

NDTV LABS LIMITED

DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting the Eighth Annual Report of the Company together with the Audited Accounts for the year ended March 31, 2014.

Financial Results and Operations

The summarized Financial Results of the Company for the year ended March 31, 2014 are as follows:

	Year ended 31.03.2014 Amount (in Rs. Million)	Year ended 31.03.2013 Amount (in Rs. Million)
Revenue from Operations	1.28	27.26
Other Income	0.02	0.05
Total income	1.30	27.31
Expenses	3.03	22.23
Profit/ (Loss) before tax	(1.73)	5.08
Net Profit/(Loss) after tax	(1.73)	5.08
Net Profit / (Loss) carried forward	(1.73)	5.08

In-principle approval for merger of the Company with NDTV Convergence Limited

During the year under review, the Board of Directors accorded its in-principle approval to the merger of the Company with NDTV Convergence Limited.

The Company is engaged in the business of developing technology and software solutions for television broadcasting, software development, satellite uplink operations and related services.

The merger would allow the IPRs, which exist in NDTV Labs, to be available for the operations of NDTV Convergence Limited.

Dividend

Your directors have not recommended any dividend for the year under review.

Deposits

The Company has not accepted /renewed any deposits during the year.

Directors

Mr. K.V.L. Narayan Rao, Director retires by rotation and being eligible offers himself for reappointment.

Dematerialization of Equity Shares of the Company

National Securities Depository Limited (NSDL) has issued the ISIN number-INE549L01015 to the equity shares of the Company. The shares of the Company can be held and transacted in dematerialized mode. The Company has appointed KARVY Computershare Private Limited as the Registrar and Share Transfer Agent (RTA).

Directors' Responsibility Statement

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

- (i) That in the preparation of the annual accounts for the financial year ended March 31, 2014 the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) That 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 the profit or loss of the company for the year under review
- (iii) That the directors have taken proper and sufficient care for the 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) That the directors have prepared the accounts for the financial year March 31, 2014 on a going concern basis.

Auditors

The Auditors of the Company, M/s. Price Waterhouse, Chartered Accountants, hold office till the conclusion of the ensuing Annual General Meeting (AGM) of the Company and are eligible for re-appointment. They have confirmed that their re-appointment as Auditors of the Company, if made, would be in accordance with the limits specified under Section 141 of the Companies Act, 2013. Your Directors recommend their re-appointment as Auditors 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

The Company is not an energy intensive unit, however regular efforts are made to conserve energy.

B. Research and Development

The Company did not carry out any research and development activity during the year under review.

C. Foreign Exchange Earnings and Outgo

During the year under review, the Company had Nil Foreign Exchange Earnings (Previous year Nil). The Foreign Exchange Outgo also amounted to NIL (Previous year Nil).

Personnel under Section 217(2A) of the Companies Act, 1956

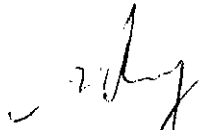
During the year under review, there were no personnel in receipt of remuneration as prescribed under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

Acknowledgement

Your directors acknowledge with thanks the support and co-operation extended by the Investors, Bankers, Business Associates at all levels for their valuable patronage.

For and on behalf of the Board

**Place: New Delhi
Date: 4.8.2014**


**Dr. Prannoy Roy
Director**


**K.V.L. Narayan Rao
Director**

NDTV LABS LIMITED

**STATEMENT OF ACCOUNTS FOR THE YEAR ENDED
MARCH 31, 2014**

INDEPENDENT AUDITORS' REPORT

To the Members of NDTV Labs Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of NDTV Labs Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. 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 sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act")/ notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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

3. 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 and other applicable authoritative pronouncements 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.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion .

Opinion

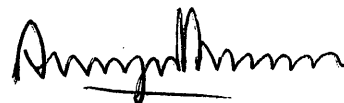
6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - (b) in the case of the Statement of Profit and Loss, of loss for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. 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 purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act/ notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Anupam Dhawan
Partner
Membership Number: 084451

Place of the Signature: New Delhi

Date: May 8, 2014

Annexure to Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of NDTV Labs Limited on the financial statements as of and for the year ended March 31, 2014

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets of the Company have been physically verified by the Management during the year. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.
 - (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 4(ii) of the said Order are not applicable to the Company.
- iii. (a) The Company has not granted/taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii)[(b),(c) and (d) / (f) and (g)] of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. (a) According to the information and explanations given to us, there have been no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act.
 - (b) In our opinion, and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees Five Lakhs in respect of any party during the year.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.



