

# B S R & Associates LLP

Chartered Accountants

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## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF NDTV NETWORKS LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of **NDTV Networks Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and the 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 Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating

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Mumbai - 400 011

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the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

### 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, of the state of affairs of the Company as at 31 March 2016, its loss and its cash flows for the year ended on that date.

### Other matters

The financial statements of the Company for the year ended 31 March 2015 were audited by Price Waterhouse, Chartered Accountants who expressed an unmodified opinion on those statements on 2 May 2015.

### Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we enclose in the Annexure A statement on the matters specified in paragraph 3 of the order.
2. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and



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- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations as at 31 March 2016 which would impact its financial position;
  - ii. The Company does not have any long-term contracts or derivative contracts outstanding as at 31 March 2016; and
  - iii. The Company does not have any dues on account of Investor Education and Protection Fund.

*For B S R & Associates LLP*

*Chartered Accountants*

Firm registration number: 116231W/ W-100024



**Rakesh Dewan**

*Partner*

Membership number: 092212

Place: Gurgaon  
Date: 5 May 2016



**Annexure A referred to in our Independent Auditor's Report to the members of NDTV Network Limited on the financial statements for the year ended 31 March 2016.**

- (i) According to the information and explanations given to us, the Company does not hold any fixed assets. Accordingly, para 3(i) of the Order is not applicable to the Company.
- (ii) According to the information and explanations given to us, the Company does not hold any physical inventory. Accordingly, para 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of para 3 (iii) of the Order is not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not given any loan as specified under section 185 of the Companies Act, 2013. Further, guarantee or security provided and the investment made by the Company are in compliance with section 185 and 186 of the Companies Act, 2013.
- (v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Accordingly, para 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, for any of the services rendered by the Company. Accordingly, para 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including service tax, income-tax, cess and other statutory dues have generally been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of excise, duty of customs, provident fund, employees' state insurance, sales tax and value added tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of service tax, income-tax, cess and other statutory dues were in arrears as at 31 March 2016, for a period of more than six months from the date they became payable.



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- (b) According to the information and explanations given to us, except as stated below, there are no dues of income tax and service tax which have not been deposited on account of a dispute with the appropriate authorities on account of any dispute:

(Amount in Rs. million)

Name of the statute	Nature of the dues	Amount	Year to which amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income tax	1.15	Assessment Year 2011-12	CIT (Appeals)

- (viii) According to the information and explanations given to us, the Company did not have any outstanding dues to any financial institutions, banks, government or debenture holders during the year. Accordingly, para 3 (viii) of the Order is not applicable to the Company
- (ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, para 3 (ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, there has been no fraud by the Company and neither any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not paid any managerial remuneration during the year. Accordingly, the para 3 (xi) of the Order is not applicable to the Company.
- (xii) According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, para 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has made preferential allotment or private placement of equity shares during the period in accordance with the requirement of Section 42 of the Act and the amount raised have been used for the purpose for which the funds were raised.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or person connected with him covered by Section 192 of the Act. Accordingly, para 3(xv) of the Order is not applicable to the Company.



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- (xvi) According to the information and explanations given to us, the Company has filed application for registration under section 45-1A of the Reserve Bank of India Act , 1934.

*For B S R & Associates LLP*

*Chartered Accountants*

Firm registration number: 116231W/ W-100024



**Rakesh Dewan**

*Partner*

Membership number: 092212

Place: Gurgaon

Date: 5 May 2016



**Annexure B to the Independent Auditor's Report of even date on the financial statements of NDTV Networks Limited for the year ended 31 March 2016**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of NDTV Networks Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, issued by the ICAI.

