

NDTV WORLDWIDE LIMITED

STATEMENT OF ACCOUNTS FOR THE YEAR ENDED
MARCH 31, 2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NDTV WORLDWIDE LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **NDTV Worldwide Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, 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

2. 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 to 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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, 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

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating 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.



7. 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

8. 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 March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 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 3 and 4 of the Order.
10. 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 March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) 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 knowledge and belief and according to the information and explanations given to us:
 - i. The Company does not have any pending litigations as at March 31, 2015 which would impact its financial position.



- ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2015
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2015.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Anupam Dhawan
Partner
Membership Number 084451

Place of the Signature: New Delhi
Date: May 2, 2015

Annexure to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of NDTV Worldwide Limited on the financial statements for the year ended March 31, 2015

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has granted unsecured loan to a company covered in the register maintained under Section 189 of the Act. The maximum amount outstanding during the year was Rs 20 Million and the year-end balance of such loan is Nil. The Company has not granted any secured/ unsecured loans to firms or other parties covered in the register maintained under Section 189 of the Act.
- 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. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (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 generally regular in depositing undisputed statutory dues in respect of income tax and service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, wealth tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, duty of customs, and duty of excise or value added tax or cess which have not been deposited on account of any dispute.



Annexure to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of NDTV Worldwide Limited on the financial statements for the year ended March 31, 2015
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- (c) There are no amounts required to be transferred by the Company to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- viii. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- ix. 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 3(ix) of the Order are not applicable to the Company.
- x. 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 3(x) of the Order are not applicable to the Company.
- xi. The Company has not raised any term loans. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. 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 2, 2015

NDTV Worldwide Limited

In Rs. million

Balance Sheet	Notes	As at	
		March 31, 2015	March 31, 2014
Equity and liabilities			
Shareholders' funds			
Share capital	3	1.20	1.20
Reserves and surplus	4	169.87	142.39
		<u>171.07</u>	<u>143.59</u>
Non-current liabilities			
Long-term provisions	5	2.63	2.12
		<u>2.63</u>	<u>2.12</u>
Current liabilities			
Trade payables	6	37.41	41.03
Other current liabilities	7	16.16	18.98
Short-term provisions	5	0.09	0.06
		<u>53.66</u>	<u>60.07</u>
TOTAL		<u><u>227.36</u></u>	<u><u>205.78</u></u>
Assets			
Non-current assets			
Fixed assets:			
Tangible assets	8	4.16	5.89
Intangible assets	9	0.20	0.31
Non-current investments	10	0.20	0.17
Deferred tax assets (net)	11	2.35	15.99
Long-term loans and advances	12	24.27	9.82
Trade receivables	15	6.46	-
		<u>37.64</u>	<u>32.18</u>
Current assets			
Trade receivables	13.1	79.31	89.13
Cash and bank balances	14	77.51	57.89
Short-term loans and advances	12	31.52	26.33
Other current assets	13.2	1.38	0.25
		<u>189.72</u>	<u>173.58</u>
TOTAL		<u><u>227.36</u></u>	<u><u>205.78</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 in our report of even date

For Price Waterhouse
Chartered Accountants
Firm Registration No - 301112E

For and on behalf of the Board



Anupam Dhawan
Partner
Membership Number: 084451
Place of Signing: New Delhi
Date: May 2, 2015



Dr. Prannoy Roy
Director



Shyatto Raha
Director



Vikramaditya Chandra
Group Chief Executive Officer



Saurav Banerjee
Group Chief Financial Officer

Place: - New Delhi
Date: - April 29, 2015

NDTV Worldwide Limited

In Rs. million except per share data


Statement of Profit and Loss	Notes	Year ended	
		March 31, 2015	March 31, 2014
Income			
Revenue from operations	15	161.13	189.66
Other income	16	26.17	27.09
Total revenue (I)		187.30	216.75
Expenses			
Production expenses	17	41.72	51.47
Employee benefits expenses	18	53.52	65.88
Operations and administration expenses	19	46.39	83.32
Marketing, distribution and promotion expenses	20	0.10	0.02
Finance costs	21	0.02	0.08
Depreciation and amortisation expense	22	2.43	2.59
Total (II)		144.18	203.36
Profit before tax (I) - (II)		43.12	13.39
Tax expense			
Current tax			
Current tax		9.01	20.04
Tax on earlier years		(7.01)	-
Deferred tax	11	13.63	(15.99)
Total tax expense		15.63	4.05
Profit for the year		27.49	9.34
Earnings per equity share [nominal value of share Rupees 10/- (Previous year : Rupees 10/-)]			
Basic			
Computed on the basis of total profit for the year		229.92	78.10
Diluted			
Computed on the basis of total profit for the year		229.92	78.10
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 in our report of even date.