Annexure to Independent Auditors' Report

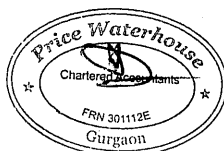
Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of NDTV Labs Limited on the financial statements for the year ended March 31, 2014

Page 2 of 3

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, wealth-tax, service-tax, customs duty, and excise duty which have not been deposited on account of any dispute. The particulars of dues of income tax as at March 31, 2014 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in millions)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	0.35	Assessment Year 2008-09 (Previous Year 2007-08)	CIT (Appeals)
Income Tax Act, 1961	Income Tax	1.66	Assessment Year 2007-08 (Previous Year 2006-07)	Income Tax Appellate Tribunal

- x. The accumulated losses of the Company exceed fifty percent of its net worth as at March 31, 2014 and it has incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.
- xi. As the Company does not have any borrowings from any financial institution or bank nor has it issued any debentures as at the balance sheet date, the provisions of Clause 4(xi) of the Order are not applicable to the Company.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi. The Company has not raised any term loans. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.
- xvii. The Company has not raised any funds on short term basis. Accordingly, the provisions of Clause 4(xvii) of the Order are not applicable to the Company.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.



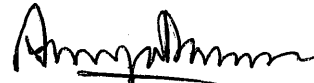
Annexure to Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of NDTV Labs Limited on the financial statements for the year ended March 31, 2014

Page 3 of 3

- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Anupam Dhawan
Partner

Membership Number: 084451

Place of the Signature: New Delhi

Date: May 8, 2014

NDTV Labs Limited

Balance Sheet	Notes	In Rs million	
		As at March 31, 2014	As at March 31, 2013
Equity and Liabilities			
Shareholders' funds			
Share capital	3	129.59	129.59
Reserves and surplus	4	(127.72)	(125.99)
		<u>1.87</u>	<u>3.60</u>
Share application money pending allotment		4.10	4.10
Current liabilities			
Trade payables	5	15.23	16.42
Other current liabilities	6	0.02	0.02
		<u>15.25</u>	<u>16.44</u>
TOTAL		<u><u>21.22</u></u>	<u><u>24.14</u></u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	7	-	0.52
Intangible assets	8	0.04	0.05
Long-term loans and advances	9.1	-	3.76
Other non-current assets	9.2	0.15	0.15
		<u>0.19</u>	<u>4.48</u>
Current assets			
Short-term loans and advances	9.1	9.53	4.85
Trade receivables	10	11.27	14.54
Cash and bank balances	11	0.20	0.24
Other current assets	9.2	0.03	0.03
		<u>21.03</u>	<u>19.66</u>
TOTAL		<u><u>21.22</u></u>	<u><u>24.14</u></u>
Summary of significant accounting policies	2		

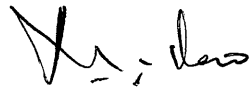
The accompanying notes are an integral part of the financial statements.

This is the Balance Sheet referred to our report of even date.

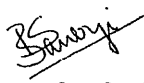
For Price Waterhouse
Chartered Accountants
Firm Registration No : 301112E



Anupam Dhawan
Partner
Membership Number 084451
Place of Signing : New Delhi
Date : May 8, 2014




