

## AUDITORS' REPORT TO THE MEMBERS OF T.V. TODAY NETWORK LIMITED

1. We have audited the attached Balance Sheet of TV Today Network Limited (the "Company"), as at March 31, 2011 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together with Order), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') 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 further report that:
  - 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 between the book records and the physical inventory have been noticed.
  - (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
  - ii. The Company does not have any inventory and hence clause (ii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, is not applicable.
  - iii (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly clauses (iii)(b), (iii)(c), (iii)(d) of paragraph 4 of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable.
  - (b) (1) The Company has taken unsecured loan, from a company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregates to Rs.3605.40 Lakhs and Rs. Nil, respectively.
  - (2) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
  - (3) In respect of the aforesaid loans, the Company is regular in repaying the principal amounts as stipulated and is also regular in payment of interest, where applicable.
  - 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) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
  - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
  - 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 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, except for dues in respect of professional tax, the Company is regular in depositing the undisputed statutory dues including investor education and protection fund, employees' state insurance, income-tax, wealth tax, service tax, customs duty, excise duty 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, customs duty, excise duty and cess which have not been deposited on account of any dispute.
  - x. The Company has no accumulated losses as at March 31, 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
  - xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
  - 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.
  - xiii. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
  - xiv. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
  - 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.
  - xvi. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
  - xvii. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
  - 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.
  - xix. The Company has not issued any debentures and there are no debentures outstanding as at year end. Hence, clause (xix) of paragraph 4 of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, is not applicable.
  - xx. The Company has not raised any money by public issues during the year.
  - 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 fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
4. Without qualifying our report, we draw attention to note B(11) on Schedule Q regarding carrying value of investment in Mail Today Newspapers Private Limited (Mail Today) amounting to Rs. 45.5 Crores. As mentioned in the note, based on projections and independent valuation of Mail Today, the Company is of the view that the carrying value of the advance is appropriate and accordingly, no provision therefore is considered necessary. The carrying value of the investment is dependant on the above future developments, the outcome of which cannot be presently determined.
  5. Further to our comments in paragraph 3 above, 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 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 appears from our examination of those books;
    - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
    - (d) In our opinion, the Balance Sheet, Profit and Loss Account 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;

- (e) On the basis of written representations received from the directors, as on March 31, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
- (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Price Waterhouse  
Firm Registration No. 301112E  
Chartered Accountants

Sd/-  
S. Mukherjee  
Partner  
Membership No. 57084

Place : Gurgaon  
Date : May 30, 2011



# T.V. Today Network Limited

## BALANCE SHEET AS AT MARCH 31, 2011

|  | Schedule | As at<br>March 31, 2011<br>Amount (Rs.) | As at<br>March 31, 2010<br>Amount (Rs.) |
|--|----------|---|---|
| <b>I. Sources of Funds</b>   |          |   |   |
| <b>(1) Shareholders' Funds:</b>                                    |          |   |   |
| (a) Capital  | A        | 297,283,075                             | 288,958,080                             |
| (b) Share Suspense   | A (a)    | -                                       | 8,279,995                               |
| (b) Employee Stock Options Outstanding                             | A (b)    | 5,550,943                               | 4,129,127                               |
| (c) Reserves and surplus   | B        | 2,821,274,852                           | 2,748,290,179                           |
| <b>(2) Loan Funds:</b>   |          |   |   |
| (a) Secured loans  | C        | 178,744,914                             | 297,859,384                             |
| (b) Unsecured Loans  | D        | -                                       | 360,540,626                             |
| <b>TOTAL</b>   |          | <b>3,302,853,784</b>                    | <b>3,708,057,391</b>                    |
| <b>II. Application of Funds</b>                                    |          |   |   |
| <b>(1) Fixed Assets</b>  |          |   |   |
| (a) Gross block  | E        | 2,020,672,993                           | 1,995,935,752                           |
| (b) Less: Depreciation   |          | <u>1,387,082,613</u>                    | <u>1,258,366,359</u>                    |
| (c) Net block  |          | 633,590,380                             | 737,569,393                             |
| (d) Capital work - in - progress                                   |          | 873,789,802                             | 579,952,292                             |
|  |          | <u>1,507,380,182</u>                    | <u>1,317,521,685</u>                    |
| (2) Deferred Tax Asset- Net  | Q[B(3)]  | 111,535,022                             | 126,795,624                             |
| <b>(3) Investments</b>   | F        | 474,680,430                             | 19,196,941                              |
| <b>(4) Current Assets, Loans and Advances</b>                      |          |   |   |
| (a) Interest Accrued on Fixed Deposits                             |          | 3,614,422                               | 37,147,309                              |
| (b) Sundry debtors   | G        | 986,544,184                             | 860,243,109                             |
| (c) Cash and bank balances   | H        | 327,890,056                             | 1,295,946,078                           |
| (d) Loans and advances   | I        | 625,483,490                             | 746,725,204                             |
|  |          | <u>1,943,532,152</u>                    | <u>2,940,061,700</u>                    |
| <b>Less: Current Liabilities and Provisions</b>                    |          |   |   |
| (a) Liabilities  | J        | 614,053,788                             | 578,638,047                             |
| (b) Provisions   | K        | <u>120,220,214</u>                      | <u>116,880,512</u>                      |
|  |          | 734,274,002                             | 695,518,559                             |
| <b>Net Current Assets</b>  |          | <u>1,209,258,150</u>                    | <u>2,244,543,141</u>                    |
| <b>TOTAL</b>   |          | <b>3,302,853,784</b>                    | <b>3,708,057,391</b>                    |
| <b>SIGNIFICANT ACCOUNTING POLICIES<br/>&amp; NOTES TO ACCOUNTS</b> | Q        |   |   |

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

The Schedules referred to above form an integral part of the Balance Sheet.

For Price Waterhouse  
Firm Registration No. 301112E  
Chartered Accountants

For and on behalf of the Board

Sd/-  
**S. Mukherjee**  
Partner  
Membership No. 57084

Sd/-  
**Puneet Jain**  
Company Secretary  
GM-Legal & F&A

Sd/-  
**Gulab Makhija**  
VP- F&A

Sd/-  
**Anil Mehra**  
Director

Sd/-  
**Aroon Purie**  
Chairman &  
Managing  
Director

Place : Gurgaon  
Date : May 30, 2011

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

|  | Schedule | For the Year Ended<br>March 31, 2011<br>Amount (Rs.) | For the Year Ended<br>March 31, 2010<br>Amount (Rs.) |
|--|----------|--|--|
| <b>INCOME</b>  |          |  |  |
| Income from Broadcasting Operations  |          | 2,932,615,907  | 2,848,156,217  |
| Other Income   | L        | 95,400,636   | 231,042,354  |
|  |          | <u>3,028,016,543</u>                                 | <u>3,079,198,571</u>                                 |
| <b>EXPENDITURE</b>   |          |  |  |
| Employee Cost  | M        | 877,302,178  | 840,232,209  |
| Production Cost  | N        | 386,705,953  | 348,938,145  |
| Administrative and Other Costs   | O        | 1,410,031,117  | 1,138,742,926  |
| Finance Charges  | P        | 9,458,252  | 70,486,317   |
| Depreciation   | E        | 160,064,695  | 211,003,875  |
|  |          | <u>2,843,562,195</u>                                 | <u>2,609,403,472</u>                                 |
| <b>Profit before taxation</b>  |          | <b>184,454,348</b>                                   | <b>469,795,099</b>                                   |
| Current Tax [amount provided for earlier years<br>Rs. Nil (Previous Year Rs. 20,656,701) ] |          | 45,000,000   | 104,656,701  |
| MAT Credit   |          | -  | (84,000,000)   |
| Deferred Tax   |          | 15,260,602   | 140,499,566  |
| <b>Tax Expense</b>   |          | <b>60,260,602</b>                                    | <b>161,156,267</b>                                   |
| <b>PROFIT AFTER TAXATION</b>   |          | <b>124,193,746</b>                                   | <b>308,638,832</b>                                   |
| <b>Balance brought forward</b>   |          | <b>1,550,950,803</b>                                 | <b>1,343,021,947</b>                                 |
| <b>Profit available for appropriation</b>  |          | <b>1,675,144,549</b>                                 | <b>1,651,660,779</b>                                 |
| <b>Proposed Dividend</b>   |          | <b>44,599,211</b>                                    | <b>43,343,712</b>                                    |
| <b>Corporate Dividend Tax on Proposed Dividend</b>   |          | <b>7,234,012</b>                                     | <b>7,366,264</b>                                     |
| <b>Transfer to General Reserves</b>  |          | <b>6,500,000</b>                                     | <b>50,000,000</b>                                    |
| <b>Balance carried forward to Balance Sheet</b>  |          | <b>1,616,811,326</b>                                 | <b>1,550,950,803</b>                                 |
| <b>Earnings Per Share of nominal value of Rs.5 each.</b>                                   |          |  |  |
| [ Refer Note 6 on Schedule Q(B) ]  |          | <b>2.15</b>  | <b>5.21</b>  |
| <b>SIGNIFICANT ACCOUNTING POLICIES<br/>&amp; NOTES TO ACCOUNTS</b>                         | Q        |  |  |

This is the Profit & Loss Account referred to in our report of even date. The Schedules referred to above form an integral part of the Profit & Loss Account

For Price Waterhouse  
Firm Registration No. 301112E  
Chartered Accountants  
Sd/-  
**S. Mukherjee**  
Partner  
Membership No. 57084

