

ANNUAL REPORT  
2011-2012





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**BOARD OF DIRECTORS**

Aroon Purie, Chairman & Managing Director

Koel Purie Rinchet, Whole Time Director

Anil Mehra

Anil Vig

Rakesh Kumar Malhotra

Rajeev Thakore

Ashok Kapur

**Audit Committee**

Rakesh Kumar Malhotra, Chairman

Anil Mehra

Rajeev Thakore

**Chief Executive Officer**

Joy Chakraborty

**Company Secretary & Head Legal & General Manager (F & A)**

Puneet Jain

**Auditors**

Price Waterhouse

Chartered Accountants

New Delhi

**Bankers**

Canara Bank

ICICI Bank Limited

**Registered Office**

Videocon Tower

E-1, Jhandewalan Extn.

New Delhi - 110 055

**Registrar & Transfer Agents**

MCS Limited

F- 65, Okhla Industrial Area

Phase-I, New Delhi-110 020

## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors are pleased to present the Thirteenth Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31<sup>st</sup> March 2012.

#### 1. Financial Results

The financial results of the Company for the year ended 31<sup>st</sup> March 2012 are summarized below for your consideration.

(Rs. in Crores)

Particulars	Year Ended 31 <sup>st</sup> Mar'12	Year Ended 31 <sup>st</sup> Mar'11
<b>Income from operations</b>	<b>308.43</b>	293.38
Other income	5.61	9.42
<b>Profit before Finance, Charges, Amortization, Depreciation and Tax</b>	<b>31.90</b>	35.40
Finance Charges (including Interest)	1.43	0.95
Depreciation	14.04	16.01
<b>Profit before tax</b>	<b>16.42</b>	18.45
Provision for Tax	5.90	6.03
<b>Net Profit</b>	<b>10.51</b>	12.42
Balance amount brought forward	161.68	155.10
Profit Available for appropriation	172.19	167.52
Transferred to General Reserve	0.55	0.65
Proposed Dividend	4.46	4.46
Corporate Dividend Tax	0.72	0.72
Balance Carried forward	166.46	161.68

#### 2. Performance

During the financial year under review, your Company's revenue from operations has been Rs.308.43 Crores compared to Rs. 293.38 Crores last year, an increase of 5.12%. Profit before tax has been Rs 16.42 Crores compared to Rs. 18.45 Crores last year, registering a decline of 11% over the last year. Profit after tax has been Rs.10.51 Crores compared to Rs. 12.42 Crores last year, registering a decline of 15.37% over the last year.

Your company's business model is such that it mainly depends on Ad Revenues. Your Company due to its Channel's impeccable reputation and leadership position of the flagship channel "AAJ TAK", and confidence reposed by its viewers and clients managed to achieve a reasonably satisfactory performance.

In recognition of its leadership position, your Company's Channels have been conferred with the following prestigious awards:

#### News Television Awards 2012

- TV News reporter - Neha Dixit
- Entertainment News Anchor - Denzil
- Investigative report - Inside Lanka's Killing Fields
- Entertainment News Show - Revisiting Ramayan-Saas and the city
- Investigative Feature - Telangana tangle
- Current Affairs Programme (Home & International) - Inside Libiya

#### Promo

- Best Use of Graphics in a Promo -HLT: Vote Drop Promo
- Promo Campaign by a News Channel - DAT : Aapka Chunaav Campaign Promos
  1. Promo for a Channel - Aaj Tak : Badal Gaya India

#### Aaj Tak

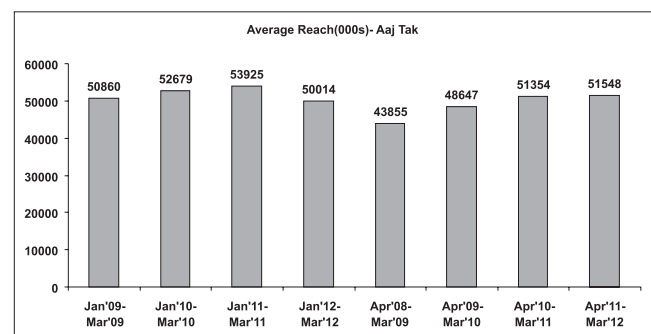
- Current Affairs Programme (Home & International) - Doctoron ki D-Company
- Special Awards - Anna /Lok Pal Show - Aaj Tak

#### Tez

- Entertainment News Show - Dhoonthe Reh Jaaoge

#### AAJ TAK

Aaj Tak continued to maintain its leadership position for the 11<sup>th</sup> consecutive year. Aaj Tak reach has increased from 48.64 million in FY 2009-10 to 51.54 million in 2011-12. Aaj Tak continues to dominate by being the channel of choice during key events. Whether it's a national or an international event, the credibility of Aaj Tak is unmatched. As per IRS Data, Aaj Tak maintains absolute leadership with a reach of 62.2 million (CS viewer). Also, Aaj Tak was bestowed with the Most Trusted Channel Award by the Brand Trust Survey, Aaj Tak was voted no. 1 across all television categories.

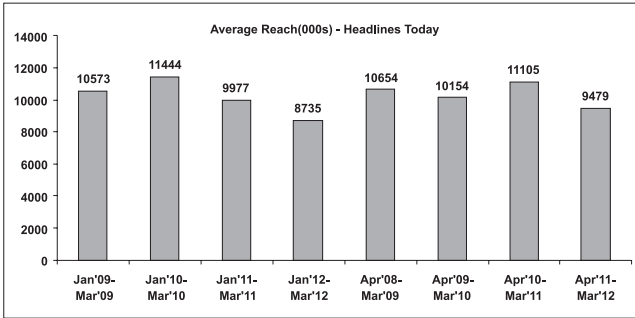


Source : TAM  
 TG : CS 4+ Yrs  
 Market : All India (AT; TEZ; HLT) & Delhi (DAT)



**HEADLINES TODAY**

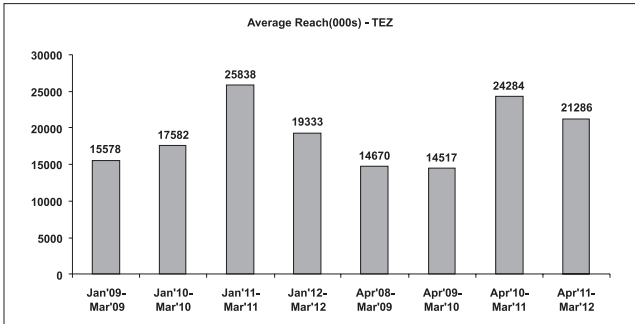
Year 2011-12 was the year of news. Be it Anna's movement for Lokpal or the Cricket world cup, Headlines Today reported from the front and was successful in binding the audience to the news. Headlines Today maintained a reach of approx 10 Million in FY 2011-12. Moreover, at the recently held News Television Academy Awards, Headlines Today was bestowed with 6 awards, including Best Entertainment Anchor Denzil O' Connell, Best Reporter Neha Dixit, Best Investigative report - Inside Lanka's Killing Fields, Best Investigative Feature - Telangana tangle and Best Current Affairs Programme ( Home & International) - Inside Libya.



Source : TAM  
TG : CS 4+ Yrs  
Market : All India (AT; TEZ; HLT) & Delhi (DAT)

**TEZ**

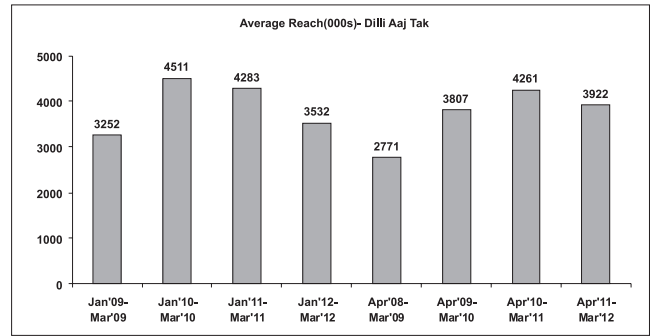
Tez was launched to cater to the news viewer who has little time and wants condensed news. "Tez" had reach of 21.28 million viewers in FY 11-12 in the country as compared to 14.51 million in FY 2009-10. In Mumbai, Tez has a higher market share than Zee News and IBN 7 (Source:-TAM, MKT-MUMBAI,TG-CS4+, Period-FY11-12).



Source : TAM  
TG : CS 4+ Yrs  
Market : All India (AT; TEZ; HLT) & Delhi (DAT)

**DILLI AAJ TAK**

Dilli Aaj Tak is the leading Delhi/NCR focused 24 hrs news channel. The channel has a news-you-can-use format, and has been No.1 in Delhi since the date of its launch with an average reach of 3.92 million in 2011-12 as compared to 3.80 million in FY 2009-10. Dilli Aaj Tak Also maintains a solid monopoly in Delhi .Our MCD election coverage beat even the national players in Delhi.



Source : TAM  
TG : CS 4+ Yrs  
Market : All India (AT; TEZ; HLT) & Delhi (DAT)

**3. Dividend**

Your directors are pleased to recommend for your consideration and approval payment of dividend @ 15% amounting to Rs. 0.75 per equity share of Rs. 5/- each for the financial year 2011-12. Total amount of dividend outgo for the financial year shall be Rs. 5.18 Crores (including Corporate Dividend Tax amounting to Rs. 0.72 Crores).

**4. Deposits**

During the year, your Company has not accepted/renewed deposits from the Public within the meaning of Section 58A, 58AA and other relevant provisions of the Companies Act, 1956, if any.

**5. Directors**

In accordance with the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of your Company, Mr. Anil Vig and Mr. Ashok Kapur, Directors, liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. Your directors recommend re-appointment of Mr. Anil Vig and Mr. Ashok Kapur as directors on the Board of the Company.

**6. Director's Responsibility Statement**

As stipulated in Section 217(2AA) of the Companies Act, 1956, your Directors' subscribe to Directors' Responsibility Statement and confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- they had selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2011-12 and of the profit of the company for that period;
- they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for

safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- the annual accounts had been prepared on a going concern basis.

## 7. Subsidiary Company

The Audited Statement of Accounts, alongwith the report of the Board of Directors and the Auditor's Report pursuant to Section 212 of the Companies Act, 1956 of the wholly owned subsidiary Company, TV Today Network (Business) Limited, for the year ended on 31st March 2012 is annexed.

## 8. Consolidated Accounts

In accordance with the requirement of Accounting Standard 21 of the Institute of Chartered Accountants of India to present consolidated accounts, your Company, in compliance with the said requirement has prepared the consolidated Accounts which is annexed herewith.

## 9. Investments

Your Company has made a strategic investment in Mail Today Newspapers Pvt. Ltd for which it has acquired some stake amounting to Rs. 45.52 Crore. This investment is towards proposed entry into the Print Media utilizing the synergies of content and brand. The same has been further elaborated in Note no. 40 of the Financial statement which is self explanatory.

## 10. Auditors

The statutory auditors of your Company M/s Price Waterhouse, Chartered Accountants holds office up to the conclusion of the forthcoming Annual General Meeting and have offered themselves for re-appointment. They have confirmed that, if re-appointed, their appointment would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956. Your directors recommend their re-appointment as Statutory Auditors of the Company.

Pursuant to the direction from the Ministry of Corporate Affairs for appointment of Cost Auditors, your Board of Directors has appointed M/s. Jitender, Navneet & Co., Cost Accountants, as the Cost Auditor for the financial year ended March 31<sup>st</sup>, 2012.

## 11. Auditor's Report

There are no qualifications of the Auditors on the Accounts of the Company for the financial year ended 31<sup>st</sup> March 2012 requiring further comment from the Board of Directors.

## 12. Corporate Governance

In accordance with Clause 49 of the listing agreement, your Company has ensured continued compliance of Corporate Governance requirements during the financial year. Your Company lays strong emphasis on

transparency, disclosure and independent supervision to increase various stakeholders' value.

The report on Corporate Governance for the financial year 2011-12 is given in a separate section titled "Report on Corporate Governance" and Certificate of Company Secretary in Practice as required under the revised Clause 49 of the listing agreement is appended herewith which forms part of this Annual Report.

## 13. Employees Stock Option Plan

Human Resource is the key to the success of any organization. The Company has always valued its human resources and has tried to adopt the best HR practices. To retain and nurture well-performing employees who are contributing to the growth of the Company, your Company introduced stock option plan (ESOP) for its employees and Directors in 2006. The disclosures in compliance with clause 12 of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (as amended) are set out in the Annexure appended herewith.

A certificate from Statutory Auditors, with regard to the implementation of the Company Employees' Stock Option Scheme, would be placed before the shareholders in the next Annual General Meeting, and a copy of the same shall be available for inspection at the registered office of the Company.

## 14. Management Discussion and Analysis

Separate report on Management Discussion & Analysis is appended herewith.

## 15. The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

In terms of the requirement of clause (e) of sub-section (1) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the particulars with respect to "Conservation of Energy, Technology Absorption and foreign exchange earnings and outgo" are given as under:

(a) Conservation of Energy	: Not Applicable
(b) Technology Absorption	: Not Applicable
(c) Transaction in Foreign Currency :	
i) Value of Imports (CIF basis)	: Rs. 264,408,514
ii) Expenditure in foreign currency (Accrued basis)	
(a) Traveling Expenses	: Rs. 20,023,167
(b) Production Cost	: Rs. 79,802,299
(c) Repair and Maintenance	: Rs. 1,123,041
(d) Others	: Rs. 1,961,195
(d) Income in foreign currency (Accrued basis)	: Rs. 90,086,865



## 16. Particulars of Employees

Particulars of Employees as required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 (as amended) is annexed hereto and forms part of this report.

## 17. Acknowledgement

Your Directors place on record their deep appreciation of the contribution made by all section of employees with dedication, commitment and team effort which helped your Company in achieving the performance during the year despite stiff competition from the existing as well as new players in the news and current affairs genre.

Your Directors also acknowledge with thanks the support given by the Central Government, bankers, shareholders and investors at large and look forward to their continued support.

**For and on behalf of the Board of Directors**

Place : New Delhi  
Date : May 18<sup>th</sup>, 2012

Sd/-  
**Anil Mehra**  
*Director*

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

**Note:** As per the provisions of Section 219(1) (b) (iv) of the Companies Act, 1956, read with amended Clause 32 of the Listing Agreement with the Stock Exchanges, the Annual Report is being sent to all shareholders of the Company excluding Particulars of Employees under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975. Any shareholder interested in obtaining such particulars may write to the Company Secretary at the Company's New Delhi office at Videocon Tower, E-1, Jhandewalan Extension Delhi-110 055.