*For B S R & Associates LLP*

*Chartered Accountants*

Firm registration number: 116231W/ W-100024



**Rakesh Dewan**

*Partner*

Membership number: 092212

Place: Gurgaon

Date: 5 May 2016



**NDTV Networks Limited**

In Rs million

Balance Sheet	Notes	As at March 31, 2016	As at March 31, 2015
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	325.24	323.99
Reserves and surplus	4	1,074.80	1,845.83
		<u>1,400.04</u>	<u>2,169.82</u>
Share application money pending allotment	5	-	1.25
<b>Current liabilities</b>			
<b>Trade payables:-</b>			
- total outstanding dues of micro enterprises and small enterprises;	6	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		2.19	15.05
Other current liabilities	7	0.09	23.13
		<u>2.28</u>	<u>38.18</u>
<b>TOTAL</b>		<u><u>1,402.32</u></u>	<u><u>2,209.25</u></u>
<b>Assets</b>			
<b>Non-current assets</b>			
Non-current investments	8	1,335.52	2,168.09
Long-term loans and advances	9	0.18	15.80
		<u>1,335.70</u>	<u>2,183.89</u>
<b>Current assets</b>			
Cash and bank balances	10	27.36	0.95
Short-term loans and advances	9	38.92	24.41
Other current assets	11	0.34	-
		<u>66.62</u>	<u>25.36</u>
<b>TOTAL</b>		<u><u>1,402.32</u></u>	<u><u>2,209.25</u></u>
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached.

For **BSR & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 116231W /W-100024

For and on Behalf of the Board of Directors of  
**NDTV Networks Limited**

Sd/-  
**Rakesh Dewan**  
Partner  
Membership No. : 092212

Sd/-  
**K V L Narayan Rao**  
Director

Sd/-  
**Vikramaditya Chandra**  
Group Chief Executive Officer

Sd/-  
**Saurav Banerjee**  
Director, Finance and Group CFO

Sd/-  
**Ajay Mankotia**  
Managing Director

Sd/-  
**Yogesh Aggrwal**  
Chief Financial Officer

Place: Gurgaon  
Date: May 05,2016

Place: New Delhi  
Date: May 04,2016

**NDTV Networks Limited**

In Rs million except per share data

Statement of Profit and Loss	Notes	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Income</b>			
Other income	12	75.57	36.14
<b>Total revenue</b>		<u>75.57</u>	<u>36.14</u>
<b>Expenses</b>			
Employee benefit expenses	13	-	12.85
Operations and administration expenses	14	12.14	12.03
Finance costs	15	0.22	0.18
<b>Total expenses</b>		<u>12.36</u>	<u>25.06</u>
<b>Profit/(Loss) before exceptional items and tax</b>		<u>63.21</u>	<u>11.08</u>
Exceptional items (refer note 16)	16	579.54	63.43
<b>Loss before tax</b>		<u>(516.33)</u>	<u>(52.35)</u>
<b>Tax expenses</b>			
Excess provision for income tax for earlier years written back		-	(0.07)
<b>Total tax expense</b>		<u>-</u>	<u>(0.07)</u>
<b>Loss for the year</b>		<u>(516.33)</u>	<u>(52.28)</u>
<b>Loss per equity share (nominal value of Rs 10 per share)</b> <b>(Previous year Rs 10 per share)</b>			
<b>Basic and diluted</b>	17	<b>(6,925.18)</b>	<b>(888.76)</b>
<b>Summary of significant accounting policies</b>			
	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached.

For **B S R & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 116231W /W-100024

