June 27, 2016

National Stock Exchange of India,
"Exchange Plaza", Bandra Kurla Complex,
Bandra (East), Mumbai-400051

Kind Attn.: Ms. Dhaneshwari Chenani, Assistant Manager, Listing Compliance

Dear Madam,

This is in relation to our communication dated June 17, 2016 and your email of June 24, 2016 (2:44 pm) ("Email") regarding the New Delhi Television Limited's (the "**Company**") announcement dated June 17, 2016, titled, "Disclosure under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015" wherein the Company had referred to a receipt of a Penalty Show Cause Notice (SCN) which was consequential to the Assessment Order dated February 21, 2014 passed by the Income Tax Department for the Assessment Year 2009-10.
The responses to the queries raised in your Email are as follows:

1. Quantum of the proposed penalty amount included in the SCN

   The Company would like to clarify that the SCN is not a final order, instead it only refers to a **proposed penalty and no penalty has been imposed on the Company as of date**. The SCN seeks a response from the Company and only after considering the same will the determination of whether any penalty is liable to be imposed on the Company may be taken. Further, as stated in our response in point 2 below, the Company based on advice received from tax experts believe that that the possibility of such a penalty being imposed and any economic outflow resulting from it is remote. The quantum of such proposed penalty as stated in the SCN is Rs. 525,38,85, 496/-.

2. The impact there on the financials of the company

   At the outset and as stated above, it is reiterated that the SCN does not impose any penalty on the Company. As informed vide our communication dated June 17, 2016 the Company has received SCN in relation to assessment of AY 2009-10, which was completed on February 21, 2014 ("**Assessment Order**"). Thus, the present SCN is not a separate proceeding but one which arises as a consequence of the Assessment Order against which the appeal of the Company is pending for disposal before Hon'ble ITAT. The recovery of demand arising from such assessment is presently stayed by the Hon'ble ITAT and subsequently by the Hon'ble Delhi High Court.

   As informed to you vide our earlier disclosures in relation to the above Assessment Order, in the opinion of the Company and its tax advisors, the said Assessment Order is unlikely to be sustained in law.

New Delhi Television Ltd. 207 Okhla Industrial Estate III New Delhi-20

This opinion of the Company is further reiterated by the fact that the Hon'ble ITAT stayed the recovery of the demand arising out of the Assessment Order on the payment of Rs. 5,00,00,000/- (Rupees Five Crores Only), i.e., only approximately 1% of the Tax Demand. Further, the Hon'ble Delhi High Court, vide its order dated March 24, 2015, was pleased to continue the stay for recovery operating in favour of the Appellant on the same terms, till the final disposal of appeal by the Hon'ble ITAT.

It is further stated that the SCN does not impose any penalty on the Company. The proceedings contemplated under the SCN are premature and can only be commenced once a final determination on the Assessment Order is provided by the Hon'ble ITAT in view of the provisions of section 275(1)(a) of the Income Tax Act. As informed to your good offices in the earlier disclosures, the Company believes and as opined by its legal counsels, that the additions so made in the Assessment Order are not legally sustainable, are baseless and in the considered opinion of the Company the said additions and the consequent demand are likely to be dismissed by Hon'ble ITAT. Consequently, no penalty would be leviable after the receipt of the order of the Hon'ble ITAT.

In light of the aforementioned, the Company on analysis of various interpretative accounting standards and literature is of the view that there is no material financial implication on account of the said SCN as in the event the appeal is decided in favour of the Company, there could not be any penalty leviable on the Company. Thus, in the opinion of the Company, the SCN is unlikely to result in a demand or economic outflow of benefits from the company.

We would like to further submit that any allegations, based on surmises and conjectures, that a penalty has been imposed on the Company by way of the SCN are meritless and should be disregarded by your good offices. The same are an abuse of your good offices to disrepute the Company.

We trust that the same satisfactorily answers your query. We would be happy to provide you with any further information as you may require.

The present disclosure made by the Company is without prejudice to its rights and contentions before any authority or court of law.

Thanking you,

Yours sincerely,

For New Delhi Television Limited

Navneet Raghuvanshi
Company Secretary

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