**INFORMATION REGARDING THE EMPLOYEES STOCK OPTION PLAN**  
(As on March 31, 2012)

Sl. No.	Particulars	First Grant	Second Grant	Third Grant	Fourth Grant	Fifth Grant	Sixth Grant	Seventh Grant
I	Date of Grant	December 01, 2006	March 01, 2007	December 01, 2007	June 24, 2008	April 05, 2010	May 20, 2010	September 30, 2010
II	Market value on date of grant of the underlying equity shares	Rs. 74.35	Rs. 134.85	Rs. 152.75	Rs. 93.15	Rs. 113.90	Rs. 102.85	Rs. 85.15
III	Exercise Price (50% of options) (Balance 50% of options)*	Rs. 74.35 Rs. 44.35	Rs. 134.85 Rs. 104.85	Rs. 152.75 Rs. 122.75	Rs. 93.15 Rs. 63.15	Rs. 113.90 Rs. 83.90	Rs. 102.85 Rs. 72.85	Rs. 85.15 Rs. 55.15
IV	Vesting Period	4 years	4 years	4 years	4 years	4 years	4 years	4 years
a	Options Granted (NET OF OPTIONS CANCELLED)	1,90,500	55,000	15,000	104,000	21,500	37,500	200,000
b	Pricing Formula	50% of options are granted at the market price and balance 50% of the options at a discount to the market price. Discount shall vary from Rs. 0 to Rs. 30/- depending upon the meeting of the performance criteria by the employee from year to year.						
c	Option Vested	45,500	NIL	NIL	NIL	NIL	NIL	NIL
d	Option Exercised	45,500	NIL	NIL	NIL	NIL	NIL	NIL
e	Number of shares arising as a result of exercise of option	45,500	NIL	NIL	NIL	NIL	NIL	NIL
f	Option Lapsed	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g	Variation of terms of options	NA	NA	NA	NA	NA	NA	NA
h	Money realized by exercise of options	27,22,925	NA	NA	NA	NA	NA	NA
i	Total number of options in force	1,34,500	10,000	0	89,000	5,000	37,500	1,00,000
j	Employee-wise details of options granted to i) Senior Management Personnel	<ol style="list-style-type: none"> <li>1. Q.W Naqvi News Director 45,000 options</li> <li>2. Rajnish Rikhy Senior VP-Ad Sales 45,000 options</li> <li>3. Sanjay Jain VP Finance 3,000 options (resigned)</li> <li>4. Rinku Paul GM - Ad Sales 15,000 options (resigned)</li> <li>5. Nikita Tulsian GM Ad Sales 15,000 options</li> <li>6. Satyaky Chowdhury GM Ad Sales 15,000 options</li> <li>7. Rehan Kidwai VP Operations 15,000 options</li> <li>8. Prince Sharma VP Technology 22,500 options</li> <li>9. Amitabh Executive Producer 15,000 options</li> <li>10. Rajmohan Nair VP Network 45,000 options (resigned)</li> <li>11. Bijo GM Ad Sales 10,000 options</li> <li>12. Shailesh Kumar Executive Producer 15,000 options (resigned)</li> <li>13. Rahul Kanwal Executive Producer 15,000 options</li> <li>14. Denzil O'Connell Associate Executive Producer 9,000 options</li> <li>15. Ritul Joshi Deputy Editor 7,500 options</li> <li>16. Sonia Singh Senior Special Correspondent 7,500 options</li> <li>17. Sahil Joshi Bureau Chief 7,500 options</li> <li>18. Deepak Sharma Editor 7,500 options</li> <li>19. Shams Editor 7,500 options</li> <li>20. Tahir Khan Editor 7,500 options</li> <li>21. Vikrant Gupta Editor 7,500 options</li> <li>22. Gautam Roy Senior Special Correspondent 7,500 options (resigned)</li> <li>23. Avantika Singh Associate Senior Producer 7,500 options (resigned)</li> <li>24. Samip Rajguru Senior Special Correspondent 5,000 options</li> <li>25. Sanjiv Chauhan Special Correspondent 5,000 options</li> </ol>						

		<p>25. Prateek Trivedi Special Correspondent 5,000 options  26. Nida Khan Associate Senior Producer 5,000 options  27. Mandeep Bevil Associate Executive Producer 9,000 options (resigned)  28. Manish Dubey Editor 7,500 options (resigned)  29. Ruchika Tomar Principal Correspondent 5,000 options  30. Ajay Kumar Executive Producer 15,000 options  31. Abhisar Deputy Editor 7,500 options  32. Poonam Sharma Deputy Editor 7,500 options  33. Gaurav Sawant Associate Editor 7,500 options  34. G. Krishnan Chief Executive Officer 100,000 options (resigned)  35. Anil Mehra Director 100,000 options</p> <p>(Out of above, 45,500 options have been exercised as mentioned under Sl. No. d)</p>						
	ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year;	None.						
	iii) Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of the grant.	None.						
k	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with accounting Standard (AS) 20 'Earning Per Share'.	Rs. 1.77						
l	In case, the employees compensation cost is calculated on the basis of intrinsic value of stock option, the difference between the employees compensation of the stock option cost based on intrinsic value of the stock and the employees compensation of the stock option cost based fair value, and the impact of this difference on profits and on EPS of the Company.	The Company has used intrinsic value method for calculating the employee compensation cost with respect to the Stock Options. If the employee compensation cost for the ESOP had been determined in a manner consistent with the fair value approach the Stock Option compensation expenses would have been higher by Rs. 3.58 million (Need to confirm). Consequently, the profit would have been Rs. 124.19 million instead of the current profit of Rs. 105.15 million and the EPS of the Company would have been (Rs. 2.15) instead of (Rs. 1.77).						
m	For options whose exercise price either equals or exceeds or is less than the market price of the stock the following are disclosed separately: <b>a) Weighted average exercise price</b> i) when the exercise price is equal to market price ii) when the exercise price is less than market price <b>b) Weighted average fair value</b> i) when the exercise price is equal to market price ii) when the exercise price is less than market price	Rs. 89.58	Rs. 75.10	Rs. 56.78	Rs. 63.15			
n	A description of the method and significant assumptions used during the year to estimate the fair value of options, including the following weighted-average information: i) risk-free interest rate; ii) expected life; iii) expected volatility; iv) expected dividends; and v) the price the underlying shares in the market at the time of option grant.	7.35%	7.87%	8.07%	8.83%	8.09%	7.94%	8.10%
		10 years	10 years	10 years	10 years	10 years	10 years	10 years
		48.28%	55.44%	51.27%	58.35%	54.44%	52.40%	43.13%
		1.01%	0.56%	0.49%	0.83%	0.66%	0.74%	0.89%
		74.35	134.85	152.75	93.15	113.90	102.85	85.15

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

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian M&E industry grew from INR 65,200 Crore in 2010 to INR 72,800 Crore in 2011, registering an overall growth of 12 percent. The growth trajectory is backed by strong consumption in Tier 2 and 3 cities, continued growth of regional media, and fast increasing new media business. Overall, the industry is expected to register a CAGR of 15 percent to touch INR 1,45,700 Crore by 2016 according to a latest FICCI KPMG report.

While television continues to be the dominant medium, sectors such as animation & VFX, digital advertising, and gaming are fast increasing their share in the overall pie. Radio is expected to display a healthy growth rate after the advent of Phase 3.

The media industry is an ad-dependent business and will continue to be so for some time, largely due to the relatively low ARPUs (Average Revenue Per User) on account of hyper competition and lower price elasticity of consumers. Advertising spends across all media accounted for INR 30,000 Crore in 2011, contributing to 41 percent of the overall M&E industry's revenues. Advertising revenues witnessed a growth of 13 percent in 2011, as against 17 percent observed in 2010. Advertising spends are expected to grow at a CAGR of 14 percent to reach INR 58,600 Crore in 2016.

#### Key trends and industry drivers:

- **Growth in digital content consumption across media:**

Digital technology continues to revolutionize media distribution. There has been increased proliferation and consumption of digital media content - Accordingly, online advertising spends have seen a spurt in growth viz-a-viz spends on traditional media. Going forward, the adoption of 3G and 4G services could further fuel broadband penetration and offer opportunities for scaling digital media businesses.

- **Regionalization:**

Regional television continued its strong growth trajectory owing to growth in incomes and consumption in the regional markets. National advertisers are looking at these markets as the next consumption hubs and the local advertisers are learning the benefits of marketing their products aggressively.

- **An advertising revenue dependant industry:**

The ARPU for television on account of hyper competition in these industries. Segments like radio and a significant portion of online content are available free of cost to consumers. Owing to this, the Indian consumer is still not used to paying for content and hence the industry players are sensitive to the impact of the slowdown which affects the budgets of advertisers.

- **Awaited regulatory shifts:**

Apart from the shifts in consumer preferences, company strategies and business models, one big change awaited for the next growth wave is the implementation of recently enacted and regulations on digitization for cable, implementation of Phase 3 and copyright for Radio and the roll out of 4G.

### KEY HIGHLIGHTS

#### A. Television:

- The over-all television industry is estimated to be INR 32,900 Crore in 2011, and is expected to grow at a CAGR of 17 percent over 2011-16, to reach INR 73,500 Crore in 2016. The share of subscription to the total industry revenue is expected to increase from 65 percent in 2011 to 69 percent in 2016. Cable and Satellite (C&S) penetration of television households is close to 80 percent, with DTH driving a significant part of the growth in the last 12 months.
- Paid C&S penetration is expected to increase to 89 percent of TV households by 2016. The number of C&S households increased by 1.10 Crore during 2011 to reach 11.90 Crore. As television homes increase going forward, consumer demand for content beyond free to air channels, combined with the relatively low ARPUs are expected to drive the demand for C&S in India.
- Distribution: Digitization - the game changer: The cable television industry in India is poised for one of its most significant developments in the last decade - a transformation to the Digital Addressable System (DAS) for television distribution. Cable operators in a DAS regime would be legally bound to transmit only digital signals. Subscribed channels can be received at the customer's premises only through a set-top-box equipped with a conditional access card, and a subscriber management system (SMS).
- There may be a delay of approximately 6 to 12 months for complete digitization across metros (Phase I) and it may also vary across the metro cities. The Delhi market is considered the most challenging, given the highly fragmented nature of cable industry in the city, while the Mumbai market is largely consolidated, with fewer MSOs.
- The power equation is expected to shift towards MSOs over the next three years. In the absence of digital addressability, the industry estimates that a cable operator declares only 15 to 20 percent of his actual subscriber base to the MSO. However, revenue share between various stakeholders may continue to be negotiation driven. The revenue share is expected to evolve as digitization progresses. Broadcasters and MSOs are expected to see a significant increase in their bargaining power over LCOs.

- Carriage fee per broadcaster to rationalize: Carriage fee has increased significantly over the last few years. Broadcasters as well as MSOs expect a decline in carriage fee after the implementation of the first phase of digitization. Placement is expected to remain crucial even on a digital platform, and a decline in the carriage fee may be offset to some extent by an increase in the placement fee. [It may be noted herein that the FICCI report was released on March 12, 2012. Thereafter, TRAI issued a Notification on April 30th, 2012 making recommendation on Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable), thus certain issues raised in the FICCI report have been dealt with by TRAI vide the said Notification]
- Broadcasters to benefit from increased subscription revenues: Addressability is expected to increase the revenue share of broadcasters, leading to an approximate 30 percent CAGR in subscription revenue of broadcasters from 2011 to 2016.
- ARPU growth may remain low in the short-medium term due to significant competition and a race to acquire subscribers During implementation of digitization, ARPUs may continue to be under pressure, as MSOs and DTH operators target the same subscriber base.
- DTH - strong growth likely to continue due to digitization: The DTH segment continued to expand in India, reaching a gross subscriber base of around 4.40 Crore at the end of 2011. Despite strong growth, DTH saw a relative slowdown towards the later part of the year. Discussions indicate that a decrease in free viewing period offers across industry players, leading to a correction in demand, may have partially contributed to the slowdown.
- News channels command a share of advertising revenue disproportionate to their viewership share - the share of advertising revenue is approximately double the share of viewership. This premium is paid to reach the male audience (the core target group for GECs is female). Hindi News genre viewership share is 4.07 % while the ad revenue % is 8.51 % giving a power ratio of 2.09. In case of English general news the viewership share is 0.40 % while the ad revenue share is 3.56 % which gives a power ratio of 8.95. For English Business News the viewership share is 0.19 % while ad revenue is 1.51 % which gives a power ratio of 8.06 (Source : FICCI KPMG 2011). Digitization, and the associated increase in subscription revenue along with the potential decline in carriage (due to increase in carrying capacity), will have a very positive impact on the prospects of the news genre.

## B. Radio:

- Overall, the industry grew 15 percent in CY 2011 to reach INR 1,150 Crore, compared to INR 1,000 Crore in CY 2010. Volume increases in certain markets and rate increases for the leaders in metros drove growth.
- Listenership trends: While Indian Readership Survey or IRS has been reporting stagnant listenership across cities, industry players, however, feel differently on the subject. Given that 30 percent of radio listenership happens from out-of-home, it is unlikely that radio listenership would have dropped, say industry participants. RAM data, has shown a consistent increase in listenership from 2007 across all major cities. The increase in listenership is partly driven by out-of home listenership driven by mobile phones. Share of radio listenership on mobile phones has increased from 20 percent in 2009 to 25 percent in 2011. Future growth in listenership is expected to come from increased penetration of FM in smaller cities as Phase III licenses are expected to be launched later this year and continued increase of listenership on platforms like mobile phones, internet, tablets etc.
- Advertising trends: Radio's share in the advertising pie is expected to have increased from 3.76% in 2010 to 3.83% in 2011 and is projected to be 5.03% in 2016.
- Phase III: The high point of 2011 for the radio industry, FM Phase III policy will result in coverage of all cities with a population of one lakh and above through private FM channels.
- Impact of Phase III:
- Revenue growth  
The industry will see growth from existing licenses (through increased prices in metros and increased utilization levels in non-metros), new licenses in the existing cities and through the addition of new cities as a part of Phase III.
- Cost economics  
With expected revenue growth after Phase III cost economics for the industry have the potential to improve significantly. In addition, with permission for multiple frequencies in a city, the incremental cost for additional frequency is significantly lower than that for an independent station.
- Impact on Industry structure  
The permission for multiple frequencies is expected to result in established players looking to acquire

additional stations in larger cities to build focused formats. Also, the reduction of shareholder lock-in period from 5 to 3 years and increase of license period from 10 to 15 years may encourage consolidation post the Phase III auctions.

- Content innovation

Permission for multiple frequencies and permission to allow news, sports and current affairs may encourage players to come up with innovative content.

- Expected capital inflow after Phase III

Some estimates claim that Government may fetch INR 1,500 - 1,700 Crore from the auction of Phase III licenses. However, given the revenues from Phase II and uncertainty about royalty issue, the bids are likely to be conservative, especially in the non-metro cities where the existing players already have excess capacity.

- Radio Sector projections: The industry is forecast to grow at a 16 percent CAGR till the Phase III stations start operations (expected in 2013). Post Phase III, the industry is expected to grow at a CAGR of 22 percent. Correspondingly, radio's share of media ad spends is expected to increase from around ~4 percent currently to 5 percent in 2016.

- TRAI has also initiated a process of evaluating the possibility of reducing the channel separation between two adjoining FM channels from the present 800 KHz to 400 KHz - a worldwide practice. [It may be noted that TRAI gave its recommendations dated April 19th, 2012 on "Prescribing Minimum Channel Spacing, within a License Service Area, in the FM Radio Sector in India."]

C. Music: Royalty from Radio & TV: The royalty from radio and television segments equaled INR 60 Crore in 2011, constituting seven percent of the total music industry. The radio royalty declined in 2011 on account of the new revenue model fixed by the Copyright Board. Under the new revenue model, the radio companies now pay the music labels royalty calculated on the basis of 2 percent of their advertisement revenues, as opposed to the weighted average of INR 660 per needle hour. However, as the order is only applicable to PPL (Phonographic Performance Ltd) members, players such as T-Series and other regional music labels which are not associated with PPL, continue to receive royalty on the needle-hour basis.

