

**FAIRNESS OPINION**

**NEW DELHI TELEVISION LIMITED**

**NDTV**

**20<sup>th</sup> June, 2013**

 **Corporate Professionals**  
WHERE EXCELLENCE IS LAW

**Strictly Private & Confidential**

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Dated 20.06.2013

Ref. No: CPC/MB/017/2013-14

SEBI Reg. No: INM000011435

To,

The Board of Directors

**New Delhi Television Ltd**

**207, Okhla Industrial Estate,**

**Phase 3. New Delhi 110020**

**Subject: Fairness Opinion on the proposed Reduction of Share Capital (Securities Premium Account) of New Delhi Television Ltd**

Dear Sir,

We refer to our discussion held with the key management personnel of M/s New Delhi Television Ltd, (here-in-after referred as "Company / NDTV") for the purpose of arriving at an opinion on the Reduction of Share Capital (**Securities Premium Account**) of New Delhi Television Ltd pursuant to an application filed under Clause 24 (f) of the Listing Agreement with Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) read with SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013.

**In terms of our discussion, we are enclosing our opinion along with this letter. Please note that this is just an opinion on the captioned subject on the basis of the valuation report and the application filed under Clause 24 (f) of the Listing Agreement with BSE and NSE read with SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013, submitted to us. All comments as contained herein must be read in conjunction with the Caveats to this opinion.** The opinion is confidential and has been prepared exclusively for the management of the Company. It should not be used, reproduced or circulated to any other person, in whole or in part, without the prior consent of Corporate Professionals Capital Private Limited, such consent will only be given after full consideration of the circumstance at the time. We are however aware that the conclusion in this report may be used for the purpose of certain statutory disclosures and we provide consent for the same. Please feel free to contact us in case you require any additional information or clarifications.

**Yours Faithfully,**

**For Corporate Professionals Capital Private Limited**

*Chander Sawhney*

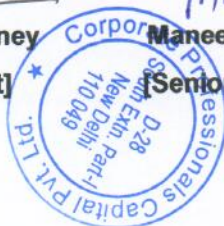
**Chander Sawhney**

**[Vice President]**

*Maneesh Srivastava*

**Maneesh Srivastava**

**[Senior Manager]**



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1. We understand that M/s New Delhi Television Limited is a public company having its Equity shares listed at Bombay Stock Exchange (BSE) & National Stock Exchange (NSE), now the company proposes the Reduction of Share Capital (**Securities Premium Account**) based on the financials dated September 30, 2012 u/s Section 100 to 104 of the Companies Act, 1956.
2. In accordance with Clause 24(h) of the Listing Agreement and SEBI Circular No CIR/CFD/DIL/5/2013, dated February 04, 2013 as applicable to the Listed Companies, the listed Company as well as the Unlisted Company required to obtain a "Fairness Opinion" from an independent Merchant Banker on the Valuation of assets / Equity shares done by the Valuers for the Company and Unlisted Company.

### **Clause 24(h) of the Listing Agreement reads as below-**

*The company agrees that in the explanatory statement forwarded by it to the shareholders u/s 393 or accompanying a proposed resolution to be passed u/s 100 of the Companies Act, it shall disclose the pre and post-arrangement or amalgamation (expected) capital structure and shareholding pattern, and the "fairness opinion" obtained from an Independent merchant bankers on Valuation of assets / Equity shares done by the Valuers for the company and unlisted company."*

3. With reference to the above, we, **Corporate Professionals Capital Private Limited, a SEBI Registered Merchant Banker**, have been appointed by M/s, New Delhi Television Limited to provide the "Fairness Opinion" on the Valuation Report in accordance with the SEBI Circular, stated above.



## BRIEF ABOUT THE COMPANY

The Company was incorporated on 8<sup>th</sup> day of September 1988 as Private Limited Company, under the Companies Act, 1956. Subsequently, the Company changed its status to Public Limited Company on 31<sup>st</sup> day of August, 1994 and its equity shares are listed on Bombay Stock Exchange, National Stock Exchange (NSE).

The company operates as a television media company in India and internationally. The company operates NDTV 24X7, an English news channel; NDTV India, a Hindi news channel; NDTV Profit, a business news channel and NDTV Good Times, a lifestyle channel. It also operates NDTV Convergence, a triple play for the synergies between television, Internet, and mobile.