For and on Behalf of the Board of Directors of  
NDTV Networks Limited

Sd/-  
**Rakesh Dewan**  
Partner  
Membership No. : 092212

Sd/-  
**K V L Narayan Rao**  
Director

Sd/-  
**Vikramaditya Chandra**  
Group Chief Executive Officer

Sd/-  
**Saurav Banerjee**  
Director, Finance and Group CFO

Sd/-  
**Ajay Mankotia**  
Managing Director

Sd/-  
**Yogesh Aggrwal**  
Chief Financial Officer

Place: Gurgaon  
Date: May 05, 2016

Place: New Delhi  
Date: May 04, 2016

NDTV Networks Limited

In Rs million

Cash Flow Statement	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Cash flow from operating activities</b>		
Loss before tax	(516.33)	(52.35)
<b>Adjustments :</b>		
Provision for diminution in the value of investment	579.54	63.43
Finance costs	0.22	0.18
Profit on sale of investments	(73.37)	-
Interest income	(2.20)	-
<b>Operating profit before working capital changes</b>	<b>(12.14)</b>	<b>11.26</b>
<b>Movements in working capital :</b>		
Increase/ (decrease) in trade payables	(12.86)	9.40
Decrease in other current liabilities	(23.04)	(0.93)
Increase in long-term loans and advances	15.80	(15.80)
Decrease in short-term loans and advances	(14.51)	(20.66)
<b>Cash used in operations</b>	<b>(46.75)</b>	<b>(16.73)</b>
Tax paid/deducted at source	(0.18)	-
<b>Net cash used in operating activities (A)</b>	<b>(46.93)</b>	<b>(16.73)</b>
<b>Cash flows from investing activities</b>		
Proceed from sale of investments	326.40	-
Bank deposit ( having maturity of more than three months )	(25.83)	-
Interest received	1.86	-
<b>Net cash flow from investing activities (B)</b>	<b>302.43</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of Non-cumulative redeemable preference share	28.30	22.35
Redemption of Non-cumulative redeemable preference share	(283.00)	-
Refund of share application money	-	(4.89)
Finance costs paid	(0.22)	(0.18)
<b>Net cash flow from/ (used in) in financing activities (C)</b>	<b>(254.92)</b>	<b>17.28</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>0.58</b>	<b>0.55</b>
Cash and cash equivalents at the beginning of the year	0.95	0.40
<b>Cash and cash equivalents at the end of the year</b>	<b>1.53</b>	<b>0.95</b>
	<b>As at</b>	<b>As at</b>
	<b>March 31, 2016</b>	<b>March 31, 2015</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	0.01	0.01
Balances with banks		
- in current accounts	0.49	0.94
- in deposit with original maturity of less than three months	1.03	-
<b>Total</b>	<b>10</b>	<b>0.95</b>
Summary of significant accounting policies	2	

The accompanying notes are an integral part of the financial statements

Notes :

- The above cash flow statement has been prepared under the indirect method set out in Accounting Standard-3 "Cash Flow Statements" as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule 2014.
- Figures in brackets indicate cash outflow.

As per our report of even date attached

For **B S R & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 116231W /W-100024

For and on Behalf of the Board of Directors of  
**NDTV Networks Limited**

Sd/-  
**Rakesh Dewan**  
Partner  
Membership No. : 092212

Sd/-  
**K V L Naravan Rao**  
Director

Sd/-  
**Vikramaditya Chandra**  
Group Chief Executive Officer

Sd/-  
**Saurav Banerjee**  
Director, Finance and Group CFO

Sd/-  
**Ajay Mankotia**  
Managing Director

Sd/-  
**Yogesh Aggrwal**  
Chief Financial Officer

Place : Gurgaon  
Date : May 05,2016

Place : New Delhi  
Date : May 04,2016



## NDTV Networks Limited

Notes to financial statements for the year ended March 31, 2016

### 1. Corporate information

The Company was incorporated on June 10, 2010 under the Companies Act, 1956, as a subsidiary of New Delhi Television Limited ("NDTV"), the holding Company. Company is in the process of getting registration as Core Investment Company for which necessary application has been filed with Reserve Bank of India in 2014-15.

### 2. Summary of significant accounting policies

#### 2.1 Basis of preparation

These financial statements have been prepared and presented under the historical convention on a going concern basis, on the accrual basis of accounting and comply with the Accounting Standards specified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, pronouncements of the Institute of Chartered Accountants of India and other accounting principles generally accepted in India, to the extent applicable. The financial statements are presented in Indian rupees rounded off to the nearest million.

All assets and liabilities have been classified as current or non-current in accordance with the Company's operating cycle and other relevant criteria. Based on the nature of the product or services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

#### 2.2 Use of estimates

In the preparation of the financial statements, the management of the Company makes estimates and assumptions in conformity with the applicable accounting principles in India that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, and the useful lives of fixed assets and intangible assets.

**Provisions:** Provisions are recognised when there is a present obligation as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and where it is possible to make a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to their present value.

**Contingent liability:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

#### 2.3 Other income

Interest Income is recognized on a proportion of time basis taking into account the principal outstanding and the rate applicable.

Gain on sale of investment is recognised once the transfer of shares is completed and sale consideration is realised.