### Proposed increase in FDI in the broadcasting sector

The Government of India has recently proposed a hike in the foreign investment cap in different broadcasting services like DTH and cable TV networks to a uniform 74 percent from the existing 49 percent. The Finance Ministry has given its approval to the draft cabinet note circulated by the Industry Ministry for liberalizing the sector. However, for the TV news

channels and FM radio, the FDI limit will stay at 26 percent. (Source: - Financial Express dated 18 December 2011)

Policy guidelines for uplinking and downlinking of TV channels: The latest FICCI report further mentions the key highlights of the amendment made by the Ministry of Information and Broadcasting ('MIB'), Government of India, vide its Notification dated 5 December 2011, in respect of uplinking and downlinking of TV channels.

### Outlook

Two main sources of revenue for the broadcasters are - Advertisement Revenue and Subscription Revenue. Since your Company is in the News genre, the primary source of income for your Company is Ad sales revenue. Both the streams of revenue i.e. Advertisement and subscription revenues have shown growth compared to the last financial year.

The ad spend on a channel depends on its market share, reach and the credibility and popularity it enjoys with the consumer. The leadership position of Aaj Tak as the No.1 news channel for the tenth consecutive year has contributed to the growth in advertising revenue. Your Company's 24 hour English News channel "Headlines Today" and Hindi News channel "Tez" catering to the upmarket urban population and Metro centric channel "Dilli Aaj Tak" have also contributed to the revenue growth of the Company in the financial year ended 31st March, 2011 and are expected to further contribute for the Company in the coming years.

Three channels were converted to 'Pay' in 2008. While Channels "AAJ TAK", "Headlines Today", "TEZ" are on the platform of Set Discovery Private Limited (now "MSM Discovery"), Dilli Aaj Tak is marketed directly by the Company.

With the increased penetration of digitisation including new platforms like DTH and IPTV, your Company is expected to benefit from increased subscription revenue through more transparency and addressable reporting of subscription revenues. Your Company also partners in the digital consolidation with the other group Companies to have an edge on digital technology besides considering the potential opportunity in regional space and leveraging the Groups strength in few other media platforms like Hindi newspaper etc.

### Risk and Concerns

#### A. Television

#### Lack of transparency in sharing of revenues by distributors.

Local Cable Operators (LCOs) still garner almost 75 percent of the subscription revenues due to under declaration of the subscription numbers, broadcaster gets around 20 percent and MSO gets around 5 percent. There is a possibility for this scenario to change in light of TRAI notification of April 30th, 2012.



## Carriage Fee

With the limited bandwidth available to the cable operators, there has been a sharp increase in the carriage fees and placement fees paid to DTH, MSOs and LCOs over the last two- three years. The fee varies in accordance with the type of band selected, popularity of the channel and the negotiations between the broadcaster and the DTH operator, MSO or LCO concerned. Even though digitization facilitates hire bandwidth capacity, the number of new channels is also growing and hence both carriage and placement fee might continue to remain a concern for broadcasters, specially after introduction of carriage fees by DTH players.

## Competition leading to increasing content and distribution cost

In the current scenario, broadcasters are vying for a share of viewer eye balls, in order to chase ad spends. Fragmentation of viewership ratings and excess capacity are forcing players to incur high marketing, content and distribution costs in order to stay competitive. Production cost is estimated to have gone up by 10-15 percent.

## Measurement systems

Though the current measurement system in the country captures useful information from 8000 T.V. households, the coverage is limited. TAM continues to be the dominant television broadcasting rating agency in India. It has announced initiatives to broaden its coverage and geographic reach.

## B. FM Radio

Cost structures remain a concern. Others- (1). Frequency availability is limited in metros/mini-metros these markets, and the government has set the floor auction price as the highest price realized in Phase Two; (2). The Royalty issue is also not fully resolved yet, despite the August 2010 ruling by the Copyright Board limiting the royalty payment to 2 percent of revenues; (3). In addition, measurement continues to remain a challenge for the industry, particularly in the markets where RAM is not available. Due to lack of measurement, the acceptance of the medium is still not very high among media planners. Radio, therefore, still represents only 4 percent of media spends, while internationally this proportion is ~8 percent.

## Human Resources

Your Company's employee strength as on 31st March, 2012 was 1169 in comparison to 1196 in the previous year. Your Company considers human resources to be one of the key elements to sustain competitive advantage in the Media sector. Media organizations are human resource driven; its growth depends upon the quality contribution made by the

people in the organization. Therefore your Company recognizes human resource as a key component for facilitating organizational growth. Your Company has continuously worked to create and nurture an organization that is highly motivated, result oriented and adaptable to the changing business environment.

## Internal Control and Systems

Your Company has adequate internal control system commensurate with the size and nature of its business. Your Company's internal audit process is being handled by one of the top four audit firms, Ernst & Young.

Your Company's internal control is designed to: Safeguard the Company's assets and to identify liabilities, ensure the transactions are properly recorded and authorized, Ensure maintenance of proper records and processes that facilitates relevant and reliable information and ensure compliance with applicable laws and regulations.

Further, Ernst & Young conducts extensive audits round the year covering each and every aspect of the business activity so as to ensure accuracy, reliability and consistency of records, systems and procedures. The recommendations and observations of the internal auditors are being reviewed regularly by the Audit Committee.

## Cautionary Statement

The statement made in this report describing the Company's objective, expectations and predictions may be forward looking statement within the meaning of applicable securities laws and regulations. These statements and expectations envisaged by the management are only estimates and actual results may differ from such expectations due to known and unknown risks, uncertainties and other factors including, but not limited to, changes in economic conditions, government policies, technology changes and exposure to market risks and other external and internal factors, which are beyond the control of the Company.

**For and on behalf of the Board of Directors**

Place : New Delhi  
Date : May 18<sup>th</sup>, 2012

Sd/-  
**Anil Mehra**  
Director

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

## REPORT ON CORPORATE GOVERNANCE

### 1. Company's philosophy on Code of Governance:

Corporate Governance is an insight into the management of affairs of the Company. It implies governance with the highest standards of professionalism, integrity, accountability, fairness, transparency, social responsiveness and business ethics for efficient and ethical conduct of business. Company is committed to and firmly believes in, following good corporate governance practices, as they are critical for meeting its obligations towards shareholders and other stakeholders.

### 2. Board of Directors:

#### a) Composition of the Board

The Board of Directors Presently consists of seven directors of which one is a Managing Director & Chairman of the Board, one Whole-time Director and the other five are Non-executive directors. Mr. Anil Vig, Mr. Rajeev Thakore, Mr. Rakesh Kumar Malhotra and Mr. Ashok Kapur are Independent directors.

#### b) Number of Board meetings

During the financial year ended March 31, 2012, the Board met Four (4) times on 30<sup>th</sup> May 2011, 29<sup>th</sup> July 2011, 04<sup>th</sup> November 2011 and 09<sup>th</sup> February 2012.

#### c) Directors' attendance record and Directorship in other Public Limited Companies

Name of the Director	Category	Board Meetings held during the year	Board Meetings attended during the year	Whether last AGM attended	Directorships in other public limited companies	No. of Memberships/ Chairmanships of other Board Committees*	
						Membership	Chairmanship
Mr. Aroon Purie	(Promoter)-Chairman & Managing Director	4	4	Yes	8	-	-
Ms. Koel Purie Rinchet	Whole Time Director	4	4	Yes	NIL	-	-
Mr. Anil Mehra	Non-Executive Director	4	4	Yes	7	2	1
Mr. Anil Vig	Independent Director	4	1	Yes	NIL	-	-
Mr. Rajeev Thakore	Independent Director	4	3	No	2	-	-
Mr. Rakesh Kumar Malhotra	Independent Director	4	4	Yes	1	1	-
Mr. Ashok Kapur	Independent Director	4	3	No	6	1	-

\* None of the directors is a member of more than ten Board Committees or a Chairman of more than five such committees, as required under clause 49 of the Listing Agreement.

The Directorship/membership of committee(s) of Director, excludes their Directorship of committee(s) in T.V. Today Network Ltd.

Mr. Aroon Purie is father of Ms. Koel Puri Rinchet. No other director is related to any other director in terms of the definition of relative given in the Companies Act, 1956.

#### d) Code of Conduct

The Board had laid down a code of conduct for all the Board members and senior management personnel of the company since January 2005, which is also posted on the web-site of the Company ([www.aajtak.intoday.in](http://www.aajtak.intoday.in)).

All Board members and senior management personnel to whom the code of conduct is applicable have affirmed compliance with the code for the financial year 2011-12.

### 3. Audit Committee:

#### a) Composition

The Audit Committee comprises of Mr. Rakesh Kumar Malhotra as Chairman and Mr. Anil Mehra & Mr. Rajeev Thakore, as members. Two-thirds of the members of the Committee including the Chairman are independent directors. The composition of the Committee is in conformity with Clause 49(II) (A) of the Listing Agreement.

All members of the Committee are financially literate. Mr. Rajeev Thakore and Mr. Anil Mehra are financial experts.

#### b) Terms of Reference, Powers & Role of the Committee

The terms of reference of the Audit Committee including its role & powers are as specified in Clause 49 of the Listing Agreement with the Stock Exchanges, and also in Section 292A of the Companies Act, 1956 as amended from time to time, besides other terms as may be referred to it by the Board of Directors.

#### c) Number of Committee Meetings & Attendance

The Committee met Four times during the year on 30<sup>th</sup> May 2011, 29<sup>th</sup> July 2011, 04<sup>th</sup> November 2011 and 09<sup>th</sup> February 2012, The gap between two meetings was not more than four months.



The attendance record of the members is as follows:

Name of the Director	Status	No. of meetings held	No. of meetings attended
Mr. Rakesh Kumar Malhotra	Chairman	4	4
Mr. Anil Mehra	Member	4	4
Mr. Rajeev Thakore	Member	4	3

**d) Review of information by the Audit Committee**

The Audit Committee reviews the report of the Internal Auditors, meets Statutory and Internal Auditors as and when required & discusses their findings, observations, suggestions, internal control system, scope of audit and other related matters. The appointment, removal and terms of remuneration of Internal Auditors is subject to review of the Audit Committee. The Committee also reviews Management Discussion & Analysis of financial conditions and results of operations. It also reviews significant related party transactions, submitted by the Management.

**4. Remuneration Committee**

**a) Composition:**

The Remuneration Committee comprises of three non-executive directors, namely Mr. Rakesh Kumar Malhotra, Chairman, Mr. Anil Mehra and Mr. Ashok Kapur as Members of Committee. The Chairman of Committee and Mr. Ashok Kapur are Independent Directors.

**b) Terms of reference:**

Remuneration Committee has been constituted for the purpose of formulation of ESOP Scheme under SEBI (Employees Stock Option & Employees Stock Purchase Scheme) Guidelines, 1999 and Clause 49 of the Listing Agreement for formulation of terms and conditions of Employee Stock Option Scheme & appointment, fixing/determination of remuneration of Managing Director/Directors and the senior management personnel of the Company and to review the same, from time to time.

**c) Number of Meetings held & Attendance Record:**

Name of the Director	Status	No. of meetings held	No. of meetings attended
Mr. Rakesh Kumar Malhotra	Chairman	3	3
Mr. Anil Mehra	Member	3	3
Mr. Ashok Kapur	Member	3	2

**d) Remuneration Policy & Remuneration of Directors:**

No remuneration has been paid to Directors except to Mr. Aroon Purie, Chairman & Managing Director and Ms. Koel Purie Rinchet, Whole Time Director. Mr. Aroon Purie is entitled to remuneration by way of commission @ 5% of the net profits of the Company, which also includes the facility of a Chauffeur driven car partly for official and personal purposes. He was not entitled to any other benefit, salary, bonus, stock option, pension etc. The monetary value of the remuneration (commission) paid to him during the financial year is Rs. 9,234,491.

Ms. Koel Purie Rinchet is entitled to remuneration by way of salary, perquisites, allowances and bonus including a Company maintained car with reimbursement of Driver's salary, Provident Fund, Gratuity as per rules of the Company. Ms. Koel Purie Rinchet shall be entitled to Group Medical Insurance Scheme and the Group Accident Insurance Scheme as applicable to Senior Employees of the Company. The monetary value of the remuneration paid to her during the financial year is Rs. 5,751,850.

**e) Compensation to Non-executive Directors:**

During the financial year, Non- Executive Directors were paid sitting fee @ Rs. 10,000/- for each meeting attended by them.

**f) Shares held by Non-executive Directors**

Name of the Director	No. of Shares held
Mr. Anil Mehra	100
Mr. Rajeev Thakore	300
Mr. Rakesh Malhotra	100

**5. Shareholders/Investors Grievance and Share Transfer Committee**

**i) Composition**

The committee comprises of Mr. Anil Mehra, Mr. Aroon Purie and Mr. Anil Vig. Mr. Anil Mehra, a Non-Executive Director, is the Chairman of the Committee. The Company Secretary acts as Secretary to the Committee. The composition of the Committee is in conformity with Clause 49 (IV) (G) (iii) of the Listing Agreement.

**ii) Terms of Reference**

The Committee has been constituted to specifically look into issues relating to redressal of the Investors/ Shareholders complaints including complaints relating to transfer of shares, non-receipt of Annual Report and non-receipt of declared dividends and/or any other matter relating to Shareholders/Investors. The Committee meets as and when required.

**iii) Name & Designation of Compliance officer**

Mr. Puneet Jain, Head - Legal & Company Secretary & General Manager (F & A)



**iv) Investors complaints received and resolved during the year**

During the year under review, 4 complaints were received, all of which have been resolved. No complaint was pending as at the end of the financial year.

**6. General Body Meetings**

**a) Details of the last three Annual General meetings are as under:**

Financial Year	Date	Time	Venue	Details of special resolutions passed, if any
2010-11	29.08.11	3.00 P.M.	Airforce Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010.	None
2009-10	26.08.10	1.00 P.M.	M.P.C.U. Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, (Shree Delhi, Gujrati Samaj), 2, Raj Nivas Marg, Delhi-110054.	None
2008-09	27.08.09	1.00 P.M.	M.P.C.U. Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, (Shree Delhi, Gujrati Samaj), 2, Raj Nivas Marg, Delhi-110054.	None

**b) Postal Ballot**

During the financial year 2011-2012, no special resolution was passed through postal ballot.

As of now, no special resolution is proposed to be conducted through postal ballot.

**7. Disclosures**

- (i) The details of related party transaction with the company are given in Note No. 37 of the Notes to Accounts of the Company. Besides this, the company has no material significant transaction with the related parties viz. promoters, directors of the company, management, their relatives, subsidiaries of promoter Company etc. that may have a potential conflict with the interest of the Company at large.
- (ii) No penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authority on any matter related to capital markets for non-compliance by the Company during the year.
- (iii) The Company has a centralized Human Resource Department which attends to the grievances of the employees on regular basis and has an exit policy which records the reasons of separation which are shared with the Management.
- (iv) All mandatory requirement as applicable to the Company are being complied with and the Company has also adopted the non - mandatory requirement relating to the Remuneration Committee.
- (v) Management Discussion and Analysis forms part of the Annual report.

**8. Means of Communication**

- a) At present quarterly/half yearly reports are not being sent to each household of shareholders.
- b) The quarterly/half yearly results are published in leading English & Hindi Newspapers and are also displayed on website of the Company - [www.aajtak.intoday.in](http://www.aajtak.intoday.in) along with official news releases and presentations. The same is also being sent to the institutional investors and to the analysts.