For and on behalf of the Board

Sd/-  
**Puneet Jain**  
Company Secretary  
GM-Legal & F&A

Sd/-  
**Gulab Makhija**  
VP- F&A

Sd/-  
**Anil Mehra**  
Director

Sd/-  
**Aroon Purie**  
Chairman &  
Managing  
Director

Place : Gurgaon  
Date : May 30, 2011



# T.V. Today Network Limited

## FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

|   | As at<br>March 31, 2011<br>Amount (Rs.) | As at<br>March 31, 2010<br>Amount (Rs.) |
|---|---|---|
| <b>SCHEDULE - A</b>   |   |   |
| <b>SHARE CAPITAL</b>  |   |   |
| <b>Authorised</b>   |   |   |
| 68,000,000 (Previous year 68,000,000) Equity Shares of Rs. 5/- each   | 340,000,000                             | 340,000,000                             |
| 300,000 (Previous year 300,000) Preference Shares of Rs 100/- each  | 30,000,000                              | 30,000,000                              |
|   | <b>370,000,000</b>                      | <b>370,000,000</b>                      |
| <b>Issued, Subscribed and Paid-up</b>   |   |   |
| 59,456,615 (Previous year- 57,791,616) Equity shares of Rs. 5/- each fully paid up  | 297,283,075                             | 288,958,080                             |
| 33,954,333 (Previous year- 32,300,000) Equity shares of Rs.5/- each are held by Living Media India Limited, the Holding Company.                          |   |   |
| Note: of the above 1,655,999 equity shares (Previous years Nil) are allotted as fully paid up pursuant to a contract with payments being received in cash |   |   |
| <b>SCHEDULE A (a)</b>   |   |   |
| <b>Share Suspense</b>   | -                                       | 8,279,995                               |
| 1,655,999 shares of Rs 5 each fully paid, pending allotment.  |   |   |
| <b>SCHEDULE A (b)</b>   |   |   |
| <b>[Refer Note 5 Schedule Q(B)]</b>   |   |   |
| <b>Employee Stock Options Outstanding</b>   |   |   |
| Stock options granted during the year   | 8,692,500                               | 5,077,500                               |
| Less: Deferred employee compensation expense  | 3,141,557                               | 948,373                                 |
| <b>TOTAL</b>  | <b>5,550,943</b>                        | <b>4,129,127</b>                        |
| <b>SCHEDULE - B</b>   |   |   |
| <b>RESERVES AND SURPLUS</b>   |   |   |
| <b>Securities Premium</b>   |   |   |
| Opening Balance   | 522,810,044                             | 1,204,626,346                           |
| Add: Share premium received on issue of Equity Shares   | 624,150                                 | 1,907,036                               |
| Less: Share Premium adjusted on Buy back of shares  | -                                       | 15,871,038                              |
| Less: Adjustment on account of Scheme of Arrangement  | -                                       | 667,852,300                             |
| Closing Balance   | <b>523,434,194</b>                      | <b>522,810,044</b>                      |
| <b>General Reserve</b>  |   |   |
| Opening Balance   | 674,529,332                             | 375,000,000                             |
| Add: Additions during the year  | 6,500,000                               | 50,000,000                              |
| Add: Deffered Tax Assets - Adjustment on account of Scheme of Arrangement   | -                                       | 249,529,332                             |
| (approved by shareholders and sanctioned by the Hon'ble High Court at Delhi)  |   |   |
|   | <b>681,029,332</b>                      | <b>674,529,332</b>                      |
| <b>Profit &amp; Loss account</b>  |   |   |
| Balance transferred from the Profit and Loss Account  | 1,616,811,326                           | 1,550,950,803                           |
| <b>TOTAL</b>  | <b>2,821,274,852</b>                    | <b>2,748,290,179</b>                    |

**FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011**

|   | As at<br>March 31, 2011<br>Amount (Rs.) | As at<br>March 31, 2010<br>Amount (Rs.) |
|---|---|---|
| <b>SCHEDULE - C</b>   |   |   |
| <b>SECURED LOANS</b>  |   |   |
| <b>From Banks :-</b>  |   |   |
| <b>Term Loan</b>  |   |   |
| (Secured by first charge on all present & future moveable Fixed Assets & Corporate Gurantee furnished by Living Media India Limited, the Holding Company. Repayable within one year Rs. 33,333,333) | -                                       | 225,000,000                             |
| <b>Interest Accrued &amp; Due</b>   | -                                       | 2,859,384                               |
| <b>Short Term Loan</b>  |   |   |
| (Secured by present & future Book Debts, and Corporate Guarantee given by Living Media Limited, the Holding Company)  | -                                       | 70,000,000                              |
| <b>Cash Credit</b>  |   |   |
| (Cash Credit facilities have been secured against first charge by way of hypothecation of the whole of book-debts)  | 178,744,914                             | -                                       |
| <b>TOTAL</b>  | <b>178,744,914</b>                      | <b>297,859,384</b>                      |
| <b>SCHEDULE -D</b>  |   |   |
| <b>UNSECURED LOANS</b>  |   |   |
| <b>Other Loans &amp; Advances</b>   |   |   |
| From others (Living Media India Ltd, the Holding Company)   |   | 360,540,626                             |
| <b>TOTAL</b>  | <b>-</b>                                | <b>360,540,626</b>                      |

# FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

## SCHEDULE - E FIXED ASSETS

[Refer Note (b), (c) and (d) of Schedule Q (A)]

| Particulars  | GROSS BLOCK                |                    |                                  | DEPRECIATION               |                            |                     | NET BLOCK                        |                            |
|--|----------------------------|--------------------|----------------------------------|----------------------------|----------------------------|---------------------|----------------------------------|----------------------------|
|  | As at<br>01-04-2010<br>Rs. | Additions<br>Rs.   | Deletions/<br>Adjustments<br>Rs. | As at<br>31-03-2011<br>Rs. | As at<br>01-04-2010<br>Rs. | For the year<br>Rs. | Deletions/<br>Adjustments<br>Rs. | As at<br>31-03-2011<br>Rs. |
| Leasehold Land   | 120,359,050                | -                  | -                                | 120,359,050                | 8,244,595                  | 1,648,919           | -                                | 110,465,536                |
| Leasehold Improvements   | 97,700,946                 | -                  | -                                | 97,700,946                 | 74,999,129                 | 6,696,800           | -                                | 16,005,017                 |
| Plant & Machinery  | 1,431,153,401              | 13,841,596         | 21,873,796                       | 1,423,121,201              | 962,863,949                | 107,869,870         | 20,516,994                       | 372,904,376                |
| Computers  | 90,746,660                 | 6,015,805          | -                                | 96,762,465                 | 60,902,345                 | 8,925,977           | -                                | 26,934,143                 |
| Office Equipments  | 40,024,082                 | 125,352            | 2,456,161                        | 37,693,273                 | 26,147,140                 | 3,077,780           | 2,456,161                        | 10,924,514                 |
| Furniture & Fixtures   | 35,355,872                 | 122,900            | -                                | 35,478,772                 | 21,162,912                 | 7,234,006           | -                                | 7,081,854                  |
| Vehicles   | 69,672,285                 | 22,244,494         | 10,039,490                       | 81,877,269                 | 30,080,574                 | 13,795,681          | 8,375,286                        | 46,376,320                 |
| Intangible Assets  |                            |                    |                                  |                            |                            |                     |                                  |                            |
| - Production Software  | 71,794,211                 | 16,313,978         | -                                | 88,108,189                 | 65,488,307                 | 6,755,477           | -                                | 15,884,405                 |
| - Computer Software  | 3,329,245                  | 442,563            | -                                | 3,771,808                  | 3,293,109                  | 88,078              | -                                | 390,621                    |
| - CTI Site BECIL   | 35,800,000                 | -                  | -                                | 35,800,000                 | 5,204,299                  | 3,972,107           | -                                | 26,623,594                 |
| <b>TOTAL</b>   | <b>1,995,935,752</b>       | <b>59,106,688</b>  | <b>34,369,447</b>                | <b>2,020,672,993</b>       | <b>1,258,366,359</b>       | <b>160,064,695</b>  | <b>31,348,441</b>                | <b>633,590,380</b>         |
| Capital Work-in-progress (includes capital advances amounting to Rs. 124,117,632/- (Previous year Rs. 16,628,120/-)) |                            |                    |                                  |                            |                            |                     |                                  |                            |
| <b>Total</b>   |                            |                    |                                  |                            |                            |                     |                                  | <b>873,789,802</b>         |
| <b>PREVIOUS YEAR</b>   | <b>1,906,362,673</b>       | <b>113,481,464</b> | <b>23,908,385</b>                | <b>1,995,935,752</b>       | <b>1,063,523,062</b>       | <b>211,003,875</b>  | <b>16,160,578</b>                | <b>1,507,380,182</b>       |
|  |                            |                    |                                  |                            |                            |                     |                                  | <b>737,569,393</b>         |



## FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

|   | As at<br>March 31, 2011<br>Amount (Rs.) | As at<br>March 31, 2010<br>Amount (Rs.) |
|---|---|---|
| <b>SCHEDULE - F</b>   |   |   |
| <b>Investments - at cost</b>  |   |   |
| [Refer Note (f) of Schedule Q(A) ]  |   |   |
| <b>Long Term</b>  |   |   |
| <b>Trade Investments (Unquoted)</b>   |   |   |
| Mail Today NewsPapers Pvt. Limited 10,510,510 equity shares<br>(Previous Year Nil equity shares) of Rs. 43.29 per share fully paid-up | 455,212,482                             | -                                       |
| <b>In Subsidiary (Unquoted)</b>   |   |   |
| T.V. Today Network (Business) Limited 1,50,000 equity shares<br>(Previous Year 1,50,000) of Rs. 10/- each fully paid-up               | 1,500,000                               | 1,500,000                               |
| <b>Non trade investments</b>  |   |   |
| <b>In Mutual Funds (Quoted)</b>   |   |   |
| 1,439,232 units (Previous Year 1,439,232 units) of Prudential<br>ICICI Gilt Fund- Investment Plan                                     | 20,000,000                              | 20,000,000                              |
| <b>TOTAL</b>  | <u>476,712,482</u>                      | <u>21,500,000</u>                       |
| <b>Less :</b>   |   |   |
| Provision for diminution in value of Investments  | 2,032,052                               | 2,303,059                               |
|   | <u>474,680,430</u>                      | <u>19,196,941</u>                       |
| <b>Note:</b>  |   |   |
| Market value of quoted investments  | 17,967,948                              | 17,696,941                              |