For Price Waterhouse
Chartered Accountants
Firm Registration No - 301112E

For and on behalf of the Board


Anupam Dhawan
Partner
Membership Number: 084451
Place of Signing: New Delhi
Date: May 2, 2015


Dr. Prannoy Roy
Director


Vikramaditya Chandra
Group Chief Executive Officer


Shyatto Raha
Director


Saurav Banerjee
Group Chief Financial Officer

Place:- New Delhi
Date:- April 29, 2015

NDTV Worldwide Limited

In Rs. million


Cash Flow Statement	Notes	Year ended	
		March 31, 2015	March 31, 2014
Cash flow from operating activities			
Profit before tax		43.12	13.38
Adjustments for:			
Depreciation and amortization		2.43	2.59
Unrealised foreign exchange loss		0.14	1.55
Net (gain)/ loss on sale of investments		-	(21.61)
Provision for doubtful debts / advances		-	24.27
Provision for doubtful advances - Written back		(0.03)	-
Bad Debts written off		4.21	-
Liabilities for operating expenses written back		(0.17)	(0.97)
Loss on sale of fixed assets		-	0.04
Interest income		(4.61)	(1.22)
Operating profit before working capital changes		45.09	18.03
Movements in working capital:			
Increase / (decrease) in trade payables		(1.45)	(2.79)
Increase / (decrease) in long-term provisions		0.50	0.88
Increase / (decrease) in short-term provisions		0.03	0.05
Increase / (decrease) in other current liabilities		(2.83)	(12.19)
Decrease / (increase) in trade receivables		(0.98)	35.67
Decrease / (increase) in long-term loans and advances		(31.18)	(45.46)
Decrease / (increase) in short-term loans and advances		(5.16)	(11.95)
Decrease / (increase) in other current assets		0.41	(0.02)
Cash generated from / (used in) operations		2.43	(18.18)
Direct taxes paid (net of refunds)		14.75	24.96
Net cash flow from/ (used in) operating activities (A)		17.18	6.78
Cash flows from investing activities			
Purchase of tangible assets, including CWIP		(0.57)	(0.34)
Purchase of intangible assets, including CWIP		(0.02)	-
Proceeds from sale of tangible assets		-	0.15
Purchase of non-current investments		(0.03)	-
Proceeds from sale of non-current investments		-	21.67
Bank deposits matured during the year		10.00	-
Bank deposits made during the year		(62.50)	(12.50)
Interest received		3.07	0.94
Dividends received from subsidiary company		-	-
Dividends received		-	-
Net cash flow from/ (used in) investing activities (B)		(30.05)	9.92
Financing activities			
Loan paid (refer note 35)		(20.00)	-
Loan received back (refer note 35)		20.00	-
Net cash flow from/ (used in) financing activities (C)		-	-
Net increase/(decrease) in cash and cash equivalents (A + B + C)		(12.88)	16.70
Effect of exchange differences on cash and cash equivalents held in foreign currency		-	-
Cash and cash equivalents at the beginning of the year		45.39	28.69
Cash and cash equivalents at the end of the year		32.51	45.39
Components of cash and cash equivalents			
Cash in hand		0.06	0.14
With banks - on current account		4.86	15.25
- on deposit account		27.59	30.00
Total cash and cash equivalents (note 13)		32.51	45.39
Summary of significant accounting policies			

Notes:


1. The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard - 3 as notified under section 211(3C) (Companies Accounting Standard Rules 2006, as amended).
2. Figures in brackets indicate cash outflow.
3. Previous year's figures have been rearranged wherever necessary to conform to current year's presentation.