#### 2.4 Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments".

Long-term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

#### 2.5 Foreign currency transaction

Transactions in foreign currency are recorded at the rates of exchange in force at the time the transactions are effected. All monetary assets and liabilities denominated in foreign currency are restated at the year-end exchange rate. All non-monetary assets and liabilities are stated at the rates prevailing on the date of the transaction.

Gains / (losses) arising out of fluctuations in the exchange rates are recognized as income/expense in the period in which they arise.



**NDTV Networks Limited**

Notes to financial statements for the year ended March 31, 2016

**2.6 Employee benefits**

*Short-term employee benefits*

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

*Defined contribution plans*

The India Company's superannuation, provident fund and labour welfare fund scheme are defined contribution plans. The Company's contribution paid/payable under the schemes is recognised as an expense in the Statement of Profit and Loss during the year in which the employee renders the related service.

*Defined benefit plans*

The Company's gratuity benefit scheme is defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method.

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

**2.7 Taxes on Income**

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in profit or loss except that tax expense related to items recognised directly in reserves is also recognised in those reserves.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

**2.8 Going concern**

Keeping in mind the current economic environment and the company's future business plan, the management is confident about company's ability to continue its operations for the foreseeable future and accordingly, the financial statement of the company are prepared on a going concern basis

**2.9 Cash and cash equivalents**

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with bank, other short-term highly liquid investments with original maturities of three months or less.

**3. Share capital**

	In Rs million	
	As at March 31, 2016	As at March 31, 2015
<b>Authorised</b>		
70,000 (previous year 70,000) equity shares of Rs.10/- each	0.70	0.70
37,250,000 (previous year 32,340,000) preference shares of Rs.10/- each	372.50	332.50
<b>Issued, subscribed and fully paid-up shares</b>		
<b>Equity shares</b>		
58,823 (previous year 58,823) equity shares of Rs.10/- each	0.59	0.59
<b>Non-cumulative redeemable preference shares</b>		
32,465,000 (Previous Year 32,340,000) Preference Shares of Rs.10/- each	324.65	323.40
	<u>325.24</u>	<u>323.99</u>

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

	As at March 31, 2016		As at March 31, 2015	
	Numbers	Rs in million	Numbers	Rs in million
<b>Equity Shares</b>				
At the beginning of the year	58,823	0.59	58,823	0.59
<b>Outstanding at the end of the year</b>	<u>58,823</u>	<u>0.59</u>	<u>58,823</u>	<u>0.59</u>
<b>Non-Cumulative Redeemable Preference Shares</b>				
At the beginning of the year	32,340,000	323.40	27,000,000	270.00
Issued during the year	2,955,000	29.55	5,340,000	53.40
Redeemed during the year	(2,830,000)	(28.30)	-	-
<b>Outstanding at the end of the year</b>	<u>32,465,000</u>	<u>324.65</u>	<u>32,340,000</u>	<u>323.40</u>





**NDTV Networks Limited**

Notes to financial statements for the year ended March 31, 2016

**(b) Shares held by holding company /ultimate holding company and/or their subsidiaries/associates**

	As at March 31, 2016		As at March 31, 2015	
	Numbers	Rs in million	Numbers	Rs in million
Equity shares of Rs 10 each fully paid up held by :				
New Delhi Television Limited, the holding company	50,000	0.50	50,000	0.50
Non-Cumulative redeemable preference shares held by :				
New Delhi Television Limited, the holding company	32,465,000	324.65	32,340,000	323.40

**(c) Details of shareholders holding more than 5% shares in the Company**

Name of the shareholder	As at 31 March 2016		As at 31 March 2015	
	Number	% holding	Number	% holding
Equity shares of Rs 10 each fully paid up held by :				
New Delhi Television Limited	50,000	85.00%	50,000	85.00%
Non-Cumulative Redeemable Preference Shares held by :				
New Delhi Television Limited	32,465,000	100.00%	32,340,000	100.00%

**(d) Rights, preferences and restrictions to equity shares**

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company in proportion to the number of equity shares held

**(e) Rights, preferences and restrictions to non-cumulative redeemable preference shares**

The Preference Shares shall be Non-Cumulative Compulsorily Convertible Preference shares (CCPS). The Preference shares shall carry a flexible coupon rate of 0% to 4% at the sole discretion of the Board of Directors of the Company subject to the condition that it shall be non-cumulative and further that in the event the profit earned is inadequate for distribution, the coupon rate shall be treated as 0% for the relevant year and accordingly the preference shares shall not be eligible for voting rights on grounds of non-payment of dividend.

