ka	
VIACOM18 MOTION PICTURES			
Awards	Category	Winners	Film
Filmfare Awards - Popular Awards	Best Actress	Vidya Balan	Kahaani
	Best Director	Sujoy Ghosh	Kahaani
	Best Dialogue	Anurag Kashyap, Akhilesh Jaiswal, Sachin Ladia and Zeeshan Qadri	Gangs Of Wasseypur
Filmfare Awards - Critics Awards	Best actor female	Richa Chadda	Gangs Of Wasseypur
	Best film		Gangs Of Wasseypur
Filmfare Awards- Technical Awards	Best action	Sham Kaushal	Gangs Of Wasseypur
	Best Cinematography	Setu	Kahaani
	Best Editing	Namrata Rao	Kahaani
	Best Sound Design	Sanjay Maurya and Allwin Rego	Kahaani

Colors Screen Awards	Ramnath Goenka Awards		Gangs of Wasseyapur
	Best Actress	Vidya Balan	Kahaani
	Best Actor in a Negative Role	Tigmanshu Dhulia	Gangs Of Wasseyapur
	Best Ensemble Cast		Gangs Of Wasseyapur
	Best Choreography	Prabhudeva for 'Go Go Govinda'	OMG Oh My God!
	Best Story	Sujoy Ghosh and Advaita Kala	Kahaani
	Best Sound Design	Allwin Rego and Sanjay Maurya	Kahaani
	Best Editing	Namrata Rao	Kahaani
	Best Production Design	Kaushik Das and Subrata Barik	Kahaani
	Best Action	Shyam Kaushal	Gangs of wasseyapur
	Best Dialogue	Bhavesh Mandlia and Umesh Shukla	OMG Oh My God!
Big Star Entertainment Awards	BIG Star Most Entertaining Social Film		OMG Oh My God!
	BIG Star Most Entertaining an Action -Thriller Film	Sujoy Ghosh	Kahaani
	BIG Star Most Entertaining Actor (Film) Debut – Female	Huma Qureshi	Gangs Of Wasseyapur
Zee Cine Awards	Best Actress Critics Choice	Vidya Balan	Kahaani
	Best Film Critics Choice		Kahaani
	Best Director Critics Choice	Sujoy Ghosh	Kahaani
	Best Story	Sujoy Ghosh and Advaita Kala	Kahaani
	Best Sound Design	Kunal Sharma	Gangs Of Wasseyapur
National Awards	Best Original Screenplay	Sujoy Ghosh	Kahaani
	Best Screenplay (adapted)		OMG Oh My God!
	Best Sound recording		Gangs of Wasseyapur
	Special Jury Award	Actor: Nawazuddin Siddiquie	for four films
Apsara Guild Awards	Best Actress in a Leading Role	Vidya Balan	Kahaani
	Best Director	Sujoy Ghosh	Kahaani
Stardust Awards	Best Actress (Thriller / Action)	Vidya Balan	Kahaani
	Best Actor	Manoj Bajpayee	Gangs Of Wasseyapur
MTV			
Awards	Category	Winners	Gold / Silver / Bronze
Exchange for Media Marketing Awards	Best Youth Brand of the Year	MTV	Gold
	Best Sustained Youth Brand Campaign	MTV Roadies	Gold
Festival of Media Asia	Best Contribution to a Campaign by a Media Owner	Axe Shower Gel product Launch with MTV	Gold
Pitch Marketing Awards	Most Sustained Youth Brand	MTV Roadies 9	Gold
	Most Effective Digital Media Strategy	MTV Roadies 9	Gold
	Effective Sponsorship & Branded Content	Nano Drive With MTV	Silver
	Youth Activation	Nano Drive With MTV	Silver

WAT Awards	Digital App of the Year	MTV Roadies Head Collectors	
Indian Digital Media Awards 2012	Best Use of Social Networks Language	MTV Roadies 9	Bronze
	Best Use of Blogs - social media	MTV Roadies 9	Bronze
	Best Use of Web Gaming/Films/TV Shows/Events	Roadies Battleground	Gold
	Best Use of Web Gaming/Films/TV Shows/Events	MTV Bootycall	Silver
	Best Website	MTV Roadies 9	Bronze
Creative Abby Awards 2013	Best Use or Integration of Music	Coke Studio @ MTV	Silver
	Best Use or Integration of Music	Intel MTV Soundtrippin	Silver
	Best Brand All Product Integration into a Feature film/ Show	Drive With MTV	Bronze
Indian Digital Media Awards 2012	Best Use Of Videos	MTV Unmasked	Silver
	Best use of Blogs	MTV MyCam	Bronze
	Best Use of Social Networks	MTV India Facebook	Bronze
	Best Social Media Apps	MTV What's Your FQ	Bronze
	Best Integrated Campaign - Social Cause	MTV Caps On	Bronze
PromaxBDA India	Best Launch Campaign	MTV GORBATSCHOW True life	Gold
	Best Launch Campaign	MTV MICROMAX Unplugged	Silver
	Best Script	MTV Chat House	Gold
	Best Editing	MTV True Life	Silver
	Best Brand-Integration Promo	MTV Homeshop18	Silver
	Best Programme Title Sequence	MTV PANASONIC Face of Beauty	Gold
	Best Print Campaign	MTV Coke Studio	Silver
PromaxBDA Asia	Best Brand Integration Promo	MTV Face of Beauty	Gold
	Best Print Ad	MTV Chat House	Gold
	Best Print Campaign	MTV Chat House	Silver
Diageo Asia Pacific Marketing Award	The Best Media Property	MTV Captain's Shack	
EMVIES	The Best Media Property	Coke Studio @ MTV	2 Gold
			2 Bronze
	Best Media Innovation - TV/Digital	Axe VJ Jose Kidnap Campaign	1 Gold & 2 Silver
	Best Media Innovation - RADIO	Micromax MTV Unplugged	1 Silver
	Best Media Property	MTV Captain's shack	1 Silver
NICKELODEON & SONIC			
Awards	Category	Winners	Gold / Silver / Bronze
Promax World - 2012	Special Project Award	Sonic - Akshay Kumar Brand Promo	Silver
	Children's Program Campaign using Integrated Media	Sonic - Akshay Kumar Brand Promo + Show Promos	Silver
	Comedy Program Promotion Campaign Using Integrated Media	Nickelodeon - The Keymon Spin	Bronze

Promax India - 2012	Best Holiday/Seasonal/Special Event Promo	Sonic - Akshay Promo	Gold
	Best Children Programme Promo	Sonic - Akshay Kumar Brand Promo	Gold
	Best Children's Programme Promo	Sonic Xtreme – Block Opener	Silver
	Best Entertainment Promo	Sonic - Akshay Kumar Brand Promo	Silver
	Best Programme Title Sequence	Sonic Flix	Silver
Promax Asia- 2012	Best Out Of Station Promo Campaign	Sonic- Akshay Promo	Gold
WOW Events and Experiential Marketing -2012	Activation Program of the Year by a Media Brand with on Ground Connect	Nickelodeon - Young Astronaut	Bronze
VH1			
Awards	Category	Winners	Gold / Silver / Bronze
Pitch Youth Marketing Awards 2012	Best Media Youth Brand	Vh1	Silver
Promax Awards India 2012-13	Best In House Station Image spot-Rat Catcher	Vh1	Silver
COMEDY CENTRAL			
Awards	Category	Winners	Gold / Silver / Bronze
Promax Awards India 2012-13	Best Out of House Station Image	Comedy Central Launch "Funny Bone"	Gold
	Best Original Music Composition comedy central launch "laugh it off song"	Laugh It Off Song	Gold
	Best Promo not using programme footage	Comedy Central Launch "Funny Bone"	Gold
	Something for nothing (Packaging)	Quickies	Silver
	Best On-Air Ident Design (in-house)	Ident - Ping Pong	Silver
Promax Awards Singapore 2012-13	Best Comedy Promo	The Stand-Up Club "Yoga"	Gold
	Best Comedy Campaign	Comedy Central Launch "Funny Bone"	Gold
	Best Script	The Stand-Up Club "Yoga"	Gold
	Best Out-of-House Station Image Promo	Comedy Central Launch "Funny Bone"	Silver
	Best Comedy Promo	Comedy Central Launch "Funny Bone"	Silver
	Best Entertainment/Variety Promo	The Stand-Up Club "Yoga"	Silver
	Funniest Spot	The Stand-Up Club "Yoga"	Silver
	Something For Nothing	Comedy Central Mother's Day Ident	Silver

Financial Performance Summary

- Our TV18 Business (both News and Entertainment) was on a strong growth trajectory this year. Reported revenues for the television and motion pictures business (including IndiaCast) stood at Rs. 1699.1 crores for the year. Our reported operating profit for the year was Rs. 112.1 crores as against an operating loss of Rs 61.8 crores for the previous year. Our continuing broadcasting and motion pictures operations turned in a strong performance with a profit of Rs. 165 crores during the year (excluding one-time expenses/revenues and losses towards our new launches and discontinued operations) more than doubling over Rs. 75.9 crores last year. Our Net Distribution Income turned positive for the year with a swing of Rs. 116.9 crores over the previous year.
- Pursuant to the completion of the Rights Issue during the course of the year, the company has successfully deleveraged its balance sheet. The net debt at a consolidated level now stands at Rs. 197 crores.

TV18 Consolidated Summary		
All figures in INR crores	FY13 (Audited)	FY12 (Audited)
Revenues	1699.1	1409.9
News	551.8	629.4
Entertainment	731.0	624.1
New Operations including Infotainment	52.5	9.5
Distribution (IndiaCast)	390.2	0
Discontinued Operations - HMC and TIFC	45.5	159.7
Less: Inter Segmental Revenues	(71.9)	(12.8)
Operating Profit	112.1	(61.8)
News	104.0	50.3
Entertainment	61.1	25.6
New Operations including Infotainment	(57.5)	(74.3)
Distribution (IndiaCast)	(0.5)	0.0
Discontinued Operations - HMC and TIFC	5.0	(63.4)
Operating Margin	7%	-4%
News	19%	8%
Entertainment	8%	4%
New Operations including Infotainment	-110%	-782%
Distribution (IndiaCast)	0%	
Discontinued Operations - HMC and TIFC	11%	-40%

IndiaCast has been consolidated as a 100% subsidiary this year. This may, however change, once the 50% capitalization by Viacom18 is complete as IndiaCast will be a 50-50 joint venture between TV18 and Viacom18. All prior entities/teams involved with collecting subscription and/or paying carriage and placement have been subsumed as part of IndiaCast. IndiaCast came into operation on July 1, 2012 and as such, is consolidated only from Q2 FY13. TV18 moved to the Net Distribution Income methodology of accounting for carriage and subscription from Q2 FY13. For Q1 FY13, gross subscription and carriage numbers are included in the audited results. Segmental numbers are based on management accounts and are not audited. Full year FY12 and FY13 numbers are audited.

Net Distribution Income

Effective July 1, 2012, IndiaCast is now managing TV18's and Viacom18's distribution operations. Pursuant to this development, broadcasting 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. This has the impact of reducing our reported revenues and expenses and hence current year numbers will not be comparable to previous year audited numbers. EBITDA however will be unchanged.

For FY13, our Net Distribution Income stood at Rs. 15.7 crores breaking into positive territory. This is a swing of Rs. 116.9 crores over the previous year. In order to help understand the trend for this key metric better; we are providing the historical context in the table below.

2012	2013				
FY	Q1	Q2	Q3	Q4	FY
-101.2	-16.0	-12.5	17.8	26.4	15.7

News and Infotainment Operations

All figures in INR crores	FY13 (Audited)	FY12 (Audited)
Revenues	591.3	638.3
General News	256.7	302.8
Business News	295.1	326.6
Infotainment (AETN18)	39.5	8.9
Operating Profit	77.9	2.3
General News	3.2	(4.3)
Business News	100.8	54.7
Infotainment (AETN18)	(26.1)	(48.0)
Operating Margin	13%	0%
General News	1%	-1%
Business News	34%	17%

a. Business News Operations had a strong FY13 with margins doubling as compared to the last year.

- Operating profit for FY13 stood at Rs. 100.8 crores as compared to Rs. 54.7 crores in FY12. The significant improvement in margins came on the back of expansion of Net Distribution Income.
- Our Business News Channels – CNBC TV18 and CNBC Awaaz continued to be market leaders during the year and quarter.

b. General News Operations broke into positive territory for FY13.

Operating profit stood at Rs. 3.2 crores for the year as compared to a loss of Rs. 4.3 crores in FY12. Our General News Channels – CNN IBN, IBN7 and IBN Lokmat undertook several initiatives during the year to bring news and issues that matter to audiences across the country.

c. History TV18 continues to redefine the genre with its innovative programming.

FY13 revenues stood at Rs. 39.5 crores. It continued sustained performance during the year with highest time spent per viewer with 27.3 minutes in 6 Metros vis-à-vis Discovery (23.5 minutes) and Nat Geo (18.9 minutes),** a lead it has maintained since its launch.

** Source: TAM, Market: 6 Metros, TG: CS AB 15+, Period: Wk 14'12 to Wk 13'13 All Days, 0600-2400 hrs

Entertainment Business

- Viacom18 returned to operational profitability in FY13 with an EBITDA of Rs. 69.4 crores as against an EBITDA loss of Rs. 128.3 crores in the previous year. Our operating profits from our continuing business, excluding new operations, stood at Rs. 136.4 crores for FY13, more than doubling over last year. Revenues for FY13 stood at Rs. 1,579 crores.
- Colors was the No. 2 channel during FY13 with its strong fiction and reality programming line-up. Our flagship shows – 'Balika Vadhu', 'Madhubala Ek Ishq Ek Junoon' and 'Sasural Simar Ka' continued to be in the Top 10 shows of the genre. The quarter also witnessed the grand finale of the highly successful – 'Big Boss Season 6'.
- During the year, we strengthened our bouquet of offerings in the Kids Genre with the launch of Nick Jr. and Nick Teen. With the launch of Nick Jr., we are working towards creating an eco-system to meaningfully engage mothers and toddlers.
- Viacom18 Motion Pictures released the following critically acclaimed and successful movies during the year – 'Inkaar', 'Special 26', 'Saheb Biwi Aur Gangster Returns' and 'G I Joe: Retaliation'.

INTERNAL CONTROL SYSTEMS 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.

OUR STRENGTHS

We believe that we have the following competitive strengths:

▪ One of India's leading broadcast networks with a strong portfolio of brands

We operate one of India's popular television broadcast networks. Our network reached an average of approximately 222.92 million television viewers in first quarter of the calendar year 2013. (Source TAM; CS 4+ Yrs, Market All India, Wk 1 '13 – Wk 13 '13). We are one of the leading news networks in India, operating news services: CNBC-TV18, CNN-IBN, IBN7, CNBC Awaaz, IBN-Lokmat, CNBC-TV18 Prime HD. We also operate leading entertainment channels: Colors, Colors HD, MTV India, Vh1, Nick, Nick Jr., Sonic, Comedy Central and HistoryTV18. We believe that the diversity and scale of our broadcast platform permits us to leverage our network reach and capabilities to deliver high quality content to viewers and strong value to advertisers and distributors.

We have well-established brands across all the key genres we operate in the broadcast space. Colors, our Hindi general entertainment television channel, was among the top ranking television channels in its genre in terms of viewership with a 18% market share (Source: TAM, Avg. Weekly GRP's, Period: wk 1 – 52 (Jan-Dec) 2012, CS 4+, HSM) and a 5.11% viewership market share amongst all TV channels in the year 2012. (Source: TAM; TG: CS 4+; Market: All India; Period: wk 1-52 2012, All Days, 0000-2400 hrs). In the financial year 2012-2013, Colors was the 2nd ranked television channel in its genre in terms of viewership with a 19% market share (Source: TAM, , Period: 1st Apr '12 – 31st Mar '13, CS 4+, HSM) and a 6.8% market share amongst all TV channels in the fiscal year 2012 – '13. (Source: TAM; TG: CS 4+; Market: HSM; Period: 1st Apr '12 – 31st Mar '13, All Days, 0000-2400 hrs). In fact, within a few weeks of its launch, Colors had become the No.2 GEC in India (Source: TAM CS4+, HSM, September 28-October 11, 2008 GRPs) and within 9 months from its launch it became India's No.1 Hindi GEC for the first time in the week ended April 11, 2009, (Source: TAM CS4+, HSM, April 5-11, 2009).

CNBC-TV18 and CNBC Awaaz, our business news television channels, were leaders in the English and Hindi business news genres with a 56% combined market share in the year ended December 29, 2012, according to TAM (Source: TAM; TG : CS AB Males 25+, Market: All India, Period: January 1- December 29, 2012, All Days, 0600-2400 hrs). CNN-IBN, our general English news television channel, was the market leader in the general English news genre with a market share of approximately 30.3% market share (Source: TAM Market Share, Market: All India, Period: anuary 1- December 29, 2012, Time Period: 0600-2400, All Days, TG: CS AB 15-54). We believe that the strength of our brands in the business and general news genres has benefited from our brand licensing alliances with CNBC and CNN, which we believe provide us with a competitive advantage in the India media and entertainment industry.

MTV India, our entertainment channel focused on the youth category, is one of the country's leading youth brands. With a 21% market share it is one of the most preferred music and youth services in the country (Source: TAM, Period- FY2012-2013 i.e. Apr 2012-Mar 2013, 15-24 SEC AB, HSM, 07:00 – 22:00). In the social media space, MTV is the most followed brand across categories connecting 13 MM duplicated fan base across show pages. Nick, our flagship entertainment television channel in the kids category reached out to more than 11 million kids week on week (Source: TAM Period: Wk 1-52 (Jan-Dec) 2012, 4-14 ABC HSM 07:00 – 22:00).

Within a few weeks of launch, HistoryTV18 emerged as India's No.1 factual entertainment channel with an average weekly viewership share of 31% in 6 metros market cluster (Source: TAM, CS 15+AB, 6 Metros, Week 42, 2011 - Week 13, 2012, 0600-2400 Hrs; Average Weekly Market Share). HISTORY TV18 sustained its superior content performance this year with the highest time spent per viewer of 27.3 mins in 6 metro market cluster vis-à-vis competition, a lead it has maintained since its launch.

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

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

on opportunities of mutual interest. The channels also routinely share best practices and know-how across the network, in order to enhance efficiencies in operations.

In July 2012, we announced the formation of a strategic joint venture with Viacom18, called IndiaCast, in partnership with Viacom18. 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 content sales for our channels as well as other broadcasters. We believe that in an increasingly digitised broadcast environment, aggregating our channels under a single bouquet will help us better realise subscription revenue and cost synergies in our distribution efforts.

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

▪ **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. 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.

▪ **Experienced management team**

Our management team comprises industry executives with a significant number of years of experience in the Indian media and entertainment industry across various functions. For example, our founder and Director, Mr. Raghav Bahl, has been named 'Media Person of the Year' by the All India Management Association in 2011 and 'Entrepreneur of The Year for Business Transformation' by Ernst & Young in 2007. Our management's expertise and knowledge of the Indian media and entertainment industry allows us to create products and platforms in response to audience preferences and industry drivers and trends. 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.

OUR STRATEGY

TV18 is one of India's leading broadcast and filmed entertainment players with a strong presence in key genres of television broadcasting and segments of film production and distribution. We believe that our strong brand recognition and salience, our leadership position in television broadcasting and ability to leverage our media ecosystem position us well to capitalize on this promising and challenging growth opportunity ahead. The following are the key aspects of our business strategy:

▪ **Leverage the network strength to enhance our media offerings through organic and inorganic growth**

Our integrated portfolio, which includes television channels and digital properties, attracts a wide spectrum of economic and age demographics in India. The scale of our network, we believe, positions us as the focal point of a unique ecosystem of consumers, advertisers, partners and talent in India. We believe we are well-positioned to introduce offerings to our existing audiences and advertisers, drawing upon insights we have gained from our previous business launches and synergies with our existing operations. When we launch new shows, products or services, we intend to use our experience and media platform to share audiences, advertisers, partnerships and talent from our existing media and entertainment offerings, thereby improving our effectiveness and reducing costs.

▪ **Enhance our television broadcasting platform**

We believe that there is an opportunity to expand the current reach of our television network by developing innovative content and entering new television genres. Our current television channels are concentrated in general news, business

news, Hindi general entertainment, kids, youth, English and factual entertainment and telesshopping genres. In order to expand the reach of these current channels, we plan to experiment with new programming concepts, show formats and marketing initiatives.

▪ **Grow television subscription revenues and content monetization**

India's television market has historically been primarily analog-based and the last-mile access to consumers' homes was controlled by a large number of local cable operators. Under-reporting of subscriber numbers was an industry practice in the Indian analog television industry, which reduced subscription revenues for broadcasters. However, we believe that the increasing penetration of direct-to-home television and digital cable in India, together with the Indian government's regulatory push for the Digital Addressable System (DAS) regime, will help correct structural anomalies in the Indian television market.

In contrast with some of our competitors in the television industry, our subscription revenues historically constituted a relatively smaller proportion of our total revenues. We believe that the increased digitization of India's television market will enable broadcasters to claim their rightful share of total domestic subscription revenues along with some rationalisation of their carriage payouts and this should impact us positively.

Through our IndiaCast joint venture, we intend to capitalise on the rapidly digitising and converging media and consumer landscape, using the strength and diversity of our bouquet of channels. Our focus is on improving our 'net distribution income' from distribution i.e. subscription revenues received less carriage fees paid by our network. We expect in the future to grow our subscription revenues substantially by leveraging our distribution alliances and increasing the international distribution of our channel services. We also intend to grow our subscription revenues by exploiting opportunities to syndicate our content on multiple platforms including online and mobile devices.

▪ **Strengthen our presence in the regional markets**

From the point of view of consumer spending as well as industry and commerce, regional markets are increasingly becoming the growth engines of the Indian economy. Consequently, there's strong advertiser interest and audience demand for quality content and services and we see immense potential for growth in this segment of the industry. Regional markets particularly form a sizeable portion of the total TV pie accounting for approximately 26.6 percent of total television viewership in 2012 and an advertising market share of 27.2 percent, which is proportionate to their viewership share (Source: FICCI KPMG Report 2013). We intend to strengthen our presence in regional news and entertainment genres going forward.

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, 2013 we had 1809 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

CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance indicates transparency, accountability and reliability of any Organization. The Corporate Governance Philosophy of the Company is based on upholding the highest standards of integrity, transparency, professionalism and accountability. The Company firmly believes that good Corporate Governance is critical to enhance competitiveness and to protect long term interest of all stakeholders. Accordingly, the Company always seeks to ensure that we attain our performance with integrity. The Company is committed to the principles and features of good Corporate Governance and has consistently followed high standards in all its activities and processes. We aim at providing fairness, clarity and transparency in all our dealings. In its endeavor to improve all aspects of Corporate Governance, the policies and codes are reviewed periodically to ensure their continuing relevance, effectiveness and responsiveness to the need of our stakeholders.

GOVERNANCE STRUCTURE

➤ BOARD OF DIRECTORS

The Company is managed and controlled by a Professional Board. The Board of Directors plays a crucial role in ensuring good governance in the organization by its progressive thinking and professional experience. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance.

Composition

Presently, the Board of the Company consists of four Directors with an optimum mix of Non-Executive and 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 within the meaning of Clause 49 IV(g)(ia) of the Listing Agreement.

Position of Directorship during the year 2012 - 13 is as follows:

Name of Director(s)	Category of Directors (Executive / Non – executive / Independent)	No. of Directorships Held in Other Companies (a)	No. of Chairmanships / Memberships of other Board Committees (b)	
			Chairmanship	Membership
Mr. Manoj Mohanka	Chairman, Non-Executive Independent Director	6	4	3
Mr. Raghav Bahl	Non-Executive Director	7	-	-
Mr. Sanjay Ray Chaudhuri	Non-Executive Director	6	-	-
Mr. Hari S. Bhartia	Non-Executive Independent Director	6	-	1

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, including the subsidiary of Public Limited Company, Foreign Companies and Companies under section 25 of The Companies Act, 1956, have not been included.
- For the purpose of considering the total number of Memberships/ Chairmanships of Committee(s) only Audit Committees and Shareholders'/ Investors' Grievance Committees of all Public Limited Companies have been considered.
- None of the Directors is a Chairman / Member in more than 5 / 10 committees (Committees being, Audit Committee and Shareholders'/ Investors' Grievance Committee) across all Companies in which they are Directors.
- Mr. Shahzaad Siraj Dalal, Non-Executive Independent Director, was on the Board of the Company for part of the year as due to his other commitments and busy schedule, he expressed his unwillingness for re-appointment on retiring by rotation and thereby ceased to be a Director of the Company from the last Annual General Meeting of the Company held on 14.09.2012. Therefore, details of directorships, attendance, compensation etc. for Mr. Shahzaad Siraj Dalal is not mentioned in this Report.

Board Meetings and Procedures

During the year under review, besides meeting of Committees of Directors, 4 (Four) meetings of Board were held on May 9, 2012, August 04, 2012, November 01, 2012 and January 19, 2013. Maximum time gap between any two consecutive Board Meetings was less than four months. The Board meets at least once a quarter to *inter-alia* review the quarterly performance and financial results of the Company.

Board Meetings of the Company are governed by Agenda. All major Agenda items, backed up by relevant and comprehensive background informations, are circulated well in advance to the Board members, to enable the Board to take informed and appropriate decisions. The information as required under Annexure IA to Clause 49 is made available to the Board which also includes periodical review of Compliance Reports in respect of all applicable laws & regulations and at the same time appropriate steps are taken by the Company to rectify, if any discrepancy is noticed.

Attendance at Board Meetings and Annual General Meeting:

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

Name of Director(s)	No. of Board Meetings during the year 2012-13		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

Re-appointment of Directors:

Mr. Raghav Bahl and Mr. Sanjay Ray Chaudhuri, Directors of the Company, are retiring by rotation at the ensuing Annual General Meeting of the Company. They being eligible, have offered themselves for their re-appointment.

Director's Profile

Brief description of the Directors, whose candidatures are proposed for re-appointment at the ensuing Annual General Meeting, along with name of other Public Limited Companies in which they hold Directorships, memberships / chairmanships of Committees of Board and their shareholding in the Company as required under Clause 49 of the Listing Agreement are provided herein 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 1993 and has been instrumental in establishing partnerships with media conglomerates such as CNBC-AP, CNN, Viacom Inc. and Forbes. Under his guidance TV18 now operates news channels namely CNN IBN, CNBC-TV18 and CNBC Awaaz. He won the Sanskriti Award for Journalism in 1994. He was also honoured as the Global Leader of Tomorrow by the World Economic Forum (WEF). He was also selected by Ernst & Young as the Entrepreneur of The Year (2007) for Business Transformation. 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 24 years of experience in television and journalism.

Mr. Bahl is associated as Director of the Company since June 7, 2005. The details of his Directorship and Committee membership in other Public Limited Companies as on March 31, 2013 are as under:

S. No.	Name of the Company (ies)	Position on the Board and Committees thereof
1	Network18 Media & Investments Limited	Managing Director, Chairman of Allotment Committee, Share Transfer Committee, Sub Committee, Rights Issue Committee, QIP Committee, and Member of Finance Committee and Postal Ballot Committee.
2	Digital18 Media Limited	Director
3	Infomedia Press Limited	Director
4	TV18 Home Shopping Network Limited	Director, Member of Allotment Committee and Accounts Committee
5	Greycells18 Media Limited	Director
6	Web18 Software Services Limited	Director
7	Network18 Publications Limited	Director

Mr. Raghav Bahl holds 6,42,909 shares of the Company as on March 31, 2013. He is not related to any other Director of the Company.

Mr. Sanjay Ray Chaudhuri

Mr. Sanjay Ray Chaudhuri holds a Bachelor's degree in English literature from St. Stephens College, Delhi University and a masters degree in Mass Communications from the Mass Communications Research Centre, Jamia Millia Islamia University. He started his career as an independent documentary film-maker for Doordarshan and went on to direct and host 'The India Show' on Star Plus. He has over 17 years of experience in journalism, media and allied fields and has received the Onida Pinnacle Award for excellence in Television in 1995. Mr. Chaudhuri has directed music videos, corporate films, add films, chat shows, game shows and TV serials for leading TV channels in India. He is currently working on his debut feature film.