This is the Cash Flow Statement referred to in 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 2, 2015


Dr. Prabhoy Roy
Director


Vikramaditya Chandra
Group Chief Executive Officer

For and on behalf of the Board


Shyama Raha
Director


Anupam Banerjee
Group Chief Financial Officer

Place:- New Delhi
Date:- April 29, 2015

NDTV Worldwide Limited

Notes to financial statements for the year ended March 31, 2015

1. Corporate information

1. The Company was incorporated on July 10, 2008 as NDTV Emerging Markets India Private Limited. Thereafter, in November 2008, its name was changed to NDTV Worldwide Private Limited. The Company converted into Public Limited Company and its name was changed to NDTV Worldwide Limited w.e.f 23rd September 2011. The Company provides consultancy services for setting up channels, provides operational, technical consulting and training for broadcasters, consultancy services for channel branding and broadcast graphics, licensing of software, resource re-engineering, channel management services, designing of web and applications, etc.

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 under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. Pursuant to section 133 of Companies Act, 2013 read with rule no 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other relevant criteria [set out in the Schedule III to the Companies Act, 2013]. Based on the nature of product and the time between the acquisition of assets for processing and their realization 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.

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.

Fixed assets purchased under barter arrangements are stated at the fair market value as at the date of purchase.

Depreciation on tangible assets is provided on a pro-rata basis on the straight line method over the estimated useful lives of the assets. The useful lives as estimated for tangible assets are in accordance with the useful lives as indicated in Schedule II of the Companies Act, 2013 except for the following classes of assets where different useful lives have been used

Asset Head	Useful Life (years)
Computers	6

The estimate of useful lives of the assets are based on the technical evaluation, which has not undergone a change on account of transition to Companies Act, 2013.

Individual assets costing less than Rs. 5,000 are depreciated at the rate of 100% on a pro-rata basis.

Loss arising from the retirement of and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

2.4 Intangible assets

Intangible assets are recognised 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.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

Amortization on intangible assets is provided using the Straight Line Method based on the useful lives as estimated by the management. Amortization 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



2.5 Impairment of tangible and intangible assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating assets. If any such indication exists, an estimate of the recoverable amount of the asset, cash generating unit is made. Assets whose carrying value exceeds their recoverable amounts are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of the estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

2.6 Leases

As a lessee:

Assets taken under leases, where the Company assumes substantially all the risks and rewards of ownership are classified as Finance leases. Such assets are capitalised at the inception of the lease at the lower of fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

Assets taken on leases where significant risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on a straight line basis over the lease term.

2.7 Revenue Recognition

Revenue from fixed price and fixed time-frame contracts are recognised over the period of time, where there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Revenue on project based contracts are recognised as the related services are performed. Revenue from the end of last billing to the Balance Sheet date is recognised as unbilled revenues. Revenue from sale of software is recognised as per terms of contract when no significant uncertainty exists with respect to ultimate collection.

2.8 Other Income

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

2.9 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.

2.10 Foreign currency transaction

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

As at the reporting date, non monetary items which are carried in terms of historical costs denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

Gains / (losses) arising out of fluctuations in the exchange rates are recognised as income/expense in the Statement of Profit and Loss in the period in which they arise.

2.11 Retirement and other employee benefits

Short-term employee benefits are recognised 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 benefits: The Company's contribution to State Provident Fund (a defined contribution plan) is charged to the Statement of Profit and Loss.

The Company provides for long term defined benefit scheme of Gratuity in accordance with the Payment of Gratuity Act, 1972. The company's liability is determined on the basis of actuarial valuation on the balance sheet date based on the projected unit credit method. In respect of gratuity, the Company funds the benefits through annual contributions to the Life Insurance Corporation of India (LIC). Under this scheme, LIC assumes the obligation to settle the gratuity payment to the employees to the extent of the funding including accumulated interest. The actuarial valuation of the liability towards retirement gratuity benefits of the employees is made on the basis of assumptions with respect to the variable elements like discount rate, future salary increases, etc. affecting the valuation. The Company recognises the actuarial gains and losses in the Statement of Profit and Loss as income and expense in the period in which they occur.