### SCHEDULE - G

#### SUNDRY DEBTORS (Unsecured)

Outstanding for a period exceeding six months

|                       |                    |                    |
|-----------------------|--------------------|--------------------|
| - Considered good     | 83,396,719         | 130,647,117        |
| - Considered doubtful | 56,760,012         | 45,268,547         |
|                       | <u>140,156,731</u> | <u>175,915,664</u> |

Other Debts

|                       |                    |                    |
|-----------------------|--------------------|--------------------|
| - Considered good     | 903,147,465        | 729,595,992        |
| - Considered doubtful | 28,524,129         | 19,262,074         |
|                       | <u>931,671,594</u> | <u>748,858,066</u> |

|   |                      |                    |
|---|----------------------|--------------------|
| <b>Total</b>                              | <u>1,071,828,325</u> | <u>924,773,730</u> |
| <b>Less: Provision for doubtful debts</b> | <u>85,284,141</u>    | <u>64,530,621</u>  |

|              |                    |                    |
|--------------|--------------------|--------------------|
| <b>TOTAL</b> | <u>986,544,184</u> | <u>860,243,109</u> |
|--------------|--------------------|--------------------|

### SCHEDULE - H

#### CASH AND BANK BALANCE

|                              |             |               |
|------------------------------|-------------|---------------|
| Cash in hand                 | 1,006,168   | 699,091       |
| Balance with scheduled banks |             |               |
| - Current Accounts           | 22,621,321  | 31,469,801    |
| - Dividend Accounts          | 1,358,474   | 1,176,552     |
| - Deposit Accounts           | 302,904,093 | 1,261,704,093 |
| - Cheques in Hand            | -           | 896,541       |

|              |                    |                      |
|--------------|--------------------|----------------------|
| <b>TOTAL</b> | <u>327,890,056</u> | <u>1,295,946,078</u> |
|--------------|--------------------|----------------------|



# T.V. Today Network Limited

## FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

|  | As at<br>March 31, 2011<br>Amount (Rs.) | As at<br>March 31, 2010<br>Amount (Rs.) |
|--|---|---|
| <b>SCHEDULE - I</b>  |   |   |
| <b>LOANS &amp; ADVANCES</b>  |   |   |
| <b>(Unsecured, considered good, unless otherwise stated)</b>   |   |   |
| Advances recoverable in cash or in kind or for value to be received  | 283,814,571                             | 224,956,715                             |
| Advance Income Tax [Net of Provision on Income<br>Tax Rs.1,200,388,882 (Previous Year Rs. 1,155,888,882)]  | 257,926,930                             | 252,526,512                             |
| MAT Credit   | 83,500,000                              | 84,000,000                              |
| Advance Fringe benefit Tax [Net of Provision<br>Rs 47,376,255 (Previous Year Rs. 47,376,255)]  | 241,989                                 | 241,989                                 |
| Advance Towards Share Subscription (Refer Note 11 on Schedule Q(B))  | -                                       | 184,999,988                             |
|  | 625,483,490                             | 662,725,204                             |
| Considered doubtful  | 14,778,147                              | 13,862,557                              |
| Less: Provision for doubtful Advance   | 14,778,147                              | 13,862,557                              |
|  | -                                       | -                                       |
| <b>TOTAL</b>   | <b>625,483,490</b>                      | <b>662,725,204</b>                      |
| * Includes amounts due from Director and officer Rs 52,554<br>(Previous Year Rs.123,553) and maximum outstanding<br>balance at any time during the year of Rs. 123,553 (Previous Year Rs. 180,849) |   |   |
| <b>SCHEDULE - J</b>  |   |   |
| <b>CURRENT LIABILITIES</b>   |   |   |
| Sundry Creditors - other than Micro, Small and Medium Enterprises<br>[Refer Note 12 Schedule Q (B)]  | 456,976,644                             | 396,188,649                             |
| Other Liabilities  | 104,784,930                             | 102,982,830                             |
| Advances from Customers  | 15,745,112                              | 18,852,743                              |
| Security Deposits  | 35,188,628                              | 31,929,426                              |
| Book Overdraft   | -                                       | 27,507,847                              |
| Un-Claimed Dividend *  | 1,358,474                               | 1,176,552                               |
| <b>TOTAL</b>   | <b>614,053,788</b>                      | <b>578,638,047</b>                      |
| * No amount is payable to Investor Protection Fund.  |   |   |
| <b>SCHEDULE - K</b>  |   |   |
| <b>PROVISIONS</b>  |   |   |
| Provision for Gratuity [Refer Note 4(II) on Schedule Q(B)]   | -                                       | 7,998,328                               |
| Provision for Leave Encashment [Refer Note 4(II) on Schedule Q(B)]   | 68,393,741                              | 58,172,208                              |
| Proposed Dividend  | 44,592,461                              | 43,343,712                              |
| Corporate Dividend Tax on Proposed Dividend  | 7,234,012                               | 7,366,264                               |
| <b>TOTAL</b>   | <b>120,220,214</b>                      | <b>116,880,512</b>                      |

## FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

|  | For the Year Ended<br>March 31, 2011<br>Amount (Rs.) | For the Year Ended<br>March 31, 2010<br>Amount (Rs.) |
|--|--|--|
| <b>SCHEDULE - L<br/>OTHER INCOME</b>   |  |  |
| Interest on Bank Deposit [Gross of Tax deducted at source<br>Rs. 4,480,220 (Previous Year Rs. 13,764,796)] | 42,031,753   | 116,010,553  |
| Dividend Income (from non trade investments)   | 717,991  | 1,231,697  |
| Miscellaneous Income   | 8,548,306  | 4,419,432  |
| Fees from training   | 1,171,071  | 1,951,603  |
| Profit (Net) on sale of fixed Assets   | 1,608,208  | 305,092  |
| Gain on sale of Investment (Net) (from non trade investments)  | -  | 60,664,428   |
| Provisions/Liabilities no longer required written back   | 41,323,307   | 46,459,549   |
|  | <u>95,400,636</u>                                    | <u>231,042,354</u>                                   |

### SCHEDULE - M EMPLOYEE COST

|  |                    |                    |
|--|--------------------|--------------------|
| Salaries, Wages and Allowances * [Refer note 2 on Schedule Q(B)] | 810,366,234        | 783,380,037        |
| Contribution to Provident and Other Funds                        | 60,105,658         | 52,288,373         |
| Staff And Workers' Welfare                                       | 6,830,286          | 4,563,799          |
|  | <u>877,302,178</u> | <u>840,232,209</u> |

\* Including amortisation of Deferred ESOP cost Rs. 1,556,816 (Previous Year Rs. 1,189,303)

### SCHEDULE - N PRODUCTION COST

|                           |                    |                    |
|---------------------------|--------------------|--------------------|
| Reporting Expenses        | 109,675,606        | 70,980,643         |
| Up linking Charges        | 19,923,065         | 23,742,540         |
| Assignment Charges        | 1,851,556          | 4,527,768          |
| Production Expenses       | 165,895,454        | 166,692,473        |
| Subscription              | 14,470,226         | 11,110,671         |
| Consumables               | 5,024,493          | 5,040,974          |
| Transponder Lease Rentals | 67,898,824         | 65,969,177         |
| Programme Procurement     | 1,966,729          | 873,899            |
|                           | <u>386,705,953</u> | <u>348,938,145</u> |



# T.V. Today Network Limited

## FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

|   | For the Year Ended<br>March 31, 2011<br>Amount (Rs.) | For the Year Ended<br>March 31, 2010<br>Amount (Rs.) |
|---|--|--|
| <b>SCHEDULE - O</b>   |  |  |
| <b>ADMINISTRATIVE AND OTHER COSTS</b>   |  |  |
| Advertising, Distribution and Sales Promotion   | 842,651,941  | 602,904,797  |
| Communication Expenses  | 33,801,352   | 35,860,496   |
| Travelling and Conveyance   | 105,935,496  | 78,149,150   |
| Car Hire Charges  | 43,143,857   | 37,472,776   |
| Rent [Refer note 10 on Schedule Q(B)]   | 125,811,031  | 115,313,260  |
| Legal and Professional Charges  | 15,815,994   | 22,452,093   |
| Electricity and Water   | 45,286,481   | 43,874,868   |
| Vehicle Running and Maintenance   | 8,053,618  | 7,597,539  |
| Insurance   | 13,468,087   | 11,433,098   |
| Agency Incentive  | 15,700,773   | 20,571,503   |
| Housekeeping  | 33,626,385   | 31,071,077   |
| Repairs and Maintenance   |  |  |
| - Plant & Machinery ( Net of Insurance claim)   | 29,970,875   | 32,058,003   |
| - Other   | 7,305,058  | 7,344,950  |
| Newspapers and Periodicals  | 947,454  | 879,885  |
| Business Promotion  | 14,217,203   | 9,175,223  |
| Foreign Exchange Fluctuation (net)  | 409,705  | 2,152,715  |
| Printing and Stationary   | 3,907,809  | 3,518,536  |
| Freight and Courier   | 2,059,488  | 1,676,001  |
| Guard Services  | 9,943,720  | 7,448,440  |
| Rates and Taxes   | 2,578,284  | 3,467,226  |
| Bad Debts & Advances written off  | 605,622  | -  |
| Miscellaneous Expenditure written off   | -  | 9,725,960  |
| Provision for Doubtful Debts & Advances   | 37,856,399   | 18,151,576   |
| Fixed Assets written off  | 1,356,802  | -  |
| Technical Consultancy Fees  | 11,618,917   | 29,484,569   |
| Software Expenses   | 332,400  | 537,726  |
| Miscellaneous Expenses [Includes prior period expenditure of Rs. 170,348 (Previous Year Rs. 895,374)] | 3,626,366  | 5,857,136  |
| Diminution in value of Investment   | -  | 564,323  |
|   | <b>1,410,031,117</b>                                 | <b>1,138,742,926</b>                                 |

## SCHEDULE - P INTEREST & FINANCE CHARGES

|                 |                  |                   |
|-----------------|------------------|-------------------|
| Interest        |                  |                   |
| - Term Loan     | 6,659,444        | 64,777,905        |
| - Cash Credit   | 402,726          | 40,026            |
| - Others        | 33,258           | 17,088            |
| Finance Charges | 2,362,824        | 5,651,298         |
| <b>TOTAL</b>    | <b>9,458,252</b> | <b>70,486,317</b> |

**SCHEDULE - Q**

**SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS**

**A. SIGNIFICANT ACCOUNTING POLICIES**

**a. Accounting Convention**

The financial statements are prepared under the historical cost convention to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

The Company follows mercantile system of accounting and recognizes items of income and expenditure on accrual basis.