Subject to prevailing Reserve Bank of India regulations, the Preference Shares shall be compulsorily convertible into equity share(s) at any time within 20 years from the date of issue in one or more tranches at the sole discretion of the Board of Directors of the Company. The conversion of the CCPS into equity share(s) shall be on the basis of such value as determined in accordance with applicable regulations.

(i) The Company has allotted Non-Cumulative Redeemable Preference Shares of face value of Rs. 10/- each, fully paid to NDTV Studios Limited (Merged with New Delhi Television Limited pursuant to Scheme of Arrangement on December 17, 2010, w.e.f. appointed date April 1, 2010), at a premium of Rs.90/- per share, for an aggregate sum of Rs. 2700 million.

These Preference Shares are redeemable at a premium in the 20th year from the date of issue i.e. October 15,2010 at the discretion of Board of Directors in one or more tranches. These shares can also be redeemed at any time earlier than 20th year from the date of issue subject to unanimous approval from the shareholders. The shares are redeemable at a minimum premium at which they were issued, subject to the profits of the Company and adequate balance in security premium account for redemption.

(ii) During the year, the Company has redeemed 2,830,000 Non-cumulative redeemable preference shares at Rs 100/- per share. Premium on redemption amounting to Rs. 257.4 has been adjusted against Securities premium account as per the provisions of Section 52 of Companies Act 2013

(iii) The Company has further allotted 2,955,000 Non-Cumulative Redeemable Preference Shares of face value of Rs. 10/- each, fully paid to New Delhi Television Limited for an aggregate sum of Rs 29.55 million.

These Preference Shares are redeemable at a premium to be decided at the time of redemption in the 15th year from the date of issue i.e. February 05,2015 at the discretion of Board of Directors in one or more tranches. These shares can also be redeemed at any time earlier than 15th year from the date of issue subject to unanimous approval from the shareholders.

**4. Reserves and surplus**

	in Rs million	
	As at March 31, 2016	As at March 31, 2015
<b>Securities premium account</b>		
Opening Balance	2,430.00	2,430.00
Less : Redemption of preference share (refer note 3 (e)(ii))	(254.70)	-
<b>Closing Balance</b>	<b>2,175.30</b>	<b>2,430.00</b>
<b>Deficit in the Statement of Profit and Loss</b>		
Balance at the beginning of the year	(584.17)	(531.89)
Loss for the year	(516.33)	(52.28)
<b>Balance as at the end of the year</b>	<b>(1,100.50)</b>	<b>(584.17)</b>
<b>Total reserves and surplus</b>	<b>1,074.80</b>	<b>1,845.83</b>





NDTV Networks Limited  
Notes to financial statements for the year ended March 31,2016

5. Share application money pending allotment

	Numbers	As at March 31, Rs in million	Numbers	As at March 31, Rs in million
Non-cumulative redeemable preference share proposed to be issued at par	-	-	125,000	1.25
	-	-	125,000	1.25

6. Trade payables

	in Rs million	
	As at March 31, 2016	As at March 31, 2015
Trade payables		
- total outstanding dues of micro enterprises and small enterprises ; and {Refer note 18}	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises*	2.19	15.05
	2.19	15.05

\* Trade payable includes Rs 1.44 million ( previous year Rs 14.63 million ) payable to New Delhi Television Limited , ultimate holding Company.

7. Other current liabilities

	in Rs million	
	As at March 31, 2016	As at March 31, 2015
Statutory dues payable	0.09	0.11
Others *	-	23.02
	0.09	23.13

\* Payable to New Delhi Television Limited- Rs. Nil ( previous year Rs. 23.02 million ), ultimate holding Company.