Mr. Chaudhuri is associated as Director of the Company since June 7, 2005. The details of his Directorship and Committee membership in other Public Limited Companies as on March 31, 2013 are as under:

S. No.	Name of the Company(ies)	Position on the Board and Committees thereof
1	Network18 Media & Investments Limited	Director, Member of Finance Committee, Sub-Committee, Rights Issue Committee and QIP Committee.
2	Digital18 Media Limited	Director
3	Setpro18 Distribution Limited	Director
4	Moneycontrol Dot Com India Limited	Director
5	Greycells18 Media Limited	Director
6	Web18 Software Services Limited	Director

Mr. Sanjay Ray Chaudhuri holds 5,00,830 shares of the Company as on March 31, 2013. He is not related to any other Director of the Company.

Compensation to the members of Board including number of Stock Options granted during 2012-13

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

During the year 2012-13, none of the Directors of the Company was paid any remuneration except the sitting fees for the meetings of the Board and few committees thereof within the ceiling as provided under the Companies Act, 1956. Besides this, Non-Executive Independent Directors do not have any other pecuniary relationship or transaction with the Company. The Company has no policy of advancing any loans to Directors. During the year 2012-13 no ESOP was granted to any Director of the Company.

The detail of total compensation paid by the Company to Directors on the Board during 1st April 2012 to 31st March 2013 is set out in the table as under:

(Amount in Rs.)

Name of Directors	Business Relationship with Company, if any	Relationship with other Directors	Gross Remuneration	ESOP Compensation	Sitting Fee	Total Compensation#
Mr. Raghav Bahl	None	None	NIL	NIL	40,000/-	40,000/-
Mr. Manoj Mohanka	None	None	NIL	NIL	70,000/-	70,000/-
Mr. Sanjay Ray Chaudhuri	None	None	NIL	NIL	70,000/-	70,000/-
Mr. Hari S. Bhartia	None	None	NIL	NIL	50,000/-	50,000/-

Excluding conveyance charges.

Shareholding of Directors

Shareholding of the Directors of the Company as on March 31, 2013 is as under:

S. No.	Name of Director(s)	No. of shares held (face value Rs. 2/- each)
1	Mr. Manoj Mohanka	4,76,000
2	Mr. Raghav Bahl	6,42,909
3	Mr. Sanjay Ray Chaudhuri	5,00,830
4	Mr. Hari S. Bhartia	NIL

➤ COMMITTEE(S) OF BOARD

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

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

1. AUDIT COMMITTEE

The primary responsibility of the Audit Committee of the Company is to monitor and provide effective supervision of the management's financial reporting process, to review the quality and reliability of the information used by the Board. The Audit Committee also focuses on the adequacy and appropriateness of the internal controls of the Company.

The role and power of the Audit Committee of the Company are as per guidelines prescribed by Clause 49 of the Listing Agreement and in accordance with provisions of Section 292A of the Companies Act, 1956.

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

The Audit Committee meets periodically and reviews:

- Accounting & financial reporting process of the Company.
- Audited & Un-Audited financial results of the Company.
- Internal audit reports, risk management policies & reports on internal control system of the Company.
- Directors' responsibility statement with respect to the financials of the Company.
- Compliance with accounting standards, disclosure and compliances with all relevant laws and compliance requirements under Clause 49 of the Listing Agreement.
- Utilization of funds generated through the Issue proceeds of the Company on quarterly basis till they are fully utilized.
- The management discussion and analysis of financial condition and results of operations, meets Statutory and Internal Auditors as and when required & discuss their findings, observations, suggestions, scope of audits, terms of their appointments, including audit and other fees to be paid to them and other related matters.

(b) Composition

The Audit Committee of the Company is constituted in accordance with the provision of Clause 49 of the Listing Agreement with Stock Exchanges(s) and Section 292A of the Companies Act, 1956. The Audit Committee currently comprises of three (3) Members. The details are as given below:

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. Sanjay Ray Chaudhuri	Non-Executive Director	Member

All the members of the Audit Committee are financially literate and Chairman of the Audit Committee is financial expert. Audit Committee meetings are generally attended by Group Chief Financial Officer, Group Senior Vice President- Corporate Affairs, General Manager- Finance, Representative of Statutory Auditors and Internal Auditors of the Company. The Company Secretary of the Company acts as Secretary of the Committee.

(c) Number of meetings & attendance

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

Audit Committee Meetings held during 2012-13 and Attendance of Members:

Date of Meeting(s)	Total Strength of Audit Committee	No. of Members present
May 09, 2012	3	3
August 04, 2012	3	2
November 01, 2012	3	3
January 19, 2013	3	3

2. SHAREHOLDERS/ INVESTOR'S GRIEVANCE COMMITTEE

The primary objective of the Shareholders/ Investor's Grievance Committee is to enhance the shareholder's confidence in the Corporate Governance principles being followed by the Company by resolving with utmost care on priority all the Investor's grievances/ complaints whether received directly or through Stock Exchange(s) and SEBI.

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

The Shareholders/ Investors' Grievance Committee ensures that there is timely and satisfactory redressal of all investor queries. The Committee approves, oversees and reviews all matters connected with share transfers, rematerialisation, redresses shareholders' grievances like transfer of shares, non- receipt of balance sheet and all such acts, things or deeds incidental thereto. The Committee also oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of service to investors.

(b) Composition

The Shareholders/ Investor's Grievance Committee comprises of three (3) Members. The Details are as given below:

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

(c) Number of Committee Meetings & Attendance

The Committee met four times during the year under review. Details of attendance of the members at the Committee Meetings are as under:

Date of meeting(s)	Total Strength of Investor Grievance Committee	No. of Members present
April 05, 2012	3	3
July 06, 2012	3	3
October 06, 2012	3	3
January 10, 2013	3	3

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

Ph # (+91 – 120) 434 1818

Fax # (+91 – 120) 432 4110

Email: investors.ibn18@network18online.com

(e) Investors' complaints & their redressal

Given below are details of Investor's Complaints and their redressal for the period commencing from April 1, 2012 to March 31, 2013.

S. No	Investors Complaints Received from	No. of Complaints Received	No. of Complaints Resolved	Balance Unresolved Complaints as on March 31, 2013
1.	SEBI	15	15	NIL
2.	NSE	2	2	NIL
3.	BSE	1	1	NIL
4.	Other Sources	8	7	1*
	Total	26	25	1

*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 Primary objective of the Remuneration /Compensation Committee is to assist the Board in developing and administering a formal and transparent procedure for setting policy on the remuneration of Executive, Non-Executive and Independent Directors and members of senior management of the Company and fixing their remuneration packages.

(a) Composition

The Remuneration / Compensation Committee currently comprises of three (3) Members. The details are as given below:

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

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

The term of reference of the Remuneration / Compensation Committee is reviewing the overall compensation policy, performance incentive and other benefits to the executive / non-executive directors and senior management of the Company. Additionally, the Remuneration/ Compensation Committee has been given powers for administration and implementation of Employee Stock Option Plan of the Company.

(c) Number of Committee Meetings & Attendance

During the year under review, two meetings of the Remuneration / Compensation Committee were held. The details of attendance of members at the Committee Meetings are as under:

Date of Meeting(s)	Total Strength of Remuneration / Compensation Committee	No. of Members present
October 30, 2012	3	2
January 19, 2013	3	3

(d) Remuneration Policy

The remuneration policy of the Company is aimed at rewarding and motivating its employees for the higher level of individual performance that would have a direct bearing on the Company's performance in a competitive landscape.

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

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

CODE OF CONDUCT

The Board has laid down a Code of Conduct for the Director's and Senior Management Executive(s) of the Company as required under Clause 49 (I) (D) of the Listing Agreement. The Company is committed to conducting its business in accordance with applicable laws, rules and regulations and following highest standards of business ethics. This code is also posted on the website of the Company, www.network18online.com where all the shareholders information has been posted. All the Board Members and Senior Management Personnel(s) to whom this Code of Conduct is applicable have affirmed compliance with the Code and a declaration of this affirmation from the Manager of the Company forms a part of this report as Annexure – 'A'.

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 the shares of the Company and indicate the consequences of non-compliance. At the time of the events specified under this Code, Designated Employees are advised for the closure of the trading window and not to deal in the shares of the Company.

DISCLOSURES

- None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of the members is drawn to the disclosures of transactions with the related parties as set out in Note No. 35 of the Notes to Accounts, forming part of this Annual Report.
- 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. SEBI, Stock Exchange(s) or any other statutory authorities have not imposed any penalties or strictures on the Company on matters relating to capital markets from the date of listing i.e. February 8, 2007.
- The Company has complied with all the mandatory requirements under Clause 49, as applicable. Apart from mandatory requirements, the Company periodically reviews the adoption and extent of adoption of non-mandatory requirements of Clause 49.
- Management Discussion and Analysis Report is provided as a part of the Directors' Report published in this Annual Report.
- In preparation of the financial statements, the Company has followed the Accounting Standards as issued by 'The Institute of the Chartered Accountants of India', to the extent applicable.
- Business Risk Evaluation and Management is an ongoing process within the Company. The objective of the Company's risk management policy is to identify the potential areas that may affect the affairs of the Company and then ensuring the reasonable assurances to avoid any possible damage to the assets and properties of the Company.
- The Manager and the General Manager- Finance have furnished to the Board, a certificate in respect of the financial statements and the Cash Flow Statement of the Company for the financial year ended March 31, 2013, which forms part of this report as Annexure – 'B'.

GENERAL BODY MEETINGS

The Annual General Meeting (AGM) is the principal forum for interaction between the management and the shareholders. The details of last three Annual General Meeting of the Company are as follows.

Meeting	5 th AGM	6 th AGM	7 th AGM
Date	July 27 th , 2010	September 9 th 2011	September 14 th 2012
Time	10.30 A.M.	11.00 A.M.	10.00 A.M
Venue	MPCU, Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Niwas Marg, Shree Delhi Gujrati Samaj Marg, Civil Lines, Delhi-110054	MPCU, Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Niwas Marg, Shree Delhi Gujrati Samaj Marg, Civil Lines, Delhi-110054	MPCU, Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Niwas Marg, Shree Delhi Gujrati Samaj Marg, Civil Lines, Delhi-110054
Sl. No.	Special Resolution(s)	Special Resolution(s)	Special Resolution(s)
1.	NIL	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.
2.	NIL	Increase in number of options to be granted to employees of Holding and Subsidiaries Companies under ESOP scheme of the Company.	NIL
3.	NIL	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.	NIL
4.	NIL	Entering into Long Term Contract/ Arrangement with AETN18 Media Private Limited.	NIL

POSTAL BALLOT:

During the financial year 2012-13, Company has conducted one Postal Ballot process for seeking the approval of members in accordance with the provisions of section 192A of the Companies Act, 1956, read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011. Postal Ballot Notices containing proposed resolutions and explanatory statements thereto were sent 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 Postal Ballot Forms received within 30 days of dispatch were considered by the Scrutinizer and there after Scrutinizer submitted his report to the Company for declaration of results. The details of the same are as under:

Date of Postal Ballot notice and declaration of result	Name of Scrutinizer and Alternate Scrutinizer	Brief of Resolution(s)	Percentage of votes casted in favour of the resolution
May 24, 2012 (Result declared on July 03, 2012)	Mr. Anil K. Bhayana, Practicing Company Secretary-Scrutinizer, Mr. Pankaj Kumar, Corporate Advisor, - Alternate Scrutinizer	Ordinary Resolution pursuant to the provision of Sections 16, 94, and other applicable provisions if any of the Companies Act, 1956 approving increase in the Authorised Share Capital of the Company from Rs. 292 Crores to Rs. 1000 Crore.	85.40%

MEANS OF COMMUNICATION

- Quarterly / Annual Financial Results are published regularly within the prescribed time limit in 'Financial Express/ Business Standard' (English Newspapers) and 'Jansatta/ Business Standard' (Hindi Newspapers).
- In compliance with the Listing Agreement, the Company promptly submits the Financial Results and other business updates to the Stock Exchange(s) to enable them to display these on their websites.
- The Financial results, 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**

TV18 Broadcast Limited

GENERAL SHAREHOLDERS INFORMATION

Ensuing Annual General Meeting

Day & Date	Monday, July 29, 2013
Time	3.30 PM
Venue	MPCU, Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Niwas Marg, Shree Delhi Gujrati Samaj Marg, Civil Lines, Delhi – 110054

Financial Calendar:

The tentative calendar for the declaration of the Financial Results of the Company during FY 2013-14 is as under:

Financial Reporting for the 1 st quarter ending June 30, 2013	On or before August 14, 2013
Financial Reporting for the 2 nd quarter ending September 30, 2013	On or before November 14, 2013
Financial Reporting for the 3 rd quarter ending December 31, 2013	On or before February 14, 2014
Financial Reporting for the last Quarter ending March 31, 2014 / Annual Financial Reporting for the F.Y. 2013-14.	Unaudited Financials for the last quarter on or before May 15, 2014/Audited Annual Financial for the FY 2013-14 on or before May 30, 2014.

Dividend Payment Date: No Dividend is declared during the year 2012-13.

Date of Book Closure

Share Transfer Books and Register of Members of the Company shall remain closed from Monday, July 22, 2013 to Monday, July 29, 2013 (both days inclusive).

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

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

The Annual Listing fee for F.Y. 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.

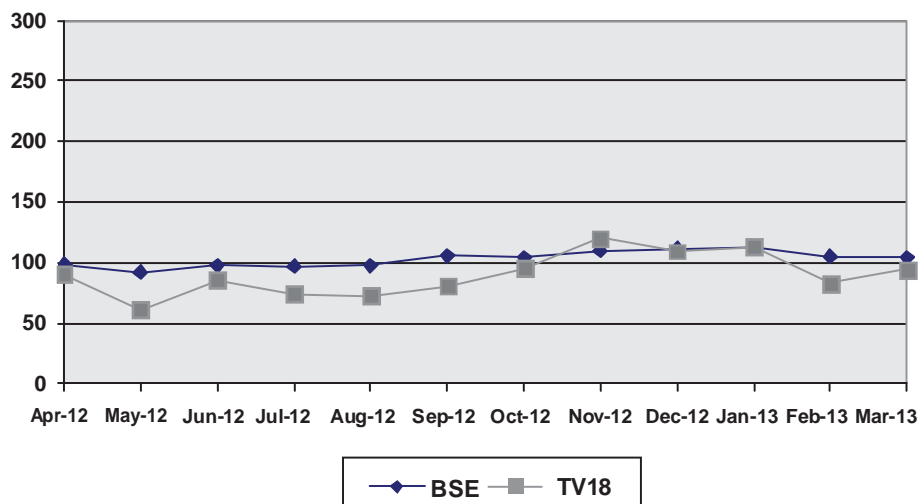
Market Price Data

Equity Shares of the Company are listed and traded on BSE and NSE and the High Low rates of the shares of the Company during the year ended March 31, 2013 are as follows:

Month	High		Low	
	NSE	BSE	NSE	BSE
April 2012	31.95	32.00	26.30	26.10
May 2012	28.65	28.50	17.25	17.90
June 2012	26.75	26.75	17.15	17.50
July 2012	26.00	26.00	18.20	19.10
August 2012	23.65	23.50	20.10	20.15
September 2012	26.15	26.15	19.50	19.55
October 2012	33.00	33.00	23.45	23.50
November 2012	36.55	36.60	27.65	27.60
December 2012	36.20	36.20	31.75	31.75
January 2013	38.50	38.45	32.70	32.70
February 2013	35.20	35.15	23.75	23.75
March 2013	29.70	29.70	24.10	24.10

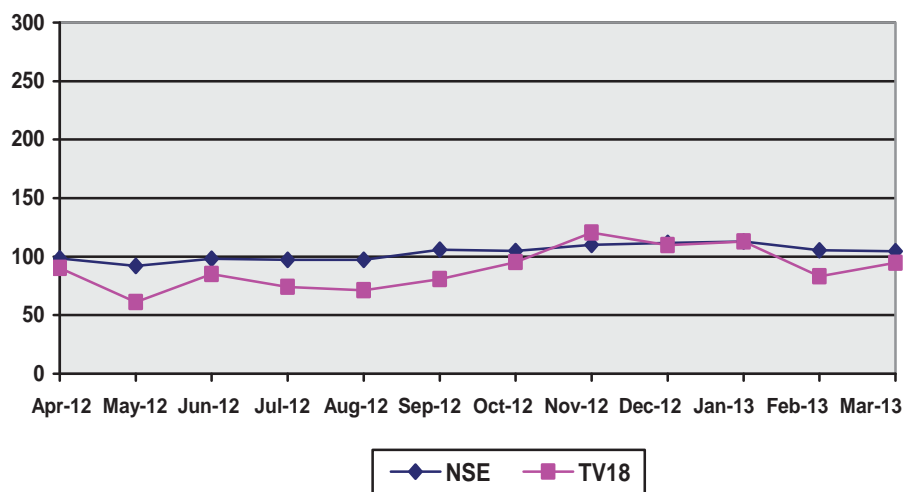
Stock performance in Comparison with BSE SENSEX (S&P BSE 500)

Stock Performance [Indexed to 100 as on April 1, 2012]



Stock performance in comparison with NSE (CNX 500)

Stock Performance [Indexed to 100 as on April 1, 2012]



Address of the Registrar & Share Transfer Agent:

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 : 011-41410591
 Email: delhi@linkintime.co.in

Share Transfer System

M/s Link Intime India Private Limited is appointed as the Registrar & Share Transfer Agent of the Company. The transfer of shares is approved at the meetings of Share Transfer Committee which met Fourteen (14) times during the year 2012-13.

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

Total No. of shares transferred during 2012 – 13 in Physical mode : 1580

Number of Shares pending for Transfer as on 31.03.2013 : NIL

Redressal of Investors Complaints

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

investors.ibn18@network18online.com

Dematerialization of shares and Liquidity

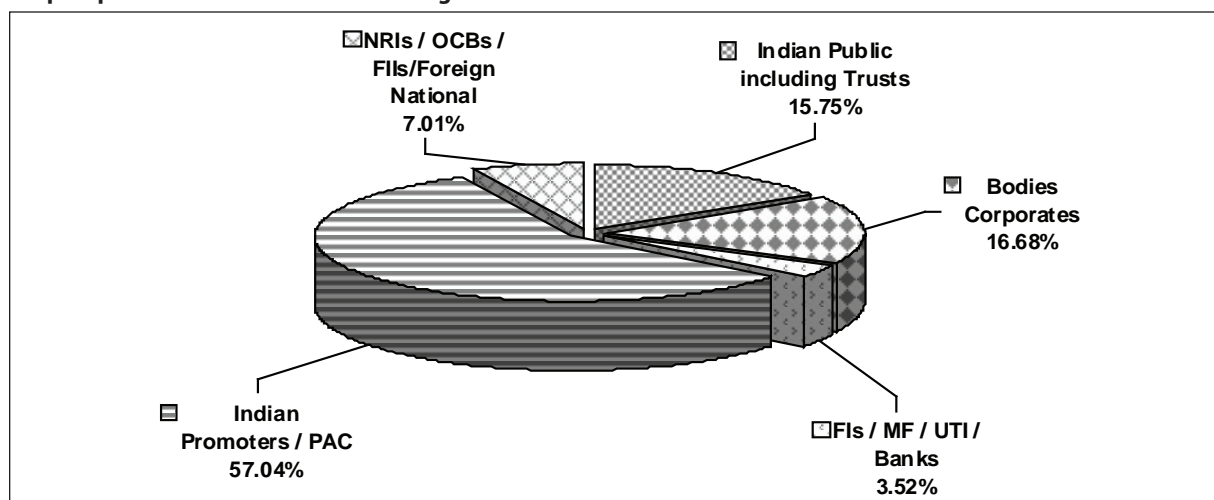
The shares of the Company are compulsorily traded in dematerialized mode and are registered for trading with both the depository participants i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The status of holding in dematerialized and physical mode, as on March 31, 2013, is as under:

S. No.	Mode of Holding	No. of shares	% of total share capital
1	Demat	1711241321	99.98
2	Physical	418432	0.02
	TOTAL	1711659753	100.00

Distribution of Shareholding as on 31.03.2013

S. No.	Category	No. of Shareholders	No. of Shares	%
1	Indian Promoters / Person Acting in Concert	19	976361201	57.04
2	Bodies Corporate	1708	285441077	16.68
3	Indian Public (Individual /HUF/ Clearing Member/ Director & their Relatives)	80285	269456261	15.74
4	NRIs / OCBs / FIIs / FN	802	119967619	7.01
5	FIs / Mutual Funds / UTI / Banks	31	60246555	3.52
6	Trust	22	187040	0.01
	Total	82867	1711659753	100.00

Graphic presentation of the Shareholding Pattern as on 31.03.2013



Distribution Schedule as on 31.03.2013

Sr. No.	Amount (Rs.)	No. of Shareholders	% of Shareholders	Amount of Shares (Rs.)	% of Shareholding
1.	1 – 5000	75401	90.99	49155554	1.436
2.	5001 – 10000	3114	3.758	23596734	0.689
3.	10001 – 20000	1744	2.105	26764728	0.782
4.	20001 – 30000	651	0.786	16483294	0.482
5.	30001 – 40000	364	0.439	12985440	0.379
6.	40001 – 50000	243	0.293	11341082	0.331
7.	50001 – 100000	541	0.653	39373356	1.150
8.	100001 and Above	809	0.976	3243619318	94.751
	Total	82867	100.00	3423319506	100.00

Outstanding GDRs/ ADRs/ Warrants/ Convertible Instruments

- The Company has not issued any ADRs/ GDRs during the year under review.
- The Company has no outstanding Convertible warrants as on March 31, 2013.
- 10,961,082 Options are outstanding under the ESOP scheme as on March 31, 2013.

Plant Locations

Not applicable

Corporate Social Responsibility

At TV18, we strive to put in our best efforts towards being socially responsible. We have different programs running for the benefit of our employees and their families. Some of them are as follows:

SUCES (Supporting Child Education of Staff): SUCES is a voluntary program which is aimed at educating the children of our staff who have limited resources to support quality education. An employee can 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 the child. This program covers children from Classes KG to Undergraduate College. In this endeavor to facilitate quality education, we have managed to reach out to 219 children in the financial year 2012-13.

Family Healthcare: As part of our Benefits plan, we have covered the employee and their families under a Medical cover which comprises of various illnesses. The employee is further covered towards Life and Personal Accident. We believe such coverage further reinforces our commitment towards the well being and welfare of our employees and their families.

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

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

Registered Office Address:**TV18 Broadcast Limited**

503, 504 & 507, 5th 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. : (+91 – 120) 434 1818
Fax : (+91 – 120) 432 4110

ANNEXURE A

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

Dear Members,
TV18 Broadcast Limited

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

It is hereby certified that all the members of the Board and senior management personnel have confirmed to and complied with the "Code of Conduct" during the financial year 2012-13 and there has been no instances of violation of the Code.

For TV18 Broadcast Limited

Place : Noida
Date : 13 May 2013

Saikumar Ganapathy Balasubramanian
Network18 Group CEO & Manager(TV18)

ANNEXURE B

CEO and CFO Certification

Dear Members,
TV18 Broadcast Limited

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

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

For TV18 Broadcast Limited

For TV18 Broadcast Limited

Saikumar Ganapathy Balasubramanian
Network18 Group CEO & Manager (TV18)

Gurdeep Singh Puri
General Manager – Finance

Place : Noida
Date : 13 May 2013

TV18 Broadcast Limited

To the Members

TV18 BROADCAST LIMITED

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

1. We have reviewed the implementation of the corporate governance procedures by TV18 Broadcast Limited (the company) during the year ended March 31st 2013, 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 : 13 May, 2013

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

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of **TV18 Broadcast Limited (formerly ibn18 Broadcast Limited)** ('the Company'), which comprise the Balance Sheet as at 31 March, 2013, 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 referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") 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, 2013;
- (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 referred to in Section 211(3C) of the Act.
 - (e) On the basis of the written representations received from the directors as on 31 March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

JITENDRA AGARWAL
Partner
(Membership No. 87104)
GURGAON, 13 May, 2013

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, 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 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. 13.50 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 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 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, 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. We are informed that the Company's operations did not give rise to any Investor Education and Protection Fund and Excise Duty.
 - b. There are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31 March,

2013 for a period of more than six months from the date they became payable.

- c. Details of dues of Income-tax that have not been deposited as on 31 March, 2013 on account of disputes are given below:

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	Commissioner of Income Tax (Appeals)	2001-02	2,121,127
Income Tax Act, 1961	Transfer Pricing	Commissioner of Income Tax (Appeals)	2002-03	26,654,466
Income Tax Act, 1961	Transfer Pricing and addition on account of loan written off	Commissioner of Income Tax (Appeals)	2003-04	125,674,579
Income Tax Act, 1961	Disallowance under section 14A and of ESOP expenses	Commissioner of Income Tax (Appeals)	2008-09	165,109,031
Income Tax Act, 1961	Disallowance under section 14A and of ESOP expenses	Commissioner of Income Tax (Appeals)	2009-10	20,457,284

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

- xi. The accumulated losses of the Company at the end of the financial year are not more 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 banks and financial institutions. According to the information and explanations given to us, the Company did not have any outstanding debentures during the year.
- xiii. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the Company.