Over the years, NDTV has expanded its brand portfolio to seize opportunities in the 'beyond news space' and has step-down subsidiaries: NDTV Lifestyle, NDTV Convergence (triple play; to exploit the synergies between television, Internet and mobile and owns the website ndtv.com) and NDTV Worldwide offering high end consultancy for setting up of local television news channels in emerging markets across the world. NDTV has 23 offices and studios across the country. In 2007, the company launched NDTV Good Times, an up-market lifestyle channel for the global urban Indian; and used its expertise to launch global channels, Astro Awani, a channel in Malaysia and Independent Television with Beximco Group in Bangladesh.





## KEY FACTS & CERTAIN EXTRACT OF COMPANY APPLICATION

### Para 6

- The company has incurred significant losses in preceding years and as on September 30, 2012 the company has accumulated losses amounting to Rs.155,73,29,451/- ( Rupees One hundred fifty five crore seventy three lakh twenty nine thousand four hundred and fifty one only). Further the Company also has balance in Securities Premium Account amounting to Rs. 507,70,06,512/-(Rupees Five Hundred seven crore seventy lakh six thousand five hundred and twelve only) as on 30<sup>th</sup> September,,2012

### Para 7

- The Company intends to write off accumulated losses amounting to Rs. 155,73,29,451/- (Rupees one hundred fifty five crore seventy three lakh twenty nine thousand four hundred and fifty one only) by reducing the amount standing to the credit of Securities Premium account so as to give true and fair view of the financial Statements of the Company.

### Para 16

- The Proposed Reduction of Share Capital (**Securities Premium Account**) does not involve any payment to any shareholder of any paid up Share Capital or diminution in liability in respect of unpaid capital. Further such reduction will not cause any prejudice to its stakeholders. And the reduction of share capital would also not in any way adversely affect the ordinary operation of the company.



## KEY FACTS & EXTRACT OF VALUATION REPORT

- The Valuation of New Delhi Television Limited (Pre and Post Reduction of capital-securities premium account) has been carried by Valuer RKACA and Associates LLP, Chartered Accountants as on September 30, 2012.
- There would be no change in the valuation of the company pre & post reduction of capital.
- There would be no change in the shareholding pattern of the company Pre & Post reduction of capital.



## CONCLUSION & OPINION

- With reference to above and based on information provided by the management of the company forming part of company application filed with the Hon'ble High Court, we have been represented by the management that the present reduction of capital (**Securities Premium Account**) has been proposed to write off the accumulated losses out of the security premium account, so as to give a true and Fair view of the financial statement of the company.
- The proposed reduction in capital (Securities Premium Account) neither involves any financial outlay/ outgo on the part of the Company nor does it directly or indirectly involves any outflow of the company's assets to its shareholders. For the sake of clarity, it is specified that the reduction of capital (Securities Premium Account) also does not involve either the diminution of any liability in respect of unpaid capital or the payment to any shareholders of any paid-up-capital. Consequently, such reduction will not cause any prejudice to the shareholders of the Applicant Company. The proposed adjustment would also not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honor its commitments in the ordinary course of business.
- The Shareholding Pattern of New Delhi Television Limited, pre and post Reduction of Share Capital (**Securities Premium Account**) shall remain the same.

### OUR OPINION

*"Subject to above read with the caveats as detailed later, we as a Merchant Banker hereby certify that pursuant to Clause 24 of the listing agreement and SEBI circular dated Feb 04, 2013 we have reviewed the proposed application for reduction of capital (securities premium account) and the valuers report and believe it to be fair and reasonable from a financial and commercial point of view to the holders of Equity shares of the company"*





## CAVEATS

- We wish to emphasize that, we have relied on explanations and information provided by the respective key management, valuers report and other public available information while verifying the application for reduction of capital .Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided.
- The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this Report, which might be relevant in the context of the transaction and which a wider scope might uncover.
- We have no present or planned future interest in M/s New Delhi Television Limited and the fee payable for this opinion is not contingent upon the opinion reported herein.
- Our Fairness Opinion should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into any transaction.
- The Opinion contained herein is not intended to represent at any time other than the date that is specifically stated in this Report. This opinion is issued on the understanding that the Management M/s New Delhi Television Limited has drawn our attention to all matters of which they are aware, which may have an impact on our opinion,