K V L Narayan Rao
Director



Saurav Banerjee
Group Chief Financial Officer
PLACE- BOSTON, USA

For and on behalf of the Board



Vikramaditya Chandra
Group Chief Executive Officer and Director



Sumit Kochar
Company Secretary

NDTV Labs Limited

Statement of Profit and Loss	Notes	in Rs million except per share data	
		For the Year ended	For the Year ended
		March 31, 2014	March 31, 2013
Revenue			
Revenue from operations	12	1.28	27.26
Other income	13	0.02	0.05
Total Revenue		1.30	27.31
Expenses			
Production expenses	14	-	0.31
Employee benefit expenses	15	-	14.51
Operations & administration expenses	16	-	-
Marketing, distribution & promotion expenses	17	2.49	6.79
Depreciation and amortization expense	18	-	0.10
Finance costs	19	0.54	0.51
Total expenses		3.03	22.23
Profit/(loss) before tax		(1.73)	5.08
Tax Expenses		-	-
Earlier years		-	-
Total tax expense		(1.73)	5.08
Profit/(loss) for the year		(1.73)	5.08

Earnings per equity share [nominal value of share Rs 10/- (March 31, 2013: Rs 10/-)]	20		
Basic			
Computed on the basis of total profit/(loss) for the year		(0.13)	0.39
Diluted			
Computed on the basis of total profit/(loss) for the year		(0.13)	0.39

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

This is the Statement of Profit and Loss referred to our report of even date.

For Price Waterhouse
Chartered Accountants
Firm Registration No : 301112E

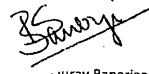


Anupam Dhawan
Partner
Membership Number 084451
Place of Signing : New Delhi

Date: May 8, 2014



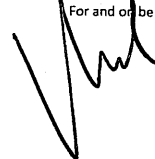
K V L Narayan Rao
Director



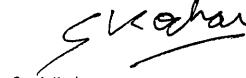
Sudarav Banerjee
Group Chief Financial Officer

PLACE - BOSTON, USA

For and on behalf of the Board



Vikramaditya Chandra
Group Chief Executive Officer and Director



Sumit Kochar
Company Secretary

NDTV Labs Limited

in Rs million

Cash Flow Statement	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Cash flow from operating activities		
Profit/(Loss) before tax from continuing operations	(1.73)	5.08
Profit/(Loss) before tax	(1.73)	5.08
Adjustments for :		
Depreciation/ amortization on continuing operation	0.54	0.51
Provision for gratuity and employee benefits	-	(0.13)
Liabilities for operating expenses written back	(1.28)	(0.30)
Provision for doubtful debts	1.72	0.28
Bad Debt & doubtful advances written off	0.22	0.07
Interest (income)	(0.02)	(0.03)
Operating profit before working capital changes	(0.55)	5.48
Movements in working capital :		
Increase/ (decrease) in trade payables	0.07	4.85
Increase/ (decrease) in other current liabilities	(0.00)	(1.08)
Decrease / (increase) in trade receivables	1.34	(9.23)
Decrease / (increase) in other current assets	0.01	(0.03)
Decrease / (increase) in long-term loans and advances	3.76	(4.82)
Decrease / (increase) in other bank balances	(0.06)	-
Decrease / (increase) in short-term loans and advances	(4.69)	3.08
Cash generated from / (used in) operations	(0.12)	(1.75)
Tax refund	-	0.34
Net cash flow from/ (used in) operating activities (A)	(0.12)	(1.41)
Cash flows from investing activities		
Interest received	0.02	0.03
Net cash flow from/ (used in) investing activities (B)	0.02	0.03
Cash flows from financing activities		
Share application money	-	1.60
Net cash flow from/ (used in) in financing activities (C)	-	1.60
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(0.10)	0.22
Cash and cash equivalents at the beginning of the year	0.24	0.02
Cash and cash equivalents at the end of the year	12	0.24
Components of cash and cash equivalents		
Cash in hand	0.01	0.01
With banks- In current account	0.13	0.20
With banks - in deposit account	-	0.03
Total cash and cash equivalents	0.14	0.24
Summary of significant accounting policies	2	

Notes:

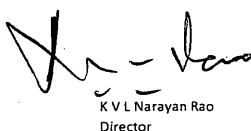
- The above Cash flow statement has been prepared under the indirect method set out in Accounting Standard-3 as notified under section 211(3C) of the Companies Act, 1956.
- Figures in brackets indicate cash outflow.
- Previous year's figures have been regrouped or reclassified wherever necessary to conform to current year's grouping and classification.

This is the Cash Flow Statement referred to our report of even date.