- xiv. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
- xv. In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet 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. According to the information and explanations given to us, during the period covered by our audit, the Company has not made any preferential allotment of equity shares to 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.
- xviii. The Management has disclosed the end use of money raised by rights issues in the notes to the financial statements and we have verified the same.
- 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 Registration No. 015125N)

JITENDRA AGARWAL

Partner
(Membership No. 87104)
GURGAON, 13 May, 2013

Balance Sheet as at 31 March, 2013

	Notes Reference	As at 31.03.2013 (Rupees)	As at 31.03.2012 (Rupees)
EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	3,423,344,024	724,188,260
(b) Reserves and surplus	4	30,722,318,827	7,049,936,019
		34,145,662,851	7,774,124,279
2. Non - current liabilities			
(a) Long - term borrowings	5	723,463,458	1,931,390,594
(b) Other long-term liabilities	6	29,399,837	42,938,936
(c) Long - term provisions	7	130,535,457	120,215,586
		883,398,752	2,094,545,116
3. Current liabilities			
(a) Short - term borrowings	8	1,022,444,155	4,483,979,517
(b) Trade payables	9	1,062,385,997	1,149,747,203
(c) Other current liabilities	10	1,100,714,967	1,178,471,288
(d) Short - term provisions	11	17,297,007	3,991,450
		3,202,842,126	6,816,189,458
Total		38,231,903,729	16,684,858,853
ASSETS			
1. Non - current assets			
(a) Fixed assets	12		
(i) Tangible assets		1,112,145,113	1,237,322,343
(ii) Intangible assets		41,056,069	37,682,005
(iii) Capital work-in-progress		575,000	2,784,699
		1,153,776,182	1,277,789,047
(b) Non - current investments	13	11,880,365,809	10,508,086,057
(c) Long - term loans and advances	14	673,669,585	406,520,975
(d) Other non- current assets	15	19,698,066,669	167,731,286
		33,405,878,245	12,360,127,365
2. Current assets			
(a) Current investments	16	790,168,426	-
(b) Inventories	17	-	380,464
(c) Trade receivables	18	1,871,267,894	2,537,212,346
(d) Cash and cash equivalents	19	1,205,553,789	312,197,687
(e) Short - term loans and advances	20	917,136,862	1,301,450,321
(f) Other current assets	21	41,898,513	173,490,670
		4,826,025,484	4,324,731,488
Total		38,231,903,729	16,684,858,853

See accompanying notes forming part of the financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

JITENDRA AGARWAL
Partner

Gurgaon
13 May, 2013

For and on behalf of the Board of Directors

RAGHAV BAHL
Director

GURDEEP SINGH PURI
General Manager - Finance

Noida
13 May, 2013

SANJAY RAY CHAUDHURI
Director

HITESH KUMAR JAIN
DGM-Corporate Affairs &
Company Secretary

Statement of Profit and Loss for the year ended 31 March, 2013

	Notes Reference	Year Ended 31.03.2013 (Rupees)	Year Ended 31.03.2012 (Rupees)
1. Revenue from operations	22	5,415,474,482	6,206,997,147
2. Other income	23	289,208,704	666,527,306
3. Total Revenue (1+2)		5,704,683,186	6,873,524,453
4. Expenses:			
(a) Employee benefits expenses	24	1,565,338,098	1,541,043,748
(b) Finance costs	25	1,010,183,305	853,963,366
(c) Depreciation and amortisation expenses	12	229,088,332	244,597,989
(d) Other expenses	26	2,785,491,617	4,112,751,786
Total Expenses		5,590,101,352	6,752,356,889
5. Profit / (Loss) before tax (3-4)		114,581,834	121,167,564
6. Tax expense:			
Income tax adjustments of prior years (net)		12,348,241	28,742,605
7. Profit / (Loss) for the year (5-6)		102,233,593	92,424,959
8. Earnings per equity share	29		
(Face value of Rs. 2 each)			
(a) Basic		0.11	0.19
(b) Diluted		0.11	0.19

See accompanying notes forming part of the financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

JITENDRA AGARWAL
Partner

Gurgaon
13 May, 2013

For and on behalf of the Board of Directors

RAGHAV BAHL
Director

GURDEEP SINGH PURI
General Manager - Finance

Noida
13 May, 2013

SANJAY RAY CHAUDHURI
Director

HITESH KUMAR JAIN
DGM-Corporate Affairs &
Company Secretary

Cash Flow Statement for the year ended 31 March, 2013

	Notes Reference	Year Ended 31.03.2013 (Rupees)	Year Ended 31.03.2012 (Rupees)
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		114,581,834	121,167,564
Adjustments for :			
- Depreciation and amortisation expenses		229,088,332	244,597,989
- Loss on sale/disposal of assets		6,557,514	32,169,212
- Employee stock compensation expenses		1,185,280	4,949,921
- Finance costs		1,010,183,305	853,963,366
- Net (gain) / loss on foreign currency transactions and translations		6,108,272	(10,622,000)
- Net gain on sale of non current investments		(3,310,549)	(267,191,164)
- Net gain on sale of current investments		(42,633,134)	(12,083,395)
- Liabilities / provisions no longer required written back		(72,766,833)	(42,721,698)
- Interest income		(81,668,515)	(144,148,375)
- Dividend on investments		(88,579,885)	(125,100)
- Income from ibn18 trust on sale of shares		-	(189,100,000)
- Bad debts and Provision for doubtful trade and other receivable, loans and advances (net)		72,060,745	225,588,240
- Non-current investments written off		8,566,250	-
- Dimunition in carrying value of current investments		872,168	-
Operating profit before working capital changes		1,160,244,784	816,444,560
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
-Inventories		380,464	4,001,471
-Trade receivables		587,775,435	(119,994,897)
-Short-term loans and advances		220,781,198	2,138,162,205
-Long-term loans and advances		(69,733,941)	(114,949,111)
-Other current assets		19,542,957	(18,672,376)
-Other non-current assets		16,464,617	(7,093,549)
Adjustments for increase / (decrease) in operating liabilities:			
-Trade payables		(87,361,206)	216,559,300
-Other current liabilities		(78,071,300)	(400,256,161)
-Short-term provisions		13,305,557	7,213,894
-Long-term provisions		10,319,871	1,220,013
Cash generated from/ (used in) operations		1,793,648,436	2,522,635,349
Tax paid		(42,221,486)	(101,254,440)
Net cash from/ (used in) operating activities		1,751,426,950	2,421,380,909

Cash Flow Statement for the year ended 31 March, 2013

	Notes Reference	Year Ended 31.03.2013 (Rupees)	Year Ended 31.03.2012 (Rupees)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(129,174,140)	(199,484,127)
Sale of assets/claim received		2,394,044	9,834,183
Investments purchased			
- in subsidiary/affiliates (including share application money)		(1,446,696,000)	(2,623,224,972)
- in mutual funds (net)		(748,407,460)	-
Investments sold			
- in subsidiary/affiliates		-	269,040,000
- in mutual funds (net)		-	12,083,395
- in others		22,360,547	-
Advance against purchase of shares		(19,500,000,000)	
Interest received		82,440,982	125,070,737
Dividend on investments		88,579,885	125,100
Income from ibn18 trust on sale of shares		-	189,100,000
Net cash used in investing activities		(21,628,502,142)	(2,217,455,684)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Finance cost paid		(994,115,305)	(794,786,027)
Rights issue and merger / demerger expenses		-	(111,276,733)
Proceeds from issue of equity shares (net)		26,379,396,432	18,224,727
Increase / (Decrease) in long - term borrowings		(1,207,927,136)	848,524,868
Increase / (Decrease) in short - term borrowings		(3,461,535,362)	(206,861,032)
Increase / (Decrease) in current maturities of long-term debt		54,612,665	(330,084,567)
Net cash from/ (used in) financing activities		20,770,431,294	(576,258,764)
Net increase/ (decrease) in cash and cash equivalents	(A+B+C)	893,356,102	(372,333,539)
Cash and cash equivalents as at the beginning of the year		312,197,687	452,536,408
Cash and cash equivalents acquired on merger		-	231,994,818
Cash and cash equivalents as at the end of the year	19	1,205,553,789	312,197,687

See accompanying notes forming part of the financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

JITENDRA AGARWAL
Partner

Gurgaon
13 May, 2013

For and on behalf of the Board of Directors

RAGHAV BAHL
Director

GURDEEP SINGH PURI
General Manager - Finance

Noida
13 May, 2013

SANJAY RAY CHAUDHURI
Director

HITESH KUMAR JAIN
DGM-Corporate Affairs &
Company Secretary

Notes Forming Part of the Financial Statements

1. Background and Scheme of Arrangement

1.1 Background

TV18 Broadcast Limited ("The Company" or "TV18") (formerly known as ibn18 Broadcast Limited ("ibn18")) was incorporated on 6 June, 2005 as Global Broadcast News Private Limited. The Company was converted into a public limited Company and a revised Certificate of Incorporation was issued to give effect to this change with effect from 12 December, 2005. The commercial operations of the Company commenced on 17 December, 2005. 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 02 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. The Company is in the business of broadcasting; telecasting, relaying and transmitting Hindi & English general news, Hindi & English business news programmes, and operates the news channels "CNN IBN, IBN7, CNBC TV18 and 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".

Network 18 Media & Investments Limited is the holding company by virtue of management control over the Company's operations and is also holding 51.24% of Shares of the Company as at 31 March, 2013.

1.2 Scheme of Arrangement (Scheme)

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

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

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

Notes Forming Part of the Financial Statements

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

a. Transfer of news business of TEIL

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

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

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

b. Merger of IBN18 Media & Software Limited and iNews.com Limited

As per the Scheme, iNews.com Limited, a subsidiary of TEIL and IBN18 Media & Software Limited, a subsidiary of the Company had merged into the Company. The details of the assets and liabilities of these companies were transferred to the Company at its book value as at the appointed date is mentioned below:

Particulars	IBN 18 Media & Software Limited (Rupees)	iNews.com Limited (Rupees)
1. Fixed assets (Net)	393,992	33,421,691
2. Current assets, loans and advances:		
- Inventories	192,564	-
- Cash and Bank Balances	115,842	58,662
- Loan and advances	-	117,967
	308,406	176,629
3. Less: Current liabilities and provisions:		
- Current Liabilities	42,686	92,468
- Provisions	-	-

Notes Forming Part of the Financial Statements

4. Net current assets (2-3)	265,720	84,161
5. Other assets – Miscellaneous expenditure	-	35,926,067
6. Total assets (1+4+5)	659,712	69,431,919
7. Total liabilities		
Unsecured Loan	-	5,819,963
8. Profit and loss account	-	3,611,956
9. Net value of assets transferred pursuant to Scheme of Arrangement (6-7-8)	659,712	60,000,000
10. Investments in these wholly owned subsidiary	1,000,000	60,000,000
11. Balance debited to securities premium (9-10)	(340,288)	-
c. The Company had fair valued its assets and assets acquired as on the appointed date from TEIL and iNews under the Scheme (such assets comprise investments, deferred tax asset, miscellaneous expenditure, debtors and loans and advances) and have in accordance with the Scheme, debited Rs. 577,621,696 to the Securities Premium Reserve being the differential between the book value and the fair value.		
d. Pursuant to the Scheme the deficit in the Statement of Profit and Loss of the Company to the extent of Rs. 791,095,787 had been adjusted from the Capital Reserve and Securities Premium Reserve as follows:		

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

2. Significant Accounting Policies**a. Basis of accounting and preparation of financial statements**

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

b. Use of estimates

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

c. Inventories

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

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

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

e. Cash flow statement

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

Notes Forming Part of the Financial Statements

f. Depreciation and amortisation

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

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

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

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

g. Revenue Recognition

i. Revenue from operations includes:

- Advertisement revenue comprising:
 - Revenue from sale of advertising time, which is recognised on the accrual basis when advertisements are telecast in accordance with contractual obligations.
 - Revenue from sponsorship contracts, which is recognised proportionately over the term of the sponsorship.
- Subscription revenue which is recognised on accrual basis in accordance with the terms of the contract with the distribution and collection agency, for the services rendered.
- 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 which is accounted for on dispatch of programs to customers in accordance with contractual commitments.
- Revenue from media related professional and consultancy services is recognised in accordance with contracts on rendering of services.

ii. Other income includes

- Dividends on investments which are accounted for when the right to receive dividend is established.
- Interest income which is recognized on time proportionate basis, taking into account the amount outstanding and the rate applicable.

h. Tangible Fixed Assets

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

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

i. Intangible assets

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

j. Foreign Currency Transactions and Translation

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

Notes Forming Part of the Financial Statements

Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the exchange rate prevailing at the date of balance sheet, the resultant exchange differences are recognised in the Statement of Profit and Loss.

k. Investments

Long term investments are stated at cost less provision for other than temporary diminution in carrying value of each investment. Current investments are carried at lower of cost or fair value.

l. Employee Benefits

- i. The Company's Employee's Provident Fund scheme is a defined contribution plan. The Company's contribution to the employees' Provident Fund is charged to the Statement of Profit and Loss during the period in which the employee renders the related service.
- ii. Short term employee benefits (Medical, Leave Travel Allowance, etc.) expected to be paid in exchange for the services rendered is recognised on undiscounted basis.
- iii. The Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

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.

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

m. Segment Information

- i. Business Segments
Based on similarity of activities, risks and reward structure, organisation structure and internal reporting systems, the Company operates only in the media business segment which mainly comprises media and related operations.
- ii. Geographic Segments
Secondary segmental reporting is performed on the basis of the geographical location of customers i.e. within India and overseas.

n. Leases

- i. Operating Lease
Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.
- ii. Finance Lease
Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. The lower of fair value of asset and present value of minimum lease rentals is capitalised as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rentals is adjusted against the lease liability and the interest component is charged to Statement of Profit and Loss.

o. Earnings Per Share

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

Notes Forming Part of the Financial Statements

p. Taxes on income

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

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

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

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

q. Impairment of assets

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

r. Provisions and Contingencies

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

s. Employee Stock Based Payments

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

t. Barter Transactions

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

u. Share issues expenses

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

v. Service tax input credit

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

w. 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 31.03.2013		As at 31.03.2012	
	Number of Shares	Amount (Rupees)	Number of Shares	Amount (Rupees)
a. Authorised				
Equity shares of Rs. 2 each	<u>5,000,000,000</u>	<u>10,000,000,000</u>	<u>1,460,000,000</u>	<u>2,920,000,000</u>
b. Issued, Subscribed and fully paid up				
(i) Issued	<u>1,711,708,789</u>	<u>3,423,417,578</u>	<u>362,130,907</u>	<u>724,261,814</u>
(ii) Subscribed and fully paid up	<u>1,711,659,753</u>	<u>3,423,319,506</u>	<u>362,081,871</u>	<u>724,163,742</u>
(iii) Shares forfeited	<u>49,036</u>	<u>24,518</u>	<u>49,036</u>	<u>24,518</u>
Total	<u>1,711,708,789</u>	<u>3,423,344,024</u>	<u>362,130,907</u>	<u>724,188,260</u>

Refer Notes (i) to (vi) below:

Notes

- (i) The Company has only one class of equity shares having a par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share held. 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 31.03.2013		As at 31.03.2012	
	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>185,526,648</u>	<u>371,053,296</u>
Subsidiaries of the Holding Company	<u>163,563</u>	<u>327,126</u>	<u>34,600</u>	<u>69,200</u>
	<u>877,198,625</u>	<u>1,754,397,250</u>	<u>185,561,248</u>	<u>371,122,496</u>

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

Particulars	As at 31.03.2013		As at 31.03.2012	
	Number of Shares held	% Holding	Number of Shares held	% Holding
Network18 Media & Investments Limited	877,035,062	51.24%	185,526,648	51.24%
Network18 Group Senior Professional Welfare Trust	28,725,006	1.68%	28,725,006	7.93%

Notes Forming Part of the Financial Statements

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

Particulars	As at 31.03.2013	As at 31.03.2012
	Number of Shares held	Number of Shares held
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 1.2)	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 34)

10,959,207 3,999,979

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

Particulars	Shares issued during the year						Closing Balance
	Opening Balance	Right issue	Employee stock options plan	Conversion into fully paid up	Shares issued under the scheme of arrangement [Refer to note 1.2(a)(i)]	Shares forfeited	
(i) Issued							
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
Year ended 31 March, 2012							
- Number of shares	237,867,300	-	320,304	-	123,943,303	-	362,130,907
- Amount (Rupees)	475,734,600	-	640,608	-	247,886,606	-	724,261,814
(ii) Subscribed and fully paid up							
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
Year ended 31 March, 2012							
- Number of shares	237,796,965	-	320,304	21,299	123,943,303	-	362,081,871
- Amount (Rupees)	475,593,930	-	640,608	42,598	247,886,606	-	724,163,742
(iii) Subscribed and not fully paid up							
Year ended 31 March, 2013							
- Number of shares	-	-	-	-	-	-	-
- Amount (Rupees)	-	-	-	-	-	-	-
Year ended 31 March, 2012*							
- Number of shares	70,335	-	-	(21,299)	-	(49,036)	-
- Amount (Rupees)	35,168	31,949**	-	(42,598)	-	(24,518)	-

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

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

Notes Forming Part of the Financial Statements

	As at 31.03.2013 (Rupees)	As at 31.03.2012 (Rupees)
4 Reserves and Surplus		
a. Capital reserve		
Opening balance	-	168,720,000
Less: Amount transferred from Statement of Profit and Loss (see para e below) as per the scheme of arrangement [See also note 1.2 (d)]	-	168,720,000
	-	-
b. Securities premium reserve		
Opening balance	7,947,933,649	8,501,569,857
Add:		
- Amounts received pursuant to issue of equity shares under rights issue	24,292,401,876	1,299,239
- Amounts received pursuant to issue of equity shares under ESOPs	-	19,164,542
- Amounts transferred from Share options outstanding account on exercise of share options	-	18,423,309
- Amount credited on transfer of news business of TEIL as per the Scheme of Arrangement [See note 1.2 (a)]	-	646,996,980
Less:		
- Amount debited on merger of the IBN18 Media & Software Limited as per the Scheme of Arrangement [See note 1.2 (b)]	-	340,288
- Share issue expenses / expenses for Scheme of Arrangement [See note 21 (b)]		
- Amount transferred from miscellaneous expenditure	-	23,458,247
- Amount adjusted during the year	723,437,941	15,724,260
- Difference of book value and fair value of assets adjusted pursuant to Scheme of arrangement [See note 1.2 (c)]	-	577,621,696
- Amount transferred from Statement of Profit and Loss (see para e below) as per the scheme of Arrangement [See also note 1.2 (d)]	-	622,375,787
	31,516,897,584	7,947,933,649
c. Share options outstanding account		
Gross share options outstanding account		
Opening balance	61,051,406	23,842,987
Add: Amount transferred from TEIL pursuant to Scheme of arrangement [See note 1.2 (a)]	-	62,606,670
Less: -Adjusted on account of forfeiture / lapse of options	5,318,000	1,181,645
-Amount transferred to General Reserve on expiry of options	11,106,677	5,793,297
-Transferred to Securities Premium Reserve on exercise of share options	-	18,423,309
	44,626,729	61,051,406
Deferred employee compensation expense		
Opening balance	16,269,534	1,557,520
Add: Amount transferred from TEIL pursuant to Scheme of arrangement [See note 1.2 (a)]	-	20,843,580
Less: Adjusted on account of forfeiture / lapse of options	5,318,000	1,181,645
Less: Amount charged to Statement of Profit and Loss	1,185,280	4,949,921
	9,766,254	16,269,534
	34,860,475	44,781,872
d. General reserve		
Opening balance	104,366,671	9,998,341
Add: Amount transferred from TEIL under Scheme of Arrangement pertaining to ESOPs	-	88,575,033
Add: Amount transferred from ESOPs reserve on account on expiring of options	11,106,677	5,793,297
	115,473,348	104,366,671

Notes Forming Part of the Financial Statements

	As at 31.03.2013 (Rupees)	As at 31.03.2012 (Rupees)
e. Deficit in the Statement of Profit and Loss		
Opening Balance	(1,047,146,173)	(2,283,592,931)
Add/(less):		
- Profit for the year	102,233,593	92,424,959
- Profit/(loss) for the year ended 31 March, 2011 of the undertakings merged with the Company pursuant to scheme of arrangement		
- Profit from TEL's news business [See note 1.2 (a)(ii)]	-	349,484,839
- I-News.com Limited	-	3,575,387
- IBN18 Media & Software Limited	-	(134,214)
- Amount adjusted through transfer to Capital Reserve (see para a above) and Securities Premium Reserve (see para b above) as per the Scheme of Arrangement [See also note 1.2 (d)]	-	791,095,787
	(944,912,580)	(1,047,146,173)
	30,722,318,827	7,049,936,019
5 Long - term borrowings		
a. i. Term loans (secured)		
- from banks	-	666,666,664
- from others	232,200,000	365,800,000
(See note (b) below for security and terms of repayment)		
	232,200,000	1,032,466,664
ii. Vehicle loans (secured)		
- from banks	3,151,850	-
- from others	10,393,250	8,546,076
(Vehicle loans are secured by hypothecation of vehicles and payable in equal monthly installments)		
iii. Long term maturities of finance lease obligations (secured)		
- from others (See note 41(ii)(b))	5,885,358	8,452,854
(Secured by hypothecation of assets purchased under finance lease agreement and payable in equal monthly installments)		
iv. Public Deposits (unsecured)		
(Deposits are repayable at the time of maturity)	471,833,000	881,925,000
	723,463,458	1,931,390,594
b. Security details for term loans covered under Note 5(a)(i) and Note 10(a) is as follows:		
I. Term loans under Long term borrowings	232,200,000	1,032,466,664
II. Term loans under Other current liabilities	133,600,000	531,365,734
	365,800,000	1,563,832,398

Notes Forming Part of the Financial Statements

	As at 31.03.2013 (Rupees)	As at 31.03.2012 (Rupees)
i. Term loan from bank carries interest @ 13.75% to 15% p.a. and is repayable in 72 equal monthly installment of Rs. 4,144,450. The term loan is secured by first charge over entire fixed assets of channel IBN7 amounting to Rs 320,400,000 as on 31 March 2009, and unconditional and irrevocable corporate guarantee of Network18 Media & Investments Limited (Holding Company).	-	23,685,065
ii. Term loan from others carries interest @ 13.50% p.a. and is repayable in 60 equal monthly installment of Rs. 1,062,000 in advance of every month. The term loan is secured by first charge on all movable assets including plant and machinery and equipment acquired / to be acquired out of the proceeds of the term loan of channel IBN7 and unconditional and irrevocable corporate guarantee of Network18 Media & Investments Limited.	-	7,414,000
iii. Term loan from bank carries interest @ 13.75% to 15.50% p.a. and is repayable in 3 equal half yearly installment of Rs. 33,333,333. The term loan is secured by subservient charge on all movable fixed assets (all present & future) of CNN-IBN and IBN 7 channels of the Company and unconditional and irrevocable corporate guarantee of Network18 Media & Investment Limited, to remain valid during currency of credit facility.	-	33,333,333
iv. Term loan from others carries interest @ 13.50% to 14.50% 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 is collaterally secured by pledge of shares by the promoters/ group entities, personal guarantee of the Director of the Company and corporate guarantee of Network18 Media & investments Limited	365,800,000	499,400,000
v. Term loan from bank carries interest @ 13.00% p.a. and is repayable in 18 equal monthly installment of Rs. 55,555,556 after the moratorium period of 6 months. The term loan is secured by subservient charge on all current assets and movable fixed assets (all present & future) and is secured by personal guarantee of the Director of the Company and corporate guarantee of Network18 Media & investments Limited	-	1,000,000,000
	365,800,000	1,563,832,398
6 Other long-term liabilities		
Interest accrued but not due on public deposits	29,399,837	42,938,936
7 Long term provisions		
Provision for employee benefits:		
i. Provision for compensated absences	40,974,656	37,294,204
ii. Provision for gratuity (net) [See note 33(II)(d)]	89,560,801	82,921,382
	130,535,457	120,215,586

Notes Forming Part of the Financial Statements

	As at 31.03.2013 (Rupees)	As at 31.03.2012 (Rupees)
8 Short-term borrowings		
i. Cash credit (including working capital demand loan)		
- from bank (secured) (See note (a) below for security and terms of repayment)	601,065,277	1,013,373,681
ii. Commercial paper (unsecured)		
- from bank	-	750,000,000
- from others (Payable on maturity)	-	1,000,000,000
iii. Public deposits (unsecured) (Deposits are repayable at the time of maturity)	421,378,878	1,720,605,836
	1,022,444,155	4,483,979,517
a. Security details for cash credit facilities including working capital demand loans is as follows:		
i. The cash credit including working capital demand loans is repayable on demand and carries interest @ 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	400,844,778
ii. 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	125,320,388
iii. The cash credit including working capital demand loans 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	487,208,515
	601,065,277	1,013,373,681
9 Trade payables		
Trade payables	1,062,385,997	1,149,747,203

According to the records available with the Company, there were no dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 during the year. Hence disclosures, if any, relating to amounts unpaid as at the year end together with the interest paid / payable as required under the said Act have not been given.

Notes Forming Part of the Financial Statements

	As at 31.03.2013 (Rupees)	As at 31.03.2012 (Rupees)
10 Other current liabilities		
a. Current maturities of long-term debt		
- Term loans		
- from bank	-	390,351,734
- from others	133,600,000	141,014,000
(See note 5 (b) - for the details of security and guarantee of Long term borrowings)	133,600,000	531,365,734
- Vehicle loans (secured by hypothecation of Vehicles)		
- from bank	1,559,681	-
- from others	8,767,927	6,286,018
- Public deposits (unsecured) (Deposits are repayable at the time of maturity)	487,562,000	117,890,000
b. Current maturities of finance lease obligations [See note 41(ii)(b)] (Secured against assets obtained under finance lease arrangements)	2,567,496	2,263,687
c. Interest accrued but not due on borrowings	111,945,552	91,240,179
d. Income billed in advance (Unearned revenue)	30,835,291	74,952,064
e. Unclaimed matured deposits and interest accrued thereon	109,110,256	21,847,530
f. Other payables		
- Statutory remittances (Contributions to PF, ESIC, Withholding Taxes, VAT, Service Tax, etc.)	128,049,041	141,072,804
- Payables on purchase of fixed assets	11,146,320	22,284,272
- Advance from customers	75,571,403	169,269,000
	1,100,714,967	1,178,471,288
11 Short - term provisions		
Provisions for employee benefits		
- Provision for compensated absences	5,925,859	2,242,736
- Provision for gratuity [See note 33(II)(d)]	11,371,148	1,748,714
	17,297,007	3,991,450

12 Fixed assets											(Amount in Rupees)	
Particulars	Gross block					Accumulated depreciation					Net block	
	Opening balance as at 01.04.2012	Transferred in pursuant to the Scheme	Additions	Deletions/ adjustments	Closing balance as at 31.03.2013	Opening balance as at 01.04.2012	Transferred in pursuant to the Scheme	Depreciation charge for the year	On Deletions	Closing balance as at 31.03.2013	As at 31.03.2013	As at 31.03.2012
(a) Tangible assets												
Freehold land	3,130,564	-	-	-	3,130,564	-	-	-	-	-	3,130,564	3,130,564
Leasehold improvements	338,883,139	-	3,058,116	-	341,941,255	253,640,210	-	43,989,162	-	297,629,372	44,311,883	85,242,929
Plant and equipment												
- on finance lease	11,754,532	-	-	-	11,754,532	561,334	-	765,866	-	1,327,200	10,427,332	11,193,198
- owned	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	958,784,352
Electrical installation	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	22,167,712
Computers												
- on finance lease	684,119	-	-	-	684,119	159,347	-	110,895	-	270,242	413,877	524,772
- owned	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	76,420,708
Furniture and fixtures	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	24,500,456
Vehicles	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	43,812,967
Office equipment	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	11,544,685
Total	2,870,589,202	-	96,046,701	333,101,900	2,633,534,003	1,633,266,859	-	212,272,371	324,150,340	1,521,388,890	1,112,145,113	1,237,322,343
Previous year	1,157,342,955	1,609,996,573	223,314,334	120,064,660	2,870,589,202	506,049,391	978,098,471	227,180,376	78,061,379	1,633,266,859	1,237,322,343	-
b) Intangible assets												
News archives	20,498,422	-	-	-	20,498,422	14,199,247	-	973,675	-	15,172,922	5,325,500	6,299,175
Computers software	289,084,042	-	20,190,023	14,550,332	294,723,734	257,701,212	-	15,842,286	14,550,334	258,993,165	35,730,569	31,382,830
Total	309,582,464	-	20,190,023	14,550,332	315,222,156	271,900,459	-	16,815,961	14,550,334	274,166,087	41,056,069	37,682,005
Previous year	122,686,160	169,621,336	19,393,717	2,118,749	309,582,464	109,581,221	147,020,261	17,417,613	2,118,636	271,900,459	37,682,005	-
Grand total	3,180,171,666	-	116,236,724	347,652,232	2,948,756,159	1,905,167,318	-	229,088,332	338,700,674	1,795,554,977	1,153,201,182	1,275,004,348
Previous year	1,280,029,115	1,779,617,909	242,708,051	122,183,409	3,180,171,666	615,630,612	1,125,118,732	244,597,989	80,180,015	1,905,167,318	1,275,004,348	-

Notes Forming Part of the Financial Statements

	As at 31.03.2013 (Rupees)	As at 31.03.2012 (Rupees)
13 Non current investments		
Trade investments (at cost)		
-in equity shares of		
a. Subsidiary company (Unquoted)		
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 share of USD 1 each fully paid up, in ibn18 (Mauritius) Limited, a wholly owned subsidiary	5,081	5,081
iii. 228,000 (Previous year Nil) equity share of Rs. 10 each fully paid up, in IndiaCast Media Distribution Private Limited, a wholly owned subsidiary	70,296,000	-
b. Joint ventures (Unquoted)		
i. 8,625,000 (Previous year 8,625,000) equity shares of IBN Lokmat News Private Limited of Rs. 10 each fully paid up	86,250,000	86,250,000
ii. 47,768,791 (Previous year 47,768,791) equity share of Viacom18 Media Private Limited of Rs. 10 each fully paid up	8,564,425,247	8,564,425,247
c. Others companies		
- Quoted		
i. 275,000 (Previous year 275,000) equity shares of Refex Refrigerants Limited of Rs. 10 each fully paid up	1	8,566,249
ii. Nil (Previous year 500,000) equity shares of Provogue India Limited of Re. 1 each fully paid up	-	13,529,310
iii. Nil (Previous year 500,000) equity shares of Prozone Capital Shopping Centers of Rs. 2 each fully paid up	-	5,520,690
iv. 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
- Unquoted		
v. 898,500 (Previous year 898,500) equity shares of Delhi Stock Exchange Association Limited of Rs. 10 each fully paid up	1	1
in preference shares of		
a. Joint venture (Unquoted)		
i. 220,000 (Previous year 220,000) 0.10% Non Cumulative Redeemable Preference Shares of Series "I" of IBN Lokmat News Private Limited of Rs. 100 each fully paid up	44,000,000	44,000,000
ii. 250,000 (Previous year 250,000) 0.10% Non Cumulative Redeemable Preference Shares of Series "II" of IBN Lokmat News Private Limited of Rs. 100 each fully paid up	50,000,000	50,000,000
iii. 1,696,250 (Previous year 1,696,250) 0.10% Non Cumulative Redeemable Preference Shares of Series "III" of IBN Lokmat News Private Limited of Rs. 100 each fully paid up	339,250,000	339,250,000
in debentures of		
a. Subsidiary company (Unquoted)		
i. 56,249,900 (Previous year 36,249,900) debenture in ibn18 Mauritius Limited of USD 1 each fully paid up	2,820,647,846	1,700,047,846
Less: Provision for diminution in value of ibn18 Mauritius Limited	(658,937,927)	(658,937,927)
ii. 209,000 (Previous year Nil) Zero Coupon Optionally Redeemable Convertible Debentures in RVT Media Private Limited of Rs.1,000 each fully paid up	209,000,000	-
	11,880,365,809	10,508,086,057
Aggregate amount of listed and quoted investments	8,869,561	36,485,810
Aggregate market value of listed and quoted investments	18,688,877	36,106,381
Aggregate amount of unquoted investments (Net of provision)	11,871,496,248	10,471,600,247
Aggregate provision for the diminution in value of unquoted investments	658,937,927	658,937,927