**b. Fixed Assets**

Fixed assets are stated at their original cost and include all expenses relating to acquisition and installation. Fixed Assets include digital satellite receivers, included under Plant and Machinery, generally installed at the premises of the channel partner.

**c. Intangible Assets**

Acquired Intangible Assets expected to provide future enduring benefits are stated at their original cost and include all expenses relating to acquisition and installation.

**d. Depreciation/ Amortisation**

- Depreciation on Fixed Assets (other than Leasehold Improvements, Digital Satellite Receiver boxes and Intangibles) is provided on straight-line method at the rates prescribed in Schedule XIV on triple shift basis.
- Leasehold Land and Leasehold Improvements are written off over the period of the lease.
- Assets costing less than Rs.5000/- are depreciated over a period of 12 months.
- Digital Satellite Receiver Boxes (included in Plant & Machinery) are being depreciated over the useful life of 3 years at the rate of 33.33% per annum on straight-line method.
- Intangible Assets are amortised on a Straight Line basis over their estimated useful life on a case to case basis.

**e. Revenue recognition**

**Income from broadcasting operations:** Advertisement Revenue is recognized for the period for which services have been provided and for which there is certainty of ultimate collection, Subscription revenue is recognized on the basis of the terms of the contract with the distributor.

**f. Investments**

Long-term investments are stated at cost of acquisition. Provision is made for diminution, other than temporary, in the carrying value thereof, in valuation of investments. Current Investments are stated at lower of cost or fair value.

**g. Employee benefits**

**(a) Short Term Employee Benefits**

Short term employee benefits are recognised in the period during which the services have been rendered.

**(b) Long Term Employee Benefits**

**i) Defined Contribution plan**

Company's contributions to Provident Fund, Employees' State Insurance Scheme and Employee Pension Scheme, which are Defined Contribution Schemes, are expensed in the Profit and Loss Account at the year when the contributions are due. The Company has no further obligations under these plans beyond its monthly contributions to the respective government funds.

**(ii) Defined benefit plan**

The Company provides for the liability at year end on account of gratuity and leave encashment as per the actuarial valuation carried out by independent actuary at the year end as per the Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the Profit and Loss Accounts as income or expense.

The Gratuity Plan of the Company provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee salary and years of employment with the Company. Gratuity Fund is recognized by the income tax authorities and is administered and managed by the Life Insurance Corporation of India ("LIC").

**(iii) Termination benefits are recognized as an expense immediately.**

#### **h. Foreign currency transactions**

- Foreign exchange transactions during the year are recorded at the exchange rates prevailing on the dates of the transactions. Gains or losses arising out of fluctuations in rate between transaction date and settlement date are recognized in the Profit and Loss account.
- Monetary Assets and Liabilities are translated at the exchange rates prevailing at year-end rate and the resultant gain/loss is recognized in the Profit and Loss Account.

#### **i. Taxes on Income**

Tax expense for the Year, comprising current tax and deferred tax is included in determining the net profit for the year. Current Tax is determined based on liability computed in accordance with relevant tax rates and tax laws.

Deferred tax is recognized for all timing differences arising between accounting income and taxable income and are measured at the tax rates and tax laws that have been enacted or substantively enacted as on the balance sheet date.

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

#### **j. Leases**

Lease of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as expense in the profit and loss account, on a straight line basis over the lease term.

#### **k. Earnings per Share**

Basic Earning Per Share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For calculating diluted earning per share the net Profit/ (loss) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all diluted potential equity shares.

#### **l. Borrowing Cost**

Borrowing costs attributable to the acquisition or construction of a qualifying asset is capitalized as a part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

#### **m. Employee stock based compensation**

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 over the exercise price of the options given to employees under the Employee Stock Option Scheme of the Company, is recognized as deferred stock compensation expense and is amortized over the vesting period on the basis of generally accepted accounting principles in accordance with the guidelines of Securities and Exchange Board of India and guidance note issued by the Institute of Chartered Accountants of India.

#### **n. Provisions and Contingencies**

Provisions are recognized when the Company has a present obligation as a result of past event and it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A disclosure for contingent liabilities made when this is a possible obligation or a present obligation that probably will not require an outflow of resource or where a reliable entrance of obligation cannot be made.

#### **o. Impairment of Assets**

Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

**B. NOTES TO ACCOUNTS**

**1. Capital Commitments / Contingent Liabilities:**

- (a) Estimated amounts of contract remaining to be executed on capital account, net of advances, not provided for Rs. 299,551,612 (Previous year Rs. 235,817,263)
- (b) The Company received claims from Prasar Bharti in earlier years towards uplinking charges and telecast fees which were disputed by the Company. Prasar Bharti also raised claims towards interest for non payment of dues from time to time, which also were disputed by the Company. Total claims as at 31st March 2011 amounted to Rs.100,197,555 and the disputes were referred to various legal forums. Pending final outcome in respect of such disputes, the Company made provision on an estimated basis which amounted to Rs.67,484,026 including Rs. 1,953,157 which was made in current year. In the opinion of the management, based on its understanding of the cases and as advised by their counsel, the provision made in the books is considered adequate.
- (c) The Company has received legal notice of claim / lawsuit filed against it in respect of programmes aired on the Channels. In the opinion of the management, no liability is likely to arise on account of such claim / lawsuit.
- (d) The Company has received demand notices from Income Tax department amounting to Rs. 87,411,396 (Previous Year 54,995,989). The Company has contested the same and in the opinion of the management, no liability is likely to arise on account of such demand notices.
- (e) Bank Guarantees outstanding Rs. 28,554,699 (Previous Year Rs. 8,714,420)

**2. Particulars of Managerial Remuneration**

- (a) The remuneration paid to the managerial personnel during the year aggregates to:

(Amount Rs.)

| Managing Director | March 31, 2011   | March 31, 2010    |
|-------------------|------------------|-------------------|
| Commission        | 8,210,682        | 19,154,715        |
| Perquisites       | 1,009,352        | 1,359,549         |
| <b>Total</b>      | <b>9,220,034</b> | <b>20,514,264</b> |

| Whole Time Director | March 31, 2011   | March 31, 2010 |
|---------------------|------------------|----------------|
| Salary              | 4,356,050        | Nil            |
| Perquisites         | 33,000           | Nil            |
| <b>Total</b>        | <b>4,389,050</b> | <b>Nil</b>     |

- (b) Computation of Managerial remuneration under section 349 of the Companies Act, 1956-

|   | For the year ended<br>March 31, 2011 | For the year ended<br>March 31, 2010 |
|---|--------------------------------------|--------------------------------------|
| Profit before taxation  | 184,454,348                          | 469,795,099                          |
| Add: Depreciation as per books  | 160,064,695                          | 211,003,875                          |
| Add: (Profit)/Loss on sale of assets  | (251,406)                            | (305,092)                            |
| Add: Provision for diminution in value of investments                                     | -                                    | 564,323                              |
| Add: Excess of expenditure over income in respect of earlier years                        | 197,738                              | 895,374                              |
| Less: Gain on sale of Investment of Capital Nature  | -                                    | (60,664,428)                         |
| Depreciation under section 350 of the Companies Act, 1956                                 | (160,064,695)                        | (211,003,875)                        |
| Add: Managerial remuneration  | 9,220,034                            | 20,514,264                           |
| Profits for the purposes of Managing Directors' commission as per the Companies Act, 1956 | 193,620,714                          | 430,799,540                          |
| Commission/ Perquisites Paid/Payable @ 5 % of profit computed above                       | 9,220,034*                           | 20,514,264*                          |

\*Includes Perquisites amounting to Rs 1,009,352. (Previous Year Rs. 1,359,549)

**3. Deferred Tax**

The deferred tax Asset/(Liability) comprises of the following:

| Deferred Tax Assets/(Liabilities) arising from  | As at March 31, 2011 Amount (Rs.) | As at March 31, 2010 Amount (Rs.) |
|---|-----------------------------------|-----------------------------------|
| Provision for Bad & doubtful debts / advances charged in the financial statements but allowed as deduction under the Income Tax Act in future years (to the extent considered realizable) | 32,206,862                        | 21,933,958                        |
| Provision for gratuity and leave Encashment   | 5,099,885                         | 4,843,139                         |
| Other disallowances as per the Income tax Act, 1961   | 14,936,840                        | 3,330,673                         |
| Brought Forward Business Losses and Unabsorbed Depreciation   | -                                 | 34,979,188                        |
| Depreciation claimed as deduction under the Income Tax Act but chargeable in the financial statements in future years   | 59,291,435                        | 61,708,666                        |
| <b>Net Deferred Tax Asset / (Liability)</b>   | <b>111,535,022</b>                | <b>126,795,624</b>                |