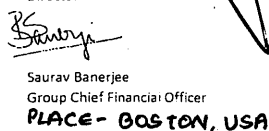
For Price Waterhouse
Chartered Accountants
Firm Registration No : 301112E



Anupam Dhawan
Partner
Membership Number 084451
Place of Signing : New Delhi
Date : May 8, 2014

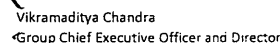


K V L Narayan Rao
Director



Saurav Banerjee
Group Chief Financial Officer
PLACE - BOSTON, USA

For and on behalf of the Board



Vikramaditya Chandra
Group Chief Executive Officer and Director



Sumit Kochar
Company Secretary

NDTV Labs Limited

1. Corporate information

The Company was incorporated on December 13, 2006 and is engaged primarily in creating and maintaining software systems, workflows and solutions for television broadcast companies.

2. Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India to comply in all material aspects with the accounting standards simplified by law.

The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual and prepares its accounts on a going concern basis.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of services and the time between rendering of services/airing of programmes 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 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 there is 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 its present value.

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 Tangible assets

Tangible assets except in the cases mentioned below are stated at the cost of acquisition, which includes taxes, duties, freight, insurance and other incidental expenses incurred for bringing the assets to the working condition required for their intended use, less depreciation and impairment.

Depreciation on tangible assets is provided using the Straight Line Method based on the useful lives as estimated by the management. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year. Individual assets costing less than Rs. 5,000 are depreciated at the rate of 100% on a pro-rata basis. The management's estimates of useful lives for various fixed assets are given below:

Asset Head	Useful Life (years)
Plant and Machinery	5-12
Computers	3-6
Office equipment	3-5
Furniture and Fixtures	5-8
Vehicles	5

2.4 Intangible assets

Intangible assets are recognized if they are separately identifiable and the Company controls the future economic benefits arising out of them. All other expenses on intangible items are charged to the Statement of Profit and Loss. Intangible assets are stated at cost less accumulated amortization and impairment.

Depreciation on intangible assets is provided using the Straight Line Method based on the useful lives as estimated by the management. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year. Individual assets costing less than Rs. 5,000 are depreciated at the rate of 100% on a pro-rata basis. The management's estimates of useful lives for intangible assets are given below:

Asset Head	Useful Life (years)
Computer Software	6

The rates of depreciation arrived at using these estimates of useful life are equal to or higher than the rates prescribed by the Companies Act, 1956.

2.5 Revenue Recognition/Other Income

Revenue from services is recognized as per the terms of the agreement, as the services are rendered and no significant uncertainty exists regarding the amount of consideration.

Revenue from sale of hardware is recognized when the risk & reward of ownership is transferred to the customer.

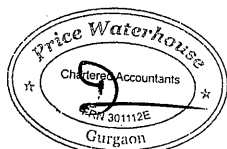
Revenue from sale of user license for software applications is recognized on transfer of the title to the user.

Interest Income

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

Dividend

Dividends on equity shares and the related dividend tax thereon are recorded as a liability on proposal by the board.



2.6 Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

2.7 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.

2.8 Employee benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

Post employment and other long term employee benefits: The Company's contribution to Employees Provident Fund is charged to the Statement of Profit and Loss. The Company provides for long term defined benefit schemes of gratuity on the basis of actuarial valuation on the Balance Sheet date based on the Projected Unit Credit Method.

The company operates two defined benefit plans for its employees, viz., gratuity and post employment medical benefit liability. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. The actuarial valuation of the liability towards the gratuity benefits of the employees is made on the basis of assumptions with respect to the variable elements affecting the computations of termination benefits as a liability and an expense when the enterprise has 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 a reliable estimate can be made of the amount of the obligation.

2.9 Employee share based payments

The Company calculates the employee stock compensation expense based on the intrinsic value method wherein the excess of market price of underlying equity shares as on the date of the grant of options / shares over the exercise price of the options / shares given to employees under the Employee Stock Option Scheme / Employee Stock Purchase Scheme of the Company, is recognized as deferred stock compensation expense and is amortized over the vesting period in accordance with the the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Guidelines, 1999, issued by Securities and Exchange Board of India and the Guidance Note on Employee Share-based Payments issued by the Institute of Chartered Accountants of India.