Notes Forming Part of the Financial Statements

	As at 31.03.2013 (Rupees)	As at 31.03.2012 (Rupees)
14 Long - term loans and advances		
a. Capital advances (Unsecured, considered good)	7,914,555	3,905,392
b. Security deposits		
Unsecured, considered good	191,082,506	133,222,202
Doubtful	2,122,360	2,122,360
	193,204,866	135,344,562
Less: Provision for doubtful deposits	(2,122,360)	(2,122,360)
	191,082,506	133,222,202
c. Loans and advances to employees		
Unsecured, considered good	68,883,741	57,010,104
Doubtful	56,478,188	60,689,307
	125,361,929	117,699,411
Less: Provision for doubtful advances	(56,478,188)	(60,689,307)
	68,883,741	57,010,104
d. Advance income tax (net of provision for tax Rs. 476,814,283, Previous year Rs. 410,972,847) Unsecured, considered good (See note 27(iii))	405,788,783	212,383,277
e. Advance to vendors		
Unsecured, considered good	-	-
Doubtful	1,617,194	1,617,194
	1,617,194	1,617,194
Less: Provision for doubtful advances	(1,617,194)	(1,617,194)
	-	-
	673,669,585	406,520,975
15 Other non - current assets		
(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 note 35 b)	46,800,000	-
c. Deposit accounts with banks*	151,266,669	167,731,286
	19,698,066,669	167,731,286

* Fixed deposits is under lien with banks against Bank Guarantees to the Custom authorities to meet export obligation and to vendors and is restricted from being exchanged or used to settle a liability for more than 12 months from the balance sheet date. [also See note 27 (ii)]

Notes Forming Part of the Financial Statements

	As at 31.03.2013 (Rupees)	As at 31.03.2012 (Rupees)
16 Current investments		
Investment in mutual funds (at lower of cost and fair value, unless otherwise stated)		
a. 7,203,350 (Previous year Nil) units of Rs. 10 each in Birla Mutual Fund*	90,563,402	-
b. 22,656 (Previous year Nil) units of Rs. 10 each in Reliance Mutual Fund	34,634,529	-
c. 721,643 (Previous year Nil) units of Rs. 10 each in Deutsche Mutual Fund	65,489,466	-
d. 116,318 (Previous year Nil) units of Rs. 10 each in Religare Mutual Fund	116,517,703	-
e. 74,796 (Previous year Nil) units of Rs. 10 each in Tata Mutual Fund	83,361,760	-
f. 96,281 (Previous year Nil) units of Rs. 10 each in L&T Mutual Fund	97,401,431	-
g. 57,027 (Previous year Nil) units of Rs. 10 each in DSP Blackrock Liquidity Fund	57,044,799	-
h. 458,630 (Previous year Nil) units of Rs. 10 each in ICICI Prudential Mutual Fund	48,493,276	-
i. 63,193 (Previous year Nil) units of Rs. 10 each in Morgan Mutual Fund	63,224,208	-
j. 82,141 (Previous year Nil) units of Rs. 10 each in Taurus Mutual Fund	82,148,746	-
k. 51,262 (Previous year Nil) 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	-
17 Inventories [See note 2(c)]		
(At lower of cost and net realisable value)		
a. Tapes and compact discs	-	380,464
18 Trade receivables (Unsecured)		
a. Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
- considered good	256,295,173	628,957,037
- considered doubtful	161,556,129	234,155,506
Less: Provision for doubtful trade receivables	(161,556,129)	(234,155,506)
	256,295,173	628,957,037
b. Other trade receivables	1,614,972,721	1,908,255,309
	1,871,267,894	2,537,212,346
19 Cash and cash equivalents		
a. Cash on hand	1,422,823	1,584,905
b. Cheques on hand	31,882,460	-
c. Balances with banks		
i. in current accounts	334,194,644	139,431,455
ii. in demand deposit accounts (refer notes below)	838,053,862	171,181,327
	1,205,553,789	312,197,687
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements	1,205,553,789	312,197,687
Notes:		
(i) Deposit account includes funds earmarked as follows:		
- Balance with banks held as per Rule 3A of Companies (Acceptance of deposits) Rules, 1975	14,783,550	3,029,400
- Balances held as margin money against borrowings	-	100,000,000
- Unpaid /Unutilised money of rights issue	143,259,020	46,457,536

Notes Forming Part of the Financial Statements

	As at 31.03.2013 (Rupees)	As at 31.03.2012 (Rupees)
20 Short - term loans and advances (Unsecured, considered good)		
a. Loans and advances		
- to related parties (See note 35)		
- to subsidiaries	2,278,157	3,410,694
- to fellow subsidiaries	123,013,016	190,498,409
- to joint ventures	12,129,750	52,351,653
- to entities under significant influence	543,430,774	541,819,631
- to employees	60,668,187	69,786,443
- others	1,912,287	-
	743,432,171	857,866,830
b. Security deposits	4,667,950	33,054,032
c. Balance with government authorities		
Service tax credit receivable	115,644,143	132,872,598
d. Advance income tax	-	163,532,261
e. Prepaid expenses	39,711,003	81,971,153
f. Others		
- Advance to vendors	13,681,595	32,153,447
	917,136,862	1,301,450,321
21 Other current assets (Unsecured, considered good)		
a. Unbilled revenue	-	19,500,000
b. Unamortised expenses		
Share issue expenses / expenses for Scheme of Arrangemen		
Opening Balance	111,276,733	23,458,247
Add: Amount incurred for rights issue during the year	612,161,208	111,276,733
Less: Rights issue and Scheme related expenses adjusted by transfer to Securities Premium Reserve [See note 4(b)]	723,437,941	23,458,247
	-	111,276,733
c. Others		
Interest accrued but not due on deposits and advances	41,898,513	42,670,980
Insurance claims	-	42,957
	41,898,513	42,713,937
	41,898,513	173,490,670

Notes Forming Part of the Financial Statements

	Year ended 31.03.2013 (Rupees)	Year ended 31.03.2012 (Rupees)
22 Revenue from operations		
a. Sale of services		
i. Advertisement and subscription revenue (see note 38)	5,171,803,545	5,889,819,238
ii. Sale of content	3,790,048	6,398,188
iii. Other media income and equipment rentals	155,207,273	139,774,310
b. Other operating revenue		
i. Advances from customers written back	84,673,616	171,005,411
	5,415,474,482	6,206,997,147
23 Other income		
a. Interest income on		
- Loans and advances to related parties (see note 35)	3,166,377	86,907,239
- Deposit accounts with banks	57,241,724	37,289,540
- Income tax refunds	21,260,414	2,715,990
- Others	-	17,235,606
b. Net gain on sale of		
- non current investments	3,310,549	267,191,164
- current investments	42,633,134	12,083,395
c. Dividend income		
- from non current investments others	50,000	125,100
- from current investments	88,529,885	-
d. Net gain on foreign currency transaction and translation	-	10,622,000
e. Other non-operating income		
- Liabilities / provisions no longer required written back	72,766,833	42,721,698
- Income from ibn18 trust on sale of shares	-	189,100,000
- Miscellaneous income	249,788	535,574
	289,208,704	666,527,306
24 Employee benefits expenses		
a. Salaries and wages	1,349,778,670	1,333,234,959
b. Contribution to provident fund	70,770,623	70,560,254
c. Gratuity expense (see note 33)	27,477,711	17,899,295
d. Expense on employee stock option scheme (see note 34)	1,185,280	4,949,921
e. Staff welfare expenses	116,125,814	114,399,319
	1,565,338,098	1,541,043,748
25 Finance costs		
a. Interest expense on:		
- Term loans	425,465,826	325,594,534
- Cash credits	110,893,230	139,177,034
- Public deposits	307,151,780	222,734,777
- Inter corporate deposits	-	41,108,723
- Others	5,447,833	4,801,233
b. Other borrowing costs	161,224,636	120,547,065
	1,010,183,305	853,963,366

Notes Forming Part of the Financial Statements

	Year ended 31.03.2013	Year ended 31.03.2012
	(Rupees)	(Rupees)
26 Other expenses		
a. Studio and equipment hire charges	34,887,981	30,863,416
b. Telecast and uplinking fees	119,009,437	81,991,151
c. Airtime purchased	47,218,096	20,502,460
d. Tapes consumed	6,283,536	14,688,921
e. Royalty expenses	238,341,629	262,571,037
f. Content expenses	58,346,617	56,282,066
g. Media professional fees	253,082,252	277,191,701
h. Other production expenses	29,275,838	35,026,737
i. Rent including lease rentals (see note 41)	165,634,172	155,306,465
j. Electricity expenses	65,449,663	60,397,069
k. Insurance	12,495,971	11,180,260
l. Travelling and conveyance	317,979,893	316,109,599
m. Vehicle running and maintenance	77,659,175	79,248,815
n. Communication expenses	61,211,985	59,986,808
o. Distribution, advertising and business promotion (see note 38)	944,826,615	2,117,963,040
p. Repairs and maintenance		
- Plant & machinery	92,342,169	88,098,053
- Others	11,307,455	21,636,454
q. Legal and professional expenses (See note below)	49,108,458	53,813,139
r. Rate and taxes	92,770	1,780,445
s. Office upkeep and maintenance	71,068,214	80,386,205
t. Directors sitting fees	230,000	320,000
u. Loss on fixed assets sold / scrapped / written off	6,557,514	32,169,212
v. Net loss on foreign currency transactions and translations	6,108,272	-
w. Non-current investments written off	8,566,250	-
x. Diminution in carrying value of current investments	872,168	-
y. Bad debts and provision for doubtful trade and other receivable, loans and advances (net)	72,060,745	225,588,240
z. Miscellaneous expenses	35,474,742	29,650,493
	2,785,491,617	4,112,751,786
Note:		
Payments to the statutory auditors comprises (net of service tax input credit)		
a. Statutory audit fees (including quarterly limited reviews)	7,250,000	7,250,000
b. For other services (excluding Rs. 4,985,000 being expenses related to the rights issue adjusted against the securities premium reserve)	100,000	2,245,000
c. Reimbursement of expenses	53,840	252,287
	7,403,840	9,747,287

Notes Forming Part of the Financial Statements

27. Capital commitment, litigations and contingent liabilities

- i. Estimated amount of contracts remaining to be executed on capital account (net of advances) Rs. 68,841,733 (Previous year Rs. 33,119,442).
- ii. The Company has purchased capital equipment under the 'Export Promotion Capital Goods Scheme'. As per the terms of the licenses granted under the scheme, the Company has undertaken to achieve an export commitment of Rs. 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. 136,247,427 (Previous year Rs. 115,272,086) on behalf of the Company to the customs authorities for the same. During the year the Company has made two applications of Rs. 143,460,616 to Director General of Foreign Trade for issuance of the export obligation discharge certificate (EODC) to fulfill its export obligation. The remaining export commitment as at the year end being Rs. 730,553,731. Subsequent to the year end the Company has made applications to Director General of Foreign Trade for issuance of the EODC to fulfill its export obligation of Rs. 730,553,731.
- iii. Claims against the Company not acknowledged as debts include demands raised by Income Tax authorities aggregating to Rs. 424,978,295. Amounts deposited by the Company against these claims – Rs. 82,406,373 which are included in Advance Income Tax in Note 14. No provision has been made in the accounts for these demands as the Company expects a favorable decision in appeal. This liability is related to TEIL operations transferred to the Company pursuant to the Scheme.
- iv. Guarantees given by banks on behalf of the Company outstanding for the year ended Rs. 291,514,750 (Previous year Rs. 6,193,125).
- v. 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. 47,266,037 was outstanding in respect of such loans.
- vi. The Company has extended corporate guarantee of Rs. 50,900,000 in favour of ICICI Home Finance Company Limited in consideration of loan facility extended by ICICI Home Finance Company Limited to the employees of the Company. As at the year end, Rs. 47,460,025 was outstanding in respect of such loan. This liability is related to TEIL operations transferred to the Company pursuant to the Scheme.
- vii. Mr. Victor Fernandes and other ("plaintiffs") had on 25 August, 2006 filed a suit as derivative action on behalf of e-Eighteen.com Limited before the High Court of Bombay against Mr. Raghav Bahl, erstwhile Television Eighteen India Limited (TEIL), the Company and other TEIL Group entities. The plaintiffs are minority shareholders of e-Eighteen.com Limited and have alleged that Mr. Raghav Bahl, TEIL, ICICI Global Opportunities Fund and e-Eighteen.com Limited had entered into a subscription cum shareholders agreement dated 12 September, 2000 under which Mr. Raghav Bahl and TEIL had inter alia undertaken that any opportunity offered to them shall only be pursued or taken up through e-Eighteen.com Limited or its wholly owned subsidiaries. The plaintiffs have alleged that Mr. Raghav Bahl and TEIL have promoted and developed various businesses through various entities which should have under the aforesaid agreement rightfully been undertaken by e-Eighteen.com Limited or its wholly owned subsidiaries.
The plaintiffs have alleged that by not doing so Mr. Raghav Bahl and TEIL have caused monetary loss to e-Eighteen.com Limited as well as to the plaintiffs. The plaintiffs have valued their claim in the suit at Rs. 31,140,600,000 and have inter alia prayed that Mr. Raghav Bahl, TEIL and other TEIL Group entities be ordered to transfer to e-Eighteen.com Limited all their businesses, activities and ventures along with all assets and intellectual property. The plaintiffs had filed a notice of motion on 18 September, 2006 seeking an interim relief. A reply had been filed with the Bombay High Court on 14 November, 2006. The said notice of motion was dismissed on 8 August, 2008 against which the plaintiffs have filed an appeal before the division bench of the Bombay High Court. The said notice of motion for interim relief was dismissed by the High Court on September 21, 2011.
Based on the legal advice by the legal counsel, management is of the view that the above claim made by the plaintiffs is unlikely to succeed and has accordingly made no provisions in the financial statements.
- viii. The Company has received legal notices of claims / lawsuits filed against it relating to infringement of copyrights, objectionable contents and defamation suits in relation to the programmes produced by it, the aggregate claim

Notes Forming Part of the Financial Statements

being Rs. 3,115,238,072 (Previous year Rs. 3,123,653,000). In the opinion of the management, no material liability is likely to arise on account of such claims/law suits and thus no provision has been made against these in the financial statements.

- ix. 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, 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. 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.
- x. Upto the previous year, the Company had disclosed a claim of Rs. 2,600,000,000 made by a former channel distributor. This claim has been withdrawn during the year pursuant to a settlement with the Company and is no longer contingent liability as at the end.

28. Investments

- a) The Company has investment of Rs. 8,564,425,247 in equity share of Viacom18 Media Private Limited (Viacom18). As at 31 March 2013, Viacom18 has accumulated losses and its net worth has been partially eroded.
- b) The Company has investments of Rs. 519,500,000 (comprising equity and preference shares) in IBN Lokmat News Private Limited (IBN Lokmat). As at 31 March, 2013 IBN Lokmat has significant accumulated losses and its net worth has been substantially eroded.
- c) The Company has investment of Rs. 346,560,000 in equity shares and Rs. 209,000,000 in Zero Coupon Optionally Redeemable Convertible Debentures of RVT Media Private Limited (RVT Media). RVT Media's consolidated financial statements have accumulated losses and its net worth has been partially eroded.

Having regard to the long term investment and strategic involvement with the Company, no further provision is considered necessary for diminution in the value of the investments in the above said Companies.

29. Earnings Per Equity Shares

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

Particulars	Unit	Year ended 31.03.2013	Year ended 31.03.2012
Earnings Per Equity Shares:			
a. Net profit/(loss) after tax	Rs.	102,233,593	92,424,959
b. Weighted average number of equity shares used in computing basis earnings per share (Nominal Value is Rs. 2/- per share)	Numbers	953,677,655	481,847,253
c. Basic Earnings per Share	Rs.	0.11	0.19
d. Weighted average of the number of shares issued under Options	Numbers	2,361,082	2,899,982
e. Adjustment for number of shares that would have been issued at the fair value	Numbers	(1,898,002)	(2,284,375)
f. Weighted average of number of equity shares used in computing diluted earnings per share	Numbers	954,140,735	482,462,860
g. Diluted Earnings per Share	Rs	0.11	0.19

Notes Forming Part of the Financial Statements

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 31.03.2013	Year ended 31.03.2012
a. Expenditure in foreign currency		
i. Content expenses	192,001,329	33,403,873
ii. Royalty expenses	238,341,629	262,571,037
ii. Other production expenses	52,968,397	89,067,512
iii. Travelling and conveyance	9,140,982	9,331,802
	492,452,337	394,374,224
b. CIF value of imports		
i. Capital goods	36,968,830	91,748,216
ii. Tapes purchased	220,668	2,071,943
iii. Components and spare parts	2,371,555	11,26,635
	39,561,053	94,946,794
c. Tapes consumed		
i. Domestic	5,774,679	10,923,824
ii. Imported	508,857	3,765,097
	6,283,536	14,688,921
d. Earnings in foreign currency		
Income from operations	132,591,561	108,886,348

32. Deferred tax

The Company has carried out its tax computation in accordance with the mandatory standard on accounting, AS 22 – In view of accumulated losses, the Company has not provided for deferred tax asset / liability at the year end.

33. Employee benefits:

I. Defined contribution plans

The Company has recognised Rs. 70,770,623 (Previous Year Rs. 70,560,254) for provident fund contributions in the Statement of Profit and Loss.

II. Defined benefit plans

(a) Gratuity

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

Notes Forming Part of the Financial Statements

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

Particulars	31.03.2013 (Rupees)	31.03.2012 (Rupees)
a. Change in defined benefit obligation		
i. Present value of obligation at the beginning of the year	96,750,690	42,235,139
ii. Present value of obligation at the beginning of the year (pertaining to liability received under Scheme, from TV18)	-	44,534,494
iii. Current service cost	16,071,605	14,902,358
iv. Interest expenses	8,223,809	7,375,419
v. Past service cost	-	-
vi. Actuarial (gain) / loss	4,475,855	(3,336,784)
vii. Benefits paid	(11,775,113)	(8,959,936)
viii. Present value of obligations at the end of the year	113,746,846	96,750,690
b. Fair value of plan assets		
i. Fair value of plan assets at the beginning of the year	12,080,594	-
ii. Fair value of plan assets at the beginning of the year (pertaining to liability received under Scheme, from TV18)	-	13,012,342
iii. Expected return on scheme assets	1,026,850	1,106,049
iv. Employer's contribution	-	2,500,000
v. Benefits paid	(559,235)	(4,473,446)
vi. Actuarial gain / (loss)	266,688	(64,351)
vii. Fair value of plan assets at the end of the year	12,814,897	12,080,594
c. Return on plan assets		
i. Expected return on plan assets	1,026,850	1,106,049
ii. Actuarial gain / (loss)	266,688	(64,351)
iii. Actual return on plan assets	1,293,538	10,41,698
d. Amount recognised in the balance sheet		
i. Present value of defined benefit obligations	113,746,846	96,750,690
ii. Fair value of plan assets	12,814,897	12,080,594
iii. Net liability/(asset) recognised in the balance sheet	100,931,949	84,670,096
- Non current liability	89,560,801	82,921,382
- Current liability	11,371,148	1,748,714
e. Expenses recognised in Statement of Profit and Loss		
i. Current service costs	16,071,605	14,902,358
ii. Interest expense	8,223,809	7,375,419
iii. Expected return on investment	(1,026,850)	(1,106,049)
iv. Net actuarial (gain)/loss recognised during the year	4,209,147	(3,272,433)
v. Expenditure recognised in Statement of Profit and Loss	27,477,711	17,899,295

Notes Forming Part of the Financial Statements

Particulars	31.03.2013 (Rupees)	31.03.2012 (Rupees)
f. Principal Actuarial assumptions for gratuity and compensated absences		
i. Rate for discounting liabilities	8.50% p.a.	8.00% p.a.
ii. Expected salary increase rate	6.00% p.a.	6.00% p.a.
iii. Expected rate of return	8.50% p.a.	8.50% p.a.
iv. Mortality table used	LIC (1994-96) duly modified	LIC (1994-96) duly modified
v. Retirement age	60 Years	60 Years
vi. Withdrawal rates		
- Upto 30 years	3%	3%
- Upto 44 years	2%	2%
- Above 44 years	1%	1%

Notes:

1. 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.
2. The expected return is based on the expectation of the average long term rate of return on investments of the fund during the estimated term of the obligations.
3. The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
4. Plan assets mainly comprise funds managed by the insurer i.e. ING Vysya Life Insurance Company Limited and Life insurance Corporation of India.
- 5.

Year ended	The present value of the gratuity benefits (Rupees)	The experience adjustments arising on the gratuity benefits (Rupees)
31.03.2013	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)
31.03.2009	25,992,612	7,744,498

The Company's best estimate of contributions expected to be paid during the next 12 months beginning after the balance sheet date is Rs. 38,142,647 (previous year Rs. 21,957,417).

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 has increased maximum number of options that can be granted under GBN ESOP 2007 from 8,500,000 to 12,500,000 options at Annual General Meeting held on 09 September, 2011 and further increased to 51,484,727 pursuant to Rights Issue vide Remuneration/Compensation Committee resolution dated 30 October 2012.

Notes Forming Part of the Financial Statements

- 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 year the Remuneration/Compensation Committee of the Board of Directors has 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 are as follows:

Particulars	Employee Stock Option Plan 2007	Employee Stock Option Plan 2007
Options granted	2,500,000	5,000,000
Vesting date	Options to vest equally over 2 years (50% options to vest each year) from the date of grant	Options to vest equally over 5 years (20% options to vest each year) from the date of grant.
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, 2013.

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

Particulars		ESOP 2007		ESOP 2007	
		Year ended 31.03.13		Year ended 31.03.12	
		Options	Weighted Average Price	Options	Weighted Average Price
		(Numbers)	(Rupees)	(Numbers)	(Rupees)
a.	Outstanding at the beginning of year	3,999,979	25.40	2,450,717	68.91
b.	Granted during the year	7,500,000	26.00	-	-
c.	Granted during the year pursuant to scheme of arrangement	-	-	2,211,207	61.72
d.	Exercised during the year	-	-	320,304	55.00
e.	Forfeited during the year	442,137	24.01	64,217	55.00
f.	Expired during the year	98,635	27.70	277,424	27.48
g.	Outstanding at the end of the year	10,959,207	31.70	3,999,979	25.40
h.	Exercisable at the end of the year	2,763,568	42.69	2,178,656	27.19
i.	Number of equity shares of Rs. 2 each fully paid up to be issued on exercise of option	10,959,207	31.70	3,999,979	25.40
j.	Weighted average share price at the date of exercise	-	-	320,304	90.06
k.	Weighted average remaining contractual life (years)	2.62	NA	2.24	NA

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

Notes Forming Part of the Financial Statements

f. Pro forma Accounting for Stock Option Grants

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

Particulars		Year ended 31.03.2013 (Rupees)	Year ended 31.03.2012 (Rupees)
1.	Net Profit/ (Loss) as reported	102,233,593	92,424,959
2.	Add: Stock based employee compensation expense debited to Statement of Profit and Loss	1,185,280	4,949,921
3.	Less: Stock based employee compensation expense based on fair value	41,731,562	21,350,732
4.	Difference between (2) and (3)	(40,546,282)	(16,400,811)
5.	Adjusted pro forma Profit/(Loss)	61,687,311	76,024,148
6.	Difference between (1) and (5)	40,546,282	16,400,811
7.	Basic earnings per share as reported	0.11	0.19
8.	Pro forma basic earnings per share	0.06	0.16
9.	Diluted earnings per share as reported	0.11	0.19
10.	Pro forma diluted earnings per share	0.06	0.16

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

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Risk free interest rates (in %)	7.38%	7.85%
Expected life (in years)	4.50 years	2.80 years
Volatility (in %)	94.19%	33.43%
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.

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	Nature of Relationship	
1 Network18 Media & Investments Limited	Network18	Holding company
2 RVT Media Private Limited	RVT Media	Wholly owned subsidiary company
3 AETN 18 Media Private Limited (Subsidiary of RVT Media Private Limited)	AETN18	Subsidiary company
4 ibn18 Media and Software Limited (ibn18 Media) (upto 10 June, 2011) (also refer note 1.2)	Ibn18 Media	Wholly owned subsidiary company
5 IndiaCast Media Distribution Private Limited (w.e.f. 1 July, 2012)	IndiaCast	Wholly owned subsidiary company
6 Ibn18 (Mauritius) Limited	Ibn18 Mauritius	Wholly owned subsidiary company

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7	Web18 Software Services Limited	Web18	Fellow Subsidiary company
8	Infomedia Press Limited	Infomedia	Fellow Subsidiary company
9	Digital18 Media Limited	Digital18	Fellow Subsidiary company
10	Bigtree Entertainment Private Limited	Bigtree	Fellow Subsidiary company
11	e-Eighteen.com Limited	E-18	Fellow Subsidiary company
12	NewsWire18 Limited (till 27 December, 2012)	Newswire18	Fellow Subsidiary company
13	Setpro18 Distribution Limited	Setpro18	Fellow Subsidiary company
14	Television Eighteen India Limited (upto 10 June, 2011) (also refer note 1.2)	TEIL	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 UK Limited	TV18 UK	Fellow Subsidiary company
18	TV18 Home Shopping Network Limited	TV18 HSN	Fellow Subsidiary company
19	Network 18 India Holdings Private Limited (upto 10 June, 2011)	N-18 Holding	Fellow Subsidiary company
20	RVT Investments Private Limited (upto 10 June, 2011)	RVT	Fellow Subsidiary company
21	Web 18 Holdings Limited, Cayman Islands	Web18 Holding	Fellow Subsidiary company
22	BK Holdings Limited, Mauritius	BKH	Fellow Subsidiary company
23	Television Eighteen Commoditiescontrol.com Limited (upto 10 June, 2011)	TECCL	Fellow Subsidiary company
24	Care Websites Private Limited (upto 10 June, 2011)	Care	Fellow Subsidiary company
25	Moneycontrol Dot Com India Limited	MCD	Fellow Subsidiary company
26	Colosceum Media Private Limited	Colosceum	Fellow Subsidiary company
27	Greycells18 Media Limited	Greycells18	Fellow Subsidiary company
28	Viacom18 Media Private Limited	Viacom18	Joint venture
29	IBN Lokmat News Private Limited	IBN Lokmat	Joint venture
30	Raghav Bahl	RB	Key Management Personnel (KMP)
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	IBN 18 Trust	ibn18 Trust	Entity under significant influence of KMP

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

b. Details of balances and transactions during the year with related parties (Amount in Rupees)

	Transactions	Holding company	Subsidiary	Fellow Subsidiary	Key management personnel	Joint venture	Entity under significant influence
(i)	Transactions during the year						
	Revenue from operations						
	Network18	56,442,524 (49,188,725)	- -	- -	- -	- -	- -
	AETN18	-	125,270,718 (58,239,421)	-	-	-	-
	Bigtree	-	-	92,736 (92,736)	-	-	-
	Digital18	-	-	3,205,716 (967,016)	-	-	-
	E-18	-	-	- (2,083,100)	-	-	-

Notes Forming Part of the Financial Statements

Transactions	Holding company	Subsidiary	Fellow Subsidiary	Key management personnel	Joint venture	Entity under significant influence
Greycells18	-	-	4,682,496 (10,852,591)	-	-	-
IBN Lokmat	-	-	-	-	18,882,513 (17,100,000)	-
Infomedia	-	-	(8,710,925)	-	-	-
Network18 Pub	-	-	-	-	-	2,514,981 (9,241,000)
Setpro18	-	-	196,404 (785,616)	-	-	-
TV18 HSN	-	-	16,204,927 (17,013,186)	-	-	-
Viacom18	-	-	-	-	115,425,562 (95,925,176)	-
IndiaCast	-	227,607,622	-	-	-	-
Total	56,442,524 (49,188,725)	352,878,340 (58,239,421)	24,382,279 (40,505,170)	-	134,308,075 (113,025,176)	2,514,981 (9,241,000)
Interest received						
Network18	- (3,435,528)	-	-	-	-	-
AETN18	-	(161,627)	-	-	-	-
E-18	-	-	(4,798)	-	-	-
Infomedia	-	-	(1,209,034)	-	-	-
NW18 GSP	-	-	-	-	-	(78,910,347)
Setpro18	-	-	(5,556)	-	-	-
TV18 HSN	-	-	3,166,377 (3,180,349)	-	-	-
Total	- (3,435,528)	- (161,627)	3,166,377 (4,399,737)	-	-	- (78,910,347)
Interest paid						
Network18	- (41,108,723)	-	-	-	-	-
Expenditure for services received						
Network18	66,523,047 (52,785,023)	-	-	-	-	-
Digital18	-	-	7,177,000 (2,110,006)	-	-	-
E-18	-	-	1,000,000 (2,082,858)	-	-	-
Infomedia	-	-	2,180,526 (27,186,310)	-	-	-
Newswire18	-	-	4,280,256 (5,427,302)	-	-	-
Setpro18	-	-	237,600,643 (1,167,423,715)	-	-	-