**4. During the year, the Company has recognised the following amounts in the Profit and Loss Account**
**I. Defined Contribution Plans**

|   | As at March 31, 2011 Amount (Rs.) | As at March 31, 2010 Amount (Rs.) |
|---|-----------------------------------|-----------------------------------|
| - Employers' Contribution to Provident Fund *                 | 27,945,992                        | 21,319,023                        |
| - Employers' Contribution to Employee's Pension Scheme 1995 * | 6,863,776                         | 6,415,409                         |

\* Included in Contribution to Provident and Other Funds under Employees' Cost (Refer Schedule M)

**II. Defined Benefit Plans**
**(A) The assumptions used to determine the benefit obligations are as follows:**

|   | As at March 31, 2011 | As at March 31, 2010 | As at March 31, 2009 | As at March 31, 2008 | As at March 31, 2007 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Discount Rate (Per Annum)                                     | 8.00%                | 7.90%                | 7.10%                | 8.00%                | 7.50%                |
| Rate of increase in Compensation levels                       | 6.50%                | 6.50%                | 6.50%                | 6.50%                | 6.50%                |
| Expected Rate of Return on Plan Assets (for gratuity)         | 9.25%                | 9.25%                | 9.25%                | 9.25%                | 9.00%                |
| Expected Average remaining working lives of employees (years) | 24.69                | 25.30                | 26                   | 27.09                | 26.41                |

The expected return on plan assets is based on actuarial expectation of average long term rate of return expected on investment of the funds during the estimated term of the obligation.

**(B) Changes in the Present Value of Obligation**
**(i) Leave Encashment (Unfunded)**
**(Rs.)**

|   | As at March 31, 2011 | As at March 31, 2010 | As at March 31, 2009 | As at March 31, 2008 | As at March 31, 2007 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Present Value of Obligation as at April 1, 2010         | 58,172,208           | 45,138,967           | 19,157,626           | 15,551,357           | 13,302,251           |
| Acquired on account of arrangement                      | Nil                  | 841,648              | Nil                  | Nil                  | Nil                  |
| Interest Cost   | 4,596,405            | 3,267,991            | 1,532,610            | 1,244,109            | 997,669              |
| Current Service Cost                                    | 9,341,722            | 18,272,452           | 9,792,962            | 5,355,458            | 4,445,764            |
| Benefits Paid   | (2,201,847)          | (1,341,801)          | (1,926,459)          | (6,237,696)          | (2,336,187)          |
| Actuarial (gain)/ loss on obligations                   | (1,514,747)          | (8,007,049)          | 16,582,228           | 3,244,398            | (858,140)            |
| <b>Present Value of Obligation as at March 31, 2011</b> | <b>68,393,741</b>    | <b>58,172,208</b>    | <b>45,138,967</b>    | <b>19,157,626</b>    | <b>15,551,357</b>    |



**(ii) Gratuity**

(Rs.)

|   | As at<br>March 31, 2011 | As at<br>March 31, 2010 | As at<br>March 31, 2009 | As at<br>March 31, 2008 | As at<br>March 31, 2007 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Present Value of<br>Obligation as at April 1, 2010  | 46,042,373              | 35,079,134              | 24,001,092              | 20,846,988              | 18,132,110              |
| Acquired on account<br>of arrangement               | Nil                     | 612,957                 | Nil                     | Nil                     | Nil                     |
| Interest Cost                                       | 3,637,961               | 2,536,591               | 1,920,087               | 1,667,759               | 1,359,908               |
| Past Service Cost                                   | Nil                     | 5,784,762               | Nil                     | Nil                     | Nil                     |
| Current Service Cost                                | 9,736,233               | 8,396,513               | 7,482,071               | 5,124,212               | 4,970,359               |
| Benefits Paid                                       | (912,272)               | (1,236,000)             | (961,943)               | (3,321,952)             | (1,616,737)             |
| Actuarial (gain)/ loss on<br>obligations            | (468,381)               | (5,131,584)             | 2,637,827               | (315,914)               | (1,998,652)             |
| Present Value of Obligation<br>as at March 31, 2011 | 58,035,914              | 46,042,373              | 35,079,134              | 24,001,092              | 20,846,988              |

**(C) Changes in the Fair Value of Plan Assets (For Gratuity)**

(Rs.)

|  | As at<br>March 31, 2011 | As at<br>March 31, 2010 | As at<br>March 31, 2009 | As at<br>March 31, 2008 | As at<br>March 31, 2007 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Fair Value of Plan Assets<br>as at April 1, 2010 | 38,044,046              | 32,547,525              | 23,690,240              | 11,862,394              | 12,419,201              |
| Acquired on account<br>of amalgamation           | Nil                     | Nil                     | Nil                     | Nil                     | Nil                     |
| Expected Return on<br>Plan Assets                | 3,511,849               | 3,010,646               | 2,191,347               | 1,097,271               | 1,117,728               |
| Actuarial Gain/(Loss)                            | Nil                     | (54,114)                | (61,548)                | 182,469                 | (57,798)                |
| Contributions                                    | 20,113,124              | 3,775,989               | 7,689,429               | 13,870,059              | Nil                     |
| Benefits Paid                                    | (912,272)               | (1,236,000)             | (961,943)               | (3,321,953)             | (1,616,737)             |
| Fair Value of Plan<br>Assets at March 31, 2011   | 60,756,747              | 38,044,046              | 32,547,525              | 23,690,240              | 11,862,394              |

**(D) Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets (For Gratuity)**

(Rs.)

|  | As at<br>March 31, 2011 | As at<br>March 31, 2010 | As at<br>March 31, 2009 | As at<br>March 31, 2008 | As at<br>March 31, 2007 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Present Value of funded<br>Obligation as<br>at March 31, 2011    | 58,035,914              | 46,042,373              | 35,079,134              | 24,001,093              | 20,846,988              |
| Fair Value of Plan Assets<br>as at the end of the period         | 60,756,747              | 38,044,046              | 32,547,524              | 23,690,240              | 11,862,394              |
| Funded Status  | 2,720,833               | (7,998,328)             | (2,531,610)             | (310,853)               | (8,984,594)             |
| Unrecognized Actuarial<br>(gains)/ Losses                        | Nil                     | Nil                     | Nil                     | Nil                     | Nil                     |
| <b>Net Asset/(Liability)<br/>Recognized in<br/>Balance Sheet</b> | <b>2,720,833</b>        | <b>(7,998,328)</b>      | <b>(2,531,610)</b>      | <b>(310,853)</b>        | <b>(8,984,594)</b>      |



## T.V. Today Network Limited

### (E) Expense recognised in the Profit and Loss Account

#### (i) Leave Encashment

(Rs.)

|   | As at<br>March 31, 2011 | As at<br>March 31, 2010 | As at<br>March 31, 2009 | As at<br>March 31, 2008 | As at<br>March 31, 2007 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Current Service Cost  | 9,341,722               | 18,272,452              | 9,792,962               | 5,355,458               | 4,445,764               |
| Past Service Cost   | Nil                     | Nil                     | Nil                     | Nil                     | Nil                     |
| Interest Cost   | 4,596,405               | 3,267,991               | 1,532,610               | 1,244,109               | 997,669                 |
| Net actuarial (gain)/ loss<br>recognized in the period                    | (1,514,747)             | (8,007,049)             | 16,582,228              | 3,244,398               | (858,140)               |
| <b>Total Expenses<br/>recognized in the<br/>Profit &amp; Loss Account</b> | <b>12,423,380**</b>     | <b>13,533,394**</b>     | <b>27,907,800</b>       | <b>9,843,965</b>        | <b>4,585,293</b>        |

\*\* included in Contribution to Provident and Other Funds (Refer Schedule M)

#### (ii) Gratuity

(Rs.)

|   | As at<br>March 31, 2011 | As at<br>March 31, 2010 | As at<br>March 31, 2009 | As at<br>March 31, 2008 | As at<br>March 31, 2007 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Current Service Cost  | 9,736,233               | 8,396,513               | 7,482,071               | 5,124,212               | 4,970,359               |
| Past Service Cost   | Nil                     | 5,784,762               | Nil                     | Nil                     | Nil                     |
| Interest Cost   | 3,637,961               | 2,536,591               | 1,920,087               | 1,667,759               | 1,359,908               |
| Expected Return on<br>Plan assets   | (3,511,849)             | (3,010,646)             | (2,191,347)             | (1,097,271)             | (1,117,728)             |
| Net actuarial (gain)/ loss<br>recognized in the period                    | (468,381)               | (5,077,470)             | 2,699,375               | (498,383)               | (1,940,854)             |
| <b>Total Expenses<br/>recognized in the<br/>Profit &amp; Loss Account</b> | <b>9,393,964**</b>      | <b>8,629,750**</b>      | <b>9,910,186</b>        | <b>5,196,317</b>        | <b>3,271,685</b>        |

\*\* included in Contribution to Provident and Other Funds (Refer Schedule M)

### (F) Constitution of Plan Assets (For Gratuity)

(Rs.)

|                                 | As at<br>March 31, 2011 | As at<br>March 31, 2010 | As at<br>March 31, 2009 | As at<br>March 31, 2008 | As at<br>March 31, 2007 |
|---------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Total of the Plan Assets</b> | <b>60,756,747*</b>      | <b>38,044,046*</b>      | <b>32,547,525*</b>      | <b>23,690,240*</b>      | <b>11,862,394*</b>      |

\* The contribution is made to LIC and the detailed information of Planned Assets has not been provided by LIC.