2.10 Earnings Per Share

Basic EPS

The earnings considered in ascertaining the Company's basic EPS comprise the net profit/ (loss) after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

Diluted EPS

The net profit/ (loss) after tax and the weighted average number of shares outstanding during the year are adjusted for all the effects of dilutive potential equity shares for calculating the diluted EPS

2.11 Taxes on Income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws substantially enacted as on the balance sheet date.

Deferred tax assets in respect of unabsorbed depreciation/brought forward losses are recognized to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Other deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

2.12 Cash & 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, 2014	As at March 31, 2013
Authorized shares		
13,600,000 (Previous Year 13,600,000) Equity Shares of Rs. 10/- each	136.00	136.00
10,900,000 (Previous Year 10,900,000) Preference Shares of Rs. 10/- each	109.00	109.00
Issued, Subscribed and fully paid-up shares		
12,959,008 (Previous Year 12,959,008) Equity Shares of Rs.10/- each, fully paid up	129.59	129.59
Total issued, subscribed and fully paid-up share capital	129.59	129.59

*12,954,660(Previous year 12,954,660) Shares of Rs 10 Each, fully paid up being held by NDTV Networks Limited, the holding company and its nominees

* 4,348 (Previous year 4,348) Shares of Rs 10 Each, fully paid up being held by Trustees of NDTV Group Employees Trust .

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

Equity shares

	As at March 31, 2014		As at March 31, 2013	
	Nos	In Rs million	Nos	In Rs million
At the beginning of the period	12,959,008	129.59	12,959,008	129.59
Issued during the period	-	-	-	-
Outstanding at the end of the period	12,959,008	129.59	12,959,008	129.59

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

Out of equity and preference shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

	in Rs million except per share data	
	As at March 31, 2014	As at March 31, 2013
12,954,660(Previous Year 12,954,660)Equity Shares held by NDTV Networks Limited, the holding company & its nominees.	129.55	129.55

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

Name of the shareholder	As at March 31, 2014		As at March 31, 2013	
	Nos	% holding in the class	Nos	% holding in the class
Equity shares of INR 10/- each fully paid				
NDTV Networks Limited & its nominees	12,954,660	99.97	12,954,660	99.97

(d) Rights & Restrictions attached to Equity Shares

The Company has one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share held.

4. Reserves and surplus	in Rs million	
	As at March 31, 2014	As at March 31, 2013
Surplus/ (deficit) in the Statement of Profit and Loss		
Balance as at the beginning of the year	(125.99)	(131.07)
Profit/(Loss) for the year	(1.73)	5.08
Net surplus/(deficit) in the Statement of Profit and Loss	(127.72)	(125.99)
Total Reserves and surplus	(127.72)	(125.99)

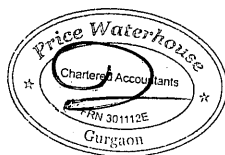


5. Trade Payable	in Rs million	
	As at	As at
	March 31, 2014	March 31, 2013
Trade payables (Refer Note 24)	15.23	16.42

6. Other Current liabilities	in Rs million	
	As at	As at
	March 31, 2014	March 31, 2013
Statutory dues payable	0.02	0.02
	<u>0.02</u>	<u>0.02</u>

7. Tangible assets	in Rs million				
	Plant and equipment	Computers	Office Equipments	Vehicles	Total
Cost or valuation					
At April 1, 2013	0.27	2.68	0.59	1.65	5.19
Additions during the period	-	-	-	-	-
Disposals	-	-	-	-	-
At March 31, 2014	0.27	2.68	0.59	1.65	5.19
Depreciation					
At April 1, 2013	0.20	2.37	0.54	1.56	4.67
Charge for the period	0.07	0.31	0.05	0.09	0.51
Disposals	-	-	-	-	-
At March 31, 2014	0.27	2.68	0.59	1.65	5.19
Net Block					
At March 31, 2014	-	-	-	-	-
At March 31, 2013	0.07	0.31	0.05	0.09	0.52