Notes Forming Part of the Financial Statements

	Transactions	Holding company	Subsidiary	Fellow Subsidiary	Key management personnel	Joint venture	Entity under significant influence
	TV18 UK	-	-	-	-	-	-
		-	-	(4,620,105)	-	-	-
	Viacom18	-	-	-	-	11,998,209	-
		-	-	-	-	(4,949,298)	-
	AETN18	-	3,081,400	-	-	-	-
		-	(604,500)	-	-	-	-
	Network18 Pub	-	-	-	-	-	3,499,568
		-	-	-	-	-	(4,502,430)
	Colosceum	-	-	10,640,000	-	-	-
		-	-	-	-	-	-
	Total	66,523,047	3,081,400	262,878,425	-	11,998,209	3,499,568
		(52,785,023)	(604,500)	(1,208,850,296)	-	(4,949,298)	(4,502,430)
Reimbursement of expenses (received)							
	Network18	42,016,006	-	-	-	-	-
		(108,922,802)	-	-	-	-	-
	AETN18	-	42,205,834	-	-	-	-
		-	(49,619,116)	-	-	-	-
	Bigtree	-	-	278,669	-	-	-
		-	-	(267,319)	-	-	-
	Digital18	-	-	15,137,553	-	-	-
		-	-	(29,538,697)	-	-	-
	E-18	-	-	55,761,996	-	-	-
		-	-	(57,381,537)	-	-	-
	Greycells18	-	-	3,576,551	-	-	-
		-	-	(3,172,098)	-	-	-
	IBN Lokmat	-	-	-	-	49,147,140	-
		-	-	-	-	(46,185,688)	-
	Infomedia	-	-	-	-	-	-
		-	-	(11,674,313)	-	-	-
	Newswire18	-	-	157,690	-	-	-
		-	-	(122,924)	-	-	-
	Setpro18	-	-	3,402,023	-	-	-
		-	-	(22,394,041)	-	-	-
	TV18 HSN	-	-	12,008,391	-	-	-
		-	-	(9,353,897)	-	-	-
	Viacom18	-	-	-	-	46,195,382	-
		-	-	-	-	(46,726,871)	-
	Colosceum	-	-	55,788	-	-	-
		-	-	(29,326)	-	-	-
	Indiacast	-	4,634,161	-	-	-	-
		-	-	-	-	-	-
	Stargaze	-	-	47,294	-	-	-
		-	-	-	-	-	-
	Total	42,016,006	46,839,995	90,425,955	-	95,342,522	-
		(108,922,802)	(49,619,116)	(133,934,152)	-	(92,912,559)	-
Reimbursement of expenses (paid)							
	Network18	97,043,376	-	-	-	-	-
		(146,003,221)	-	-	-	-	-
	E-18	-	-	185,726	-	-	-
		-	-	(987,504)	-	-	-

Notes Forming Part of the Financial Statements

Transactions	Holding company	Subsidiary	Fellow Subsidiary	Key management personnel	Joint venture	Entity under significant influence
IBN Lokmat	-	-	-	-	9,576,594 (964,353)	-
Infomedia	-	-	(1,630,948)	-	-	-
Setpro18	-	-	109,037,138 (347,158,918)	-	-	-
Viacom18	-	-	-	-	4,185,691 (14,720,474)	-
AETN18	-	14,513,151 (7,035,411)	-	-	-	-
TV18 HSN	-	-	(213,260)	-	-	-
Digital18	-	-	197,200	-	-	-
Indiacast	-	54,225,684	-	-	-	-
Colosseum	-	-	424,275	-	-	-
Newswire18	-	-	52,877	-	-	-
Total	97,043,376 (146,003,221)	68,738,835 (7,035,411)	109,897,216 (349,990,630)	-	13,762,285 (15,684,827)	-
Income from ibn18 trust on sale of shares						
IBN Trust	-	-	-	-	-	(189,100,000)
Net gain on foreign currency transaction and translation						
TEML	-	-	(26,936,314)	-	-	-
Amount written back during the year						
TEML	-	-	50,368,507	-	-	-
Amount written off during the year						
IBN Lokmat	-	-	-	-	4,912,026	-
Assets purchased						
Network18	(2,429,400)	-	-	-	-	-
Loan received during the year						
Network18	(3,049,000,000)	-	-	-	-	-
Loan given						
NW18 GSP	-	-	-	-	-	(307,500,000)
Loan repaid						
Network18	(3,049,000,000)	-	-	-	-	-
NW18 GSP	-	-	-	-	-	(1,530,100,000)

Notes Forming Part of the Financial Statements

	Transactions	Holding company	Subsidiary	Fellow Subsidiary	Key management personnel	Joint venture	Entity under significant influence
	Total	- (3,049,000,000)	- -	- -	- -	- -	- (1,530,100,000)
Investments in the equity shares							
	Viacom18	- -	- -	- -	- -	- (1,823,199,972)	- -
	RVT	- -	- -	- (346,460,000)	- -	- -	- -
	IndiaCast	- -	70,196,000 -	- -	- -	- -	- -
	Total	- -	70,196,000 -	- (346,460,000)	- -	- (1,823,199,972)	- -
Investments in the debentures							
	Ibn18 Mauritius	- -	1,120,600,000 (1,041,115,000)	- -	- -	- -	- -
	RVT	- -	- -	209,000,000 -	- -	- -	- -
	Total	- -	1,120,600,000 (1,041,115,000)	209,000,000 -	- -	- -	- -
Investments in preference shares							
	IBN Lokmat	- -	- -	- -	- -	- (81,750,000)	- -
Sale of investment							
	TEML	- -	- -	- (269,040,000)	- -	- -	- -
(ii)	Balances at the year end						
Loans and advances (Outstanding against cost allocation expenses reimbursement)							
	AETN18	- -	2,278,157 (3,410,694)	- -	- -	- -	- -
	Bigtree	- -	- -	29,118 -	- -	- -	- -
	Digital18	- -	- -	4,012,078 (30,615,382)	- -	- -	- -
	E-18	- -	- -	14,853,086 (67,081,496)	- -	- -	- -
	Greycells18	- -	- -	12,345,185 (18,889,629)	- -	- -	- -
	IBN Lokmat	- -	- -	- -	- -	9,288,870 (22,421,015)	- -
	Infomedia	- -	- -	- (17,563,827)	- -	- -	- -
	Network18 Pub	- -	- -	- -	- -	- -	15,504,700 (13,893,557)
	TV18 HSN	- -	- -	4,918,095 (56,174,168)	- -	- -	- -
	Viacom18	- -	- -	- -	- -	2,840,880 (29,930,638)	- -
	Web18	- -	- -	- (12,412)	- -	- -	- -
	Colosseum	- -	- -	9,543 (161,495)	- -	- -	- -

Notes Forming Part of the Financial Statements

Transactions	Holding company	Subsidiary	Fellow Subsidiary	Key management personnel	Joint venture	Entity under significant influence
Setpro18	-	-	86,845,911	-	-	-
	-	-	-	-	-	-
Total	-	2,278,157 (3,410,694)	123,013,016 (190,498,409)	-	12,129,750 (52,351,653)	15,504,700 (13,893,557)
Loans and advances (Loan given)						
NW18 GSP	-	-	-	-	-	527,926,074 (527,926,074)
	-	-	-	-	-	-
Trade receivables						
Network18	2,276,779 (52,792,846)	-	-	-	-	-
AETN18	-	44,433,854 (26,463,084)	-	-	-	-
Bigtree	-	-	(760,892)	-	-	-
Digital18	-	-	1,019,512 (44,993,423)	-	-	-
Greycells18	-	-	40,427,990 (24,708,902)	-	-	-
Infomedia	-	-	-	-	-	-
	-	-	(136,090,844)	-	-	-
Network18 Pub	-	-	-	-	-	27,471,576 (25,461,214)
	-	-	-	-	-	-
TEML	-	-	(196,674,970)	-	-	-
TV18 HSN	-	-	2,477,538 (7,797,021)	-	-	-
Viacom18	-	-	-	-	35,612,195 (52,912,608)	-
IndiaCast	-	193,022,427	-	-	-	-
	-	-	-	-	-	-
IBN Lokmat	-	-	-	-	6,194,188	-
	-	-	-	-	-	-
Total	2,276,779 (52,792,846)	237,456,281 (26,463,084)	43,925,040 (411,026,052)	-	41,806,383 (52,912,608)	27,471,576 (25,461,214)
Trade payables						
E18, Cyprus	-	-	61,259 (61,259)	-	-	-
NewsWire18	-	-	-	-	-	-
	-	-	(537,174)	-	-	-
Setpro18	-	-	-	-	-	-
	-	-	(98,284,626)	-	-	-
TV18 UK	-	-	-	-	-	-
	-	-	(1,040,578)	-	-	-
TEML	-	-	-	-	-	-
	-	-	(50,802,861)	-	-	-
Total	-	-	61,259 (150,726,498)	-	-	-
Shares Application money paid for shares						
IBN Lokmat	-	-	-	-	46,800,000	-
	-	-	-	-	-	-

Notes Forming Part of the Financial Statements

Transactions	Holding company	Subsidiary	Fellow Subsidiary	Key management personnel	Joint venture	Entity under significant influence
Corporate guarantee given to as outstanding						
Ibn Lokmat	-	-	-	-	249,000,000 (249,000,000)	-
Corporate guarantee taken from as outstanding						
Network18	1,137,500,000 (1,669,600,000)	-	-	-	-	-

36. Utilisation of Rights issue proceeds**(a) Rights issue I (Year ended 31 March 2011)**

The Company had allotted 54,495,443 partly paid 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, 2013 upon receipt of full and final call money and balance 49,036 shares have been forfeited in the Board Meeting dated 19 January, 2012 for non-payment of full and final call money amounting to Rs. 3,064,750. The status of utilization of rights issue proceeds is set out below:

(Amount in Rupees)

Objects of the issue	Proposed utilization	Actual utilization
Repay certain loans	2,150,000,000	2,150,000,000
Investment in Viacom18 *	1,500,000,000	1,500,000,000
Investment in IBN Lokmat Private Limited	250,000,000	250,000,000
General corporate purposes	995,324,000	995,324,000
Rights issue expenses **	200,000,000	196,935,250
Total	5,095,324,000	5,092,259,250

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

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

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

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

Pursuant to the approval from SEBI, the subscription to the current Rights Issue of 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 subscribed to the extent of 130.08% (net of rejections) of the issue size in terms of number of shares. On 23 October, 2012 Capital Issues Committee of the Board of Directors of the Company allotted 1,349,577,882 equity shares of Rs. 2 each at a premium of Rs. 18 each aggregating to Rs. 26,991,557,640. The company has received the proceeds from the rights issue amounting to Rs. 26,991,557,640, the status of utilization of rights issue proceeds 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 availed by us and repayment of Public Deposits	4,216,000,000	4,216,000,000
General corporate purposes	2,784,000,000	2,784,000,000
Rights issue expenses **	741,557,640	741,557,640
Total	26,991,557,640	26,991,557,640

*The Company paid Rs. 19,500,000,000 to Arimas Trading Private Limited for acquisition of 100% stake of Equator

Notes Forming Part of the Financial Statements

Trading Private Limited (Promoters of ETV). However, the shares are not yet transferred due to pending legal compliances which are under process.

** 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 have been fully utilised for the object of the issue.

37. Barter Transactions

During the year ended 31 March, 2013, the Company has entered into barter transactions, which were recorded at the fair value of consideration receivable or payable. The Statement of Profit and Loss for the year 31 March, 2013 reflects revenue from barter transactions of Rs. 102,400,259 (Previous year Rs. 103,313,556) and expenditure of Rs. 94,539,276 (Previous year Rs. 108,868,690) being the fair value of barter transactions provided and received.

38. Subscription revenue

With effect from 1 July, 2012 the Company has entered into an agreement with IndiaCast for subscription revenue for net of income and placement expenses thereby resulting in operating revenue and expenditure being lower by a similar amount during the period.

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 the 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, 2013 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.

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	Amount	
		Foreign Currency	Rupees
Payable	GBP	6,464	532,100
		(12,721)	(1,040,578)
	USD	2,896,627	157,547,775
		(55,73,597)	(285,145,195)
Receivable	GBP	-	-
		(16,545)	(1,353,368)
	USD	2,077,619	113,000,245
		(5,734,246)	(293,343,961)

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. 165,634,172 (Previous year Rs. 155,306,465) 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 31.03.2013	As at 31.3.2012
Not later than one year	163,696,415	159,457,059
Later than one year but not later than five years	358,637,314	293,546,783
More than five years	-	2,031,018

Notes Forming Part of the Financial Statements

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. 3,869,805 (Previous year Rs. 824,973) has been paid during the year. The total minimum lease payments and its present value and discounted at the interest rate implicit in the lease are:

a. **Minimum lease payments**

	As at 31.03.2013	As at 31.03.2012
Not later than 1 year	3,734,517	3,869,805
Later than 1 year but not later than 5 years	6,277,838	11,618,473
	10,012,355	15,488,278

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

	As at 31.03.2013	As at 31.03.2012
Not later than 1 year	2,567,496	2,263,687
Later than 1 year but not later than 5 years	5,885,358	8,452,854
	8,452,854	10,716,541

c. **Reconciliation:**

	As at 31.03.2013	As at 31.03.2012
Total Minimum Lease Payments as above	10,012,355	15,488,278
Less: Future Finance charges	1,559,501	4,771,737
Net Present Value	8,452,854	10,716,541

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) (India)	Viacom18 Media Private Limited (audited) (India)
	Amount of interest based on account of 31.03.2013	
% of shareholding	50% (50%)	50% (50%)
Assets	98,329,442 (119,747,457)	9,302,356,423 (8,962,100,752)
Liabilities	75,928,094 (100,258,698)	5,529,088,199 (4,794,084,615)
Income	105,347,189 (88,151,666)	7,946,112,779 (9,020,315,708)
Expenditure	149,226,430 (170,282,481)	8,038,218,529 (9,556,660,188)
Contingent liabilities	- (-)	372,729,325 (139,640,060)
Capital commitments	- (-)	5,119,435 (3,184,569)

Figures in brackets relate to the previous year

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

GURDEEP SINGH PURI

General Manager - Finance

Noida

13 May, 2013

SANJAY RAY CHAUDHURI

Director

HITESH KUMAR JAIN

DGM-Corporate Affairs &
Company Secretary

Independent Auditors' Report

**TO THE BOARD OF DIRECTORS OF
TV18 BROADCAST LIMITED
(Formerly ibn18 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, 2013, 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 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 judgement, 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 of the subsidiaries and jointly controlled entities 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:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March, 2013;
- in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
- in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

We draw attention to Note 39 to the consolidated financial statements wherein it is stated that pursuant to the Scheme of Arrangement sanctioned by the Hon'ble High Court of Judicature at Bombay (the "Scheme"), the joint venture has written off the debit balance in the Statement of Profit and Loss aggregating Rs. 13,397.45 lakhs which has been adjusted against Securities Premium Account. As permitted by the Scheme, the Board of Directors of the jointly controlled entity have approved the utilization of the Securities Premium Account to the extent of Rs. 2,907.61 lakhs to write down certain assets and liabilities (film rights, trade receivables, loans and advances and deferred tax liabilities). Had the Scheme not prescribed the aforesaid accounting treatment, an amount of Rs. 2,907.61 lakhs would have been debited to the consolidated Statement of Profit and Loss for the year and loss for the year would have been higher by an equivalent amount.

Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit the financial statements of two subsidiaries and two jointly controlled entities, whose financial statements reflect total assets (net) of Rs. 118,851.24 as at 31 March, 2013, total revenues of Rs. 81,140.27 and net cash inflows amounting to Rs. 54,851.95 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us 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 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 Registration No. 015125N)

JITENDRA AGARWAL
Partner

(Membership No. 87104)

GURGAON, 13 May, 2013

Consolidated Balance Sheet as at 31 March, 2013

	Notes Reference	As at 31.03.2013 (Rupees)	As at 31.03.2012 (Rupees)
EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	3,423,344,024	724,188,260
(b) Reserves and surplus	4	29,301,558,054	6,131,602,200
		32,724,902,078	6,855,790,460
2. Minority interest		113,353,615	79,887,160
3. Non - current liabilities			
(a) Long - term borrowings	5	1,673,463,458	2,942,265,594
(b) Other long-term liabilities	6	29,526,931	43,065,226
(c) Long - term provisions	7	137,009,579	123,895,915
		1,839,999,968	3,109,226,735
4. Current liabilities			
(a) Short - term borrowings	8	3,136,235,239	6,012,984,894
(b) Trade payables	9	4,809,852,637	3,302,829,698
(c) Other current liabilities	10	1,695,619,058	1,486,174,046
(d) Short - term provisions	11	30,231,468	14,706,166
		9,671,938,402	10,816,694,804
Total		44,350,194,063	20,861,599,159
ASSETS			
1. Non - current assets			
(a) Fixed assets	12		
(i) Tangible assets		1,348,316,424	1,516,857,299
(ii) Intangible assets		188,937,850	120,910,900
(iii) Capital work-in-progress		26,189,885	23,650,409
(iv) Intangible assets under development		11,101,233	7,183,020
		1,574,545,392	1,668,601,628
(b) Goodwill on consolidation		4,586,653,757	4,467,166,496
(c) Non - current investments	13	33,869,562	61,485,810
(d) Deferred tax assets (net)	29	9,092,764	32,260,702
(e) Long - term loans and advances	14	2,095,695,176	1,364,343,879
(f) Other non- current assets	15	20,737,576,530	1,254,041,147
		29,037,433,181	8,847,899,662
2. Current assets			
(a) Current investments	16	790,168,426	-
(b) Inventories	17	2,747,367,287	2,942,919,171
(c) Trade receivables	18	4,600,912,594	5,093,281,120
(d) Cash and cash equivalents	19	2,693,677,525	819,499,452
(e) Short - term loans and advances	20	4,119,272,534	2,802,216,817
(f) Other current assets	21	361,362,516	355,782,937
		15,312,760,882	12,013,699,497
Total		44,350,194,063	20,861,599,159

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

JITENDRA AGARWAL
PartnerGurgaon
13 May, 2013

For and on behalf of the Board of Directors

RAGHAV BAHL
Director**GURDEEP SINGH PURI**
General Manager - FinanceNoida
13 May, 2013**SANJAY RAY CHAUDHURI**
Director**HITESH KUMAR JAIN**
DGM-Corporate Affairs &
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31 March, 2013

	Notes Reference	Year Ended 31.03.2013 (Rupees)	Year Ended 31.03.2012 (Rupees)
1. Revenue from operations	22	16,991,320,176	14,098,640,324
2. Other income	23	438,573,232	857,976,550
3. Total Revenue (1+2)		17,429,893,408	14,956,616,874
4. Expenses:			
(a) Employee benefits expenses	24	2,552,709,977	2,278,687,783
(b) Finance costs	25	1,436,009,439	1,197,143,801
(c) Depreciation and amortisation expenses	12	419,043,851	335,294,522
(d) Other expenses	26	13,318,641,895	12,442,932,880
Total Expenses		17,726,405,162	16,254,058,986
5. Profit / (Loss) before tax and exceptional items (3-4)		(296,511,754)	(1,297,442,112)
6. Exceptional items			
Impairment of Film Rights (see note 38)		-	(693,009,861)
Recovery from indemnity (see note 38)		-	1,086,309,861
7. Profit / (Loss) before tax (5-6)		(296,511,754)	(904,142,112)
8. Tax expenses:			
- Current tax		2,953,592	1,549,970
- Deferred tax charge		110,569,033	27,739,298
- Income tax adjustments of prior years (net)		12,356,411	28,742,605
9. Profit / (Loss) for the year before minority (7-8)		(422,390,790)	(962,173,985)
10. Less: Share of loss transferred to minority interest		(167,901,371)	(224,379,339)
11. Profit / (Loss) for the year (9-10)		(254,489,419)	(737,794,646)
12. Earnings per equity share	28		
(Face value of Rs. 2 each)			
(a) Basic		(0.27)	(1.53)
(b) Diluted		(0.27)	(1.53)

See accompanying notes forming part of the consolidated financial statements
In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

JITENDRA AGARWAL
Partner

Gurgaon
13 May, 2013

For and on behalf of the Board of Directors

RAGHAV BAHL
Director
GURDEEP SINGH PURI
General Manager - Finance

Noida
13 May, 2013

SANJAY RAY CHAUDHURI
Director
HITESH KUMAR JAIN
DGM-Corporate Affairs &
Company Secretary

Consolidated Cash Flow Statement for the year ended 31 March, 2013

	Notes Reference	Year ended 31.03.2013 (Rupees)	Year ended 31.03.2012 (Rupees)
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		(296,511,754)	(904,142,112)
Adjustments for :			
- Depreciation and amortisation expenses		419,043,851	335,294,522
- Loss on sale/disposal of assets		12,939,124	33,199,995
- Employee stock compensation expenses		1,185,280	4,949,921
- Finance costs		1,436,009,439	1,197,143,801
- Net (gain) / loss on foreign currency transactions and translations		23,217,672	(2,719,812)
- Net gain on sale of non current investments		(3,310,549)	(290,952,745)
- Net gain on sale of current investments		(42,633,134)	(12,083,395)
- Liabilities / provisions no longer required written back		(94,990,380)	(118,604,328)
- Interest income		(190,415,703)	(237,353,096)
- Dividend on investments		(88,733,290)	(178,836)
- Income from ibn18 trust on sale of shares		-	(189,100,000)
- Bad debts and Provision for doubtful trade and other receivable, loans and advances (net)		172,778,881	428,212,654
- Non-current investments written off		8,566,250	-
- Dimunition in carrying value of current investments		872,168	-
Operating profit before working capital changes		1,358,017,855	243,666,569
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
-Inventories		(97,015,906)	517,237,017
-Trade receivables		1,112,632,748	(981,605,747)
-Long term receivables		-	(1,086,309,861)
-Short-term loans and advances		(1,315,087,254)	1,219,005,077
-Long-term loans and advances		274,687,485	(307,286,582)
-Other current assets		(42,284,441)	(18,672,376)
-Other non-current assets		16,464,617	(7,093,549)
Adjustments for increase / (decrease) in operating liabilities:			
-Trade payables		120,772,058	606,816,626
-Other current liabilities		157,981,004	(403,969,204)
-Other long-term liabilities		804	15,827
-Short-term provisions		11,092,825	7,440,401
-Long-term provisions		15,321,950	3,375,568
Cash generated from/ (used in) operations		1,612,583,745	(207,380,234)
Tax paid		(582,898,975)	(459,805,973)
Net cash from/ (used in) operating activities		1,029,684,770	(667,186,207)

Consolidated Cash Flow Statement for the year ended 31 March, 2013

	Notes Reference	Year ended 31.03.2013 (Rupees)	Year ended 31.03.2012 (Rupees)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(392,633,756)	(485,689,217)
Sale of assets/claim received		4,618,810	10,564,962
Investments purchased			
- in subsidiary/affiliates (including share application money)		(100,000)	(332,372,360)
- in mutual funds (net)		(748,407,460)	-
Investments sold			
- in subsidiary/affiliates		-	269,040,000
- in mutual funds (net)		-	42,341,038
- in others		22,360,547	-
Advance against purchase of shares		(19,500,000,000)	-
Interest received		125,457,493	138,181,957
Dividend on investments		88,733,290	178,836
Income from ibn18 trust on sale of shares		-	189,100,000
Net cash used in investing activities		(20,399,971,076)	(168,654,784)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Finance cost paid		(1,416,057,796)	(1,137,581,476)
Rights issue and merger / demerger expenses		-	(111,276,733)
Proceeds from issue of equity shares (net)		26,379,396,432	18,224,728
Proceeds from issue of share capital to minority		201,367,826	304,266,499
Increase / (Decrease) in long - term borrowings		(1,268,802,136)	815,274,868
Increase / (Decrease) in short - term borrowings		(2,801,347,157)	(167,900,214)
Increase / (Decrease) in current maturities of long-term debt		3,204,858	(340,280,567)
Net cash from/ (used in) financing activities		21,097,762,027	(619,272,895)
Net increase/ (decrease) in cash and cash equivalents	(A+B+C)	1,727,475,721	(1,455,113,886)
Cash and cash equivalents as at the beginning of the year		819,499,452	2,042,618,520
Cash and cash equivalents acquired on merger / acquisition		146,702,352	231,994,818
Cash and cash equivalents as at the end of the year	19	2,693,677,525	819,499,452

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

JITENDRA AGARWAL
Partner

Gurgaon
13 May, 2013

For and on behalf of the Board of Directors

RAGHAV BAHL
Director

GURDEEP SINGH PURI
General Manager - Finance

Noida
13 May, 2013

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

Company	Relation	Country of Incorporation	Percentage (%) of holding by the Company as at	
			31.03.2013	31.03.2012
RVT Media Private Limited (RVT Media)	Subsidiary	India	100.00	100.00
Ibn18 (Mauritius) Limited	Subsidiary	Mauritius	100.00	100.00
Indiacast Media Distribution Private Limited (IndiaCast) w.e.f. 1 July, 2012	Subsidiary	India	100.00	-
AETN 18 Media Private Limited (AETN 18)	Subsidiary of RVT Media	India	51.00	51.00
Indiacast US Limited (Indiacast US) (w.e.f. 28 January, 2013)	Subsidiary of IndiaCast	India	100.00	-
Indiacast UK Limited (Indiacast UK) (w.e.f. 22 January, 2013)	Subsidiary of IndiaCast	India	100.00	-
IC Media Distribution Services Private Limited (IC Media) (w.e.f. 4 December, 2012)	Subsidiary of IndiaCast	India	100.00	-
IBN Lokmat News Private Limited	Joint Venture	India	50.00	50.00
Viacom18 Media Private Limited ("Viacom18")	Joint Venture	India	50.00	50.00
Viacom18 US Inc.	Subsidiary of Viacom 18	United States of America	100.00	100.00
Viacom18 Media (UK) Limited	Subsidiary of Viacom 18	United Kingdom	100.00	100.00
Roptonal Limited	Subsidiary of Viacom 18	Cyprus	100.00	100.00
The Indian Film Company Limited	Subsidiary of Viacom 18	Cyprus	100.00	100.00
The Indian Film Company (Cyprus) Limited	Subsidiary of Viacom 18	Cyprus	100.00	100.00

1.2 Brief description of significant subsidiaries and joint venture

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

TV18 Broadcast Limited ("The Company" or "TV18") (formerly known as ibn18 Broadcast Limited ("ibn18")) was incorporated on 6 June, 2005 as Global Broadcast News Private Limited. The Company was converted into a public limited Company and a revised Certificate of Incorporation was issued to give effect to this change with effect from 12 December, 2005. The commercial operations of the Company commenced on 17 December, 2005. 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 02 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. The Company is in the business of broadcasting; telecasting, relaying and transmitting Hindi & English general news, Hindi &

Notes forming part of the Consolidated Financial Statements

English business news programmes, and operates the news channels “CNN IBN, IBN7, CNBC TV18 and 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”.

Network 18 Media & Investments Limited is the holding company by virtue of management control over the Company's operations and is also holding 51.24% of Shares of the Company as at 31 March, 2013.