(Rs.)

|   | As at<br>March 31, 2011 | As at<br>March 31, 2010 | As at<br>March 31, 2009 | As at<br>March 31, 2008 | As at<br>March 31, 2007 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Actual return on Plan<br/>Assets</b> | <b>3,511,849</b>        | <b>3,010,646</b>        | <b>2,191,347</b>        | <b>1,097,271</b>        | <b>1,117,728</b>        |

## 5. EMPLOYEE STOCK OPTION PLAN – ESOP 2006

The Company instituted the Employee Stock Option Plan – (TVTN ESOP 2006), to grant equity – based incentives to its eligible employees. The TVTN ESOP 2006 had been approved by the board of directors in their meeting held on 21<sup>st</sup> August 2006 and by shareholders in their meeting held on 28<sup>th</sup> September 2006, for grant of 2,900,000 options representing one share for each option upon exercise by the employees of the Company at a exercise price determined by Board/Remuneration Committee. The equity shares covered under the scheme shall vest over a period of four years; vesting shall vary based on the meeting of the performance Criteria. The Optionee may exercise their vested options at any moment after the earliest applicable vesting date and prior to the completion of ten years from the grant date.

Accordingly the Company under the intrinsic value method has recognized the excess of the market price over the exercise price of the option amounting to Rs. 1,556,816 as an expense during the year. Further, the liability Outstanding as at the March 31, 2011 in respect of Employees Stock Options Outstanding is Rs. 8,692,500. The balance deferred compensation expense Rs. 3,141,557 will be amortized over the remaining vesting period of Options.

**The movement in the options granted to employees during the year ended March, 31 2011 under the ESOP 2006 is set out below:**

|   | First Grant        | Second Grant       | Third Grant          | Fourth Grant  |
|---|--------------------|--------------------|----------------------|---------------|
| Date of Grant   | December 1, 2006   | March 1, 2007      | December 1, 2007     | June 24, 2008 |
| Market value on date of grant of the Underlying equity shares | Rs. 74.35          | Rs. 134.85         | Rs.152.75            | Rs.93.15      |
| Exercise Price  |                    |                    |                      |               |
| (50% of options )   | Rs. 74.35          | Rs. 134.85         | Rs.152.75            | Rs.93.15      |
| (balance 50% of options)*                                     | Rs. 44.35          | Rs. 104.85         | Rs.122.75            | Rs.63.15      |
| Vesting Period  | 4 Years            | 4 Years            | 4 Years              | 4 Years       |
| Options outstanding at the beginning of year (Nos)            | 154,000            | 55,000             | 15,000               | 113,000       |
| Options granted (Nos)   | -                  | -                  | -                    | -             |
| Options forfeited (Nos)                                       | -                  | -                  | -                    | 9,000         |
| Options exercised (Nos)                                       | 9,000              | Nil                | Nil                  | Nil           |
| Options Expired (Nos)   | Nil                | Nil                | Nil                  | Nil           |
| Options outstanding at the end of year (Nos) **               | 145,000            | 55,000             | 15,000               | 104,000       |
| Options Exercisable at the year end                           | 145,000            | 55,000             | 9,000                | 31,200        |
|   | <b>Fifth Grant</b> | <b>Sixth Grant</b> | <b>Seventh Grant</b> |               |
| Date of Grant   | April 5, 2010      | May 20, 2010       | Sep 30, 2010         |               |
| Market value on date of grant of the Underlying equity shares | Rs. 113.90         | Rs. 102.85         | Rs.85.15             |               |
| Exercise Price  |                    |                    |                      |               |
| (50% of options )   | Rs. 113.90         | Rs. 102.85         | Rs.85.15             |               |
| (balance 50% of options)*                                     | Rs. 83.90          | Rs. 72.85          | Rs. 55.15            |               |
| Vesting Period  | 4 Years            | 4 Years            | 4 Years              |               |
| Options outstanding at the beginning of year (Nos)            | Nil                | Nil                | Nil                  |               |
| Options granted (Nos)   | 21,500             | 37,500             | 200,000              |               |
| Options forfeited (Nos)                                       | Nil                | Nil                | Nil                  |               |
| Options exercised (Nos)                                       | Nil                | Nil                | Nil                  |               |
| Options Expired (Nos)   | Nil                | Nil                | Nil                  |               |
| Options outstanding at the end of year (Nos.)**               | 21,500             | 37,500             | 200,000              |               |
| Options Exercisable at the year end                           | Nil                | Nil                | Nil                  |               |

\* Maximum discount of Rs. 30/- which may vary between Rs. 0 to Rs. 30/- based on the employee's performance.

\*\* Weighted average remaining contractual life of 1.28 years.

**The fair value of the options granted during the year under the TVTN ESOP -2006 is estimated on the date of grant using the Black- Scholes model with the following assumptions.**

|                       | TVTN<br>ESOP<br>2006 | TVTN<br>ESOP<br>2006 | TVTN<br>ESOP<br>2006 | TVTN<br>ESOP<br>2006 | TVTN<br>ESOP<br>2006 | TVTN<br>ESOP<br>2006 | TVTN<br>ESOP<br>2006 |
|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Date of Grant         | December<br>1, 2006  | March<br>1, 2007     | December<br>1, 2007  | June<br>24, 2008     | April<br>5, 2010     | May<br>20, 2010      | Sept.<br>30, 2010    |
| Risk Free Interest    | 7.35%                | 7.87%                | 8.07%                | 8.83%                | 8.09%                | 7.94%                | 8.10%                |
| Expected Life*        | 10 Years             | 10 Years             | 10 Years             | 10 Years             | 10 Years             | 10 Years             | 10 Years             |
| Expected Volatility** | 48.28%               | 55.44%               | 51.27%               | 58.35%               | 54.44%               | 52.40%               | 43.13%               |
| Expected Dividend     | 1.01%                | 0.56%                | 0.49%                | 0.83%                | 0.66%                | 0.74%                | 0.89%                |

\* Expected life is taken as the aggregate of the vesting and exercise period.

\*\* Expected volatility is determined on the basis of the "share price – volume data" available at [www.nseindia.com](http://www.nseindia.com).



## T.V. Today Network Limited

The impact on the profit of the Company for the year ended March 31, 2011 and the basic and diluted earnings per share had the Company followed the fair value method of accounting for stock options is set out below:

|   | Amount Rs.  |
|---|-------------|
| Profit/(Loss) after tax as per Profit and Loss Accounts (a)   | 124,193,746 |
| Add: Employee Stock Compensation Expense as per Intrinsic Value Method  | 1,556,816   |
| Less: Employee Stock Compensation Expense as per Fair Value Method  | 5,133,150   |
| Profit/(Loss) after tax recomputed for recognition of employee stock Compensation expense under fair value method (b) | 120,617,412 |
| Earning per share on computed on earning as per (a) above (Rs.)   |             |
| - Basic   | 2.15        |
| - Diluted   | 2.15        |
| Earnings per Share as computed on earnings as per (b) above (Rs.)   |             |
| - Basic   | 2.09        |
| - Diluted   | 2.09        |

### 6. Earning per share

| Description  | Year Ended<br>March 31, 2011 | Year Ended<br>March 31, 2010 |
|--|------------------------------|------------------------------|
| Net profit after Tax (Rs.) (a)   | 124,193,746                  | 308,638,832                  |
| Number of equity share outstanding at the end of the year /weighted average of number of equity shares used in computing basic earning per share (Nos) (b)   | 57,844,137                   | 57,797,767                   |
| Number of equity share outstanding at the end of the year /weighted average of number of equity shares used in computing diluted earning per share (Nos) (c) | 59,456,615                   | 59,510,622                   |
| Nominal Value per Share (Rs.)  | 5                            | 5                            |
| Basic Earnings per share (a/b)   | 2.15                         | 5.34                         |
| Diluted Earnings per share (a/c)   | 2.15                         | 5.21                         |

### 7. Information pursuant to the provisions of paragraph 3, and 4 of Part-II of Schedule-VI to the Companies Act, 1956:-

|   | 2010-2011<br>Rs. | 2009-2010<br>Rs. |
|---|------------------|------------------|
| (a) Value of imports on CIF basis                   |                  |                  |
| Capital goods                                       | 21,134,543       | 17,189,659       |
| (b) Income in Foreign Currency (Accrued basis)      |                  |                  |
| Income from Broadcasting                            | 82,547,314       | 83,477,363       |
| (c) Expenditure in Foreign Currency (Accrued basis) |                  |                  |
| Traveling   | 14,338,051       | 12,125,759       |
| Production Cost                                     | 96,010,286       | 131,990,652      |
| Repair & Maintenance                                | 3,026,682        | 2,940,188        |
| Other Expenses                                      | 15,876,959       | 928,820          |
| (d) Auditors Remuneration                           |                  |                  |
| Statutory Audit (excluding service tax)             | 2,500,000        | 2,500,000        |
| Tax Audit (excluding service tax)                   | 100,000          | 100,000          |
| Other Services                                      | 900,000          | 900,000          |
| Out of Pocket Expenses                              | 157,017          | 48,091           |

### 8. As identified and certified by the Company, Related Party Disclosures as per the requirement of Accounting Standard 18 issued by the Institute of Chartered Accountants of India:

#### (I). Name of the related party and nature of related party relationship where control exists:

- Key Management Personnel (KMP):**
  - Mr. Aroon Purie (Managing Director)
  - Ms. Koel Purie Rinchet (Whole Time Director)
- Entities Controlling the Company (Holding Companies):**
  - World Media Private Limited ^
  - Living Media India Limited
- Subsidiary Companies :**
  - T.V. Today Network (Business) Limited
- Fellow Subsidiary Companies :**
  - Thomson Press ( India) Ltd.
  - Living Media International Ltd.
  - Radio Today Broadcasting Limited
  - Mail Today News Papers Ltd.
- Companies under common control :**
  - Integrated Databases India Limited