**9. General Shareholder information**

**a. Annual General Meeting**

**Date** : August 22, 2012

**Venue** : The Airforce Auditorium, Subroto Park, Dhaula Kuan, New Delhi -110010.

**Time** : 3:00 P.M.

**b. Financial Calendar**

The next financial year 2012-13 ends on March 31, 2013. The tentative dates for approval of un-audited financial results are as follows:

- Quarter ending June 30, 2012 : upto 14<sup>th</sup> of August 2012.
- Quarter ending September 30, 2012 : upto 14<sup>th</sup> of November 2012.
- Quarter ending December 31, 2012 : upto 14<sup>th</sup> of February 2013.
- Quarter ending March 31, 2013 : upto 15<sup>th</sup> of May 2013 (un audited) / upto 30<sup>th</sup> of May 2013 (audited).

**c. Book Closure**

The register of members and share transfer records of the company shall remain closed from August 8, 2012 to August 22, 2012 (both days inclusive).

**d. Dividend Payment Date:** 24<sup>th</sup> August, 2012



# T.V. Today Network Limited

## e. Listing in stock exchanges and stock codes

The names of the Stock Exchanges at which the equity shares are listed and the respective stock codes are as under:

Name of the Stock Exchanges	Stock Code/Symbol
Bombay Stock Exchange Limited	532515
National Stock Exchange of India Ltd.	TVTODAY

Listing fee for the financial year ended 31<sup>st</sup> March 2012, as payable to the aforesaid Stock Exchanges, has already been paid.

The ISIN number allotted to the company for dematerialization of shares is as under:

NSDL - INE 038F01029

CDSL - INE 038F01029

## f. Market Price Data

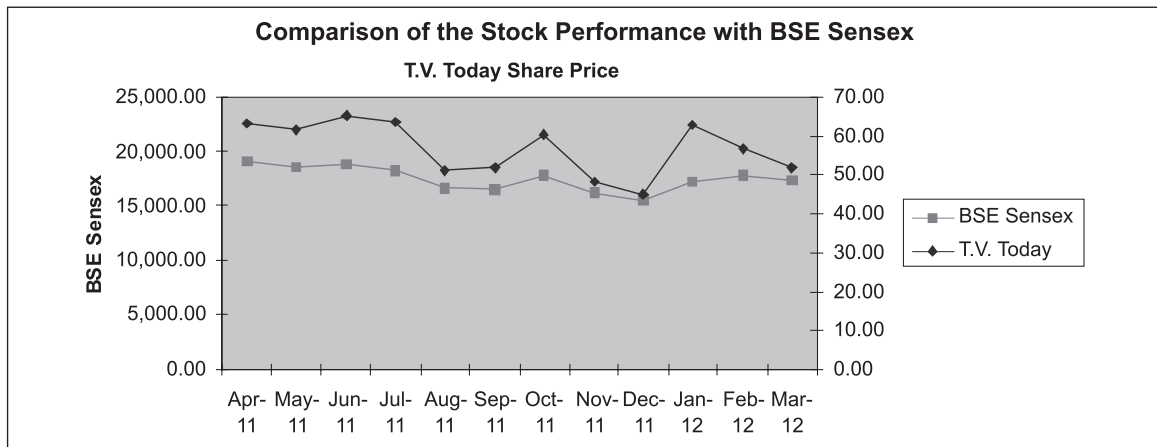
The High/Low of the market price of the Company's equity shares traded on the Bombay Stock Exchange Limited, and National Stock Exchange of India Limited, during the financial year ended 31<sup>st</sup> March 2012 were as follows:

Month	BSE		NSE	
	High	Low	High	Low
April 2011	68.95	58.85	68.85	58.25
May 2011	63.85	57.10	64.00	56.25
June 2011	71.00	57.65	71.20	57.60
July 2011	69.40	63.20	69.50	63.20
August 2011	63.80	49.10	63.90	50.00
September 2011	60.80	49.15	60.70	49.30
October 2011	62.50	49.55	62.35	49.50
November 2011	61.50	41.10	61.80	36.60
December 2011	49.95	41.65	49.90	34.00
January 2012	65.80	44.25	66.30	43.60
February 2012	65.70	52.60	65.50	53.65
March 2012	59.75	49.50	60.00	49.55

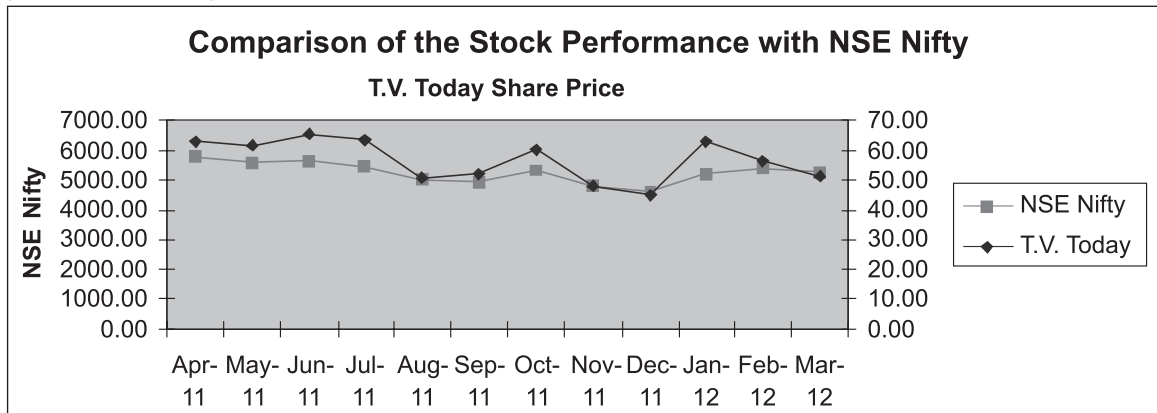
(Source: www.bseindia.com)

(Source: www.nseindia.com)

## g) Performance of Company's equity shares in comparison to BSE Sensex & NSE Nifty:



(Source: www.bseindia.com)



(Source: www.nseindia.com)

**h) Registrar & Share Transfer Agent**

**MCS Limited**

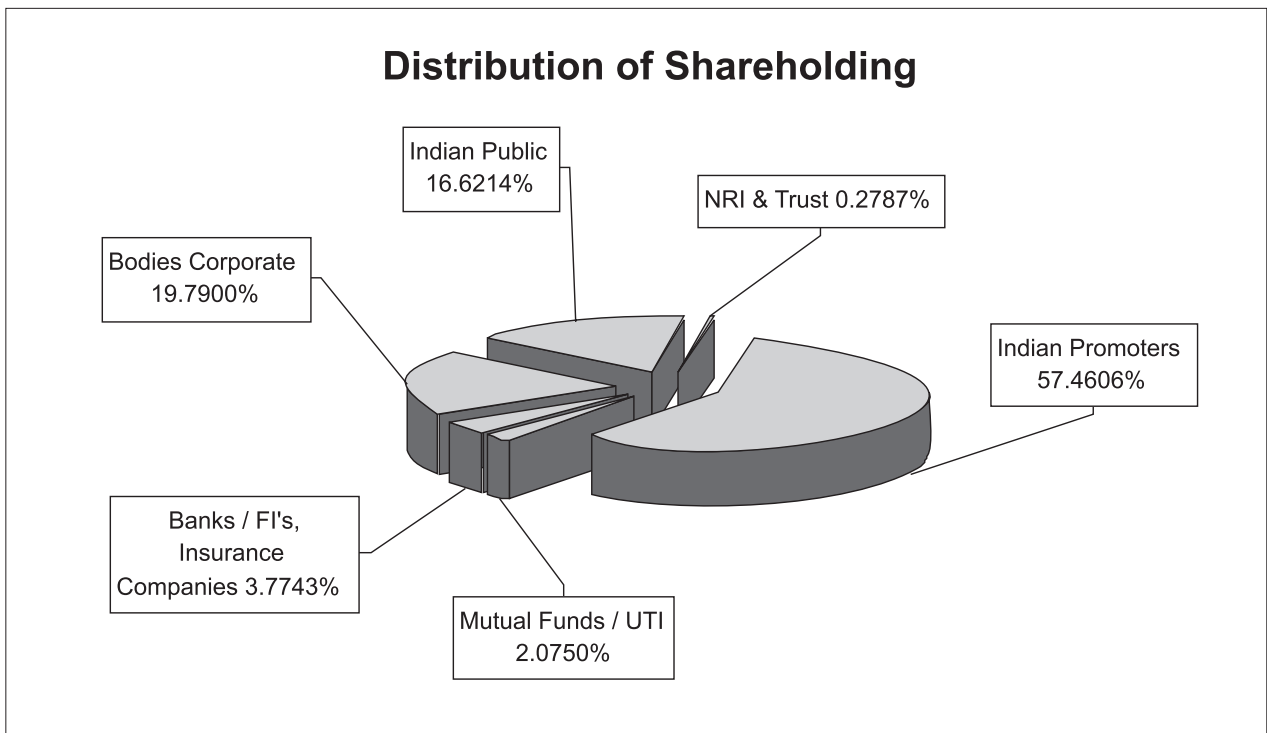
F-65, Okhla Industrial Area  
Phase-I, New Delhi-110020  
Ph. 011-41406149/51-52  
Fax No. 011-41709881  
E-mail: [admin@mcsdel.com](mailto:admin@mcsdel.com)

**i) Share Transfer Systems**

All share transfers are handled by company's Registrar & Share Transfer Agent. Share transfers in physical form are registered within a month from the date of receipt, provided the documents are found to be in order.

**j) Distribution of shareholding as on 31<sup>st</sup> March 2012**

S.No.	Shareholders	Percentage of Holding
1.	Indian Promoter	57.4606
2.	Mutual Funds & UTI	2.0750
3.	Banks, FI's, Insurance Companies	3.7743
4.	Bodies Corporate	19.7900
5.	Indian Public	16.6214
6.	NRI & Trust	0.2787
<b>Total</b>		<b>100.0000</b>



**k. Shares held in physical and dematerialised form**

As on 31<sup>st</sup> March 2012, 42.88% of the Company's total equity shares representing 2,54,91,674 shares were held in dematerialized form (NSDL -2,17,19,791 & CDSL - 37,71,883) and 57.12% equity shares representing 3,39,64,941 shares were held in physical form. The shares of the Company are traded in 'B1' group in BSE.

**l. There are no outstanding GDR's / ADR's / Warrants / Convertible instruments.**

**m. Plant Location**

Not Applicable



**n. Address for Correspondence:**

T.V. Today Network Limited  
Videocon Tower,  
E-1, Jhandewalan Extension,  
New Delhi-110055.  
Telephone: 011-23684878, 23684888  
Fax: 011-41540231  
E-Mail – puneet.jain@aajtak.com

**o. Bank details in respect of Shares held in dematerialized form**

Shareholders holding shares in electronic form may give instructions regarding bank details, which they wish to incorporate on their dividend warrants, to their depository participants. As per the regulations of NSDL and CDSL, the company is obliged to print the bank details on the dividend warrants, as furnished by these depositories to the Company.

**Certificate on Compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement.**

To the Members of T.V. Today Network Limited

1. We have reviewed the implementation of Corporate Governance procedures by T.V. Today Network Limited (the Company) during the year ended March 31, 2012, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. On the basis of our review and according to the best of our information and according to the explanations given to us, the Company is already complying with the conditions of Corporate Governance, as stipulated in Clause 49 of the listing agreement (s) with the Stock Exchanges as in force.

Jyoti Upmanyu Sharma  
Certificate of Practice No. 8987

Place : New Delhi  
Date : May 18, 2012

For & on behalf of  
JUS & Associates  
*Company Secretaries*



**DECLARATION ON THE COMPLIANCE WITH THE CODE OF CONDUCT**

Dear Members,

In compliance with the provisions of revised Clause 49 of the Listing Agreement, the Company had laid down a “Code of Conduct” to be followed by all Board Members and senior management personnel which received the sanction of the Board and had been posted on the website of the Company. The Code lays down the standards of ethical and moral conduct to be followed by the members in the course of proper discharge of their official duties and commitments. All the members are duty bound to follow and conform to the said Code.

It is hereby certified that all the members of the Board and senior management personnel have conformed to and complied with the “Code of Conduct” during the financial year 2011-12 and that there has been no instances of violation of the Code.

Place : New Delhi  
Date : May 18, 2012

Aroon Purie  
*Chairman & Managing Director*

**AUDITOR'S REPORT TO THE MEMBERS OF T.V. TODAY NETWORK LIMITED**

1. We have audited the attached Balance Sheet of T.V. Today Network Limited (the "Company") as at March 31, 2012, and the related Statement of Profit and Loss 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 the "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, hence, clause (ii) of paragraph 4 of the Order 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) and (iii)(d) of paragraph 4 of the Order are not applicable.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses (iii)(f) and (iii)(g) of paragraph 4 of the Order are not 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, no major weakness has been noticed or reported.
- 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 the nature of its business.
- viii. According to the information and explanations given to us, the Company is in the process of preparing cost records in respect of its products for which the maintenance of cost records has been prescribed under clause (d) of sub-section 1 of Section 209 of

the Act pursuant to The Companies (Cost Accounting Records) Rules, 2011 notified by the Central Government of India vide notification dated June 3, 2011.

- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, 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, and excise duty which have not been deposited on account of any dispute.
  - x. The Company has no accumulated losses.
  - 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, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
  - xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has not used funds raised on short-term basis for long-term investment, other than in case of buyer's credit amounting to Rs 69,060,600, which has been utilized for the purchase of fixed assets.
  - 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 during the year; and does not have any debentures outstanding as at the year end.
  - 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 any such case by the Management.
4. Without qualifying our report, we draw attention to Note 40 of the financial statements, regarding the carrying value of investment in Mail Today Newspapers Private Limited (Mail Today) amounting to Rs. 445,212,482, which is considered appropriate by the Management of the Company and accordingly, no provision thereof is considered necessary. The carrying value of the investment is dependent on the future performance of Mail Today, the outcome of which cannot be presently determined.
  5. Further to our comments in paragraphs 3 and 4 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
    - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
    - (e) On the basis of written representations received from



the directors, as on March 31, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2012 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, 2012;

(ii) in the case of the Statement of Profit and Loss, 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

Place: Gurgaon  
Date : May 18, 2012

Membership No. F-57084



## BALANCE SHEET AS AT MARCH 31, 2012

	Note	March 31, 2012 Amount (Rs.)	As at March 31, 2011 Amount (Rs.)
<b>Equity and Liabilities</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	297,283,075	297,283,075
Reserves and Surplus	3	2,879,334,144	2,826,825,795
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	237,600,000	-
Other Long-Term Liabilities	5	31,983,213	31,035,648
Long-Term Provisions	6	101,805,386	91,984,586
<b>Current Liabilities</b>			
Short-Term Borrowings	7	234,530,123	178,744,914
Trade Payables	8	321,442,396	268,639,134
Other Current Liabilities	9	319,606,601	276,695,562
Short-Term Provisions	10	65,903,334	65,919,072
<b>Total</b>		<b>4,489,488,272</b>	<b>4,037,127,786</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	11	504,297,150	590,691,760
Intangible Assets	12	44,696,810	42,898,620
Capital Work-In-Progress	11	1,745,770,563	749,672,168
<b>Non-Current investments</b>	13	<b>456,712,482</b>	<b>474,680,430</b>
Deferred Tax Assets (Net)	14	150,737,096	111,535,022
Long-Term Loans and Advances	15	137,095,302	193,527,874
<b>Current Assets</b>			
Trade Receivables	16	892,480,097	986,544,184
Cash and Bank balances	17	141,824,708	327,890,056
Short-Term Loans and Advances	18	410,638,153	553,352,418
Other Current Assets	19	5,235,911	6,335,254
<b>Total</b>		<b>4,489,488,272</b>	<b>4,037,127,786</b>

The notes are an integral part of these financial statements.