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 channel in India with effect from 9 October, 2011.

iii. ibn18 (Mauritius) Limited

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

iv. Indiacast Media Distribution Private Limited

Indiacast Media Private Limited, a 100% subsidiary of TV18 w.e.f. 1 July, 2012, is engaged in the business of telecasting and distributing television channels through, but not limited to, any cable and satellite channels on cable networks, Direct to Home, Internet and Interactive Television.

v. IBN Lokmat News Private Limited

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

vi. Viacom18 Media Private Limited

Viacom18 Media Private Limited, a 50:50 joint venture with Viacom Inc., operates six TV channels (“Colors”, “MTV”, “Nickelodeon”, “Sonic”, “VH1” and “Comedy Central”) and is engaged in the business of broadcasting, distributing, producing audio visual programmes, marketing and selling commercial advertising on its channels and generates revenue from licensing and merchandising of products, brand solutions and marketing partnerships. The consolidated financial statements of Viacom18 includes the financial statements of its 100% subsidiaries namely Viacom 18 Media US Inc., Viacom 18 Media (UK) Limited, Roptonal Limited, The Indian Film Company (Cyprus) Limited and The Indian Film Company 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 of TEIL were merged into the Company. Since these were the wholly owned subsidiary company of the TV18 and TEIL respectively, no consideration was paid to their shareholders. As per the Scheme, the shareholders of TEIL had been given 68 shares of TV18 in lieu of 100 shares held in TEIL.

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

Notes forming part of the Consolidated Financial Statements

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

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

a. Transfer of news business of TEIL

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

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

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

b. Merger of IBN 18 Media & Software Limited and iNews.com Limited

As per the Scheme, iNews.com Limited, a subsidiary of TEIL and IBN18 Media & Software Limited, a subsidiary of the Company has merged into the Company. The details of the assets and liabilities of these companies being transferred to the Company at its book value as at the appointed date is mentioned below:

Notes forming part of the Consolidated Financial Statements

	Particulars	IBN18 Media & Software Limited (Rupees)	iNews.com Limited (Rupees)
1.	Fixed assets (Net)	393,992	33,421,691
2.	Current assets, loans and advances:		
	- Inventories	192,564	-
	- Cash and Bank Balances	115,842	58,662
	- Loan and advances	-	117,967
		308,406	176,629
3.	Less: Current liabilities and provisions:		
	- Current Liabilities	42,686	92,468
	- Provisions	-	-
4.	Net current assets (2-3)	265,720	84,161
5.	Other assets – Miscellaneous expenditure	-	35,926,067
6.	Total assets (1+4+5)	659,712	69,431,919
7.	Total liabilities		
	Unsecured Loan	-	5,819,963
8.	Profit and loss account	-	3,611,956
9.	Net value of assets transferred pursuant to Scheme of Arrangement (6-7-8)	659,712	60,000,000
10.	Investments in these wholly owned subsidiary	1,000,000	60,000,000
11.	Balance debited to securities premium (9-10)	(340,288)	-
c.	The Company has fair valued its assets and assets acquired as on the appointed date from TEIL and iNews under the Scheme (such assets comprise investments, deferred tax asset, miscellaneous expenditure, debtors and loans and advances) and have in accordance with the Scheme, debited Rs. 577,621,696 to the Securities Premium Reserve being the differential between the book value and the fair value.		
d.	Pursuant to the Scheme the debit balance in the Statement of Profit and Loss of the Company to the extent of Rs. 791,095,787 has been adjusted from the Capital Reserve and Security Premium Reserve account as follows:		
			(Rupees)
i.	Capital Reserve		168,720,000
ii.	Security Premium Reserve		622,375,787
	Total		791,095,787

2. Significant Accounting Policies

a. Basis of accounting and preparation of financial statements

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

b. Basis of consolidation

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

Notes forming part of the Consolidated Financial Statements

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

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

c. Use of estimates

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

d. Inventories

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

Vicom18 evaluates the realizable value and / or revenue potential of inventory based on the type of programming assets.

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

- i. Cost of shows are amortised at 90% in the first year of telecast and balance is amortised evenly in the subsequent financial year. However, short format shows are expensed in the year of production and telecast.
- ii. Acquired rights of shows are amortised evenly over the license period
- iii. In-house produced animated shows/movies are amortised evenly over four years and live action shows are amortised equally over the period of two years.
- iv. In case of events where the rights are for more than one year, 60% of the cost are amortised in the year of telecast and the balance is amortised equally in the subsequent years. In case the right is for a single year, the entire amount is expensed in the year of telecast.
- v. Cost of cable and satellite movie rights acquired are amortised on the exploitation of such rights based on the management estimates of future revenue potential.
- vi. In case of film production and distribution, the Viacom18 amortises film cost using the individual-film-forecast method. Under this method, such costs are amortised for each film in the ratio that current period revenue for such films bears to management's estimate of remaining unrecognised ultimate revenue as at the beginning of the current fiscal year. Management regularly reviews and revises, where necessary, its total estimates on a film-by-film basis, which may result in a change in the rate of amortisation and/or a write down of the inventory to recoverable amount
- vii. The Viacom18 evaluates the realizable value and /or revenue potential of inventory on an ongoing basis and appropriate write down is made in cases where accelerated write down is warranted.

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

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

Notes forming part of the Consolidated Financial Statements

f. Cash flow statement

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

g. Depreciation and amortisation

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

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

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

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

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

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

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

Asset	Rates
Furniture and Fixtures	20.00%
Plant and Machinery (includes Studio Equipment and Audio Video Equipment, Integrated Receiver Decoder)	20.00%
Equipments and Computer system:	
- Computer Hardware	33.33%
- Office Equipments	20.00%
- Smart Phones	100.00%
Integrated Receiver Decoder	20.00%
Computer Software and Leasehold Improvements	33.33%*
Electronic Programming Guide Slot	33.33%
(* 3 years or lease period whichever is less)	
Fixed Assets individually costing Rs. 5,000 or less are depreciated fully in the year of acquisition	

- (iii) Depreciation on fixed assets for Indiacast is provided on the straight line method at the rates set out below, which are based on economic useful lives of these assets as determined by the management and are greater than the corresponding rates prescribed in Schedule XIV of the Companies Act, 1956:

Asset	Rates
Office equipment , computer software, computer hardware, lease hold improvements	33.33%
Mobile phones	100.00%
Assets costing Rs. 5,000 or less individually has been fully depreciated in the year of purchase and Intangible assets are amortised over their estimated useful life.	

h. Revenue recognition

- i. Revenue from operations includes:

➤ Advertising revenue comprising

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

Notes forming part of the Consolidated Financial Statements

- Revenue from sponsorship contracts, which is recognised proportionately over the term of the sponsorship.
 - Subscription revenue which is recognised on accrual basis in accordance with the terms of the contract with the distribution and collection agency, for the services rendered.
 - Facility and equipment rental which is accounted for on the accrual basis for the period of use of equipment by the customers.
 - Program revenue which is accounted for on dispatch of programs to customers in accordance with contractual commitments.
 - Licensing and merchandising revenue comprising
 - Revenue from Licensing and merchandising are recognised as per the terms of the arrangement
 - Revenue from licensing of content is recognised in accordance with the licensing agreement or on physical delivery of content, whichever is later.
 - Revenues from theatrical distribution of movies are recognised in accordance with the licensing agreement as the films are screened and is stated at the minimum guarantee due and where applicable, the Group's share of box office receipts in excess of the minimum guarantee. Revenue from sale of rights such as satellite, broadcasting, or music rights is recognised in accordance with the licensing arrangements when the Group has no remaining obligations to perform and all other conditions for sale have been met.
 - Revenue from sale of television content is recognised on transmission of audio-video content to the customer and their acceptance.
 - Revenue from media related professional and consultancy services is recognised in accordance with contracts on rendering of services.
- ii. Other income includes
- Dividends on investments are accounted for when the right to receive dividend is established.
 - Interest income is recognized on time proportionate basis, taking into account the amount outstanding and the rate applicable.
- i. Tangible fixed assets**
- Fixed assets are stated at their original cost of acquisition/installation less depreciation. All direct expenses attributable to acquisition/installation of assets are capitalised.
- Capital work-in-progress:
- Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.
- j. Intangible assets**
- Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.
- k. Foreign currency transactions and translation**
- Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss.
- Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the exchange rate prevailing at the date of balance sheet, the resultant exchange differences are recognised in the Statement of Profit and Loss.
- In respect of foreign integral operations, monetary assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. Non-monetary items are translated at the historical rate, the items in the Statement of Profit and Loss are translated at the average rate during the year. The differences arising out of the translation are recognised in the Statement of Profit and Loss.

Notes forming part of the Consolidated Financial Statements

In respect of foreign non integral operations, asset and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. The items in the Statement of Profit and Loss are translated at the average exchange rate during the year. The differences arising out of the translation are transferred to the foreign currency translation reserve.

l. Investments

Long term investments are stated at cost less other than temporary diminution in the value of such investments. Current investments are carried at lower of cost or fair value.

m. Employee benefits

- i. The Group's Employee's Provident Fund scheme is a defined contribution plan. The Group's contribution to the Employees' Provident Fund is charged to the Statement of Profit and Loss during the period in which the employee renders the related service.
- ii. Short term employee benefits (Medical, Leave travel allowance, etc.) expected to be paid in exchange for the services rendered is recognised on undiscounted basis.
- iii. The Group provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

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.

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

n. Segment information

- i. Business Segments

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

- ii. Geographic Segments

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

o. Leases

- i. Operating lease

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

- ii. Finance lease

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

p. Earnings per share

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

Notes forming part of the Consolidated Financial Statements

using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end and except where the results would be anti-dilutive

q. Taxes on income

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

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

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

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

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

r. Impairment of assets

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

s. Provisions and contingencies

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

t. Employee share based payments (ESOS)

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

u. Barter transactions

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

v. Share issues expenses

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

w. 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 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 Consolidated Financial Statements

3 Share capital

Particulars	As at 31.03.2013		As at 31.03.2012	
	Number of Shares	Amount (Rupees)	Number of Shares	Amount (Rupees)
a. Authorised				
Equity shares of Rs. 2 each	<u>5,000,000,000</u>	<u>10,000,000,000</u>	<u>1,460,000,000</u>	<u>2,920,000,000</u>
b. Issued, Subscribed and fully paid up				
(i) Issued	<u>1,711,708,789</u>	<u>3,423,417,578</u>	<u>362,130,907</u>	<u>724,261,814</u>
(ii) Subscribed and fully paid up	<u>1,711,659,753</u>	<u>3,423,319,506</u>	<u>362,081,871</u>	<u>724,163,742</u>
(iii) Shares forfeited	<u>49,036</u>	<u>24,518</u>	<u>49,036</u>	<u>24,518</u>
Total	<u><u>1,711,708,789</u></u>	<u><u>3,423,344,024</u></u>	<u><u>362,130,907</u></u>	<u><u>724,188,260</u></u>

Refer Notes (i) to (vi) below:

Notes

- (i) The Company has only one class of equity shares having a par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share held. 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 31.03.2013		As at 31.03.2012	
	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>185,526,648</u>	<u>371,053,296</u>
Subsidiaries of the Holding Company	<u>163,563</u>	<u>327,126</u>	<u>34,600</u>	<u>69,200</u>
	<u><u>877,198,625</u></u>	<u><u>1,754,397,250</u></u>	<u><u>185,561,248</u></u>	<u><u>371,122,496</u></u>

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

Particulars	As at 31.03.2013		As at 31.03.2012	
	Number of Shares held	% Holding	Number of Shares held	% Holding
Network18 Media & Investments Limited	877,035,062	51.24%	185,526,648	51.24%
Network18 Group Senior Professional Welfare Trust	28,725,006	1.68%	28,725,006	7.93%

Notes forming part of the Consolidated Financial Statements

(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 31.03.2013	As at 31.03.2012
	Number of Shares held	Number of Shares held
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 Ltd (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 32)

10,959,207	3,999,979
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(vi) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	Shares issued during the year						Closing Balance
	Opening Balance	Right issue	Employee stock options plan	Conversion into fully paid up	Shares issued under the scheme of arrangement [Refer to note 1.3(a)(i)]	Shares forfeited	
(i) Issued							
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
Year ended 31 March, 2012							
- Number of shares	237,867,300	-	320,304	-	123,943,303	-	362,130,907
- Amount (Rupees)	475,734,600	-	640,608	-	247,886,606	-	724,261,814
(ii) Subscribed and fully paid up							
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
Year ended 31 March, 2012							
- Number of shares	237,796,965	-	320,304	21,299	123,943,303	-	362,081,871
- Amount (Rupees)	475,593,930	-	640,608	42,598	247,886,606	-	724,163,742
(iii) Subscribed and not fully paid up							
Year ended 31 March, 2013							
- Number of shares	-	-	-	-	-	-	-
- Amount (Rupees)	-	-	-	-	-	-	-
Year ended 31 March, 2012*							
- Number of shares	70,335	-	-	(21,299)	-	(49,036)	-
- Amount (Rupees)	35,168	31,949**	-	(42,598)	-	(24,518)	-

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

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

Notes forming part of the Consolidated Financial Statements

	As at 31.03.2013 (Rupees)	As at 31.03.2012 (Rupees)
4 Reserves and Surplus		
a. Capital reserve		
Opening balance	-	168,720,000
Less: Amount transferred from Statement of Profit and Loss (see para f below) as per the scheme of arrangement [See also note 1.3 (d)]	-	168,720,000
	-	-
b. Securities premium reserve		
Opening balance	7,947,933,649	8,501,569,857
Add:		
- Amounts received pursuant to issue of equity shares under rights issue	24,292,401,876	1,299,239
- Amounts received pursuant to issue of equity shares under ESOPs	-	19,164,542
- Amounts transferred from Share options outstanding account on exercise of share options	-	18,423,309
- Amount credited on transfer of news business of TEIL as per the Scheme of Arrangement [See note 1.3 (a)]	-	646,996,980
Less:		
- Amount debited on merger of the IBN18 Media & Software Limited as per the Scheme of Arrangement [See note 1.3 (b)]	-	340,288
- Shares issue expenses / expenses for Scheme of Arrangement [See note 21 (b)]	-	23,458,247
- Amount transferred from miscellaneous expenditure	723,437,941	15,724,260
- Amount adjusted during the year	-	577,621,696
- Difference of book value and fair value of assets adjusted pursuant to Scheme of arrangement [See note 1.3 (c)]	-	622,375,787
- Amount transferred from statement of profit and loss (see para f below) as per the scheme of Arrangement [See also note 1.3 (d)]	-	622,375,787
	31,516,897,584	7,947,933,649
c. Share options outstanding account		
Gross share options outstanding account		
Opening balance	61,051,406	23,842,987
Add: Amount transferred from TEIL pursuant to Scheme of arrangement [See note 1.3 (c)]	-	62,606,670
Less: -Adjusted on account of forfeiture / lapse of options	5,318,000	1,181,645
-Amount transferred to General Reserve on expiry of options	11,106,677	5,793,297
-Transferred to Securities Premium Reserve on exercise of share options	-	18,423,309
	44,626,729	61,051,406
Deferred employee compensation expense		
Opening balance	16,269,534	1,557,520
Add: Amount transferred from TEIL pursuant to Scheme of arrangement (See note 1.3)	-	20,843,580
Less: Adjusted on account of forfeiture / lapse of options	5,318,000	1,181,645
Less: Amount charged to Statement of Profit and Loss	1,185,280	4,949,921
	9,766,254	16,269,534
	34,860,475	44,781,872
d. General Reserve		
Opening balance carried forward	104,366,671	9,998,341
Add : Amount transferred from TEIL under Scheme of Arrangement pertaining to ESOPs	-	88,575,033
Add : Amount transferred from ESOPs reserve on account on expiry of options	11,106,677	5,793,297
	115,473,348	104,366,671

Notes forming part of the Consolidated Financial Statements

	As at 31.03.2013 (Rupees)	As at 31.03.2012 (Rupees)
e. Foreign currency translation reserve		
Opening balance carried forward	138,848,790	1,020,968
Add: Additions during the year (net)	145,057,384	137,827,822
	283,906,174	138,848,790
f. Surplus/(deficit) in the statement of profit and loss		
Opening Balance	(2,104,328,782)	(2,514,913,998)
Add/(less):		
- Profit / (loss) brought forward from statement of profit and loss	(254,489,419)	(737,794,646)
- Profit/(loss) for the year ended 31 March, 2011 of the undertakings merged with the Company pursuant to scheme of arrangement		
- Profit from TEL's news business [See note 1.3 (a)(ii)]	-	349,484,839
- I-News.com Limited	-	3,575,387
- IBN18 Media & Software Limited (net)	-	177,882
- Loss transferred to AETN18 on stake dilution	-	4,045,967
- Adjustment on account of assets write off by Viacom18 on merger (See note 39)	(290,761,326)	-
- Amount adjusted through transfer to Capital Reserve (see para a above) and Securities Premium Reserve (see para b above) as per the Scheme of Arrangement [See also note 1.3 (d)]	-	791,095,787
	(2,649,579,527)	(2,104,328,782)
	29,301,558,054	6,131,602,200
5 Long - term borrowings		
a. i. Term loans (secured)		
- from banks	950,000,000	1,677,541,664
- from others	232,200,000	365,800,000
(See note (b) below for security and terms of repayment)		
	1,182,200,000	2,043,341,664
ii. Vehicle loans (secured)		
- from banks	3,151,850	-
- from others	10,393,250	8,546,076
(Vehicle loans are secured by hypothecation of vehicles and payable in equal monthly installments)		
iii. Long term maturities of finance lease obligations (secured)		
- from others [see note 37 (ii) (b)]	5,885,358	8,452,854
(Secured by hypothecation of fixed assets purchased under finance lease arrangements and is payable in equal monthly installments)		
iv. Public Deposits (unsecured)		
(Deposits are repayable at the time of maturity)	471,833,000	881,925,000
	1,673,463,458	2,942,265,594
b. Security details for term loans covered under Note 5 and Note 10 is as follows:		
I. Term loans under Long term borrowings	1,182,200,000	2,043,341,664
II. Term loans under Other current liabilities	193,803,193	564,615,734
	1,376,003,193	2,607,957,398

Notes forming part of the Consolidated Financial Statements

	As at 31.03.2013 (Rupees)	As at 31.03.2012 (Rupees)
i. Term loan from bank carries interest @ 13.75% to 15% p.a. and is repayable in 72 equal monthly installments of Rs. 4,144,450. The term loan is secured by first charge over entire fixed assets of channel IBN7 amounting to Rs. 320,400,000 as on 31 March 2009, and unconditional and irrevocable corporate guarantee of Network18 Media & Investments Limited (Holding Company of TV18).	-	23,685,065
ii. Term loan from others carries interest @ 13.50% p.a. and is repayable in 60 equal monthly installments of Rs. 1,062,000 in advance of every month. The term loan is secured by first charge on all movable assets including plant and machinery and equipment acquired / to be acquired out of the proceeds of the term loan of channel IBN7 of the Company and unconditional and irrevocable corporate guarantee of Network18 Media & Investments Limited.	-	7,414,000
iii. Term loan from bank carries interest @ 13.75% to 15.50% p.a. and is repayable in 3 equal half yearly installments of Rs. 33,333,333. The term loan is secured by subservient charge on all movable fixed assets (all present & future) of CNN-IBN and IBN 7 channels of the Company and unconditional and irrevocable corporate guarantee of Network18 Media & Investment Limited, to remain valid during currency of credit facility.	-	33,333,333
iv. Term loan from others carries interest @ 13.50% to 14.50% p.a. and is repayable in 24 equal quarterly installments of Rs. 33,400,000. This is secured by first pari passu charge on movable fixed assets of the existing CNBC news channels of the Company and is collaterally secured by pledge of shares by the promoters/ group entities, personal guarantee of the Director of the Company and corporate guarantee of Network18 Media & investments Limited	365,800,000	499,400,000
v. Term loan from bank carries interest @ 13.00% p.a. and is repayable in 18 equal monthly installments of Rs. 55,555,556 after the moratorium period of 6 months. The term loan is secured by subservient charge on all current assets and movable fixed assets (all present & future) of the Company and is secured by personal guarantee of the Director of the Company and corporate guarantee of Network18 Media & investments Limited	-	1,000,000,000
vi. Term loan from bank carries interest @ base rate plus 3.5% and is repayable in equal 21 quarterly stepped up installments after 2 years from the date of first disbursement (30 March, 2011). The term loan is secured by first pari passu charge over fixed assets and current assets of Viacom18	990,000,000	1,000,000,000
vii. Term loan from bank carries interest @ 13.75% to 15.75% p.a. and repayable in 60 equal monthly installments of Rs. 3,875,000. The term loan is secured by first charge over entire fixed assets amounting to Rs 100,234,432 (50% share) as on 31 March 2013 of IBN Lokmat, and unconditional and irrevocable corporate guarantee of the Company and Lokmat Media Limited	20,203,193	44,125,000
	1,376,003,193	2,607,957,398

Notes forming part of the Consolidated Financial Statements

	As at 31.03.2013 (Rupees)	As at 31.03.2012 (Rupees)
6 Other long-term liabilities		
a. Interest accrued but not due on public deposits	29,399,837	42,938,936
b. Trade payables	127,094	126,290
	29,526,931	43,065,226
7 Long term provisions		
Provision for employee benefits:		
i. Provision for compensated absences	43,129,855	38,684,828
ii. Provision for gratuity [See note 31(II)(d)]	93,879,724	85,211,087
	137,009,579	123,895,915
8 Short-term borrowings		
i. Cash credit (including working capital demand loan) - from bank (secured) (See note (a) below for security and terms of repayment)	2,482,671,040	2,540,757,648
ii. Commercial papers (unsecured) - from bank - from others (Payable on maturity)	- - -	750,000,000 1,000,000,000
iii. Public deposits (unsecured) (Deposits are repayable at the time of maturity)	421,378,878	1,720,605,836
iv. Loan from banks (unsecured) (repayable on demand)	232,185,321	1,621,410
	3,136,235,239	6,012,984,894
a. Security details for cash credit facilities including working capital demand loans is as follows:		
i. The cash credit including working capital demand loans is repayable on demand and carries interest @ 10.25% p.a. to 17.50% p.a. and is secured against first pari passu charge on all the current assets of CNN IBN and IBN7 channels of the Company and additionally secured by unconditional and irrevocable corporate guarantee of Network18 Media & Investments Limited. Further out of the total secured amount, Rs. 155,014,479 is additionally secured by second charge on movable fixed assets of CNN IBN and IBN7 channels of the Company.	314,748,556	400,844,778
ii. The cash credit is repayable on demand and carries interest @ 13.75% to 15% p.a. and is secured against hypothecation of book debts of the Company.	91,070	125,320,388
iii. The cash credit including working capital demand loans is repayable on demand and carries interest @ 10.50% to 18% p.a. and is secured against first pari passu charge on all current assets of the CNBC channels of the Company with other working capital lenders.	286,225,651	487,208,515
IV The cash credit including working capital demand loans is repayable on demand and is secured by a first pari passu charge over fixed assets and current assets of the Viacom18 and fixed deposit of Rs. 79,345,000 (50% share) are provided as collateral security.	1,878,175,938	1,520,637,134
V The cash credit is secured by first pari passu charge on all the current assets of the IBN Lokmat and additionally secured by unconditional and irrevocable corporate guarantee of the Company and Lokmat Media Limited.	3,429,825	6,746,833
	2,482,671,040	2,540,757,648

Notes forming part of the Consolidated Financial Statements

	As at 31.03.2013 (Rupees)	As at 31.03.2012 (Rupees)
9 Trade payables		
Trade payables	4,809,852,637	3,302,829,698
10 Other current liabilities		
a. Current maturities of long-term debt		
- Term loans		
- from bank	60,203,193	423,601,734
- from others	133,600,000	141,014,000
(See note 5 (b) - Long term borrowings for the details of security and guarantee)	193,803,193	564,615,734
- Vehicle loans (secured by hypothecation of Vehicles)		
- from bank	1,559,681	-
- from others	8,767,927	6,286,018
- Public Deposits (unsecured) (Deposits are repayable at the time of maturity)	487,562,000	117,890,000
b. Current maturities of finance lease obligations [See note 37(ii) (b)] (Secured against fixed assets obtained under finance lease arrangements)	2,567,496	2,263,687
c. Interest accrued but not due on borrowings	115,479,350	92,541,865
d. Income billed in advance (Unearned revenue)	171,159,219	171,389,019
e. Unclaimed matured deposits and interest accrued thereon	109,110,256	21,847,530
f. Other payables		
- Statutory remittances (contributions to PF, ESIC, Withholding Taxes, VAT, Service Tax, etc.)	376,974,561	179,335,768
- Payables on purchase of fixed assets	22,189,971	73,475,546
- Advance from customers	194,424,122	207,646,646
- Book overdraft	8,838,782	48,882,233
- Security / Trade deposits received	3,182,500	-
	1,695,619,058	1,486,174,046
11 Short - term provisions		
a. Provisions for employee benefits		
- Provision for compensated absences	6,130,714	2,270,986
- Provision for gratuity [See note 31(II)(d)]	22,255,519	10,786,947
	28,386,233	13,057,933
b. Other provisions		
- Provision for current tax (net of advance tax)	1,845,235	1,648,233
	1,845,235	1,648,233
	30,231,468	14,706,166

Notes forming part of the Consolidated Financial Statements

12 Fixed assets

(Amount in Rupees)

Particulars	Gross block						Accumulated depreciation				Net block	
	Gross block as at 01.04.2012	Transferred in pursuant to the Scheme/ Acquisition	Additions	Deletions	Gross block as at 31.03.2013	Opening balance as at 01.04.2012	Transferred in pursuant to the Scheme/ Acquisition	Depreciation for the year	On Disposals	Closing balance as at 31.03.2013	As at 31.03.2013	As at 31.03.2012
(a) Tangible assets												
Freehold land	3,130,564	-	-	-	3,130,564	-	-	-	-	-	3,130,564	3,130,564
Leasehold improvements	480,543,957	-	15,559,579	40,458,017	455,645,519	316,190,278	-	76,683,751	39,350,654	353,523,375	102,122,144	164,353,679
Plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-
- on finance lease	11,754,532	-	-	-	11,754,532	561,334	-	765,866	-	1,327,200	10,427,332	11,193,198
- others	2,368,986,401	-	48,597,399	306,263,377	2,111,320,423	1,289,481,013	-	153,801,233	296,517,795	1,146,764,451	964,555,972	1,079,505,388
Electrical installation	45,302,417	-	4,890,843	2,768,379	47,424,881	18,974,190	-	3,360,855	990,175	21,344,870	26,080,011	26,328,227
Computers	-	-	-	-	-	-	-	-	-	-	-	-
- on finance lease	684,119	-	-	-	684,119	159,347	-	110,895	-	270,242	413,877	524,772
- others	345,682,029	13,826,976	49,873,710	25,343,823	384,038,892	209,069,946	6,480,755	53,859,639	24,943,586	244,466,754	139,572,138	136,612,083
Furniture and fixtures	61,237,755	-	2,034,504	4,522,664	58,749,595	22,104,646	-	5,717,438	2,418,400	25,403,684	33,345,911	39,133,109
Vehicles	67,424,819	-	21,213,551	4,407,679	84,230,691	23,373,994	-	6,701,581	2,043,657	28,031,918	56,198,773	44,050,825
Office equipment	37,464,176	643,103	2,739,865	4,044,144	36,803,000	25,438,722	225,184	2,660,634	3,991,242	24,333,298	12,469,702	12,025,454
Total	3,422,210,769	14,470,079	144,909,451	387,808,083	3,193,782,216	1,905,353,470	6,705,939	303,661,892	370,255,509	1,845,465,792	1,348,316,424	1,516,857,299
Previous year	1,534,076,792	1,609,387,973	432,258,304	153,512,300	3,422,210,769	742,876,617	977,835,461	294,388,858	109,747,466	1,905,353,470	1,516,857,299	791,200,175
(b) Intangible Assets												
News archives	20,498,422	-	-	-	20,498,422	14,199,247	-	973,675	-	15,172,922	5,325,500	6,299,175
Computers software	333,517,018	11,363,520	30,721,096	14,557,032	361,044,602	291,450,988	4,779,987	25,547,881	14,551,672	307,227,184	53,817,418	42,066,030
Programming cost	87,803,933	-	146,109,640	-	233,913,573	15,691,311	-	88,573,735	-	104,265,046	129,648,527	72,112,622
Website cost	552,800	-	-	-	552,800	119,727	-	286,668	-	406,395	146,405	433,073
Total	442,372,173	11,363,520	176,830,736	14,557,032	616,009,397	321,461,273	4,779,987	115,381,959	14,551,672	427,071,547	188,937,850	120,910,900
Previous year	162,709,513	169,576,336	114,933,487	4,847,163	442,372,173	138,427,388	146,975,261	40,905,664	4,847,040	321,461,273	120,910,900	24,282,125
Grand Total	3,864,582,942	25,833,599	321,740,187	402,365,115	3,809,791,613	2,226,814,743	11,485,926	419,043,851	384,807,181	2,272,537,339	1,537,254,274	1,637,768,199
Previous year	1,696,786,305	1,778,964,309	547,191,791	158,359,463	3,864,582,942	881,304,005	1,124,810,722	335,294,522	114,594,506	2,226,814,743	1,637,768,199	