^ There are no transactions during the year

**(II). Transactions with related parties during the year in the ordinary course of business:**

(Amount Rs.)

| Name of Transaction  | Holding Company | Companies under common control | Fellow Subsidiaries | KMP          | Total         |
|--|-----------------|--------------------------------|---------------------|--------------|---------------|
| Purchase of Ad space/ material*  | 60,955          | -                              | -                   | -            | 60,955        |
|  | (1,526,662)     | -                              | -                   | -            | (15,26,662)   |
| Income from Broadcasting operations*   | 21,658,124      | -                              | 322,130#            | -            | 21,980,254    |
|  | (15,318,677)    | -                              | -                   | -            | (15,318,677)  |
| Sale of recorded tapes*  | -               | -                              | -                   | -            | -             |
| Management fee   | 600,000         | 44,000                         | -                   | -            | 644,000       |
|  | (600,000)       | -                              | -                   | -            | (600,000)     |
| Purchase of fixed Assets   | 85,980          | -                              | -                   | -            | 85,980        |
|  | -               | -                              | -                   | -            | -             |
| Sale of Fixed Assets   | -               | -                              | -                   | -            | -             |
|  | (4,950,001)     | -                              | -                   | -            | (4,950,001)   |
| SMS charges  | 86,239          | -                              | -                   | -            | 86,239        |
|  | (315,952)       | -                              | -                   | -            | (315,952)     |
| Screen Rent  | (10,588,800)    | -                              | -                   | -            | (10,588,800)  |
| Rent payment made to related parties for use of common facilities/ utilities     | 10,538,876      | -                              | 1,273,968**         | -            | 11,812,844    |
|  | (12,101,220)    | -                              | (181,182)#          | -            | (13,662,531)  |
|  | 7,974           | -                              | (1,380,129)**       | -            | (13,662,531)  |
| Rent charged to related parties for use of common facilities/ utilities          | (30,935)        | -                              | 26,472^             | -            | 34,446        |
|  | -               | -                              | -                   | -            | (30,935)      |
| Remuneration / Commission paid   | -               | -                              | -                   | 13,609,084   | 13,609,084    |
|  | -               | -                              | -                   | (20,514,264) | (20,514,264)  |
| Misc Inter-Company service received from related parties & other charges paid    | 3,022,289       | -                              | 879,504**           | -            | 3,901,793     |
|  | (5,607,567)     | (88,000)                       | (825,891)#          | -            | (8,305,490)   |
| Misc Inter-Company services rendered to related parties & other charges received | 1,925,611       | -                              | (1,784,032)**       | -            | (8,305,490)   |
|  | (686,875)       | -                              | 9180**              | -            | 2,589,268     |
| Interest paid on Loans   | (22,327,883)    | -                              | 654,477#            | -            | (1,195,542)   |
|  | 17,000,000      | -                              | (508,667)           | -            | (22,327,883)  |
| Loan Received  | (86,695,095)    | -                              | -                   | -            | 17,000,000    |
|  | 377,540,626     | -                              | -                   | -            | (86,695,095)  |
| Loan Repayment   | -               | -                              | -                   | -            | 377,540,626   |
| Share subscription money paid  | -               | -                              | 270,000,000#        | -            | 270,000,000   |
|  | -               | -                              | (184,999,988)#      | -            | (184,999,988) |

(\*) The figures include Sales Tax / Service Tax as applicable

(\*\*) Represents transactions with Thomson Press (India) Limited.

(^) Represents transactions with Radio Today Broadcasting Limited.

(#) Represents transactions with Mail Today

Note:

1. Previous year figures are in bracket

2. Other Related Party transactions:

The Company is using certain 2 MB telephone leased obtained from Mahanagar Telephone Nigam Limited. These facilities were originally obtained in the name of Living Media India Limited and are pending transfer in the name of the Company.

**(III). Outstanding Balances pertaining to Related Parties**

(Amount Rs.)

| Name of the Related Party                   | Amount outstanding as at March 31, 2011 | Amount outstanding as at March 31, 2010 |
|---|---|---|
| Living Media India Limited                  | (9,210,538)                             | (385,865,569)                           |
| <b>Total Holding Company</b>                | <b>(9,210,538)</b>                      | <b>(385,865,569)</b>                    |
| Integrated Databases India Ltd.             | Nil                                     | (22,000)                                |
| <b>Total Companies Under Common Control</b> | <b>Nil</b>                              | <b>(22,000)</b>                         |
| Radio Today Broadcasting Limited            | 26,472                                  | -                                       |
| Thomson Press (India) Limited               | (148,784)                               | (461,595)                               |
| Mail Today News Papers Ltd.                 | 1,122,682                               | 185,777,260                             |
| <b>Total Fellow Subsidiary Companies</b>    | <b>1,000,370</b>                        | <b>185,315,665</b>                      |
| T.V. Today Network (Business) Limited       | 120,372                                 | 33,981                                  |
| <b>Total Subsidiary Company</b>             | <b>120,372</b>                          | <b>33,981</b>                           |
| Aroon Purie                                 | (8,210,682)                             | (19,154,715)                            |
| <b>Total Director</b>                       | <b>(8,210,682)</b>                      | <b>(19,154,715)</b>                     |

Figures in brackets represent amounts payable.



## T.V. Today Network Limited

### 9. Segment Reporting:

(Amount Rs.)

| Particulars  | TV Broadcasting      | Radio Business        | Total                  |
|--|----------------------|-----------------------|------------------------|
| <b>Segment Revenue</b>   |                      |                       |                        |
| Income from Broadcasting   | 2,890,469,363        | 42,146,544            | 2,932,615,907          |
|  | (2,804,645,975)      | (43,510,242)          | (2,848,156,217)        |
| Other Allocable Income   | 49,963,350           | 2,416,536             | 52,379,886             |
|  | (53,828,133)         | (-692,457)            | (53,135,676)           |
| <b>Segment Results</b>   | <b>367,576,613</b>   | <b>(219,080,846)</b>  | <b>148,495,767</b>     |
|  | <b>(578,491,382)</b> | <b>(-221,260,733)</b> | <b>(357,230,649)</b>   |
| Diminution in value of Investment                                  |                      |                       | (-564,323)             |
| Interest Expenses  |                      |                       | (7,062,170)            |
|  |                      |                       | (-64,777,905)          |
| Dividend Income  |                      |                       | 717,991                |
|  |                      |                       | (1,231,697)            |
| Diminution in value of investment written back                     |                      |                       | 271,007                |
|  |                      |                       | (-)                    |
| Gain on sale of Investment   |                      |                       | (60,664,428)           |
| Interest on Bank Deposit   |                      |                       | 42,031,753             |
|  |                      |                       | (116,010,553)          |
| Income tax Expenses  |                      |                       | (60,260,602)           |
|  |                      |                       | (-161,156,267)         |
| Profit after tax   |                      |                       | 124,193,746            |
|  |                      |                       | (308,638,832)          |
| <b>Other Segment Information</b>                                   |                      |                       |                        |
| Capital Expenditure  | 58,644,782           | 461,906               | 59,106,688             |
|  | (84,406,610)         | (290,748,555)         | (113,481,465)          |
| Depreciation for the Year  | 133,333,717          | 26,730,978            | 160,064,695            |
|  | (174,238,189)        | (36,765,686)          | (211,003,875)          |
| Segment Assets   | 2,538,822,187        | 238,916,750           | 2,777,738,937          |
|  | (2,195,793,885)      | (277,698,664)         | (2,473,492,549)        |
| Corporate Assets   |                      |                       | 806,184,909            |
|  |                      |                       | (1,466,519,275)        |
| Advance Tax net of provision                                       |                      |                       | 341,668,919            |
|  |                      |                       | (336,768,502)          |
| Deferred Tax Assets  |                      |                       | 111,535,022            |
|  |                      |                       | (126,795,624)          |
| <b>Total Assets</b>  |                      |                       | <b>4,037,127,787</b>   |
|  |                      |                       | <b>(4,403,575,950)</b> |
| Segment Liabilities  | 643,797,061          | 37,291,999            | 681,089,060            |
|  |                      |                       | (694,900,304)          |
| Corporate Liabilities  |                      |                       | 231,929,863            |
|  |                      |                       | (659,018,265)          |
| Shareholder's Fund   |                      |                       | 3,124,108,864          |
|  |                      |                       | (3,049,657,381)        |
| <b>Total Liabilities</b>   |                      |                       | <b>4,037,127,787</b>   |
|  |                      |                       | <b>(4,403,575,950)</b> |
| Net non cash expenditure other than depreciation and amortizations |                      |                       | 60,920,591             |
|  |                      |                       | (18,715,899)           |

Previous year figures are in bracket

The Company has considered business segment as the primary segment for disclosure. The products included in each of the reported domestic business segments are as follows:

- TV Broadcasting
- Radio Business

The above business segments have been identified considering :

- the nature of services
- the differing risks and return
- the organizations structure and
- the internal financial reporting systems

**10. Operating Leases**

The Company has cancelable lease arrangements mainly for leasing of office premises and Company leased accommodations for its employees. Terms of lease include terms of renewal, increase in rents in future periods and terms of cancellation. The operating lease payments recognized in the Profit & Loss account amount to Rs. 125,811,031 (Previous Year Rs. 115,313,260), net of sublease rental received Rs. 6,637,955 (Previous Year Rs. 5,290,142).