8. Non-current investments

	in Rs million	
	As at March 31, 2016	As at March 31, 2015
Trade investments (valued at cost unless stated otherwise)		
Unquoted		
Investment in subsidiaries		
NDTV Lifestyle Holdings Limited	-	0.10
- Nil (previous year 9,995)		
Equity shares of Rs 10 each fully paid up		
-15,825,413 (previous year 18,354,705)	852.00	1,684.57
Equity shares of Rs.10/- each fully paid up at a premium of Rs 90 each (net of provision for other than temporary diminution aggregating Rs 730.54 million){Previous year Rs 151 million}{Refer note 16}		
NDTV Convergence Limited	456.44	456.44
-50,003 (Previous Year 50,003)		
Equity Shares of Rs.10/- each Fully Paid Up		
NDTV Labs Limited	-	-
Equity Shares of Rs. 10/- each Fully Paid Up		
(net of provision for other than temporary diminution aggregating Rs 63.43 million){Previous year Rs Rs 63.43} {Refer note 16}		
Others		
Astro Awani Network SDN.BHD	27.08	27.08
-1,712,250 (Previous Year 1,712,250)		
Ordinary Shares of RM 1/- each		
	1,335.52	2,168.09
Aggregate amount of unquoted Investment	2,020.52	2,382.52
Aggregate provision other than for temporary diminution in the value of investment	685.00	214.43

\* During the year, the Company accepted the offer of buyback of shares by NDTV Lifestyle Holdings Limited for a consideration of Rs 326.40 million towards 2,539,287 equity shares of Rs. 10 each whose acquisition cost was Rs 253.03 million. The consequent gain on buyback has been recognised into Profit and loss statement during the year.



9. Loans and advances

	in Rs million			
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
	Long Term		Short Term	
<b>Loan and advances to related parties</b>				
Unsecured, considered good*	-	-	0.54	0.54
			0.54	0.54
<b>Other loans and advances</b> (Unsecured, considered good)				
Advance income-tax and tax deducted at source	0.18	-	2.24	-
Advances recoverable from directors*	-	15.80	36.14	20.34
Due from government authorities	-	-	-	3.53
<b>Total</b>	<b>0.18</b>	<b>15.80</b>	<b>38.92</b>	<b>24.41</b>

\* The Company had paid managerial remuneration for the years 2011-12, 2012-13 and 2013-14 which was in excess of specified limits/existing Central Government approvals. Following the outcome of representations made to Central Government, the Company has reversed the excess remuneration paid till March 31, 2014, amounting to Rs 36.14 million which is now being held in trust by the respective Directors and accordingly shown as advance recoverable from directors.

\*Loans and advances due to related parties

	in Rs million			
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
	Long-term		Short-term	
<b>Loans and advances to related parties includes</b>				
NDTV Labs Limited	-	-	0.54	0.54
	-	-	0.54	0.54

10. Cash and bank balances

	in Rs million	
	As at March 31, 2016	As at March 31, 2015
<b>Cash and cash equivalents</b>		
Cash in hand	0.01	0.01
Balances with banks:		
- in current accounts	0.49	0.94
-Deposits with original maturity of less than three months	1.03	-
	1.53	0.95
<b>Other balances</b>		
-Deposits due to mature within 12 months of the reporting date	25.83	-
	27.36	0.95

11. Other Current assets

	in Rs million	
	As at March 31, 2016	As at March 31, 2015
Interest accrued on fixed deposits	0.34	-
	0.34	-



12. Other income	in Rs million	
	For the Year ended March 31,2016	For the Year ended March 31,2015
Interest income on bank deposits	2.20	-
Recovery of excess managerial remuneration paid in earlier years	-	36.14
Profit on sale of investment *	73.37	-
	<u>75.57</u>	<u>36.14</u>

\* During the year, the Company accepted the offer of buyback of shares by NDTV Lifestyle Holdings Limited for a consideration of Rs 326.40 million towards 2,539,287 equity shares whose acquisition cost was Rs 253.03 million. The consequent gain of Rs 73.37 million on buyback has been recognised into Profit & loss statement during the year.