As at
31.03.2013
(Rupees)

As at
31.03.2012
(Rupees)

13 Non current investments

Trade investments (at cost)

- in equity shares of

a. Others companies

- Quoted

- i. 275,000 (Previous year 275,000) equity shares of Refex Refrigerants Limited of Rs. 10 each fully paid up 1 8,566,249
- ii. Nil (Previous year 500,000) equity shares of Provogue India Limited of Re. 1 each fully paid up - 13,529,310
- iii. Nil (Previous year 500,00) equity shares of Prozone Capital Shopping Centres Limited of Rs. 2 each fully paid up - 5,520,690
- iv. 474,308 (Previous year 474,308) equity shares of KSL & Industries Limited of Rs. 10 each fully paid up **8,869,560** 8,869,560

- Unquoted

- v. 898,500 (Previous year 898,500) equity shares of Delhi Stock Exchange Association Limited of Rs. 10 each fully paid up 1 1

- in preference shares of

b. Joint venture (Unquoted)

- 250,000 (Previous year 250,000) 0.10% Non Cumulative Redeemable Preference Shares of Series "II" of IBN Lokmat News Private Limited of Rs. 100 each fully paid up **25,000,000** 25,000,000
- 33,869,562** **61,485,810**

Aggregate amount of quoted investments **8,869,561** 36,485,810

Market value of quoted investments **15,356,381** 36,106,381

Aggregate amount of unquoted investments **25,000,001** 25,000,000

Notes forming part of the Consolidated Financial Statements

	As at 31.03.2013 (Rupees)	As at 31.03.2012 (Rupees)
14 Long - term loans and advances		
a. Capital advances (Unsecured, considered good)	20,726,073	7,575,768
b. Security deposits		
Unsecured, considered good	230,325,185	221,450,135
Doubtful	2,122,360	2,122,360
	232,447,545	223,572,495
Less: Provision for doubtful deposits	2,122,360	2,122,360
	230,325,185	221,450,135
c. Loans and advances to employees		
Unsecured, considered good	68,883,741	57,010,104
Doubtful	56,478,188	60,689,307
	125,361,929	117,699,411
Less: Provision for doubtful loans and advances	56,478,188	60,689,307
	68,883,741	57,010,104
d. Advance income tax (net of provision for tax) (Unsecured, considered good)	1,641,072,807	906,379,684
e. Advance to vendors		
Unsecured, considered good	134,687,370	171,928,188
Doubtful	47,867,195	47,867,195
	182,554,565	219,795,383
Less: Provision for doubtful loans and advances	47,867,195	47,867,195
	134,687,370	171,928,188
	2,095,695,176	1,364,343,879
15 Other non - current assets (Unsecured, considered good)		
a. Advance against purchase of shares [See note 34 (b)]	19,500,000,000	-
b. Long-term Receivables - Others (See note 38)	1,086,309,861	1,086,309,861
c. Deposit accounts with banks*	151,266,669	167,731,286
	20,737,576,530	1,254,041,147
16 Current investments (At lower of cost and fair value, unless otherwise stated) Mutual Funds:		
a. 7,203,350(Previous year Nil) units of Rs. 10 each in Birla Mutual Fund*	90,563,402	-
b. 22,656 (Previous year Nil) units of Rs. 10 each in Reliance Mutual Fund	34,634,529	-
c. 721,643 (Previous year Nil) units of Rs. 10 each in Deutsche Mutual Fund	65,489,466	-
d. 116,318 (Previous year Nil) units of Rs. 10 each in Religare Mutual Fund	116,517,703	-
e. 74,796 (Previous year Nil) units of Rs. 10 each in Tata Mutual Fund	83,361,760	-
f. 96,281 (Previous year Nil) units of Rs. 10 each in L&T Mutual Fund	97,401,431	-
g. 57,027 (Previous year Nil) units of Rs. 10 each in DSP Blackrock Liquidity Fund	57,044,799	-
h. 458,630 (Previous year Nil) units of Rs. 10 each in ICICI Prudential Mutual Fund	48,493,276	-
i. 63,193 (Previous year Nil) units of Rs. 10 each in Morgan Mutual Fund	63,224,208	-
j. 82,141 (Previous year Nil) units of Rs. 10 each in Taurus Mutual Fund	82,148,746	-
k. 51,262 (Previous year Nil) 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	-

Notes forming part of the Consolidated Financial Statements

	As at 31.03.2013 (Rupees)	As at 31.03.2012 (Rupees)
17 Inventories [See note 2(d)]		
(At lower of cost and net realisable value)		
a. Tapes and compact discs	24,138	406,919
b. Programming and film rights	1,993,365,856	1,929,783,968
c. Projects in progress	753,977,293	1,012,728,284
	2,747,367,287	2,942,919,171
18 Trade receivables (Unsecured)		
a. Trade receivables outstanding for a period exceeding six months from due date of payment		
- considered good	335,205,882	681,334,970
- considered doubtful	304,148,422	306,380,052
Less: Provision for doubtful trade receivables	304,148,423	306,380,052
	335,205,881	681,334,970
b. Other trade receivables		
- considered good	4,265,706,712	4,411,946,150
- considered doubtful	46,974,333	52,686,919
Less: Provision for doubtful trade receivables	46,974,332	52,686,919
	4,265,706,713	4,411,946,150
	4,600,912,594	5,093,281,120
19 Cash and cash equivalents		
a. Cash on hand	1,808,027	1,974,350
b. Cheques on hand	630,048,152	149,632,369
c. Balances with banks		
i. in current accounts	1,134,146,305	305,463,301
ii. in deposit accounts (refer notes below)	927,675,041	362,429,432
	2,693,677,525	819,499,452
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements	2,693,677,525	819,499,452
Notes:		
(i) Deposit account includes funds earmarked as follows:		
- Balance with banks held as per Rule 3A of Companies (Acceptance of deposits) Rules, 1975	14,783,550	3,029,400
- Balances held as margin money against borrowings	79,345,000	167,935,000
- Unpaid /Unutilised money of rights issue	143,259,020	46,457,536

Notes forming part of the Consolidated Financial Statements

	As at 31.03.2013 (Rupees)	As at 31.03.2012 (Rupees)
20 Short - term loans and advances		
(Unsecured, considered good)		
a. Loans and advances		
- to related parties (See note 33)	3,003,120,165	1,843,085,866
- to employees	64,440,621	70,849,505
- others	464,711,406	247,406,456
	3,532,272,192	2,161,341,827
b. Security deposits	47,337,496	36,154,879
c. Balance with government authorities		
- Service tax credit receivable	324,674,822	195,865,306
d. Advance income tax (net of provision)	-	166,907,149
e. Prepaid expenses	178,860,148	209,178,977
f. MAT Credit Entitlement	1,750,288	-
g. Others		
Advance to vendors	34,377,588	32,768,679
	4,119,272,534	2,802,216,817
21 Other current assets		
(Unsecured, considered good)		
a. Unbilled revenue	171,414,056	119,586,658
b. Unamortised expenses		
Shares issue and merger demerger expenses		
Opening Balance	111,276,733	23,458,247
- Add: Amount incurred for rights issue during the year	612,161,208	111,276,733
Less: Rights issue and Scheme related expenses adjusted by transferring to Securities Premium Reserve [See note 4 (b)]	723,437,941	23,458,247
	-	111,276,733
c. Others		
Interest accrued but not due on deposits and advances	189,948,460	124,876,589
Insurance claims	-	42,957
	189,948,460	124,919,546
	361,362,516	355,782,937

Notes forming part of the Consolidated Financial Statements

	Year ended 31.03.2013 (Rupees)	Year ended 31.03.2012 (Rupees)
22 Revenue from operations		
a. Sale of services		
i. Advertisement, subscription and program syndication	14,812,371,017	11,630,431,145
ii. Sale of content and film distribution and syndication	1,891,361,817	2,103,573,000
iii. Other media income and equipment rentals	202,913,726	193,630,768
b. Other operating income		
i. Advances from customers written back	84,673,616	171,005,411
	16,991,320,176	14,098,640,324
23 Other income		
a. Interest income on		
- Loans and advances to related parties (see note 33)	65,626,183	162,462,734
- Deposit accounts with banks	100,905,966	54,866,361
- Income tax refunds	23,883,554	2,715,990
- Others	-	17,308,011
b. Net gain on sale of:		
- non current investments	3,310,549	290,952,745
- current investments	42,633,134	12,083,395
c. Dividend income:		
- from non current investments others	50,000	125,100
- from current investments	88,683,290	53,736
d. Net gain on foreign currency transaction and translation	-	2,719,812
e. Other non-operating income		
- Liabilities / provisions no longer required written back	94,990,380	118,604,328
- Income from ibn18 trust on sale of shares	-	189,100,000
- Miscellaneous income	18,490,176	6,984,338
	438,573,232	857,976,550
24 Employee benefits expenses		
a. Salaries and wages	2,253,077,757	1,999,434,041
b. Contribution to provident fund	103,184,249	89,700,378
c. Gratuity expense (see note 31)	32,873,912	25,982,599
d. Expense on employee stock option scheme (see note 32)	1,185,280	4,949,921
e. Staff welfare expenses	162,388,779	158,620,844
	2,552,709,977	2,278,687,783
25 Finance cost		
a. Interest expense on:		
- Term loans	570,847,007	474,941,322
- Cash credits	352,732,827	319,616,353
- Public deposits	307,151,780	222,734,777
- Inter corporate deposits	-	41,108,723
- Others	6,423,151	4,803,604
b. Other borrowing costs	198,854,674	133,939,022
	1,436,009,439	1,197,143,801

Notes forming part of the Consolidated Financial Statements

	Year ended 31.03.2013 (Rupees)	Year ended 31.03.2012 (Rupees)
26 Other expenses		
a. Programming Costs	4,721,007,169	5,070,095,354
b. Studio and equipment hire charges	42,098,967	37,940,049
c. Telecast and uplinking fees	99,509,509	115,665,605
d. Tapes consumed	6,498,924	14,972,370
e. Royalty	238,341,629	238,341,629
f. Content expenses	162,923,159	164,888,958
g. Media professional fees	271,323,407	295,625,633
h. Other production expenses	31,574,094	36,247,813
i. Rent including lease rentals (see note 37)	291,186,102	234,092,246
j. Electricity expenses	88,218,295	76,620,002
k. Insurance	25,878,569	24,177,838
l. Travelling and conveyance	433,805,069	399,393,135
m. Vehicle running and maintenance	87,386,861	88,313,264
n. Communication expenses	81,894,073	73,566,149
o. Distribution, advertising and business promotion	5,841,523,512	4,599,720,389
p. Repairs and maintenance		
- Plant & machinery	100,906,491	96,764,912
- Others	36,625,232	40,411,468
q. Legal and professional (See note below)	253,395,353	207,425,250
r. Rates and taxes	44,267,027	13,702,958
s. Office upkeep and maintenance	75,377,892	83,597,141
t. Directors sitting fees	230,000	320,000
u. Loss on fixed assets sold / scrapped / written off	12,939,124	33,199,995
v. Net loss on foreign currency transactions and translations	23,217,672	-
w. Bad debts and Provision for doubtful trade and other receivable, loans and advances (net)	182,217,299	428,212,654
x. Dealer commission	50,700,892	-
y. Diminution in carrying value of current investments	9,438,418	-
z. Miscellaneous expenses	58,939,060	49,135,608
	13,318,641,895	12,442,932,880
Note:		
Payments to the statutory auditors comprises (net of service tax input credit)		
a. Statutory audit fees (including quarterly limited reviews)	7,250,000	7,250,000
b. For other services (excluding Rs. 4,985,000 being expenses related to the rights issue adjusted against the securities premium reserve)	100,000	2,245,000
c. Reimbursement of expenses	53,840	252,287
	7,403,840	9,747,287

Notes forming part of the Consolidated Financial Statements

27. Contingent liabilities and capital commitments (not provided for)

- In case of the Company

- i. The Company has purchased capital equipment under the 'Export Promotion Capital Goods Scheme'. As per the terms of the licenses granted under the scheme, the Company has undertaken to achieve an export commitment of Rs. 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. 136,247,427 (Previous year Rs. 115,272,086) on behalf of the Company to the customs authorities for the same. During the year the Company has made two applications to fulfil its export obligation of Rs. 143,460,616 to Director General of Foreign Trade for issuance of the export obligation discharge certificate (EODC). The remaining export commitment as at the year end being Rs. 730,553,731. Subsequent to the year end the Company has made applications to Director General of Foreign Trade for issuance of the EODC to fulfill its export obligation of Rs. 730,553,731.
- ii. Claims against the Company not acknowledged as debts include demands raised by Income Tax authorities aggregating to Rs. 424,978,295. Amounts deposited by the Company against these claims – Rs. 82,406,373 which are included in Advance Income Tax in Note 14. No provision has been made in the accounts for these demands as the Company expects a favourable decision in appeal. This liability is related to TEIL operations transferred to the Company pursuant to the Scheme.
- iii. Guarantees given by banks on behalf of the Company outstanding for the year ended Rs. 291,514,750 (Previous year Rs. 6,193,125).
- 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. 47,266,037 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. 47,460,025 was outstanding in respect of such loan. This liability is related to TEIL operations transferred to the Company pursuant to the Scheme.
- 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 Limited (TEIL), the Company and other TV18 group entities. The plaintiffs are minority shareholders of e-Eighteen.com Limited and have alleged that Mr. Raghav Bahl, TEIL, ICICI Global Opportunities Fund and e-Eighteen.com Limited had entered into a subscription cum shareholders agreement dated 12 September, 2000 under which Mr. Raghav Bahl and TEIL had inter alia undertaken that any opportunity offered to them shall only be pursued or taken up through e-Eighteen.com Limited or its wholly owned subsidiaries. The plaintiffs have alleged that Mr. Raghav Bahl and TEIL have promoted and developed various businesses through various entities which should have under the aforesaid agreement rightfully been undertaken by e-Eighteen.com Limited or its wholly owned subsidiaries.

The plaintiffs have alleged that by not doing so Mr. Raghav Bahl and TEIL have caused monetary loss to e-Eighteen.com Limited as well as to the plaintiffs. The plaintiffs have valued their claim in the suit at Rs. 31,140,600,000 and have inter alia prayed that Mr. Raghav Bahl, TEIL and other TEIL group entities be ordered to transfer to e-Eighteen.com Limited all their businesses, activities and ventures along with all assets and intellectual property. The plaintiffs had filed a notice of motion on 18 September, 2006 seeking an interim relief. A reply had been filed with the Bombay High Court on 14 November, 2006. The said notice of motion was dismissed on 8 August, 2008 against which the plaintiffs have filed an appeal before the division bench of the Bombay High Court. The said notice of motion for interim relief was dismissed by the High Court on 21 September, 2011.

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

- 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

Notes forming part of the Consolidated Financial Statements

being Rs. 3,115,238,072 (Previous year Rs. 3,123,653,000). In the opinion of the management, no material liability is likely to arise on account of such claims/law suits and thus no provision has been made against these in the financial statements.

- viii. The Company has received legal notice of claims/ Lawsuits filed by Rahmat Fatima Ammanullah ("Plaintiff") against IBN7 Hindi News channel, Mr Sukesh Ranjan, Mr. Ashutosh, Mr Chandra Mohan Kumar, Mr Rajdeep Sardesai and Mr Raghav Bahl ("Defendants") thereby alleging that the news broadcasted by the Defendants has damaged the Plaintiff's reputation and standing before her family, friends, peers, society and has caused extreme mental agony and trauma to the Plaintiff. 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.
- ix. Upto the previous year, the Company had disclosed a claim of Rs. 2,600,000,000 made by a former channel distributor. This claim has been withdrawn during the year pursuant to a settlement with the Company and is no longer contingent liability as at the year end.

- In the case of Viacom18:

Particulars	Year ended 31.03.2013		Year ended 31.03.2012	
	Total	Group's share	Total	Group's share
Claims against Viacom18 not acknowledged as debts	33,305,432	16,652,716	32,942,042	16,471,021
Taxation matters in respect of which appeals are pending	710,653,218	355,326,609	244,838,078	122,419,039
Guarantee given by Viacom18	1,500,000	750,000	1,500,000	750,000
	745,458,650	372,729,325	279,280,120	139,640,060

- Capital Commitment for the Group

Estimated amount of contracts of the Group remaining to be executed on capital account (net of advances) Rs. 87,192,273 (Previous year Rs. 37,280,201).

28. Earnings per share

Basic earnings per equity share have been computed by dividing net profit / (loss) after tax by the weighted average number of equity shares outstanding for the year ended 31 March, 2013.

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

Particulars	Units	Year ended 31.03.2013	Year ended 31.03.2012
Earnings Per Equity Shares:			
a. Net profit/(loss) after tax	Rs.	(254,489,419)	(737,794,646)
b. Weighted average of number of equity shares used in computing basic earnings per share (Nominal value is Rs 2/- per share)	Numbers	953,677,655	481,847,253
c. Basic earnings / (loss) per share (a/b)*	Rs.	(0.27)	(1.53)
d. Weighted average of the number of shares issued under Options	Numbers	2,361,082	2,899,982
e. Adjustment for number of shares that would have been issued at the fair value	Numbers	(1,898,002)	(2,284,375)
f. Weighted average of number of equity shares used in computing diluted earnings per share (b+d+e)	Numbers	954,140,734	482,462,860
Diluted earnings / (loss) per share (a/f)*	Rs.	(0.27)	(1.53)

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

Notes forming part of the Consolidated Financial Statements

29. Deferred tax

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

Particulars	(Amount in Rupees)	
	As at 31.03.2013	As at 31.03.2012
Deferred tax asset		
Tangible and intangible assets	51,412,181	16,701,910
Provision for doubtful debts	34,599,166	37,230,995
Provision for retirement benefits	451,253	2,242,798
Expenses disallowed under section 40(a) allowable in later years	129,441,730	12,112,064
	215,904,330	68,287,767
Deferred tax liability		
Inventory amortisation	205,087,116	36,027,065
Excess of depreciation provided in accounts over depreciation allowable under the Income Tax Act	1,724,448	-
	206,811,564	36,027,065
Net deferred tax asset	9,092,764	32,260,702

30. Segmental reporting

Segment identification, Reportable segments and definition of each reportable segment:

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

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

Reportable segments have been identified as per the criteria prescribed in Accounting Standard-17 – 'Segment Reporting' as notified in the Companies (Accounting Standards) Rules, 2006. The Group is engaged in the business of television media and production and distribution of films primarily in India. These business segments are separately distinguishable and the risks and returns are different from each other and therefore as per Accounting Standard 17 – Segment Reporting are to be treated as reportable segments. However, the secondary segment as per Para 27 of the said Accounting Standard, the Film production and distribution business does not fall within the criteria set out therein for reporting segments and therefore secondary segment information has not been given in the financial statements.
- iv. Segment composition:
 - a) Broadcasting and Content comprise of television content and airtime sales;
 - b) Film production and distribution business;
- v. Revenue and expenses have been accounted on the basis of their relationship to the operating activities of the

Notes forming part of the Consolidated Financial Statements

segment. Incomes and expenditures which are related to the Group as a whole and are not allocable to segments on a reasonable basis have been allocated under "Unallocable Income and Expenditure". Assets and Liabilities, which relate to the Group as a whole, and are not allocable to segments on a reasonable basis, have been included under "Unallocable Assets and Liabilities".

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

	Particulars	Broadcasting and Content	Film Production and Distribution	Elimination	Total
i.	Income from operations	15,684,498,207 <i>13,222,428,608</i>	1,734,321,969 <i>1,990,020,577</i>	(427,500,000) <i>(27,500,000)</i>	16,991,320,176 <i>15,184,950,185</i>
ii.	Segment Results (PBT)	832,314,147 <i>(535,819,954)</i>	(4,207,977) <i>(29,154,907)</i>	(127,181,714) <i>-</i>	700,924,456 <i>(564,974,861)</i>
iii.	Add: Unallocated income				248,157,529 <i>620,623,454</i>
iv.	Add: Interest Income				190,415,703 <i>237,353,096</i>
v.	Less: Interest Expense				1,436,009,439 <i>1,197,143,801</i>
vi.	Profit/(loss) before Tax				(296,511,754) <i>(904,142,112)</i>
vii.	Tax expense				125,879,036 <i>58,031,873</i>
viii.	Profit/(loss) after tax and before minority interest				(422,390,790) <i>(962,173,985)</i>
ix.	Segment assets	39,887,853,955 <i>16,601,704,310</i>	3,840,961,889 <i>3,737,067,414</i>	(196,746,720)	43,532,069,124 <i>20,338,771,724</i>
x.	Unallocated assets				818,124,939 <i>411,550,702</i>
xi.	Total assets				44,350,194,063 <i>20,750,322,426</i>
xii.	Segment Liabilities	8,101,177,258 <i>10,926,959,914</i>	344,200,333 <i>476,703,081</i>	(33,800,481)	8,411,577,110 <i>11,403,662,995</i>
xiii.	Unallocated Liabilities				3,100,361,260 <i>2,522,258,544</i>
xiv.	Total Liabilities				11,511,938,370 <i>13,925,921,539</i>
xv.	Capital Expenditure				321,740,187 <i>547,191,791</i>
xvi.	Depreciation and Amortisation				419,043,851 <i>335,294,522</i>
xvii.	Non-Cash Expenditure other than depreciation				191,655,718 <i>461,412,649</i>

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

Notes forming part of the Consolidated Financial Statements

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

The Group has recognised Rs. 103,184,249 (Previous Year Rs. 89,700,378) for provident fund contributions in the Statement of Profit and Loss.

II. Defined benefit plans**Gratuity**

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

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

Particulars	31.03.2013 (Rupees)	31.03.2012 (Rupees)
a. Change in defined benefit obligation		
i. Present value of obligation at the beginning of the year	119,432,571	56,458,353
ii. Present value of obligation at the beginning of the period pertaining to liability received on acquisition of IndiaCast / In previous year pertaining to liability received under Scheme from TV18	1,577,189	44,534,494
iii. Current service cost	23,047,847	20,256,994
iv. Interest expenses	10,276,105	8,521,028
v. Actuarial (gain) / loss	1,848,499	(942,903)
vi. Benefits paid	(14,468,127)	(9,395,395)
vii. Present value of obligations at the end of the year	141,714,084	119,432,571
b. Fair value of Plan Assets		
i. Fair value of plan assets at the beginning of the year	23,434,537	5,876,328
ii. Fair value of plan assets at the beginning of the year (pertaining to liability received under Scheme, from TV18)	-	13,012,342
iii. Expected return on scheme assets	1,991,850	1,605,537
iv. Employer's contribution	2,780,000	7,602,253
v. Benefits Paid	(2,934,235)	(4,908,905)
vi. Actuarial gain / (loss)	306,689	246,982
vii. Fair value of plan assets at the end of the year	25,578,841	23,434,537
c. Return on Plan Assets		
i. Expected return on plan assets	1,991,850	1,605,537
ii. Actuarial gain / (loss)	306,688	246,982
iii. Actual return on plan assets	2,298,538	1,852,519
d. Amount recognised in the Balance Sheet		
i. Present value of defined benefit obligations	141,714,084	119,432,571
ii. Fair value of plan assets	25,578,841	23,434,537
iii. Net liability/(asset) recognised in the balance sheet	116,135,243	95,998,034
- Non current liability	93,879,724	85,211,087
- Current liability	22,255,519	10,786,947
e. Expenses recognised in Statement of Profit and Loss		
i. Current service costs	23,047,847	20,256,994
ii. Interest expense	10,276,105	8,521,028
iii. Expected return on investment	(1,991,850)	(1,605,537)
iv. Net actuarial (gain)/loss recognized during the year	1,541,811	(1,189,885)
v. Past service	-	-
vi. Expenditure recognised in the Statement of Profit and Loss	32,873,912	25,982,599

Notes forming part of the Consolidated Financial Statements

f. Principal Actuarial assumptions for Gratuity and Compensated absences

i. Rate for discounting liabilities	8.50% p.a.	8.00% p.a.
ii. Expected salary increase rate	6.00% p.a.	6.00% p.a.
iii. Expected rate of return	8.50% p.a.	8.50% p.a.
iv. Mortality table used	LIC (1994-96) duly modified 60 Years	LIC (1994-96) duly modified 60 Years
v. Retirement age		
vi. Withdrawal rates		
-Upto 30 years	3%	3%
-Upto 44 years	2%	2%
-Above 44 years	1%	1%

Notes:

1. 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.
2. The expected return is based on the expectation of the average long term rate of return on investments of the fund during the estimated term of the obligations.
3. The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
4. Plan assets of TV18 mainly comprise funds managed by the insurer i.e. ING Vysya Life Insurance Group Limited and Life Insurance Corporation of India.

Year ended	Present value of the Gratuity benefits	Experience adjustments arising on the Gratuity benefits
	(Rupees)	(Rupees)
31.03.2013	141,714,084	1,848,499
31.03.2012	119,432,571	(942,903)
31.03.2011	56,458,354	7,906,479
31.03.2010	36,163,360	(7,472,867)

32. Employees Stock Option Plan**I. GBN Employees Stock Option Plan 2007 ("ESOP 2007")**

- a. The Company had established an Employee Stock Option Plan (ESOP 2007) in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 which have been approved by the Board of Directors and the shareholders. A Remuneration/Compensation Committee comprising independent, non-executive members of the Board of Directors 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 has increased maximum number of options that can be granted under GBN ESOP 2007 from 8,500,000 to 12,500,000 options at Annual General Meeting held on 09 September, 2011 and further increased to 51,484,727 pursuant to Rights Issue vide Remuneration/Compensation Committee resolution dated 30 October 2012.

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

Notes forming part of the Consolidated Financial Statements

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

Particulars	Employee Stock Option Plan 2007	Employee Stock Option Plan 2007
Options granted	2,500,000	5,000,000
Vesting date	Options to vest equally over 2 years (50% options to vest each year) from the date of grant	Options to vest equally over 5 years (20% options to vest each year) from the date of grant.
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, 2013.