11. The Company has as a strategic decision considered entering into the print media. In this regard, it has acquired some stake in Mail Today Newspapers Private Limited (Mail Today), a differentiated newspaper with respect to content as well as value to its advertisers. Based on the valuation of the equity shares of Mail Today, carried out by an independent valuer, the Company, the acquired some stake through direct subscription and also through purchase from existing shareholders amounting to Rs. 45.5 crores. Though, Mail Today is in the initial stages of operations and presently is incurring losses, the Company, based on independent projections, is confident of the future profitability of Mail Today and consequently of the carrying value of the Investment.
12. Based on information available with the Company, there are no outstanding dues to Micro and Small enterprises as at March 31, 2011. No interest is paid/payable by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.
13. The figures for the previous year have been regrouped/ rearranged wherever considered necessary to conform to the current year's classification..



# T.V. Today Network Limited

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

|   | For the Year Ended<br>March 31, 2011<br>Amount (Rs.) | For the Year Ended<br>March 31, 2010<br>Amount (Rs.) |
|---|--|--|
| <b>Cash flows from operating activities</b>   |  |  |
| Net profit before taxation and after Employees Stock Compensation Expense             | 184,454,348  | 469,795,099  |
| Adjustments for:  |  |  |
| Depreciation  | 160,064,695  | 211,003,875  |
| Deferred Revenue Expenditure written off  | -  | 9,725,960  |
| Employees Stock Compensation Expense  | 1,556,816  | 1,189,303  |
| Provision for Gratuity  | 9,393,964  | 8,629,750  |
| Provision for Leave Encashment  | 12,423,380   | 13,370,294   |
| Provision for Doubtful Debts & Advances   | 37,856,399   | 18,151,576   |
| Bad debts written off   | 605,622  | -  |
| Provision for diminution in the value of investments written back                     | (271,007)  | 537,726  |
| Provision no longer required written back   | (41,323,307)   | (46,459,549)   |
| Provision for Wealth Tax  | 1,676,089  | 1,635,218  |
| Loss/(Profit) on sale of Fixed Assets   | (251,406)  | (305,092)  |
| Interest received on deposits   | (42,031,753)   | (116,010,553)  |
| Dividend Income   | (717,991)  | (1,231,697)  |
| Interest Paid   | 7,095,428  | 64,777,905   |
| Profit on sale of investments   | -  | (60,664,428)   |
| <b>Operating profit before working capital changes</b>                                | 330,531,277  | 574,145,387  |
| Change in Sundry Debtors  | (163,847,506)  | (199,254,500)  |
| Change in Other Current Assets  | (57,052,614)   | (250,019,164)  |
| Change in Current Liabilities & Provisions  | 54,012,616   | 111,308,926  |
| <b>Cash generated from operations</b>   | 163,643,773  | 236,180,649  |
| Income taxes paid   | (49,900,418)   | (321,257,273)  |
| Wealth tax paid   | (1,717,557)  | (1,732,556)  |
| <b>Net cash from operating activities</b>   | 112,025,798  | (86,809,180)   |
| <b>Cash flows from investing activities</b>   |  |  |
| Purchase of investments   | (269,941,487)  | -  |
| Sale of investments   | -  | 561,120,429  |
| Purchase of fixed assets  | (59,106,688)   | (113,481,464)  |
| Dividend received   | 717,991  | 1,231,697  |
| (Increase) in Capital Work in Progress  | (293,837,510)  | (221,334,716)  |
| Proceeds from sale of Fixed Assets  | 3,272,412  | 8,052,898  |
| Interest received on deposits   | 75,564,640   | 99,780,935   |
| <b>Net cash from investing activities</b>   | (543,330,642)  | 335,369,779  |
| <b>Cash flows from financing activities</b>   |  |  |
| Proceeds from issuance of share capital   | 534,150  | -  |
| Payment towards buyback of share capital  | -  | (14,512,763)   |
| Proceeds from long-term borrowings from banks   | -  | 271,278,220  |
| Payments for long-term borrowings from banks  | (225,000,000)  | (100,000,000)  |
| Proceeds/(Repayment) of short term loans  | (251,795,712)  | 86,695,095   |
| Interest paid   | (9,954,812)  | (64,777,905)   |
| Dividend & Corporate Dividend Tax paid  | (50,534,804)   | (50,864,630)   |
| <b>Net cash used in financing activities</b>  | (536,751,178)  | 127,818,017  |
| <b>Net increase in cash and cash equivalents</b>                                      | (968,056,022)  | 376,378,616  |
| <b>Cash and cash equivalents at beginning of year</b>                                 | 1,295,946,078  | 909,903,141  |
| <b>Add: Cash and cash equivalents acquired pursuant to the Scheme of Amalgamation</b> | -  | 9,664,321  |
| <b>Cash and cash equivalents at end of year (see Note 1)</b>                          | 327,890,056  | 1,295,946,078  |

### Note : 1

#### Cash and cash equivalents at end of year

|                                  |             |               |
|----------------------------------|-------------|---------------|
| Cash in hand                     | 1,006,168   | 699,091       |
| Cheques in hand                  | -           | 896,541       |
| Balance with scheduled banks -   |             |               |
| - Current Accounts               | 22,621,321  | 31,469,801    |
| - Dividend Account               | 1,358,474   | 1,176,552     |
| - Deposit Accounts               | 302,904,093 | 1,261,704,093 |
| <b>Cash and cash equivalents</b> | 327,890,056 | 1,295,946,078 |

### Note : 2

Figures in brackets indicate cash outflow

### Note : 3

The above Cash flow statement has been prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India

This is the Cash Flow Statement referred to in our report of even date. The notes referred to above forms an integral part of the Cash Flow statement

For Price Waterhouse

For and on behalf of the Board

Firm Registration No. 301112E

Chartered Accountants

Sd/-

S. Mukherjee

Partner

Membership No. 57084

Sd/-

Puneet Jain

Company Secretary

GM-Legal & F & A

Sd/-

Gulab Makhija

VP- F&A

Sd/-

Anil Mehra

Director

Sd/-

Aroon Purie

Chairman &

Managing

Director

Place : Gurgaon

Date : May 30, 2011



## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### (A) REGISTRATION DETAILS

|                     |   |                |
|---------------------|---|----------------|
| REGISTRATION NUMBER | : | 103001         |
| STATE CODE          | : | 55             |
| BALANCE SHEET DATE  | : | March 31, 2011 |

### (B) CAPITAL RAISED DURING THE YEAR (Amount in Rs. '000)

|                   |   |     |
|-------------------|---|-----|
| PUBLIC ISSUE      | : | NIL |
| RIGHTS ISSUE      | : | NIL |
| BONUS ISSUE       | : | NIL |
| PRIVATE PLACEMENT | : | NIL |
| ISSUE UNDER ESOP  | : | NIL |

### (C) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs.'000)

|                   |   |           |
|-------------------|---|-----------|
| TOTAL LIABILITIES | : | 4,037,128 |
| TOTAL ASSETS      | : | 4,037,128 |

#### SOURCES OF FUNDS

|                                      |   |           |
|--------------------------------------|---|-----------|
| PAID- UP CAPITAL                     | : | 297,283   |
| EMPLOYEE STOCK OPTIONS               | : | 5,550     |
| RESERVE & SURPLUS                    | : | 2,821,275 |
| SHARE APPLICATION                    | : | -         |
| SHARE SUSPENSE                       | : | -         |
| SECURED LOANS                        | : | 178,745   |
| UNSECURED LOANS                      | : | -         |
| DEFERRED TAX LIABILITY/ (ASSET)- NET | : | (111,535) |

#### APPLICATION OF FUNDS

|                           |   |           |
|---------------------------|---|-----------|
| NET FIXED ASSETS          | : | 1,507,380 |
| INVESTMENTS               | : | 474,680   |
| NET CURRENT ASSETS        | : | 1,209,258 |
| MISCELLANEOUS EXPENDITURE | : | -         |
| ACCUMULATED LOSSES        | : | -         |

### (D) PERFORMANCE OF THE COMPANY (Amount in Rs. '000)

|                           |   |           |
|---------------------------|---|-----------|
| TURNOVER                  | : | 3,028,016 |
| TOTAL EXPENDITURE         | : | 2,843,562 |
| PROFIT/(LOSS) BEFORE TAX  | : | 184,454   |
| PROFIT/(LOSS) AFTER TAX   | : | 124,194   |
| EARNINGS PER SHARE IN RS. | : | 2.15      |
| DIVIDEND RATE %           | : | 15        |

### (E) GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

|                     |   |                      |
|---------------------|---|----------------------|
| ITEM CODE NUMBER    | : | -                    |
| PRODUCT DISCRIPTION | : | TELECAST & BROADCAST |



## T.V. Today Network Limited

### STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANY

| Name of the Subsidiary Company  | T.V. Today Network (Business) Ltd. |
|---|------------------------------------|
| 1. Financial Year of the Company ended on   | 31.03.2011                         |
| 2. Holding Company's Interest:  |                                    |
| (i) Equity Shares of Rs. 10 each  |                                    |
| (a) Number of Shares Fully Paid   | 1,50,000                           |
| (b) Extent of Holding   | 100%                               |
| 3. Net aggregate amount of profit/(Loss) of the Subsidiary, so far as they concern members of T.V. Today Network Limited. |                                    |
| (i) For the said financial year of the Subsidiary:  |                                    |
| (a) Dealt with in the accounts of Holding Company:  | NIL                                |
| (b) Not dealt with in the accounts of the Holding Company:  | 45,658                             |
| (ii) For the previous financial years of the Subsidiary since it has become the Holding Company's subsidiary              | 150,973                            |

As the financial year of the Subsidiary Company coincide with the financial year of the Holding Company, Section 212(5) of the Companies Act, 1956, is not applicable.

For and on behalf of the Board

Sd/-  
**Puneet Jain**  
GM-Legal & F&A &  
Company Secretary

Sd/-  
**Gulab Makhija**  
VP - Finance  
& Accounts

Sd/-  
**Anil Mehra**  
Director

Sd/-  
**Aroon Purie**  
Chairman &  
Managing Director

Place : New Delhi  
Date : May 30, 2011