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

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 & Head Legal  
General Manager (F&A)

Sd/-  
**Anil Mehra**  
Director

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

Place: Gurgaon  
Date : May 18, 2012

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012**

	Note	Year ended	
		March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Revenue from Operations	23	3,084,337,575	2,933,786,978
Other Income	24	56,143,345	94,229,565
<b>Total Revenue</b>		<b>3,140,480,920</b>	<b>3,028,016,543</b>
Expenses:			
Production Cost	25	401,237,204	386,705,953
Employee Benefits Expense	26	933,514,534	877,302,178
Finance Costs	28	14,338,751	9,458,252
Depreciation and Amortization Expense	29	140,383,190	160,064,695
Other Expenses	30	1,486,842,288	1,410,031,117
<b>Total Expenses</b>		<b>2,976,315,967</b>	<b>2,843,562,195</b>
<b>Profit Before Tax</b>		<b>164,164,953</b>	<b>184,454,348</b>
Tax Expense			
Current Tax [Including Rs. 8,088,899 (Previous Year Rs. Nil) relating to earlier year]		98,212,943	45,000,000
Deferred Tax [Including (Rs. 7,721,222) (Previous Year Rs. Nil) relating to earlier year]		(39,202,075)	15,260,602
<b>Profit / (Loss) for the Period</b>		<b>105,154,085</b>	<b>124,193,746</b>
Earnings Per Equity Share: [Nominal Value Per Share: Rs. 5 (Previous Year Rs. 5)]	34		
Basic		1.77	2.15
Diluted		1.77	2.14

The notes are an integral part of these financial statements.

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

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 & Head Legal  
General Manager (F&A)

Sd/-  
**Anil Mehra**  
Director

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

Place: Gurgaon  
Date : May 18, 2012



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	Year Ended (Rs.)	
	March 31, 2012	March 31, 2011
<b>A. Cash Flows from Operating Activities</b>		
Profit before taxation	164,164,953	184,454,348
Adjustments for:		
Depreciation	127,497,468	149,249,033
Amortisation	12,885,723	10,815,662
Employee stock option scheme	(819,263)	1,556,816
Provision for doubtful debts and advances	38,519,128	37,856,399
Bad debts written off	-	605,622
Provision for diminution in the value of investments written back	-	(271,007)
Provisions / Liabilities written back to the extent no longer required	(37,562,687)	(41,323,307)
Provision for wealth tax	1,666,447	1,676,089
Profit on sale of tangible assets (net)	(1,181,101)	(251,406)
Interest income	(11,972,299)	(42,031,753)
Dividend income	(234,585)	(717,991)
Interest expenditure	9,055,266	7,095,428
Profit on sale of investment (net)	(204,371)	-
Operating profit before working capital changes	301,814,679	308,713,933
Changes in Working Capital:		
Increase / (Decrease) in other long-term liabilities	947,565	(1,520,886)
Increase / (Decrease) in long-term provisions	10,315,922	47,611,361
Increase / (Decrease) in trade payables	(144,648,359)	(109,692,570)
Increase / (Decrease) in other current liabilities	(28,841,697)	167,673,076
Increase / (Decrease) in short-term provisions	(501,218)	(55,495,597)
(Increase) / Decrease in long-term loans and advances	30,608,224	(27,482,807)
(Increase) / Decrease in trade receivables	72,273,456	(163,847,506)
(Increase) / Decrease in short-term loans and advances	80,747,837	(29,569,806)
(Increase) / Decrease in other non-current assets	(2,667,848)	9,393,964
Cash generated from operations	320,048,561	145,783,162
Taxes paid (net of refunds)	(37,688,547)	(51,617,975)
<b>Net cash generated from operations</b>	<b>282,360,014</b>	<b>94,165,187</b>
<b>B. Cash Flows from Investing Activities</b>		
Purchase of non-current investments	-	(269,941,487)
Sale of non-current investments	18,172,319	-
Purchase of tangible / intangible assets	(62,731,710)	(59,106,688)
Sale of tangible assets	8,126,047	3,272,412
(Increase) / Decrease in Capital Work in Progress	(772,822,432)	(275,976,899)
Dividend received	234,585	717,991
Proceeds from maturity of deposits with banks	283,104,093	958,800,000
Interest received	15,505,433	75,564,640
<b>Net cash from / (used in) investing activities</b>	<b>(510,411,665)</b>	<b>433,329,969</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012**

	Year Ended (Rs.)	
	March 31, 2012	March 31, 2011
<b>C. Cash Flows from Financing Activities</b>		
Proceeds from issuance of share capital	-	534,150
Proceeds from long-term borrowings	330,000,000	-
Repayments of long-term borrowings from banks	-	(225,000,000)
Proceeds from short-term borrowings	169,060,600	-
Repayment of short-term borrowings	(113,275,391)	(251,795,712)
Interest paid	(9,055,266)	(9,954,812)
Unpaid dividends	(186,871)	(181,922)
Dividend and Dividend Distribution Tax paid	(51,639,547)	(50,534,804)
<b>Net cash from / (used in) financing activities</b>	<b>324,903,525</b>	<b>(536,933,100)</b>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>96,851,874</b>	<b>(9,437,944)</b>
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>23,627,489</b>	<b>33,065,433</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>120,479,363</b>	<b>23,627,489</b>
<b>Cash and cash equivalents comprise of:</b>		
Cash on hand	1,050,551	1,006,168
Cheques in hand		
Bank balances		
In current accounts	119,428,812	22,621,321
<b>Total</b>	<b>120,479,363</b>	<b>23,627,489</b>

The notes are an integral part of these financial statements.  
This is the Cash Flow Statement referred to in our report of even date.

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 & Head Legal  
General Manager (F&A)

Sd/-  
**Anil Mehra**  
Director

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

Place: Gurgaon  
Date : May 18, 2012



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### A. SIGNIFICANT ACCOUNTING POLICIES

#### a. Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of services provided, the Company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

#### b. Tangible Assets

Tangible assets are stated at their original cost and include all expenses relating to acquisition and installation. Tangible 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 Tangible Assets (other than Leasehold Improvements, Vehicles 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 depreciated over the period of the lease.
- Assets costing less than Rs. 5,000 are depreciated over a period of 12 months.
- Vehicles are depreciated over the useful life of 5 years 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

Advertisement Income 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 distributors.

#### f. Interest Income

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

#### g. Investment

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.

#### h. Employee Benefits

##### (a) Short Term Employee Benefits

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

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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**(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 Plans, are expensed to the Statement of Profit and Loss in the year in which 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 compensated absences as per the actuarial valuation carried out by an independent actuary 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 Statement of Profit and Loss 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's salary and the tenure of employment. 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.

**i. Foreign currency transactions**

Foreign exchange transactions during the year are recorded at the exchange rate prevailing on the date of transaction. Gains or losses arising out of fluctuations in exchange rate between transaction date and settlement date are recognized in the Statement of Profit and Loss.

Monetary Assets and Liabilities are translated at the exchange rates prevailing at the year end and the resultant gain/loss is recognized in the Statement of Profit and Loss.

**j. 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 is 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.

**k. 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 Statement of Profit and Loss, on a straight line basis over the lease term.

**l. 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 earnings per share, the net profit or 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 dilutive potential equity shares.

**m. Borrowing Cost**

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

**n. 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.

**o. Provisions and Contingencies**

Provision is 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 can be reliably estimated. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A disclosure for contingent liabilities is made when there is a possible obligation or a present obligation that probably will not require an outflow of resource or where a reliable estimate of obligation cannot be made.

**p. 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.

**q. Cash and Cash Equivalents**

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



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**2. Share Capital**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Authorised:		
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
Issued:		
59,456,615 (Previous Year 59,456,615) Equity Shares of Rs. 5 each	297,283,075	297,283,075
Subscribed and Paid-Up:		
59,456,615 (Previous Year 59,456,615) Equity Shares of Rs. 5 each fully paid-up	297,283,075	297,283,075
<b>Total</b>	<b>297,283,075</b>	<b>297,283,075</b>

**(a) Reconciliation of number of shares**

Equity Shares :	As at March 31, 2012		As at March 31, 2011	
	Number of Shares	Amount (Rs.)	Number of Shares	Amount (Rs.)
Balance as at the beginning of the year	59,456,615	297,283,075	57,791,616	288,958,080
Add: Shares issued under the Composite Scheme of Arrangement for merger of Radio Business of Radio Today Broadcasting Limited with the Company	-	-	1,655,999	8,279,995
Add: Shares issued under the ESOP scheme	-	-	9,000	45,000
<b>Balance as at the end of the year</b>	<b>59,456,615</b>	<b>297,283,075</b>	<b>59,456,615</b>	<b>297,283,075</b>

**(b) Rights, preferences and restrictions attached to shares**

The Company has only one class of equity shares having a par value of Rs. 5 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. However, no such preferential amounts exist currently.

**(c) Shares held by Holding Company**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
33,954,333 (Previous Year 33,954,333) shares held by Living Media India Limited, the Holding Company	169,771,665	169,771,665

**d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Living Media India Limited, the Holding Company	33,954,333 (57.11%)	33,954,333 (57.11%)
Reliance Capital Limited	8,100,000 (13.62%)	5,800,000 (9.76%)

**(e) Shares reserved for issue under Options**

Refer Note 27 for details of shares to be issued under the Employee Stock Option Plan



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**(f) Shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash (during 5 years immediately preceding March 31, 2012)**

	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
(i) Equity shares of Rs. 5 each issued to the shareholders of Radio Today Broadcasting Limited pursuant to the Composite Scheme of Arrangement, without payment being received in cash	-	1,655,999	-	-	-
	<b>March 31, 2012</b>	<b>March 31, 2011</b>	<b>March 31, 2010</b>	<b>March 31, 2009</b>	<b>March 31, 2008</b>
(ii) Equity shares issued under the Employee Stock Option Plan as consideration for services rendered by employees (refer Note 27)	-	9,000	27,500	-	9,000
	<b>March 31, 2012</b>	<b>March 31, 2011</b>	<b>March 31, 2010</b>	<b>March 31, 2009</b>	<b>March 31, 2008</b>
(iii) Aggregate number and class of shares bought back by the Company	-	-	203,752	41,132	-

**3. Reserves and Surplus**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
<b>Employee Stock Options Outstanding</b>		
Options granted till date	8,692,500	5,077,500
Add: Compensation for options granted during the year	-	3,885,000
Less: Options forfeited	3,030,000	135,000
Less: Transfer to securities premium on exercise of stock options during the year	-	135,000
	<b>5,662,500</b>	8,692,500
Less: Deferred Employee Stock Compensation	930,820	3,141,557
<b>Balance as at the end of the year</b>	<b>4,731,680</b>	5,550,943
General Reserve		
Balance as at the beginning of the year	681,029,332	674,529,332
Add: Transferred from Surplus in Statement of Profit and Loss during the year	5,500,000	6,500,000
<b>Balance as at the end of the year</b>	<b>686,529,332</b>	681,029,332
Securities Premium Account		
Balance as at the beginning of the year	523,434,194	522,810,044
Add: Transferred from stock options outstanding	-	135,000
Add: Share premium received on issue of Equity Shares	-	489,150
<b>Balance as at the end of the year</b>	<b>523,434,194</b>	523,434,194
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	1,616,811,326	1,550,950,803
Profit for the year	105,154,085	124,193,746
Less: Appropriations		
Proposed dividend on Equity Shares for the year	44,592,461	44,599,211
Dividend distribution tax on proposed dividend on Equity Shares	7,234,012	7,234,012
Transfer to General Reserve	5,500,000	6,500,000
<b>Balance as at the end of the year</b>	<b>1,664,638,938</b>	1,616,811,326
<b>Total</b>	<b>2,879,334,144</b>	2,826,825,795

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4. Long-Term Borrowings

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Secured:		
Term Loan:		
From Other Party (Refer Note 9)	237,600,000	-
<b>Total</b>	<b>237,600,000</b>	<b>-</b>

(a) Nature of security and terms of repayment for secured borrowings :

**Nature of Security**

Term Loan from other party is secured by exclusive charge over equipment, demand promissory note and irrevocable and unconditional power of attorney for enforcement of security created in respect of the equipment.

**Terms of Repayment**

"Repayable in 11 quarterly instalments in arrears, with principal only moratorium of 3 months, from the date of the loan (March 30, 2012) in the following manner:-

Quarter 2 - 10% of the loan amount

Quarter 3 to Quarter 12 - 9% of the loan amount

Interest payable monthly in arrears at the rate of 200 basis points above the effective State Bank of India Base Rate, as announced by State Bank of India on its web site under Base Rate."

5. Other Long-Term Liabilities

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Income received in advance	288,530	408,757
Security Deposits	25,242,477	22,867,697
Others	6,452,206	7,759,194
<b>Total</b>	<b>31,983,213</b>	<b>31,035,648</b>

6. Long-Term Provisions

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Provision for employee benefits: (Also refer Note 26)		
Provision for compensated absences	55,482,109	55,977,231
Other Provisions: (Also refer Note 20)		
Provision for litigations / disputes	46,323,277	36,007,355
<b>Total</b>	<b>101,805,386</b>	<b>91,984,586</b>

**Provisions**

	Litigations / Disputes	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
<b>Balance as at the beginning of the year</b>	<b>36,007,355</b>	<b>34,054,196</b>
Additions	10,315,922	1,953,159
Amounts used	-	-
Unused amounts reversed	-	-
Balance as at the end of the year	46,323,277	36,007,355
Classified as Non-Current:	46,323,277	36,007,355
<b>Total</b>	<b>46,323,277</b>	<b>36,007,355</b>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**7. Short-Term Borrowings**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Secured:		
Cash Credit facilities from bank	65,469,523	178,744,914
Working Capital Loan repayable on demand from bank	169,060,600	-
<b>Total</b>	<b>234,530,123</b>	<b>178,744,914</b>

- (a) Cash Credit facilities have been secured by way of first charge against the whole of book-debts.  
 (b) Working Capital Loan has been secured by (hypothecation deed pending to be executed as at year end) :-  
 (i) Charge on book debts of the Company (both present and future) on a first pari passu basis with another bank.  
 (ii) Exclusive charge on proposed rental income received from all other India Today group companies for NOIDA Property.  
 (iii) Negative lien on the NOIDA property.

**8. Trade Payables**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Sundry Creditors (Refer Note 39)	321,442,396	268,639,134
<b>Total</b>	<b>321,442,396</b>	<b>268,639,134</b>

**9. Other Current Liabilities**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Current maturities of long-term debt (Refer Note 4)	92,400,000	-
Income received in advance	1,279,111	1,034,890
Unpaid dividends [Refer Note (a) below]	1,545,400	1,358,474
Advances from customers	87,485,703	153,255,059
Employee benefits payable	5,461,342	5,566,047
Statutory dues including provident fund and tax deducted at source	27,699,045	100,830,530
Others	103,736,000	14,650,562
<b>Total</b>	<b>319,606,601</b>	<b>276,695,562</b>

- (a) Amount due for payment to Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end is Rs. 144,430 (Previous Year Rs. Nil), being unpaid dividend for the year 2003-04.