8. Intangible assets	in Rs million		
	Computer Software	Website	Total
Gross block			
At April 1, 2013	0.24	0.08	0.32
Purchase	-	-	-
At March 31, 2014	0.24	0.08	0.32
Amortization			
At April 1, 2013	0.22	0.04	0.26
Charge for the period	0.01	0.01	0.02
At March 31, 2014	0.23	0.05	0.28
Net block			
At March 31, 2014	0.01	0.03	0.04
At March 31, 2013	0.02	0.03	0.05



9.1 Loans and advances

	in Rs million			
	Non-current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Advances recoverable in cash or kind				
Unsecured considered good	-	-	0.08	0.37
	-	-	0.08	0.37
Other loans and advances				
Advance income-tax (Net of provision for income tax Rs Nil (Previous year Rs Nil))	-	3.76	8.08	4.32
Prepaid expenses	-	-	-	0.02
Due from Govt. Authorities	-	-	1.33	0.04
Advance and imprest to Employees	-	-	-	0.06
Advance FBT(Net of Provision for FBT Rs 1.14 million (Previous year Rs 1.14 million))	-	-	0.02	0.02
Interest Accrued But Not Due	-	-	0.02	0.02
Total	-	3.76	9.53	4.85

9.2 Other Assets

	in Rs million			
	Non-current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Margin Money Deposit under lien	0.15	0.15	-	-
Other Current Assets	-	-	0.03	0.03
	0.15	0.15	0.03	0.03

10. Trade Receivables*

Trade receivables	in Rs million			
	Non-current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	-	-	11.28	4.43
Doubtful	-	-	4.51	2.79
	-	-	15.79	7.22
Provision for doubtful receivables	-	-	(4.51)	(2.79)
	-	-	11.28	4.43
Other receivables				
Unsecured, considered good	-	-	(0.01)	10.11
Doubtful	-	-	-	-
	-	-	(0.01)	10.11
Provision for doubtful receivables	-	-	-	-
	-	-	(0.01)	10.11
Doubtful	-	-	-	-
	-	-	11.27	14.54

* Includes Rs 2.71 million(Previous Year Rs 2.71 million) recoverable from New Delhi Television Limited, the Ultimate Holding Company.



	in Rs million			
	Non-current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
11. Cash and bank balances				
Cash and cash equivalents				
<i>Balances with banks:</i>				
– On current accounts	-	-	0.13	0.20
– Deposits with original maturity of less than three months	-	-	-	0.03
Cash in hand	-	-	0.01	0.01
Total	-	-	0.14	0.24
<i>Other bank balances</i>				
– Margin money deposit	0.15	0.15	-	-
– Deposits with original maturity for more than 3 months but less than 12 months	-	-	0.06	-
Less: Amount disclosed under other non-current assets (Refer Note 9.2)	(0.15)	(0.15)	-	-
	-	-	0.20	0.24

	in Rs million	
	For the Year ended March 31, 2014	For the Year ended March 31, 2013
12. Revenue from operations		
Revenue from operations		
Business Income	-	26.96
Other operating revenue		
Liabilities for operating expenses written back	1.28	0.30
	1.28	27.26

	in Rs million	
	For the Year ended March 31, 2014	For the Year ended March 31, 2013
13. Other Income		
Interest income on bank deposits	0.02	0.03
Miscellaneous Income	-	0.02
	0.02	0.05

	in Rs million	
	For the Year ended March 31, 2014	For the Year ended March 31, 2013
14. Production Expenses		
Consultancy & professional fee	-	0.14
Software expenses	-	0.17
	-	0.31

	in Rs million	
	For the Year ended March 31, 2014	For the Year ended March 31, 2013
15. Employee benefits expense		
Salary, wages & other benefits	-	13.81
Contribution to provident fund & other funds	-	0.70
	-	14.51



16. Operations & administration expenses

	in Rs million	
	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Rates and taxes	0.00	0.43
Printing and stationery	-	0.00
Books, periodicals and news papers	-	0.27
Local conveyance , travelling & taxi hire expenses	-	1.78
Auditors remuneration(Refer Note Below)*	0.10	0.12
Insurance	0.02	0.56
Communication expenses	0.00	0.24
Vehicle expenses	-	0.31
Medical expenses	-	0.19
Provision for doubtful debts	1.72	0.28
Bad debt & doubtful advances written off	0.22	0.07
Legal, professional & consultancy	0.34	2.21
Miscellaneous expenses	0.09	0.33
	<u>2.49</u>	<u>6.79</u>