13. Employee benefits expense	in Rs million	
	For the Year ended March 31,2016	For the Year ended March 31,2015
Salaries, wages and other benefits	-	12.85
	<u>-</u>	<u>12.85</u>

14. Operations and administration expenses	in Rs million	
	For the Year ended March 31,2016	For the Year ended March 31,2015
Rent	-	0.28
Rates and taxes	7.49	0.75
Electricity and water	-	0.11
Auditors remuneration*	0.92	0.74
Legal, professional and consultancy	3.37	10.13
Miscellaneous expenses	0.36	0.02
	<u>12.14</u>	<u>12.03</u>

*Auditors remuneration	in Rs million	
	For the Year ended March 31,2016	For the Year ended March 31,2015
<b>As auditor:</b>		
Audit fee	0.75	0.60
<b>In other capacity</b>		
Certification fees	-	0.09
Reimbursement of expenses	0.17	0.05
	<u>0.92</u>	<u>0.74</u>

15. Finance costs	in Rs million	
	For the Year ended March 31,2016	For the Year ended March 31,2015
Bank charges	0.22	0.18
	<u>0.22</u>	<u>0.18</u>





## 16. Exceptional items of loss

in Rs million

	For the Year ended March 31,2016	For the Year ended March 31,2015
Provision for diminution in value of Investment{Refer note(a) and (b) below}	579.54	63.43
	<u>579.54</u>	<u>63.43</u>

(a) Basis the independent valuation and assessment made by the management, of the carrying value of the long term investment in NDTV Lifestyle Holdings Limited, a provision for other than temporary diminution in that investment to the extent of Rs 579.54 million has been recognised during the year(Previous year: Nil)

(b) Basis the assessment made by the management, of the carrying value of the long term investment in NDTV Labs Limited, a provision for other than temporary diminution in that investment to the extent of investment, i.e. Rs 63.43 million has been recognised during the previous year.

## 17. Loss per share (LPS)

in Rs million except per share data

	For the Year ended March 31,2016	For the Year ended March 31,2015
Loss attributable to equity shareholders	(516.33)	(52.28)
Number of equity shares outstanding at the beginning of the year (Nos.)	58,823	58,823
Number of equity shares outstanding at year end (Nos.)	58,823	58,823
Weighted average number of equity shares outstanding during the year for basic EPS (Nos.)	58,823	58,823
Weighted average number of equity shares outstanding during the year for diluted EPS (Nos.)	58,823	58,823
Loss per equity share (Rs.)	(6,925.18)	(888.76)
Diluted loss per equity share (Rs.)	(6,925.18)	(888.76)
Nominal value per share (Rs)	10	10

## 18. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

in Rs million

Particulars	As at March 31, 2016	As at March 31, 2015
(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year:		
- Principal	Nil	Nil
- Interest	Nil	Nil
(b) The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006	Nil	Nil
(c) The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	Nil	Nil
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprises Development Act, 2006	Nil	Nil
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the Micro Small and Medium Enterprises Development Act, 2006	Nil	Nil



19. Related party disclosures

Names of related parties and related party relationship

Related parties where control exists

Holding Company  
New Delhi Television Limited

Subsidiaries

NDTV Labs Limited  
NDTV Lifestyle Holdings Limited  
NDTV Convergence Limited

Key Management Personnel

K.V.L. Narayan Rao  
Vikramaditya Chandra  
Keyur Ajay Patel  
Sneeta Chakrabarti  
Saurav Banerjee  
Ajay Mankotia  
Director  
Group Chief Executive Officer  
Director (CV Global Holdings Inc. representative)  
Director  
Director, Finance and Group Financial Officer  
Managing Director

Related party transactions in the ordinary course of business :