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

Particulars		ESOP 2007		ESOP 2007	
		Year ended 31.03.13		Year ended 31.03.12	
		Options	Weighted Average Price	Options	Weighted Average Price
		(Numbers)	(Rupees)	(Numbers)	(Rupees)
a.	Outstanding at the beginning of year	3,999,979	25.40	2,450,717	68.91
b.	Granted during the year	7,500,000	26.00	-	-
c.	Granted during the year pursuant to scheme of arrangement	-	-	2,211,207	61.72
d.	Exercised during the year	-	-	320,304	55.00
e.	Forfeited during the year	442,137	24.01	64,217	55.00
f.	Expired during the year	98,635	27.70	277,424	27.48
g.	Outstanding at the end of the year	10,959,207	31.70	3,999,979	25.40
h.	Exercisable at the end of the year	2,763,568	42.69	2,178,656	27.19
i.	Number of equity shares of Rs. 2 each fully paid up to be issued on exercise of option	10,959,207	31.70	3,999,979	NA
j.	Weighted average share price at the date of exercise	-	-	320,304	90.06
k.	Weighted average remaining contractual life (years)	2.62	NA	2.24	NA
		2.62	NA	2.24	NA

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

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

Notes forming part of the Consolidated Financial Statements

Particulars		Year ended 31.03.2013 (Rupees)	Year ended 31.03.2012 (Rupees)
1.	Net Profit/ (Loss) as reported (a)	(254,489,415)	(737,794,646)
2.	Add: Stock based employee compensation expense debited to Statement of Profit and Loss	1,185,280	4,949,921
3.	Less: Stock based employee compensation expense based on fair value	41,731,562	21,350,732
4.	Difference between (2) and (3)	(40,546,282)	(16,400,811)
5.	Adjusted pro forma Profit/(Loss)	(295,035,697)	(754,195,457)
6.	Difference between (1) and (5)	(40,546,282)	(16,400,811)
7.	Basic earnings per share as reported	(0.27)	(1.53)
8.	Pro forma basic earnings per share	(0.31)	(1.56)
9.	Diluted earnings per share as reported	(0.27)	(1.53)
10.	Pro forma diluted earnings per share	(0.31)	(1.56)

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

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Risk free interest rates (in %)	7.38%	7.85%
Expected life (in years)	4.50 years	2.80 years
Volatility (in %)	94.19%	33.43%
Dividend yield (in %)	0%	0%

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

II. ESOP 2008 Plan of Viacom18

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

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

Particulars	31.03.2013	31.03.2012
Option Outstanding at the beginning of the year	-	2,186,445
Options Granted during the year	-	-
Options Exercised during the year	-	-
Options Lapsed during the year	-	777,785
Options Annulled during the year	-	1,408,660
Options Outstanding at the year end	-	-

Notes forming part of the Consolidated Financial Statements

33. Related party disclosures

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

a. Related parties and their relationships

Name of entity		Nature of Relationship
1 Network18 Media & Investments Limited	Network18	Holding company
2 RVT Media Private Limited	RVT Media	Wholly owned subsidiary company
3 AETN 18 Media Private Limited (Subsidiary of RVT Media Private Limited)	AETN18	Subsidiary company
4 ibn18 Media and Software Limited (ibn18 Media) (upto 10 June, 2011) (also refer note 1.3)	Ibn18 Media	Wholly owned subsidiary company
5 IndiaCast Media Distribution Private Limited (w.e.f. 1 July, 2012)	IndiaCast	Wholly owned subsidiary company
6 Ibn18 (Mauritius) Limited	Ibn18 Mauritius	Wholly owned subsidiary company
7 Viacom18 Media Private Limited	Viacom18	Joint venture
8 IBN Lokmat News Private Limited	IBN Lokmat	Joint venture
9 Web18 Software Services Limited	Web18	Fellow Subsidiary company
10 Infomedia Press Limited	Infomedia	Fellow Subsidiary company
11 Digital18 Media Limited	Digital18	Fellow Subsidiary company
12 Bigtree Entertainment Private Limited	Bigtree	Fellow Subsidiary company
13 e-Eighteen.com Limited	E-18	Fellow Subsidiary company
14 NewsWire18 Limited (till 27 December, 2012)	NewsWire18	Fellow Subsidiary company
15 Setpro18 Distribution Limited	Setpro18	Fellow Subsidiary company
16 Television Eighteen India Limited (upto 10 June, 2011) (also refer note 1.3)	TEIL	Fellow Subsidiary company
17 E-18 Limited, Cyprus	E-18, Cyprus	Fellow Subsidiary company
18 Television Eighteen Mauritius Limited, Mauritius	TEML	Fellow Subsidiary company
19 TV18 UK Limited	TV18 UK	Fellow Subsidiary company
20 TV18 Home Shopping Network Limited	TV18 HSN	Fellow Subsidiary company
21 Network 18 India Holdings Private Limited (upto 10 June, 2011)	N-18 Holding	Fellow Subsidiary company
22 RVT Investments Private Limited (upto 10 June, 2011)	RVT	Fellow Subsidiary company
23 Web 18 Holdings Limited, Cayman Islands	Web18 Holding	Fellow Subsidiary company
24 BK Holdings Limited, Mauritius	BKH	Fellow Subsidiary company
25 Television Eighteen Commoditiescontrol.com Limited (upto 10 June, 2011)	TECCL	Fellow Subsidiary company
26 Care Websites Private Limited (upto 10 June, 2011)	Care	Fellow Subsidiary company
27 Moneycontrol Dot Com India Limited	MCD	Fellow Subsidiary company
28 Colosseum Media Private Limited	Colosseum	Fellow Subsidiary company
29 Greycells18 Media Limited	Greycells18	Fellow Subsidiary company
30 Television Eighteen Media & Investment Limited, Mauritius	TEMIL	Fellow Subsidiary company
31 Webchutney Studio Private Limited w.e.f 1 April, 2011	Webchutney	Fellow Subsidiary company
32 Stargaze Entertainment Private Limited	Stargaze	Fellow Subsidiary company
33 Raghav Bahl	RB	Key Management Personnel (KMP)
34 Network18 Publications Limited	Network18 Pub	Entity under significant influence of KMP
35 Network18 Group Senior Professional Welfare Trust	Network18 GSP	Entity under significant influence of KMP
36 24X7 Learning Private Limited	24X7	Entity under significant influence of KMP
37 IBN 18 Trust	ibn18 Trust	Entity under significant influence of KMP
38 Wespro Digital Private Limited w.e.f 1 April, 2011	Wespro	Entity under significant influence of KMP

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

Notes forming part of the Consolidated Financial Statements

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

(Amount in Rupees)

Transactions	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Joint venture	Entity under significant influence
(i) Transactions during the year					
Revenue from operations					
Network18	77,808,921 (51,032,503)	- -	- -	- -	- -
Bigtree	- -	92,736 (92,736)	- -	- -	- -
Digital18	- -	3,871,316 (1,361,666)	- -	- -	- -
E-18	- -	- (2,083,100)	- -	- -	- -
Greycells18	- -	4,682,496 (12,933,630)	- -	- -	- -
Infomedia	- -	- (13,580,805)	- -	- -	- -
Setpro18	- -	6,396,404 (785,616)	- -	- -	- -
TV18 HSN	- -	37,146,003 (25,825,641)	- -	- -	- -
Network18 Pub	- -	- -	- -	- -	2,514,981 (9,241,000)
TEML	- -	- (26,936,314)	- -	- -	- -
IBN Lokmat	- -	- -	- -	9,441,257 (8,550,000)	- -
Viacom18	- -	- -	- -	58,802,783 (47,962,588)	- -
Total	77,808,921 (51,032,503)	52,188,955 (83,599,508)	- -	68,244,040 (56,512,588)	2,514,981 (9,241,000)
Interest Received					
Network18	- (3,435,528)	- -	- -	- -	- -
E-18	- -	- (4,798)	- -	- -	- -
Infomedia	- -	- (1,209,034)	- -	- -	- -
Setpro18	- -	- (5,556)	- -	- -	- -
TV18 HSN	- -	3,166,377 (3,180,349)	- -	- -	- -

Notes forming part of the Consolidated Financial Statements

Transactions		Holding Company	Fellow Subsidiary	Key Managerial Personnel	Joint venture	Entity under significant influence
	TEML	- -	30,020,909 (66,982,446)	- -	- -	- -
	BKH	- -	32,342,543 (7,597,339)	- -	- -	- -
	N-18 Holding	- -	96,353 (1,137,272)	- -	- -	- -
	Network18 GSP	- -	- -	- -	- -	- (78,910,347)
	Total	- (3,435,528)	65,626,183 (80,116,794)	- -	- -	- (78,910,347)
Interest Paid						
	Network18	- (41,108,723)	- -	- -	- -	- -
Amount written back during the year						
	TEML	- -	50,368,507 -	- -	- -	- -
Amount written off during the year						
	IBN Lokmat	- -	- -	- -	2,456,013 -	- -
Expenditure for Services received						
	Network18	79,772,599 (62,080,743)	- -	- -	- -	- -
	Digital18		10,341,100 (2,647,506)	- -	- -	- -
	Infomedia	- -	2,180,526 (31,462,024)	- -	- -	- -
	Newswire18	- -	4,280,256 (5,427,302)	- -	- -	- -
	Setpro18	- -	344,451,696 (1,407,629,703)	- -	- -	- -
	TV18 UK	- -	- (4,620,105)	- -	- -	- -
	E-18	- -	1,347,430 (2,989,476)	- -	- -	- -
	Network18 Pub	- -	- -	- -	- -	3,499,568 (4,502,430)
	Colosseum	- -	58,601,695 (54,093,301)	- -	- -	- -
	Webchutney	- -	600,000 (568,000)	- -	- -	- -

Notes forming part of the Consolidated Financial Statements

Transactions	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Joint venture	Entity under significant influence
Wespro	-	-	-	-	-
	-	-	-	-	(299,250)
Viacom18	-	-	-	279,151,861	-
	-	-	-	(2,474,649)	-
IBN Lokmat	-	-	-	1,551,599	-
	-	-	-	-	-
Total	79,772,599	421,802,703	-	280,703,460	3,499,568
	(62,080,743)	(1,509,437,417)	-	(2,474,649)	(4,801,680)
Reimbursement of expenses (received)					
Network18	42,311,337	-	-	-	-
	(108,949,330)	-	-	-	-
Bigtree	-	278,669	-	-	-
	-	(267,319)	-	-	-
Digital18	-	15,137,553	-	-	-
	-	(29,538,697)	-	-	-
E-18	-	55,793,299	-	-	-
	-	(57,487,645)	-	-	-
Greycells18	-	3,576,551	-	-	-
	-	(3,172,098)	-	-	-
Infomedia	-	-	-	-	-
	-	(11,674,313)	-	-	-
Newswire18	-	157,690	-	-	-
	-	(122,924)	-	-	-
Setpro18	-	7,014,898	-	-	-
	-	(24,401,760)	-	-	-
TV18 HSN	-	73,869,173	-	-	-
	-	(9,365,919)	-	-	-
Colosceum	-	80,466	-	-	-
	-	(29,326)	-	-	-
IBN Lokmat	-	-	-	45,557,926	-
	-	-	-	(23,092,844)	-
Viacom18	-	-	-	84,949,283	-
	-	-	-	(23,363,436)	-
Stargaze	-	47,294	-	-	-
	-	-	-	-	-
Total	42,311,337	155,955,593	-	130,507,209	-
	(108,949,330)	(136,060,001)	-	(46,456,280)	-
Reimbursement of expenses (paid)					
Network18	116,248,062	-	-	-	-
	(156,869,188)	-	-	-	-

Notes forming part of the Consolidated Financial Statements

Transactions		Holding Company	Fellow Subsidiary	Key Managerial Personnel	Joint venture	Entity under significant influence
	E-18	-	185,726 (987,504)	-	-	-
	Infomedia	-	- (1,630,948)	-	-	-
	Setpro18	-	127,645,546 (386,454,601)	-	-	-
	TV18 HSN	-	- (213,260)	-	-	-
	Digital18	-	197,200 (934,080)	-	-	-
	IBN Lokmat	-	-	-	4,830,079 (482,177)	-
	Viacom18	-	-	-	11,749,449 (7,360,237)	-
	Newswire18	-	52,877 -	-	-	-
	Colosceum	-	424,275 -	-	-	-
	Total	116,248,062 (156,869,188)	128,505,624 (390,220,393)	-	16,579,528 (7,842,414)	-
Assets purchased						
	Network18	- (2,429,400)	-	-	-	-
	Colosceum	-	- (1,286,500)	-	-	-
	Total	- (2,429,400)	- (1,286,500)	-	-	-
Loan received during the year						
	Network18	- (3,049,000,000)	-	-	-	-
	Loan given					
	Network18 GSP	-	-	-	-	- (307,500,000)
	Loan repaid					
	Network18	- (3,049,000,000)	-	-	-	-
	Network18 GSP	-	-	-	-	- (1,530,100,000)
	Total	- (3,049,000,000)	-	-	-	- (1,530,100,000)

Notes forming part of the Consolidated Financial Statements

Transactions	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Joint venture	Entity under significant influence
Sale of investment					
TEML	-	- (269,040,000)	-	-	-
Income from ibn18 trust on sale of shares					
IBN Trust	-	-	-	-	- (189,100,000)
Net gain on foreign currency transaction and translation					
TEML	-	- (26,936,314)	-	-	-
(ii) Balances for the year ended					
Loan and Advance (Outstanding against cost allocation expenses reimbursement)					
Network18	-	-	-	-	-
Digital18	-	4,012,078 (33,090,218)	-	-	-
E-18	-	14,853,086 (67,081,496)	-	-	-
Greycells18	-	12,345,185 (19,537,155)	-	-	-
Infomedia	-	- (19,999,977)	-	-	-
Network18 Pub	-	-	-	-	15,504,700 (14,219,467)
TV18 HSN	-	4,918,095 (67,255,834)	-	-	-
Colosseum	-	9,543 (161,495)	-	-	-
Webchutney	-	- (40,164)	-	-	-
Bigtree	-	29,118	-	-	-
Setpro18	-	86,845,911	-	-	-
IBN Lokmat	-	-	-	4,644,435 (11,210,508)	-
Viacom18	-	-	-	1,420,440 (14,965,319)	-
Total	-	123,013,016 (207,166,337)	-	6,064,875 (26,175,827)	15,504,700 (14,219,467)
Loan and Advance (Loans given outstanding including interest accrued)					
Network18 GSP	-	-	-	-	527,926,074 (527,926,074)

Notes forming part of the Consolidated Financial Statements

Transactions		Holding Company	Fellow Subsidiary	Key Managerial Personnel	Joint venture	Entity under significant influence
	TEMIL	-	984,459,000 (997,224,891)	-	-	-
	BKH	-	1,346,152,500 (161,558,983)	-	-	-
	N-18 Holding	-	- (6,325,371)	-	-	-
	Total	-	2,330,611,500 (1,165,109,245)	-	-	527,926,074 (527,926,074)
Trade receivables						
	Network18	24,244,974 (58,735,364)	-	-	-	-
	Bigtree	-	- (760,892)	-	-	-
	Digital18	-	1,321,852 (45,420,018)	-	-	-
	E-18	-	- (221,777)	-	-	-
	Greycells18	-	42,677,470 (26,310,856)	-	-	-
	Infomedia	-	- (140,183,631)	-	-	-
	Network18 Pub	-	-	-	-	27,797,486 (25,461,214)
	TEML	-	- (196,674,970)	-	-	-
	TV18 HSN	-	81,129,824 (7,797,021)	-	-	-
	Web18	-	- (12,412)	-	-	-
	Viacom18	-	-	-	17,806,098 (26,456,304)	-
	Setpro18	-	3,840,832 -	-	-	-
	IBN Lokmat	-	-	-	18,661,308 -	-
	N-18 Holding	-	1,086,310,000 (1,086,310,000)	-	-	-
	Total	24,244,974 (58,735,364)	1,215,279,977 (1,503,691,577)	-	36,467,406 (26,456,304)	27,797,486 (25,461,214)
Trade payables						
	Network18	31,424,409 (22,137,443)	-	-	-	-
	E-18, Cyprus	-	61,259 (61,259)	-	-	-

Notes forming part of the Consolidated Financial Statements

Transactions	Holding Company	Fellow Subsidiary	Key Managerial Personnel	Joint venture	Entity under significant influence
Newswire18	-	- (537,174)	-	-	-
Setpro18	-	15,194,476 (153,490,328)	-	-	-
TV18 UK	-	- (1,040,578)	-	-	-
TEML	-	- (50,802,861)	-	-	-
Infomedia	-	- (3,253,600)	-	-	-
TV18 HSN	-	53,401 (53,401)	-	-	-
Colosseum	-	483,685 (10,299,460)	-	-	-
Digital18	-	258,818 (1,424,080)	-	-	-
E-18	-	382,566 -	-	-	-
Webchutney	-	202,248 -	-	-	-
Viacom18	-	-	-	311,690,920 -	-
IBN Lokmat	-	-	-	441,212 -	-
Total	31,424,409 (22,137,443)	16,636,453 (220,962,742)	-	312,132,132 -	-
Corporate Guarantee given to as outstanding					
IBN Lokmat	-	-	-	249,000,000 (249,000,000)	-
Corporate Guarantee Taken from as outstanding					
Network18	1,137,500,000 (1,669,600,000)	-	-	-	-
Investments at year end					
IBN Lokmat	-	-	-	25,000,000 (25,000,000)	-

Figures in italics pertains to the previous year

34. Utilisation of Rights issue proceeds

a. Rights issue I (Year ended 31 March 2011)

The Company had allotted 54,495,443 partly paid shares on rights basis to its equity shareholders during the year ended 31 March, 2011. Out of this 54,446,407 shares were converted into fully paid up shares till 31 March, 2013 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:

Notes forming part of Consolidated Financial Statements

(Amount in Rupees)

Objects of the issue	Proposed utilization	Actual utilization
Repay certain loans	2,150,000,000	2,150,000,000
Investment in Viacom18 *	1,500,000,000	1,500,000,000
Investment in IBN Lokmat Private Limited	250,000,000	250,000,000
General corporate purposes	995,324,000	995,324,000
Rights issue expenses**	200,000,000	196,935,250
	5,095,324,000	5,092,259,250

* Surplus available after actual expenses incurred including provisions on right issue has been utilized towards investment in Viacom 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 have been fully utilised for the objects of the issue as at 31 March 2013.

b. Rights issue II (Year ended 31 March 2013)

Pursuant to the approval from SEBI, the subscription to the current Rights Issue of 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 subscribed to the extent of 130.08% (net of rejections) of the issue size in terms of number of shares. On 23 October, 2012 Capital Issues Committee of the Board of Directors of the Company allotted 1,349,577,882 equity shares of Rs. 2 each at a premium of Rs. 18 each aggregating to Rs. 26,991,557,640. During the year, the company has received the proceeds from the Rights issue amounting to Rs. 26,991,557,640, the status of utilization of rights issue proceeds 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 availed by us and repayment of Public Deposits	4,216,000,000	4,216,000,000
General corporate purposes	2,784,000,000	2,784,000,000
Rights issue expenses **	741,557,640	741,557,640
	26,991,557,640	26,991,557,640

* The Company paid Rs. 19,500,000,000 to Arimas Trading Private Limited for acquisition of 100% stake of Equator Trading Private Limited (Promoters of ETV). However, the shares are not yet transferred due to pending legal compliances which are under process.

** 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 have been fully utilised for the object of the issue.

35. Barter Transactions

During the year ended 31 March, 2013, the group had entered into barter transactions, which were recorded at the fair value of consideration receivable or payable. The Statement of Profit and Loss for the year 31 March, 2013 reflects revenue from barter transactions of Rs. 120,549,739 (Previous year Rs. 109,927,679) and expenditure of Rs. 116,705,627 (Previous year Rs. 116,194,774) being the fair value of barter transactions provided and received.

36. 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

Notes forming part of Consolidated Financial Statements

not hedged by a derivative instrument or otherwise as at year end is as follows:

	Foreign Currency	Foreign Currency	Rupees Equivalent
		Amount as on 31.03.2013	
Trade Receivables	AUD	67,080 (24,353)	3,764,530 (1,245,899)
	CAD	28,725 (1,225)	1,518,404 (63,688)
	GBP	115,158 (216,650)	9,479,813 (17,721,958)
	SGD	59,652 (41,214)	2,613,350 (1,699,645)
	USD	3,816,327 (6,985,851)	207,567,778 (357,352,650)
Trade Payables	AUD	2,413 (2,413)	135,383 (129,912)
	EURO	2,678 (38,721)	186,204 (2,646,159)
	GBP	31,905 (21,787)	2,626,477 (1,782,205)
	SGD	13,853 (1,327)	606,938 (54,743)
	USD	4,083,525 (6,602,624)	222,097,513 (337,790,257)
Loans and Advances	AED	34,823 (5,000)	513,701 (70,572)
	EURO	16,836 (13,654)	1,170,812 (933,080)
	GBP	10,557 (131)	869,069 (10,703)
	SGD	259 (141)	11,362 (5,794)
	USD	72,000 (381,000)	3,916,011 (19,491,969)

Figures in bracket are for previous year.

37. 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 residential/ commercial premises under cancellable /non-cancellable operating leases. The cancellable lease agreements are normally renewed on expiry. Rent amounting to Rs 291,186,102 (Previous year Rs. 234,092,246) 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:

Notes forming part of Consolidated Financial Statements

Particulars	As at 31.03.2013	As at 31.03.2012
Not later than one year	287,075,573	265,014,301
Later than one year but not later than five years	883,736,062	682,633,639
More than five years	253,970,782	507,838,908

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. 3,869,805 (Previous year Rs. 824,973) has been paid during the year. The total minimum lease payments and its present value and discounted at the interest rate implicit in the lease are:

a. Minimum lease payments

	As at 31.03.2013	As at 31.03.2012
Not later than 1 year	3,734,517	3,869,805
Later than 1 year but not later than 5 years	6,277,838	11,618,473
	10,012,355	15,488,278

b. Present value of minimum lease payments

	As at 31.03.2013	As at 31.03.2012
Not later than 1 year	2,567,496	2,263,687
Later than 1 year but not later than 5 years	5,885,358	8,452,854
	8,452,854	10,716,541

c. Reconciliation:

	As at 31.03.2013	As at 31.03.2012
Total Minimum Lease Payments as above	10,012,355	15,488,278
Less: Future Finance charges	1,559,501	4,771,737
Net Present Value	8,452,854	10,716,541

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

39. Scheme of Arrangement (For the Joint Venture)

During the year, in case Viacom18:

- The Hon'ble High Court of Bombay vide its order dated November 02, 2012 had approved the Scheme of Arrangement (the "Scheme") between Viacom18 Media Private Limited ("Viacom18") and its indirect wholly

Notes forming part of Consolidated Financial Statements

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 December 1, 2012 and accordingly the Scheme has come into effect from December 1, 2012 (the "Effective Date") with the Appointed Date being January 1, 2012 (the "Appointed Date"). The accounting has been done as per the "Pooling of Interests method" in accordance with AS-14 "Accounting for Amalgamations" as notified by the Companies (Accounting Standards) Rules, 2006. No shares were issued pursuant to the Scheme given that IFC was an indirect wholly owned subsidiary of Viacom18.

- b) Pursuant to the aforesaid Scheme, the debit balance in the Statement of Profit and Loss of Viacom18 to the extent of Rs. 13,397.45 lakhs as at March 31, 2011 has 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. 13,397.45 lakhs for Viacom18 as at March 31, 2013.
- c) The Viacom18 Group has 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 have in accordance with the Scheme, debited Rs. 2,907.61 lakhs 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 debiting the Securities Premium Account, the loss for the year ended March 31, 2013 would have increased from Rs. 2,027.75 lakhs to Rs. 4,935.36 lakhs.

Note: The figures above are equivalent to Group's share (i.e. 50%) in the Joint Venture.

40. A) Interest in Joint Ventures :

The Company's interests in jointly controlled entities are:

Name of the entity	Country of Incorporation	Percentage of ownership interest as at 31 March, 2013	Percentage of ownership interest as at 31 March, 2012
IBN Lokmat News Private Limited	India	50%	50%
Viacom18 Media Private Limited	India	50%	50%

In respect of the jointly controlled entities, the Company's share of the assets, liabilities, income and expenditure of the joint venture companies as included in the Consolidated Balance Sheet and Consolidated statement of Profit and Loss are as follows:

Particulars		As at Year ended 31.03.2013 (Rupees)	As at Year ended 31.03.2012 (Rupees)
Assets			
1	Non - current assets		
-	Fixed assets	220,115,689	274,713,985
-	Goodwill on consolidation	564,636,523	465,468,264
-	Long - term loans and advances	1,026,409,359	261,571,235
-	Other non- current assets	1,086,309,861	1,086,309,861
-	Deferred tax assets (Net)	-	32,260,702
2	Current assets		
-	Inventories	2,747,367,288	2,942,538,706
-	Trade receivables	1,786,772,404	2,646,148,351
-	Cash and cash equivalents	929,470,479	309,998,959
-	Short - term loans and advances	553,636,019	1,065,682,095
-	Other current assets	172,239,343	1,332,720

Notes forming part of Consolidated Financial Statements

Particulars		As at Year ended 31.03.2013 (Rupees)	As at Year ended 31.03.2012 (Rupees)
	Liabilities		
3	Non - current liabilities		
-	Long - term borrowings	950,000,000	1,010,875,000
-	Long - term provisions	2,470,740	2,441,854
4	Current liabilities		
-	Short - term borrowings	2,113,791,085	1,529,005,377
-	Trade payables	2,260,264,426	2,058,351,514
-	Other current liabilities	225,123,749	247,003,018
-	Short - term provisions	10,834,013	9,015,329
5	Shareholders' funds		
-	Post-acquisition reserves	(1,308,386,153)	(869,750,832)
6	Revenue		
-	Revenue from operations	7,705,083,939	7,917,600,507
-	Other income	54,165,548	87,250,674
7	Expenses		
-	Employee benefits expenses	691,221,592	686,657,064
-	Finance costs	424,304,311	343,118,879
-	Depreciation and amortisation expenses	87,113,912	60,419,407
-	Operating and other expenses	6,916,561,106	7,882,900,429
8	Exceptional items		
-	Impairment of film rights	-	(693,009,861)
-	Recovery from indemnity	-	1,086,309,861
9	Income tax expense	110,656,586	27,739,298

B) The effect of acquisition of IndiaCast:

	As at 31.03.2013 (In Rupees)
Liabilities as at 1 July, 2012	
- Non-current liabilities	2,020,839
- Current liabilities	1,471,899,096
Assets as at 1 July, 2012	
- Non-current assets	25,821,054
- Current assets	1,427,879,879
Revenue from 1 July, 2012 to 31 March, 2013	3,922,255,272
Expenses from 1 July, 2012 to 31 March, 2013	3,916,171,125
Profit before tax from 1 July, 2012 to 31 March, 2013	6,084,147
Profit after tax from 1 July, 2012 to 31 March, 2013	5,059,923

Notes forming part of Consolidated Financial Statements

41. 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	IndiaCast	IndiaCast US	IndiaCast UK	IC Media	ibn18 Mauritius
Reporting Currency	INR	INR	INR	USD	GBP	INR	USD
Exchange rate for conversion	1	1	1	54.39	81.08	1	54.39
Capital *	966,150	469,957,479	2,280,000	5,447,000	4,864,800	100,000	5,075
Reserves**	345,231,244	(238,623,653)	53,660,440	(197,005)	(129,342)	(587,600)	(337,986,459)
Total Assets	555,399,922	434,732,917	2,303,845,092	5,439,000	4,944,139	3933043	2,484,251,007
Total Liabilities	209,202,528	203,399,091	2,247,904,652	189,005	208,681	4420643	2,822,232,391
Investments (except in case of investments in subsidiaries)	-	-	-	-	-	-	-
Turnover (including other income)	-	407,510,656	4,721,706,224	-	-	-	62,561,784
Profit/(Loss) before taxation	(202,548)	(342,656,305)	(2,574,873)	(189,492)	(213,147)	(587,600)	61,666,113
Provision for taxation (including deferred tax)	-	-	1,024,224	-	-	-	1,849,985
Profit/(Loss) after taxation	(202,548)	(342,656,305)	(3,599,097)	(189,492)	(213,147)	(587,600)	59,816,128
Proposed Dividend	-	-	-	-	-	-	-
Country	India	India	India	USA	UK	India	Mauritius

* Including Share Application Money pending allotment

** Debit balance in Statement of Profit and Loss to the extent not written off have been reduced from the reserves and surplus

42. Figures pertaining to the subsidiaries and jointly controlled entities have been regrouped / reclassified wherever necessary to bring them in line with the Group's financial statements.
43. Additional statutory information disclosed in the separate financial statements of the Company, its subsidiaries and joint ventures having no material bearing on the true and fair view of these consolidated financial statements and the information pertaining to the items which are not material have not been disclosed in the consolidated financial statements.
44. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

RAGHAV BAHL

Director

GURDEEP SINGH PURI

General Manager - Finance

Noida

13 May, 2013

SANJAY RAY CHAUDHURI

Director

HITESH KUMAR JAIN

DGM-Corporate Affairs &
Company Secretary

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TV18 Broadcast Limited

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

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

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

To
Link Intime India Private Limited
Unit : TV18 Broadcast Limited
44, Community Centre, 2nd Floor,
Naraina Industrial Area, Phase-I,
Near PVR Naraina,
New Delhi - 110 028

Dear Sir,

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

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

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

*Applicable for members holding shares in electronic form.

Name of the Sole/First Shareholder : _____

Name of the Joint Shareholders (if any) : _____

No. of shares held : _____

E-mail id for receipt of documents in
electronic mode (as updated with my/our DP) : _____

Date:

Signature: _____

Place:

(Sole/First Shareholder)

Notes:

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



TV18 Broadcast Limited

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

ATTENDANCE SLIP

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

I/We hereby record my/our presence at the 8th ANNUAL GENERAL MEETING of the above named Company held at 3.30 P.M. on Monday, the 29th day of July, 2013 at MPCU, Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Niwas Marg, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi-110 054.

NAME(S) OF THE MEMBER(S)	Registered Folio No.
	Client ID No.
	DP ID No.
	No. of shares held

Name of Proxy (in block letters)

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

Signature of Member/Proxy



TV18 Broadcast Limited

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

PROXY FORM

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

as my/our Proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 8th ANNUAL GENERAL MEETING of the Company to be held at 3.30 P.M. on Monday, the 29th day of July, 2013 at MPCU, Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Niwas Marg, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi-110 054.

AS WITNESS under my/our hand(s) this _____ day of _____ 2013

Signed by the said _____

DP ID No. _____

Notes:

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

Affix
 Re. 1
 Revene
 Stamp

BOOK-POST

If undelivered please return to:

TV18 BROADCAST LIMITED

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