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Limited Review Report

To the Board of Directors of Network18 Media & Investments Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ("the Statement") of Network18 Media & Investments Limited ("the Company"), its subsidiaries, associates and joint ventures (collectively referred to as "the Group") for the quarter ended 31 December 2012 and the year to date results for the period 1 April 2012 to 31 December 2012, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. (a) *The Company has paid Rs. 252.84 lakhs as managerial remuneration to its managing director upto 31 December 2012 (upto 30 September 2012: Rs. 225.48 lakhs, upto 31 March 2012: Rs. 201.00 lakhs and upto 31 December 2011: Rs. 173.64 lakhs), which is in excess of the limits prescribed under the Companies Act, 1956 (the Act). Our reports on the financial results of the previous quarters /year were qualified in respect of this matter.*

(b) *Stargaze Entertainment Private Limited ('Stargaze'), a subsidiary of the Company, has paid Rs. 167.12 lakhs as managerial remuneration to its erstwhile managing director upto 31 December 2012 (upto 30 September 2012: Rs. 167.12 lakhs, upto 31 March 2012: Rs. 167.12 lakhs and upto 31 December 2011: Rs. 167.12 lakhs) which is in excess of the limits prescribed under the Act. The auditors of Stargaze have qualified their reports on the financial results of the previous quarters /year in respect of this matter.*



Had the Company and Stargaze accounted for the remuneration in accordance with the Act, the net loss after tax for the quarter and nine months ended 31 December 2012 would have been lower by Rs. 419.96 lakhs (for the quarter ended 30 September 2012: Rs. 392.60 lakhs, for the quarter and year ended 31 March 2012: Rs. 368.12 lakhs and for the quarter and nine months ended 31 December 2011: Rs. 340.76 lakhs).

4. Based on our review conducted as above and upon consideration of reports of other auditors, *except for the effects of the matters described in the previous paragraph*, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We did not review the interim financial results of 27 subsidiaries, 2 associates and 10 joint ventures, included in the Statement, whose interim financial results reflect total revenues (after eliminating intra-group transactions) of Rs. 49,953.12 lakhs and Rs. 130,662.62 lakhs and net profit/(loss) after tax and prior period items (after eliminating intra-group transactions) of Rs. 8,145.64 lakhs and Rs. (1,265.36) lakhs for the quarter and nine months ended 31 December 2012. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us and our opinion in respect thereof is based solely on the review reports of such other auditors. Our review report is not qualified in respect of this matter.
6. We draw attention to Note 4 of the Statement which describes that Infomedia Press Limited ('Infomedia'), a subsidiary of the Company incurred a net loss of Rs. 469.52 lakhs and Rs. 944.26 lakhs during the quarter and nine months ended 31 December 2012 respectively. These conditions, along with other matters as set forth in the aforesaid note, indicate the existence of a material uncertainty that may cast significant doubt on Infomedia continuing as a going concern. Our opinion is not qualified in respect of this matter.

Walker, Chandio & Co

For Walker, Chandio & Co

Chartered Accountants

Firm Registration No: 001076N

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



Place: New Delhi

Date: 19 January 2013

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2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. *The Company has paid Rs. 252.84 lakhs as managerial remuneration to its managing director upto 31 December 2012 (upto 30 September 2012: Rs. 225.48 lakhs, upto 31 March 2012: Rs. 201.00 lakhs and upto 31 December 2011: Rs. 173.64 lakhs), which is in excess of the limits prescribed under the Companies Act, 1956 ('the Act'). Had the Company accounted for the remuneration in accordance with the Act, the net loss after tax for the quarter and nine months ended 31 December 2012 would have been lower by Rs. 252.84 lakhs (for the quarter ended 30 September 2012: Rs. 225.48 lakhs; for the quarter and year ended 31 March 2012: Rs. 201.00 lakhs and for the quarter and nine months ended 31 December 2011: Rs. 173.64 lakhs). Our reports on the financial results for the previous quarters /year were qualified in respect of this matter.*
4. Based on our review conducted as above, *except for the effects of qualification as described in the previous paragraph*, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.



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5. We draw attention to Note 4 to the Statement in connection with the scheme of arrangement between the Company and Infomedia Press Limited ("Infomedia"), a subsidiary company, approved by the Hon'ble High Court of Delhi, made effective on 1 June 2012 with an appointed date of 1 April 2010. Pursuant to the terms of the said Scheme, the Company has adjusted the diminution, other than temporary, in the carrying value of its long term investment through Securities Premium Account, which otherwise would have been debited to the Statement of Profit and Loss in the relevant previous years in accordance with accounting standards, as notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other recognised accounting practices and policies. Our opinion is not qualified in respect of this matter.

Walker, Chandiook & Co

For Walker, Chandiook & Co

Chartered Accountants

Firm Registration No: 001076N

B P Singh

per B P Singh

Partner

Membership No. 106116



Place: New Delhi

Date: 19 January 2013