Nature of relationship / transaction	Holding Company		Subsidiary Companies		Key Management Personnel		Total	
	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2015
Remuneration to key managerial personnel	-	-	-	-	11.25	11.25	-	11.25
Vikramaditya Chandra	-	-	-	-	1.60	1.60	-	1.60
Dr. Pranay Roy	-	-	-	-	-	-	-	-
Director Fees	-	-	-	-	2.43	2.43	-	2.43
K.V.L. Narayan Rao	-	-	-	-	-	-	-	-
Legal, professional & consultancy	-	-	-	-	0.50	0.50	-	0.50
Dr. Pranay Roy	-	-	-	-	-	-	-	-
Recovery of excess remuneration from Directors paid in earlier years	-	-	-	-	(13.57)	(13.57)	-	(13.57)
Dr. Pranay Roy	-	-	-	-	(22.57)	(22.57)	-	(22.57)
K.V.L. Narayan Rao	-	-	-	-	-	-	-	-
Non-current Investments - Shares allotted against Share application money	-	-	-	-	-	-	-	-
NDTV Labs Limited	-	-	-	-	4.10	4.10	-	4.10
Corporate Guarantee in favour of Yes Bank Limited against term loan	-	-	300.00	-	-	-	300.00	-
NDTV Convergence Limited	-	-	-	-	-	-	-	-
Share application money received	-	22.35	-	-	-	-	-	22.35
New Delhi Television Limited	-	-	-	-	-	-	-	-
Share application money refunded / adjusted	-	(4.89)	-	-	-	-	-	(4.89)
New Delhi Television Limited	-	-	-	-	-	-	-	-
Redemption of Non-Cumulative Redeemable Preference shares	283.00	-	-	-	-	-	283.00	-
New Delhi Television Limited	-	-	-	-	-	-	-	-
Issue of Non-Cumulative Redeemable Preference shares	28.30	53.40	-	-	-	-	28.30	53.40
New Delhi Television Limited	-	-	-	-	-	-	-	-
Rent	-	0.28	-	-	-	-	-	0.28
New Delhi Television Limited	-	-	-	-	-	-	-	-
Proceeds from buyback of shares	-	-	253.03	-	-	-	253.03	-
NDTV Lifestyle Holdings Limited	-	-	-	-	-	-	-	-
Gain from buyback of shares	-	-	73.37	-	-	-	73.37	-
NDTV Lifestyle Holdings Limited	-	-	-	-	-	-	-	-
Shared service cost	1.95	3.86	-	-	-	-	1.95	3.86
New Delhi Television Limited	-	-	-	-	-	-	-	-
Balance at the year end	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Share application money pending allotment	-	(1.25)	-	-	-	-	-	(1.25)
Trade payable	(1.44)	(14.63)	-	-	-	-	(1.44)	(14.63)
Other Liabilities	-	(23.02)	-	-	-	-	-	(23.02)
Loans and advances	-	-	36.14	-	36.14	-	36.14	36.14
Short Term Loans & Advances	-	-	0.54	0.54	-	-	0.54	0.54



**20. Commitment**

The Company has given a corporate guarantee of Rs 300.00 million (previous year Rs 300.00 million) towards a term loan of Rs. 300 million (previous year Rs 300.00 million) sanctioned to its subsidiary NDTV Convergence Limited by a bank. As of March 31, 2016, NDTV Convergence Limited has drawn Rs 300.00 million (previous year Rs 160.00 million) against this loan whereas the outstanding against the said loan is Rs 250 million as of March 31, 2016. In the ordinary course of business, the Company expects the subsidiary to meet its obligations under the term of the loan and no liability on this account is anticipated.

**21. Segment information**

No business has been conducted by the company during the financial year ended on March 31, 2016. Accordingly there is no reportable segment.

**22. Previous year figures**

The previous years figures have been reclassified to conform to the current year's classification.

As per our report of even date attached.

**For B S R & Associates LLP**  
*Chartered Accountants*  
ICAI Firm Registration Number: 116231W /W-100024

*For and on Behalf of the Board of directors of*  
**NDTV Networks Limited**

Sd/-  
**Rakesh Dewan**  
*Partner*  
Membership No. : 092212

Sd/-  
**K V L Narayan Rao**  
*Director*

Sd/-  
**Vikramaditya Chandra**  
*Group Chief Executive Officer*

Sd/-  
**Saurav Banerjee**  
*Director, Finance and Group CFO*

Sd/-  
**Ajay Mankotia**  
*Managing Director*

Sd/-  
**Yogesh Aggrwal**  
*Chief Financial Officer*

Place: Gurgaon  
Date: May 05, 2016

Place: New Delhi  
Date: May 04, 2016