**10. Short-Term Provisions**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Provision for employee benefits: (Refer Note 26)		
Provision for compensated absences	12,410,414	12,416,510
Other Provisions:		
Provision for wealth tax	1,666,447	1,676,089
Provision for proposed dividend on Equity Share	44,592,461	44,592,461
Provision for dividend distribution tax on proposed dividend on Equity Shares	7,234,012	7,234,012
<b>Total</b>	<b>65,903,334</b>	<b>65,919,072</b>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

11. Tangible Assets

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	April 1, 2011	Additions	Disposal/ Adjustments	March 31, 2012	April 1, 2011	For the year	Disposal/ Adjustments	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Leasehold Land	120,359,050	-	-	120,359,050	9,893,514	1,648,919	-	11,542,433	108,816,617	110,465,536	
Leasehold Improvements	97,700,946	-	-	97,700,946	81,695,929	4,237,276	-	85,933,205	11,767,741	16,005,017	
Plant & Machinery	1,423,121,201	23,182,764	19,744,360	1,426,559,605	1,050,216,825	93,683,019	18,546,425	1,125,353,419	301,206,186	372,904,376	
Computers	96,762,465	4,047,392	2,596,904	98,212,953	69,828,322	8,819,666	2,596,904	76,051,084	22,161,869	26,934,143	
Office Equipments	37,693,273	751,920	2,469,566	35,975,627	26,768,759	2,719,989	2,089,793	27,398,955	8,576,672	10,924,514	
Furniture & Fixtures	35,478,772	866,041	-	36,344,813	28,396,918	708,643	-	29,105,561	7,239,252	7,081,854	
Vehicles	81,877,289	19,199,686	15,849,727	85,227,248	35,500,969	15,679,955	10,482,489	40,698,435	44,528,813	46,376,320	
<b>Total</b>	<b>1,892,992,996</b>	<b>48,047,803</b>	<b>40,660,557</b>	<b>1,900,380,242</b>	<b>1,302,301,236</b>	<b>127,497,467</b>	<b>33,715,611</b>	<b>1,396,083,092</b>	<b>504,297,150</b>	<b>590,691,760</b>	
Capital Work-In-Progress									1,745,770,563	749,672,168	
<b>Total</b>									<b>2,250,067,713</b>	<b>1,340,363,928</b>	
<b>Previous Year</b>	<b>1,885,012,296</b>	<b>42,350,147</b>	<b>34,369,447</b>	<b>1,892,992,996</b>	<b>1,184,400,644</b>	<b>149,249,033</b>	<b>31,348,441</b>	<b>1,302,301,236</b>	<b>590,691,760</b>		

12. Intangible Assets

Particulars	GROSS BLOCK				AMORTISATION				NET BLOCK		
	April 1, 2011	Additions	Disposal/ Adjustments	March 31, 2012	April 1, 2011	For the year	Disposal/ Adjustments	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Production Software	88,108,189	18,306	-	88,126,495	72,223,784	6,513,929	-	78,737,713	9,388,782	15,884,405	
Computer Software	3,771,808	3,447,029	-	7,218,837	3,381,187	1,627,457	-	5,008,644	2,210,193	390,621	
CTI Site BECIL	35,800,000	11,218,578	-	47,018,578	9,176,406	4,744,337	-	13,920,743	33,097,835	26,623,594	
<b>Total</b>	<b>127,679,997</b>	<b>14,683,913</b>	<b>-</b>	<b>142,363,910</b>	<b>84,781,377</b>	<b>12,885,723</b>	<b>-</b>	<b>97,667,100</b>	<b>44,696,810</b>	<b>42,898,620</b>	
<b>Previous Year</b>	<b>110,923,456</b>	<b>16,756,541</b>	<b>-</b>	<b>127,679,997</b>	<b>73,965,715</b>	<b>10,815,662</b>	<b>-</b>	<b>84,781,377</b>	<b>42,898,620</b>		



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**13. Non-Current Investments**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
<b>Trade Investments (valued at cost)</b>		
Unquoted equity instruments		
a) Investment in subsidiary: 1,50,000 equity shares (Previous Year 1,50,000) of Rs. 10 each full paid-up held in T.V. Today Network (Business) Limited	1,500,000	1,500,000
b) Investment in associate: 10,510,510 equity shares (Previous Year 10,510,510) of Rs. 10 each fully paid-up held in Mail Today Newspapers Private Limited (Refer Note 40)	455,212,482	455,212,482
	<u>456,712,482</u>	<u>456,712,482</u>
<b>Other Investments (valued at cost unless stated otherwise)</b>		
Quoted		
Investment in Mutual Funds :		
Nil units (Previous Year 1,439,232) of Prudential ICICI Gilt Fund - Investment Plan [Net of provision for other than temporary diminution aggregating to Rs. Nil (Previous Year Rs. 2,032,052)]	-	17,967,948
	-	<u>17,967,948</u>
<b>Total</b>	<u>456,712,482</u>	<u>474,680,430</u>
<b>Aggregate amount of quoted investments</b>	-	17,967,948
<b>Market value of quoted investments</b>	-	17,967,948
<b>Aggregate amount of unquoted investments</b>	456,712,482	456,712,482
<b>Aggregate provision for diminution in value of investments</b>	-	2,032,052

**14. Deferred Tax Assets (Net)**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
<b>Deferred Tax Assets</b>		
Provision for doubtful debts and advances charged in the financial statements but allowed as deduction under the Income Tax Act in future years (to the extent considered realizable)	39,535,179	32,206,862
Provision for gratuity and compensated absences	11,603,454	5,099,885
Other disallowances as per the Income Tax Act	37,278,850	14,936,840
Depreciation claimed as deduction in the financial statements but allowed under the Income Tax Act in future years	62,319,613	59,291,435
<b>Total</b>	<u>150,737,096</u>	<u>111,535,022</u>

Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

15. Long-Term Loans and Advances

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Unsecured, considered good, unless otherwise stated :		
Capital Advances	98,293,287	124,117,632
Security Deposits	33,922,442	64,692,322
Advances recoverable in cash or kind	2,207,422	2,119,384
Other loans and advances		
- Balances with Government Authorities	2,672,151	2,598,536
<b>Total</b>	<b>137,095,302</b>	<b>193,527,874</b>

16. Trade Receivables

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Unsecured, considered good		
Outstanding for a period exceeding 6 months from the date they are due for payment	26,398,168	6,703,757
Others	866,081,929	979,840,427
Unsecured, considered doubtful		
Outstanding for a period exceeding 6 months from the date they are due for payment	84,623,587	68,591,337
Others	22,451,185	16,692,804
Less: Provision for doubtful debts	107,074,772	85,284,141
<b>Total</b>	<b>892,480,097</b>	<b>986,544,184</b>

17. Cash and Bank Balances

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Cash and Cash equivalents		
Cash on hand	1,050,551	1,006,168
Bank balances		
In current accounts	119,428,812	22,621,321
	120,479,363	23,627,489
Other bank balances		
- Long term deposits with maturity more than 3 months but less than 12 months *	19,800,000	302,904,093
- Unpaid dividend account	1,545,345	1,358,474
	21,345,345	304,262,567
<b>Total</b>	<b>141,824,708</b>	<b>327,890,056</b>

\* Held as lien by bank against bank guarantees



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**18. Short-Term Loans and Advances**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Unsecured considered good, unless otherwise stated:		
Security Deposits	34,761,923	705,500
Other Loans and Advances		
- Advance Income Tax [Net of Provision of Rs. 1,248,533,200 (Previous Year Rs.1,200,388,882)]	249,321,122	257,926,930
- Advance Fringe Benefits Tax [Net of Provision of Rs.47,376,255 (Previous Year: Rs.47,376,255)]	241,989	241,989
- MAT Credit Entitlement	29,905,323	83,500,000
- Prepaid Expenses	24,615,581	25,675,333
- Others*	76,623,464	190,367,972
Less: Allowance for doubtful loans and advances	4,831,249	5,065,306
<b>Total</b>	<b>410,638,153</b>	<b>553,352,418</b>
*Others includes loan given to Director	-	52,554

**19. Other Current Assets**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Unsecured considered good, unless otherwise stated:		
Gratuity Plan Assets (Net)	5,154,623	2,720,832
Interest accrued on deposits	81,288	3,614,422
Claims Recoverable	9,946,898	9,712,841
Less: Allowance for doubtful other current assets	9,946,898	9,712,841
<b>Total</b>	<b>5,235,911</b>	<b>6,335,254</b>

**20. Contingent Liabilities**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Claims against the Company not acknowledged as debts:		
Income Tax Matters :	82,707,017	87,411,396
The Company has received demand notices from the Income Tax department, which the Company has contested. In the opinion of the management, no liability is likely to arise on account of such demand notices.		
Other Matters:		
(1) Claims from Prasara Bharti	24,532,931	32,713,529
The Company received claims from Prasara Bharti in earlier years towards uplinking charges and telecast fees, which were disputed by the Company. Prasara Bharti also raised claims towards interest for non-payment of dues from time to time, which were also disputed by the Company.		
During the year, the telecast fees matter with Prasara Bharti has been settled vide Delhi High Court order dated February 24, 2012. The total amount payable by the Company as per the said order is Rs. 30,184,406 (net of interest earned on amount already deposited with the Court). The Company had paid and expensed Rs. 23,320,971 till previous year and therefore, the charge to the Statement of Profit and Loss in the current year amounts to Rs. 6,864,406, included in "Others" under "Other Current Liabilities" (Note 9).		



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Conted....

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
In relation to the uplinking charges matter, the total claim as at March 31, 2012 amounted to Rs. 70,856,205. Pending final outcome in respect of such dispute, the Company is carrying provision on an estimated basis amounting to Rs 46,323,274, including Rs. 10,315,922 provided for in the current year. In the opinion of the management, based on its understanding of the case and as advised by their counsel, the provision made in the books is considered adequate and the balance amount is considered as a contingent liability.		
(2) 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.	-	-
<b>Guarantees:</b>		
Bank Guarantees	<b>25,069,899</b>	28,554,699
(a) It is not possible for the Company to estimate the timing of cash outflows, if any, in respect of the above, pending resolution of the respective proceedings.		
(b) The Company does not expect any reimbursements in respect of the above contingent liabilities.		

21. Capital Commitments

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Estimated value of contracts in capital account remaining to be executed	<b>204,322,916</b>	299,551,612
<b>Total</b>	<b>204,322,916</b>	299,551,612

22. Proposed Dividend

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
The final dividend proposed for the year is as follows:		
On Equity Shares of Rs. 5 each		
Amount of dividend proposed	<b>44,592,461</b>	44,599,211
Dividend per Equity Share	<b>0.75</b>	0.75

23. Revenue

Particulars	Year ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Sale of Services		
Advertisement Income	<b>2,774,033,613</b>	2,669,752,341
Subscription Income	<b>307,797,141</b>	262,143,611
Other Operating Revenue		
Fees from Training	<b>1,559,636</b>	1,171,071
SMS Income	<b>947,185</b>	719,955
<b>Total</b>	<b>3,084,337,575</b>	<b>2,933,786,978</b>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**24. Other Income**

Particulars	Year ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Interest income	11,972,299	42,031,753
Dividend income		
From others	234,585	717,991
Net gain on sale of investments	204,371	-
Net profit on sale of tangible assets	1,181,101	1,608,208
Provisions / Liabilities written back to the extent no longer required	37,562,687	41,323,307
Miscellaneous income	4,988,302	8,548,306
<b>Total</b>	<b>56,143,345</b>	<b>94,229,565</b>

**25. Production Cost**

Particulars	Year ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Reporting Expenses	93,722,800	109,675,606
Up linking Charges	22,037,051	19,923,065
Assignment Charges	5,117,517	1,851,556
Production Expenses	189,011,571	165,895,454
Subscription	14,507,192	14,470,226
Consumables	3,983,190	5,024,493
Transponder Lease Rentals	72,251,631	67,898,824
Programme Procurement	606,252	1,966,729
<b>Total</b>	<b>401,237,204</b>	<b>386,705,953</b>

**26. Employee Benefits Expense**

Particulars	Year ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Salaries, Wages and Bonus	884,434,873	824,438,500
Contribution to Provident and Other Funds [Refer Note (I) below]	38,038,886	34,809,768
Gratuity [Refer Note (II) below]	7,158,944	9,393,964
Employee Stock Option Scheme (Refer Note 27)	(819,263)	1,556,816
Staff Welfare Expenses	4,701,094	7,103,130
<b>Total</b>	<b>933,514,534</b>	<b>877,302,178</b>

Particulars	Year ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
<b>I Defined Contribution Plans</b>		
Amount recognised in the Statement of Profit and Loss		
- Employers' Contribution to Provident Fund	31,139,560	27,945,992
- Employers' Contribution to Employees' Pension Scheme, 1995	6,899,326	6,863,776
<b>Total</b>	<b>38,038,886</b>	<b>34,809,768</b>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

II Defined Benefit Plans

(A) The assumptions used to determine the defined benefit obligations are as follows :

	As at	
	March 31, 2012	March 31, 2011
Discount rate (per annum)	8.60%	8.00%
Rate of increase in compensation levels	6.50%	6.50%
Expected rate of return on plan assets (for gratuity)	9.30%	9.25%
Expected average remaining working lives of employees (years)	23.87	24.69

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

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(B) Changes in the Present Value of Obligation

(i) Compensated Absences (Unfunded)

	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Present Value of Obligation as at April 1, 2011	68,393,741	58,172,208
Interest Cost	5,595,875	4,596,405
Current Service Cost	11,596,848	9,341,722
Benefits Paid	(5,939,718)	(2,201,847)
Actuarial (Gain) / Loss on Obligation	(11,754,223)	(1,514,747)
Present Value of Obligation as at March 31, 2012	67,892,523	68,393,741

(ii) Gratuity (Funded)

	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Present Value of Obligation as at April 1, 2011	58,035,914	46,042,373
Interest Cost	4,642,873	3,637,961
Current Service Cost	9,857,503	9,736,233
Benefits Paid	(6,662,251)	(912,272)
Actuarial (Gain) / Loss on Obligation	(1,886,908)	(468,381)
Present Value of Obligation as at March 31, 2012	63,987,131	58,035,914

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

	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Fair Value of Plan Assets as at April 1, 2011	60,756,747	38,044,046
Expected Return on Plan Assets	5,619,999	3,511,849
Actuarial Gain / (Loss)	(165,475)	Nil
Contributions	9,592,734	20,113,123
Benefits Paid	(6,662,251)	(912,272)
Fair Value of Plan Assets as at March 31, 2012	69,141,754	60,756,746



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**(D) Reconciliation of Present Value of Defined Benefit Obligation and Fair Value of Plan Assets**

**(i) Gratuity**

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Present Value of Obligation as at March 31, 2012	63,987,131	58,035,914	46,042,373	35,079,134	24,001,092
Fair Value of Plan Assets as at March 31, 2012	69,141,754	60,756,746	38,044,046	32,547,524	23,690,240
Funded Status	5,154,623	2,720,832	(7,998,327)	(2,531,610)	(310,852)
Net Asset / (Liability) Recognized in Balance Sheet	5,154,623	2,720,832	(7,998,327)	(2,531,610)	(310,852)
Recognised under :					
Other Current Assets (Refer Note 19)	5,154,623	2,720,832			

**(ii) Compensated Absences**

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Present Value of Obligation as at March 31, 2012	67,892,523	68,393,741	58,172,208	45,138,967	19,157,626
Fair Value of Plan Assets as at March 31, 2012	-	-	-	-	-
Funded Status	(67,892,523)	(68,393,741)	(58,172,208)	(45,138,967)	(19,157,626)
Net Asset / (Liability) Recognized in Balance Sheet	(67,892,523)	(68,393,741)	(58,172,208)	(45,138,967)	(19,157,626)
Recognised under :					
Long-Term Provisions (Refer Note 6)	55,482,109	55,977,231			
Short-Term Provisions (Refer Note 10)	12,410,414	12,416,510			
<b>Total</b>	<b>67,892,523</b>	<b>68,393,741</b>			