*Payment to auditor

	in Rs million	
	For the Year ended March 31, 2014	For the Year ended March 31, 2013
As auditor:		
Audit fee	0.10	0.10
Out of pocket	-	0.02
	<u>0.10</u>	<u>0.12</u>

17. Marketing, distribution & promotion expenses

	in Rs million	
	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Trade mark / License fees	-	0.10
	<u>-</u>	<u>0.10</u>

18. Depreciation and amortization expense

	in Rs million	
	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Depreciation of tangible assets	0.52	0.49
Amortization of intangible assets	0.02	0.02
	<u>0.54</u>	<u>0.51</u>

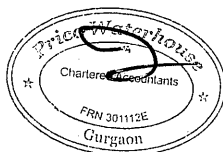
19. Finance costs

	in Rs million	
	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Bank charges	0.00	0.01
	<u>0.00</u>	<u>0.01</u>

20. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

	in Rs million except per share data	
	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Profit / (loss) attributable to Equity Shareholders	(1.73)	5.08
Number of equity shares outstanding at the beginning of the year (Nos.)	12,959,008	12,959,008
Add: Fresh issue of equity shares (Nos.)	-	-
Number of equity shares outstanding at year end (Nos.)	12,959,008	12,959,008
Weighted average number of Equity Shares outstanding during the year for Basic EPS (Nos.)	12,959,008	12,959,008
Weighted average number of Equity Shares outstanding during the year for Diluted EPS (Nos.)	12,959,008	12,959,008
Basic Earnings/(Loss) per Equity Share (Rs.)	(0.13)	0.39
Nominal Value per share (Rs)	10	10



21. Related party disclosures

Names of related parties and related party relationship

Related parties where control exists

New Delhi Television Limited	Ultimate Holding Company
NDTV Networks Limited	Holding Company

Other Related Parties with whom transactions have taken place during the year:

NDTV Convergence Limited	Fellow Subsidiary
NDTV Lifestyle Limited	Fellow Subsidiary
NDTV Worldwide Limited	Fellow Subsidiary
NDTV Media Limited	Fellow Subsidiary

Key Management Personnel (KMP) :

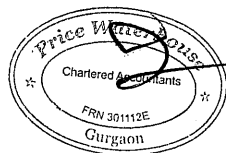
Dr. Prannoy Roy	Director
Mr. K V L Narayan Rao	Director
Mr. Vikramaditya Chandra	Director

Related party transactions

The following table provides the total amount of transactions that have been entered in the ordinary course of business with related parties for the relevant financial year:

In Rs million

Nature of relationship / transaction	Ultimate Holding Co		Holding Company		Fellow Subsidiary		Total	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
a) Sale/purchase of goods and service								
Rendering of services	-	-	-	-	-	26.96	-	26.96
NDTV Convergence Limited	-	-	-	-	-	10.00	-	10.00
NDTV Lifestyle Limited	-	-	-	-	-	16.96	-	16.96
Trade Mark / Royalty	-	0.10	-	-	-	-	-	0.10
New Delhi Television Limited	-	0.10	-	-	-	-	-	0.10
Payment made on our behalf	-	-	-	-	-	0.17	-	0.17
NDTV Media Limited	-	-	-	-	-	0.17	-	0.17
Shared service cost	-	1.71	-	-	-	-	-	1.71
New Delhi Television Limited	-	1.71	-	-	-	-	-	1.71
Share Application Money	-	-	-	1.60	-	-	-	1.60
NDTV Networks Limited	-	-	-	1.60	-	-	-	1.60
Balance at the year end								
Trade Payable	8.67	8.67	-	-	-	5.90	8.67	14.57
Non Trade Payable	-	-	0.54	0.54	-	-	0.54	0.54
Other Receivables	-	-	-	-	0.03	0.03	0.03	0.03
Trade Receivables	2.71	2.71	-	-	8.56	10.11	11.27	12.82



22. Gratuity and other post-employment benefit plans

The Company recognizes the actuarial gains and losses in the Statement of Profit & Loss as income & expense upto the period ended March 31, 2012 and since there are no employees as on March 31, 2013 and March 31, 2014, there is no liability for gratuity.

The reconciliation of opening and closing balances of the present value of the defined benefit obligations are as below:

Particulars		in Rs million				
		For the Year ended March 31, 2014	For the Year ended March 31, 2013	For the Year ended March 31, 2012	For the Year ended March 31, 2011	For the Year ended March 31, 2010
Changes in the Present value of the Obligation:						
Obligations at year beginning				0.76	0.54	0.84
Service Cost – Current				0.13	0.16	0.15
Service Cost – Past				-	0.10	-
Interest Cost				0.06	0.04	0.06
Actuarial (gain) / loss				(0.81)	(0.08)	(0.35)
Benefit Paid				-	-	(0.16)
Obligations at year end				0.14	0.76	0.54
Change in plan assets:						
Plan assets at year beginning, at fair value	II					
Expected return on plan assets						
Actuarial gain / (loss)						
Contributions						
Benefits paid						
Plan assets at year end, at fair value						
Reconciliation of present value of the obligation and the fair value of the plan assets:						
Present value of the defined benefit obligations at the end of the year	III			0.13	0.75	0.54
Fair value of the plan assets at the end of the year				-	-	-
Liability recognized in the Balance Sheet				0.13	0.75	0.54
Defined benefit obligations cost for the year						
Service Cost – Current	IV			0.13	0.16	0.15
Service Cost – Past				-	0.10	-
Interest Cost				0.06	0.04	0.06
Expected return on plan assets				-	-	-
Actuarial (gain) / loss				(0.82)	(0.08)	(0.35)
Net defined benefit obligations cost				(0.63)	0.22	(0.14)
Investment details of plan assets						
V						
The principal assumptions used in determining post-employment benefit obligations are shown below:						
Discount Rate	VI			8.57%	7.99%	7.50%
Future salary increases				5%	5%	5%
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The demographic assumptions were as per the published rates of "Life Insurance Corporation of India (1994-96) Mortality Table (ultimate), which is considered a standard table.						

23. Segment information

The Company operates in the single primary segment of creating and maintaining software systems, workflows and solutions for television broadcast companies and accordingly, there is no separate reportable segment.

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

During the year the Company has sought information from its vendors to be able to classify them as Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. Based on the responses received from the vendors, the Company has determined that no information is required to be separately disclosed in this respect.

25. Contingent Liabilities

Contingent Liabilities not provided for in respect of Bank Guarantee Rs 0.15 million (Previous year Rs 0.15 million). These have been issued in the ordinary course of business.

26. Going Concern

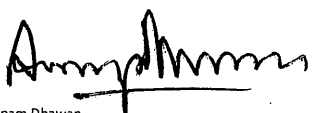
During the year, the Board of Directors of the Company accorded an in principle approval of the merger of the Company with a fellow subsidiary NDTV Convergence Limited. Considering the approved merger of the Company with NDTV Convergence Limited in future, accordingly the accounts have been prepared on a going concern basis.

27. Previous year figures

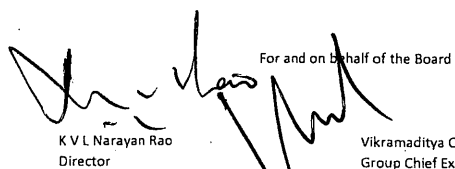
Previous year figures have been reclassified to conform to the current year classification

As per our report of even date

For Price Waterhouse
Chartered Accountants
Firm Registration No : 301112E

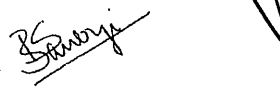


Anupam Dhawan
Partner
Membership Number 084451
Place of Signing : New Delhi
Date : May 8, 2014


For and on behalf of the Board

K V L Narayan Rao
Director

Vikramaditya Chandra
Group Chief Executive Officer and Director


Saurav Banerjee
Group Chief Financial Officer
PLACE- BOSTON, USA


Sumit Kochar
Company Secretary