**(E) Experience Adjustments on Plan Assets and Liabilities**

	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008
Experience adjustments on Plan Assets - (Loss) / Gain					
- Gratuity (Funded)	(165,475)	-	(54,114)	Not Available	Not Available
Experience adjustments on Plan Liabilities - (Loss) / Gain					
- Gratuity (Funded)	(463,223)	78,385	8,618,573	Not Available	Not Available
- Compensated Absences (Unfunded )	8,748,026	1,552,338	5,714,278	Not Available	Not Available

**(F) Expense recognized in the Statement of Profit and Loss**

**(i) Compensated Absences**

	Year ended March 31, 2012	Year ended March 31, 2011
Current Service Cost	11,596,848	9,341,722
Interest Cost	5,595,875	4,596,405
Net Actuarial (Gain) / Loss recognized in the period	(11,754,223)	(1,514,747)
<b>Total Expense</b>	<b>5,438,500</b>	<b>12,423,380</b>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(ii) Gratuity

	Year ended March 31, 2012 Amount (Rs.)	Year ended March 31, 2011 Amount (Rs.)
Current Service Cost	9,857,503	9,736,233
Interest Cost	4,642,873	3,637,961
Expected Return on Plan Assets	(5,619,999)	(3,511,849)
Net Actuarial (Gain) / Loss recognized in the period	(1,721,433)	(468,381)
<b>Total Expense</b>	<b>7,158,944</b>	<b>9,393,964</b>

(G) Constitution of Plan Assets (for Gratuity)

	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Total of the Plan Assets	69,141,755*	60,756,747*

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

	Year ended March 31, 2012 Amount (Rs.)	Year ended March 31, 2011 Amount (Rs.)
Actual return on Plan Assets	5,454,524	3,511,849

27. Employee Stock Option Plan

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 21st August, 2006 and by shareholders in their meeting held on 28th September, 2006, for grant of 2,900,000 options, representing one share for each option upon exercise by the employees of the Company, at an exercise price determined by the 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. (-)819,263 (Previous Year Rs. 1,556,816) as expense during the year. Further, the liability as at March 31, 2012 in respect of Employee Stock Options Outstanding is Rs. 5,662,500 (Previous Year Rs. 8,692,500). The balance deferred compensation expense of Rs. 930,820 (Previous Year 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 2012 under the TVTN ESOP 2006 is set out below:

	First Grant	Second Grant	Third Grant	Fourth Grant	Fifth Grant	Sixth Grant	Seventh Grant
Date of Grant	1-Dec-06	1-Mar-07	1-Dec-07	24-Jun-08	5-Apr-10	20-May-10	30-Sep-10
Market value on the date of grant of underlying equity shares	Rs. 74.35	Rs. 134.85	Rs.152.75	Rs.93.15	Rs. 113.90	Rs. 102.85	Rs.85.15
Exercise Price	Rs. 74.35	Rs. 134.85	Rs.152.75	Rs.93.15	Rs. 113.90	Rs. 102.85	Rs.85.15
(50% of options)	Rs. 44.35	Rs. 104.85	Rs.122.75	Rs.63.15	Rs. 83.90	Rs. 72.85	Rs.55.15
(Balance 50% of options)*	4 Years	4 Years	4 Years	4 Years	4 Years	4 Years	4 Years
Vesting Period	145,000	55,000	15,000	104,000	21,500	37,500	200,000
Options outstanding at the beginning of the year (Nos.)	-	-	-	-	-	-	-
Options granted (Nos.)	10,500	45,000	15,000	15,000	16,500	-	100,000
Options forfeited (Nos.)	-	-	-	-	-	-	-
Options exercised (Nos.)	-	-	-	-	-	-	-
Options expired (Nos.)	-	-	-	-	-	-	-
Options outstanding at the end of the year (Nos.)	134,500	10,000	-	89,000	5,000	37,500	100,000
Options exercisable at the year end (Nos.)	134,500	10,000	-	53,400	500	3,750	10,000

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



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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 :-

Date of Grant	Dec. 1, 2006	Mar. 1, 2007	Dec. 1, 2007	June 24, 2008	April 5, 2010	May 20, 2010	September 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)

The impact on the profit of the Company for the year ended March 31, 2012 and the basic and diluted earnings per share, had the Company followed the fair value method of accounting for stock options is as set out below :

Particulars	Year ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Profit after taxation	105,154,085	124,193,746
Add: Employee compensation cost based on Intrinsic value	(819,263)	1,556,816
Less: Employee compensation cost based on Fair value	3,480,709	5,133,150
Profit after taxation as per Fair Value Method	100,854,113	120,617,412
Earnings per Share (EPS)		
Basic		
Number of shares	59,456,615	57,844,137
Basic EPS as reported	1.77	2.15
Proforma Basic EPS	1.70	2.09
Diluted		
Number of shares	59,517,346	57,941,261
Diluted EPS as reported	1.77	2.14
Proforma Diluted EPS	1.69	2.08

**28. Finance Costs**

Particulars	Year ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Interest on long-term borrowings	256,027	6,659,444
Interest on short-term borrowings	5,273,187	402,726
Interest on shortfall of advance tax	3,526,052	-
Other borrowing costs	5,283,485	2,396,082
<b>Total</b>	<b>14,338,751</b>	<b>9,458,252</b>

**29. Depreciation and Amortization Expense**

Particulars	Year ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Depreciation on Tangible assets	127,497,467	149,249,033
Amortisation on Intangible assets	12,885,723	10,815,662
<b>Total</b>	<b>140,383,190</b>	<b>160,064,695</b>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

30. Other Expenses

Particulars	Year ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Advertising, Distribution and Sales Promotion	869,813,086	842,651,941
Power and Fuel	50,233,109	45,286,481
Rent	148,493,097	125,811,031
Repairs to Machinery	27,421,542	29,970,875
Repairs - Others	11,408,371	7,305,058
Insurance	13,611,080	13,468,087
Rates and Taxes	3,710,554	2,578,284
Travelling Expenses	97,750,760	105,935,496
Payment to Auditors (excluding service tax)		
As Auditor:		
Audit Fee	3,000,000	2,500,000
Tax Audit Fee	150,000	100,000
Other Services	1,225,000	900,000
Reimbursement of Expenses	477,564	157,017
Legal and Professional fees	15,903,923	12,158,977
Printing and Stationery	4,478,900	3,907,809
Communication Expenses	34,507,542	33,801,352
Car Hire Charges	50,658,934	43,143,857
Housekeeping	39,191,204	33,626,385
Vehicle Running and Maintenance	4,391,504	8,053,618
Agency Incentive	19,289,791	15,700,773
Freight and Courier	2,235,676	2,059,488
Guard Services	14,183,229	9,943,720
Newspapers and Periodicals	6,133,678	947,454
Business Promotion	13,076,056	14,217,203
Technical Consultancy Fees	1,471,333	11,618,917
Software Expenses	2,938,319	332,400
Fixed Assets written off	-	1,356,802
Bad Debts and Advances written off	-	605,622
Net loss on Foreign Currency Transaction and Translation	2,242,343	409,705
Provision for Doubtful Debts and Advances	38,519,128	37,856,399
Loss of Capital Work-In-Progress due to fire	6,924,000	-
Miscellaneous Expenses	3,402,565	3,626,366
<b>Total</b>	<b>1,486,842,288</b>	<b>1,410,031,117</b>

Expenses capitalised as a part of Capital Work-In-Progress

Particulars	Year ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Salaries and Wages	15,738,325	-
Power and Fuel	7,951,618	-
Production Cost	1,892,000	-
Housekeeping	1,697,735	-
Other Expenses	735,949	-
<b>Total</b>	<b>28,015,627</b>	<b>-</b>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**31. CIF Value of Imports**

Particulars	Year ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Capital Goods	264,408,514	21,134,543
<b>Total</b>	<b>264,408,514</b>	<b>21,134,543</b>

**32. Expenditure in Foreign Currency**

Particulars	Year ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Foreign Travel	20,023,167	14,338,051
Production Cost	79,802,299	96,010,286
Repair and Maintenance	1,123,041	3,026,682
Other Expenses	1,961,195	15,876,959
<b>Total</b>	<b>102,909,702</b>	<b>129,251,978</b>

**33. Earnings in Foreign Currency**

Particulars	Year ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Advertisement Income	7,088,560	9,972,844
Subscription Income	82,874,874	72,301,624
Miscellaneous Income	123,431	272,846
<b>Total</b>	<b>90,086,865</b>	<b>82,547,314</b>

**34. Earnings Per Share**

Particulars		Year ended	
		March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Basic			
Profit after tax	A	105,154,085	124,193,746
Weighted average number of shares outstanding	B	59,456,615	57,844,137
Basic EPS	A/B	1.77	2.15
Diluted			
Profit after tax	A	105,154,085	124,193,746
Weighted average number of shares outstanding	B	59,456,615	57,844,137
Add: Weighted average number of potential equity shares on account of employee stock options	C	60,731	97,124
Weighted average number of shares outstanding for diluted EPS	D = B+C	59,517,346	57,941,261
Diluted EPS (Rs.)	A/D	1.77	2.14
Face value per share (Rs.)		5	5



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Other Disclosures

35. Investments

The following table includes the classification of investments in accordance with AS 13, Accounting for Investments :

Particulars	Year ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
<b>Long Term Investments</b>		
1,50,000 equity shares (Previous Year 1,50,000) of Rs. 10 each full paid-up held in T.V. Today Network (Business) Limited	1,500,000	1,500,000
10,510,510 equity shares (Previous Year 10,510,510) of Rs. 10 each fully paid-up held in Mail Today Newspapers Private Limited (Refer Note 40)	455,212,482	455,212,482
Nil Mutual Funds units (Previous Year 1,439,232) of Prudential ICICI Gilt Fund - Investment Plan [Net of provision for other than temporary diminution aggregating to Rs. Nil (Previous Year Rs. 2,032,052)]	-	17,967,948
<b>Total</b>	<b>456,712,482</b>	<b>474,680,430</b>
Disclosed Under:		
Non-Current Investments (Refer Note 13)	456,712,482	474,680,430
<b>Total</b>	<b>456,712,482</b>	<b>474,680,430</b>

36. Segment Reporting

The Company has considered the business segment as the primary reporting segment on the basis that the risk and returns of the Company is primarily determined by the nature of services.

The business segments have been identified on the basis of :

- the nature of services
- the risks and returns
- internal organization and management structure and
- the internal performance reporting systems

The business segment comprise of the following :

- TV Broadcasting
- Radio Broadcasting

Particulars	March 31, 2012			March 31, 2011		
	TV Broadcasting	Radio Broadcasting	Total	TV Broadcasting	Radio Broadcasting	Total
Segment Revenue						
Advertisement Income	2,693,228,992	80,804,621	2,774,033,613	2,627,605,797	42,146,544	2,669,752,341
Subscription Income	307,797,141	-	307,797,141	262,143,611	-	262,143,611
Other Operating Revenue	2,460,153	46,668	2,506,821	1,891,026	-	1,891,026
Other Allocable Income	40,201,317	3,530,773	43,732,090	48,792,279	2,416,536	51,208,815
<b>Segment Result - Profit / (Loss)</b>	<b>346,671,327</b>	<b>(185,862,363)</b>	<b>160,808,964</b>	<b>367,576,613</b>	<b>(219,080,846)</b>	<b>148,495,767</b>
Interest Expense			(9,055,266)			(7,062,170)
Interest Income			11,972,299			42,031,753
Dividend Income			234,585			717,991
Diminution in value of Investment written back			-			271,007
Gain on sale of Investment			204,371			-
<b>Profit Before Tax</b>			<b>164,164,953</b>			<b>184,454,348</b>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Continued...

Particulars	March 31, 2012			March 31, 2011		
	TV Broadcasting	Radio Broadcasting	Total	TV Broadcasting	Radio Broadcasting	Total
Income Tax Expense			(59,010,868)			(60,260,602)
Profit After Tax			105,154,085			124,193,746
<b>Other Information</b>						
Segment Assets	3,237,065,747	223,598,517	3,460,664,264	2,538,822,187	238,916,750	2,777,738,937
Unallocated Corporate Assets			598,618,478			806,184,908
Advance Tax (Net of Provision)			279,468,434			341,668,919
Deferred Tax Assets			150,737,096			111,535,022
<b>Total Assets</b>			4,489,488,272			4,037,127,786
Segment Liabilities	654,431,751	40,537,310	694,969,061	643,797,061	37,291,999	681,089,060
Unallocated Corporate Liabilities			617,901,992			231,929,856
Shareholders' Funds			3,176,617,219			3,124,108,870
<b>Total Liabilities</b>			4,489,488,272			4,037,127,786
Capital Expenditure	1,044,327,455	14,502,656	1,058,830,111	58,644,782	461,906	59,106,688
Depreciation and Amortisation included in Segment Expense	113,648,600	26,734,590	140,383,190	133,333,717	26,730,978	160,064,695
Non-cash expenditure other than Depreciation and Amortization included in Segment Expense	39,472,286	10,825,023	50,297,309	56,465,183	4,455,408	60,920,591

**37. Related Party Disclosures**

**(a) Names of related parties and nature of relationship**

- (i) Where control exists:
  - Holding Company: Living Media India Limited
  - Ultimate Holding Company: World Media Private Limited \*
  - Subsidiary: T.V. Today Network (Business) Limited \*\*
- (ii) Other Related Parties with whom transactions have taken place during the year:
  - Fellow Subsidiaries: Thomson Press (India) Limited
  - Today Merchandise Private Limited
  - Radio Today Broadcasting Limited
  - Mail Today Newspapers Private Limited
  - Company under Common Control: Integrated Databases India Limited
  - Key Management Personnel (KMP): Mr. Aroon Purie (Managing Director)
  - Ms. Koel Purie Rinchet (Whole Time Director)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(b) Transactions / Balances	Holding Company		Company Under Common Control		Fellow Subsidiaries		KMP	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Purchase of ad space / material ***	4,177,305	60,955	-	-	-	-	-	-
Advertisement Income ***	23,264,908	21,658,124	-	-	829,908	322,130	-	-
Management fee	656,650	600,000	-	44,000	-	-	-	-
Purchase of fixed assets	19,305	85,980	-	-	-	-	-	-
SMS charges	-	86,239	-	-	-	-	-	-
Rent payment made to related parties for use of common facilities / utilities	12,197,965	10,538,876	-	-	1,273,968	1,273,968	-	-
Rent charged to related parties for use of common facilities / utilities	57,603	7,974	-	-	26,472	26,472	-	-
Remuneration / Commission paid	-	-	-	-	-	-	14,986,341	13,609,084
Misc. inter-company services received from related parties and other charges paid	7,207,227	3,022,289	-	-	2,161,371	879,504	-	-
Misc. inter-company services rendered to related parties and other charges received	1,014,620	1,925,611	-	-	821,198	663,657	-	-
Loan received	-	17,000,000	-	-	-	-	-	-
Loan repayment	-	377,540,626	-	-	-	-	-	-
Share subscription money paid	-	-	-	-	-	270,000,000	-	-
Balance as at year end	-	-	-	-	-	-	-	-
Trade Payables	4,552,682	9,210,538	-	-	505,999	-	8,134,439	8,210,682
Trade Receivables	10,625,760	-	-	-	2,242,967	1,120,742	-	-

\* There were no transactions during the year and previous year.

\*\* Expenses paid on behalf of subsidiary, recoverable as at balance sheet date Rs. 194,448 (Previous Year Rs. 120,372).

\*\*\* The figures include Sales Tax / Service Tax, as applicable.

**Other Related Party transactions :**

The Company is using certain 2 MB telephone lease 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.

**(c) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties**

Particulars	Transactions (Rs.)		Balances (Rs.)	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
(i) <b>Rent charged to related parties for use of common facilities / utilities</b>				
<b>Fellow Subsidiaries:</b>				
Radio Today Broadcasting Limited	26,472	26,472	233,328	26,472
(ii) <b>Misc. inter-company services received from related parties and other charges paid</b>				
<b>Fellow Subsidiaries:</b>				
Thomson Press India Limited	2,161,371	879,504	365,169	148,784
(iii) <b>Misc. inter-company services rendered to related parties and other charges received</b>				
<b>Fellow Subsidiaries:</b>				
Mail Today Newspapers Private Limited	635,714	654,477	1,072,124	1,122,682



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Continued...

Particulars	Transactions (Rs.)		Balances (Rs.)	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
(iv) <b>Remuneration paid #</b>				
Aroon Purie	9,234,491	9,220,034	8,134,439	8,210,682
Koel Purie Rinchet	5,751,850	4,389,050	-	-
(v) <b>Share subscription money paid</b>				
Fellow Subsidiaries:				
Mail Today Newspapers Private Limited	-	270,000,000	-	-

(#) As gratuity and compensated absences are computed for all the employees in aggregate, the amounts relating to the Key Management Personnel cannot be individually identified.

**38. Operating Leases**

The Company has cancellable lease arrangements mainly for office premises and company leased accommodation for employees. Terms of lease include terms of renewal, increase in rents in future period and terms of cancellation. The operating lease payments recognized in the Statement of Profit and Loss amount to Rs. 148,493,097 (Previous Year Rs. 125,811,031), net of sub-lease rental received Rs. 726,024 (Previous Year Rs. 572,926).

**39. Dues to Micro and Small Enterprises**

Based on information available with the Company, there are no outstanding dues to Micro and Small enterprises as at March 31, 2012. No interest is paid / payable by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.

**40.** 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 acquired some stake through direct subscription and also through purchase from existing shareholders amounting to Rs. 455,212,482. Though, Mail Today is in the initial stages of operations and is presently 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.

**41. Previous Year Figures**

The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

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 & Head Legal  
General Manager (F&A)

Sd/-  
Anil Mehra  
Director

Sd/-  
Aroon Purie  
Chairman &  
Managing Director

Place : Gurgaon  
Date : May 18, 2012

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

### (A) REGISTRATION DETAILS

REGISTRATION NUMBER	:	103001
STATE CODE	:	55
BALANCE SHEET DATE	:	March 31, 2012

### (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	:	4,489,488
TOTAL ASSETS	:	4,489,488

#### SOURCES OF FUNDS

PAID- UP CAPITAL	:	297,283
EMPLOYEE STOCK OPTIONS	:	4,732
RESERVE & SURPLUS	:	2,874,602
SHARE APPLICATION	:	-
SHARE SUSPENSE	:	-
UNSECURED LOAN	:	-
DEFERRED TAX LIABILITY/(ASSETS)-NET	:	150,737

#### APPLICATION OF FUNDS

NET FIXED ASSETS	:	2,308,108
INVESTMENTS	:	456,712
NET CURRENT ASSETS	:	508,696
MISCELLANEOUS EXPENDITURE	:	-
ACCUMULATED LOSSES	:	-

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

TURNOVER	:	3,140,481
TOTAL EXPENDITURE	:	2,976,316
PROFIT/(LOSS) BEFORE TAX	:	164,165
PROFIT/(LOSS) AFTER TAX	:	105,154
EARNINGS PER SHARE IN RS.	:	1.77
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	31.03.2012
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:	82,581
(ii) For the previous financial years of the Subsidiary since it has become the Holding Company's subsidiary	196,631

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**  
*Company Secretary & Head Legal  
General Manager (F&A)*

Sd/-  
**Anil Mehra**  
*Director*

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

Place: Gurgaon  
Date : May 18, 2012

## Auditor's Report on the Consolidated Financial Statements of TV Today Network Limited

### The Board of Directors of TV Today Network Limited

1. We have audited the attached consolidated Balance Sheet of T.V. Today Network Limited (the "Company") and its subsidiary; hereinafter referred to as the "Group" (refer Note 1 (b) to the attached consolidated financial statements) as at March 31, 2012, the related consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated 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. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements, notified under Section 211(3C) of the Companies Act, 1956.

4. Without qualifying our report, we draw attention to Note 40 of the financial statements, regarding the carrying value of investment in Mail Today Newspapers Private Limited (Mail Today) amounting to Rs. 445,212,482, which is considered appropriate by the Management of the Company and accordingly, no provision thereof is considered necessary. The carrying value of the investment is dependent on the future performance of Mail Today, the outcome of which cannot be presently determined.
5. In our opinion and to the best of our information and according to the explanations given to us, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;
  - (b) in the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date: and
  - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Price Waterhouse  
Firm Registration No. 301112E  
*Chartered Accountants*

Sd/-  
S. Mukherjee  
*Partner*

Place : Gurgaon  
Date : May 18, 2012

Membership No. F-57084



**BALANCE SHEET (CONSOLIDATED) AS AT MARCH 31, 2012**

	Note	March 31, 2012 Amount (Rs.)	As at March 31, 2011 Amount (Rs.)
<b>Equity and Liabilities</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	297,283,075	297,283,075
Reserves and Surplus	3	2,879,613,355	2,827,022,425
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	237,600,000	-
Other Long-Term Liabilities	5	31,983,213	31,035,648
Long-Term Provisions	6	101,805,386	91,984,586
<b>Current Liabilities</b>			
Short-Term Borrowings	7	234,530,123	178,744,914
Trade Payables	8	321,543,529	268,736,310
Other Current Liabilities	9	319,606,601	276,695,562
Short-Term Provisions	10	65,903,334	65,919,072
<b>Total</b>		<b>4,489,868,616</b>	<b>4,037,421,592</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	11	504,297,150	590,691,760
Intangible Assets	12	44,696,810	42,898,620
Capital Work-In-Progress	11	1,745,770,563	749,672,168
Non-Current investments	13	455,212,482	473,180,430
Deferred Tax Assets (Net)	14	150,737,096	111,535,022
Long-Term Loans and Advances	15	137,095,302	193,527,874
<b>Current Assets</b>			
Trade Receivables	16	892,285,649	986,423,812
Cash and Bank balances	17	143,762,532	329,720,388
Short-Term Loans and Advances	18	410,622,558	553,332,097
Other Current Assets	19	5,388,474	6,439,421
<b>Total</b>		<b>4,489,868,616</b>	<b>4,037,421,592</b>

The notes are an integral part of these financial statements.

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

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 & Head Legal  
General Manager (F&A)

Sd/-  
**Anil Mehra**  
Director

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

Place: Gurgaon  
Date : May 18, 2012



**STATEMENT OF PROFIT AND LOSS (CONSOLIDATED) FOR THE YEAR ENDED MARCH 31, 2012**

	Note	Year Ended	
		March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Revenue from Operations	23	3,084,337,575	2,933,786,978
Other Income	24	56,316,332	94,349,191
<b>Total Revenue</b>		<b>3,140,653,907</b>	<b>3,028,136,169</b>
Expenses:			
Production Cost	25	401,237,204	386,705,953
Employee Benefits Expense	26	933,514,534	877,302,178
Finance Costs	28	14,338,751	9,458,252
Depreciation and Amortization Expense	29	140,383,190	160,064,695
Other Expenses	30	1,486,893,541	1,410,066,342
<b>Total Expenses</b>		<b>2,976,367,220</b>	<b>2,843,597,420</b>
<b>Profit Before Tax</b>		<b>164,286,687</b>	<b>184,538,749</b>
Tax Expense			
Current Tax [Including Rs. 8,088,899 (Previous Year Rs. Nil) relating to earlier year]		98,252,096	45,038,743
Deferred Tax [Including (Rs. 7,721,222) (Previous Year Rs. Nil) relating to earlier year]		(39,202,075)	15,260,602
<b>Profit / (Loss) for the Period</b>		<b>105,236,666</b>	<b>124,239,404</b>
Earnings Per Equity Share: [Nominal Value Per Share: Rs. 5 (Previous Year Rs. 5)]	34		
Basic		1.77	2.15
Diluted		1.77	2.14

The notes are an integral part of these financial statements.

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

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 & Head Legal  
General Manager (F&A)

Sd/-  
**Anil Mehra**  
Director

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

Place: Gurgaon  
Date : May 18, 2012



**CASH FLOW STATEMENT (CONSOLIDATED) FOR THE YEAR ENDED MARCH 31, 2012**

	Year Ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
<b>A. Cash Flows from Operating Activities</b>		
Profit before taxation	164,286,687	184,538,749
Adjustments for:		
Depreciation	127,497,468	149,249,033
Amortisation	12,885,723	10,815,662
Employee stock option scheme	(819,263)	1,556,816
Provision for doubtful debts and advances	38,519,128	37,856,399
Bad debts written off	-	605,622
Provision for diminution in the value of investments written back	-	(271,007)
Provisions / Liabilities written back to the extent no longer required	(37,562,687)	(41,323,307)
Provision for wealth tax	1,666,447	1,676,089
Profit on sale of tangible assets (net)	(1,181,101)	(251,406)
Interest income	(12,145,286)	(42,151,379)
Dividend income	(234,585)	(717,991)
Interest expenditure	9,055,266	7,095,428
Profit on sale of investment (net)	(204,371)	-
Operating profit before working capital changes	301,763,426	308,678,708
Changes in Working Capital:		
Increase / (Decrease) in other long-term liabilities	947,565	(1,520,886)
Increase / (Decrease) in long-term provisions	10,315,922	47,611,361
Increase / (Decrease) in trade payables	(144,644,401)	(109,748,976)
Increase / (Decrease) in other current liabilities	(28,841,697)	167,673,076
Increase / (Decrease) in short-term provisions	(501,218)	(55,495,597)
(Increase) / Decrease in long-term loans and advances	30,608,224	(27,482,807)
(Increase) / Decrease in trade receivables	72,347,532	(163,728,875)
(Increase) / Decrease in short-term loans and advances	80,747,837	(29,569,806)
(Increase) / Decrease in other non-current assets	(2,667,848)	9,393,964
Cash generated from operations	320,075,342	145,810,162
Taxes paid (net of refunds)	(37,732,427)	(51,656,718)
<b>Net cash generated from operations</b>	<b>282,342,915</b>	<b>94,153,444</b>
<b>B. Cash Flows from Investing Activities</b>		
Purchase of non-current investments	-	(269,941,487)
Sale of non-current investments	18,172,319	-
Purchase of tangible / intangible assets	(62,731,710)	(59,106,688)
Sale of tangible assets	8,126,047	3,272,412
(Increase) / Decrease in Capital Work in Progress	(772,822,432)	(275,976,898)
Dividend received	234,585	717,991
Proceeds from maturity of deposits with banks	282,996,381	958,692,116
Interest received	15,630,024	75,684,266
<b>Net cash from / (used in) investing activities</b>	<b>(510,394,786)</b>	<b>433,341,712</b>
<b>C. Cash Flows from Financing Activities</b>		
Proceeds from issuance of share capital	-	534,150
Proceeds from long-term borrowings	330,000,000	-
Repayments of long-term borrowings from banks	-	(225,000,000)
Proceeds from short-term borrowings	169,060,600	-

**CASH FLOW STATEMENT (CONSOLIDATED) FOR THE YEAR ENDED MARCH 31, 2012**

	Year Ended March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Repayment of short-term borrowings	(113,275,391)	(251,795,712)
Interest paid	(9,055,266)	(9,954,812)
Unpaid dividends	(186,871)	(181,922)
Dividend and Dividend Distribution Tax paid	(51,639,547)	(50,534,804)
<b>Net cash from / (used in) financing activities</b>	<b>324,903,525</b>	<b>(536,933,100)</b>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>96,851,654</b>	<b>(9,437,944)</b>
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>23,659,896</b>	<b>33,097,840</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>120,511,550</b>	<b>23,659,896</b>
<b>Cash and cash equivalents comprise of:</b>		
Cash on hand	1,052,051	1,007,668
Bank balances		
In current accounts	119,459,499	22,652,228
<b>Total</b>	<b>120,511,550</b>	<b>23,659,896</b>

The notes are an integral part of these financial statements.

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

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 & Head Legal  
General Manager (F&A)

Sd/-  
**Anil Mehra**  
Director

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

Place: Gurgaon  
Date : May 18, 2012



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**1. Significant Accounting Policies**

**a. Basis of Preparation**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of services provided, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

**b. Principles of consolidation**

These accounts represent consolidated accounts of the Company and its wholly-owned subsidiary, incorporated in India, as follows:

Entity	Relationship	Shareholding as at March 31, 2012	Shareholding as at March 31, 2011
T.V. Today Network (Business) Limited	Subsidiary	100%	100%

**c. Tangible Assets**

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

**d. 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.

**e. Depreciation / Amortisation**

- Depreciation on Tangible Assets (other than Leasehold Improvements, Vehicles 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 depreciated over the period of the lease.
- Assets costing less than Rs. 5,000 are depreciated over a period of 12 months.
- Vehicles are depreciated over the useful life of 5 years on straight-line method.
- Intangible Assets are amortised on a straight-line basis over their estimated useful life, on a case to case basis.

**f. Revenue Recognition**

Advertisement Income 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 distributors.

**f. Interest Income**

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

**g. 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.

**h. 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 Plans**

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

**(ii) Defined Benefit Plans**

The Company provides for the liability at year end on account of gratuity and compensated absences as per the actuarial valuation carried out by an independent actuary 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 Statement of Profit and Loss as income or expense.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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's salary and the tenure of employment. 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.

### i. Foreign Currency Transactions

Foreign exchange transactions during the year are recorded at the exchange rate prevailing on the date of transaction. Gains or losses arising out of fluctuations in exchange rate between transaction date and settlement date are recognized in the Statement of Profit and Loss.

Monetary Assets and Liabilities are translated at the exchange rates prevailing at the year end and the resultant gain / loss is recognized in the Statement of Profit and Loss.

### j. 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 is 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.

### k. 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 Statement of Profit and Loss, on a straight line basis over the lease term.

### l. 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 earnings per share, the net profit or 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 dilutive potential equity shares.

### m. Borrowing Costs

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

### n. 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.

### o. Provisions and Contingencies

Provision is 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 can be reliably estimated. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A disclosure for contingent liabilities is made when there is a possible obligation or a present obligation that probably will not require an outflow of resource or where a reliable estimate of obligation cannot be made.

### p. 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.

### q. Cash and Cash Equivalents

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



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**2. Share Capital**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Authorised:		
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
Issued:		
59,456,615 (Previous Year 59,456,615) Equity Shares of Rs. 5 each	297,283,075	297,283,075
Subscribed and Paid-Up:		
59,456,615 (Previous Year 59,456,615) Equity Shares of Rs. 5 each fully paid-up	297,283,075	297,283,075
<b>Total</b>	<b>297,283,075</b>	<b>297,283,075</b>

**(a) Reconciliation of number of shares**

Equity Shares :	As at March 31, 2012		As at March 2011	
	Number of Shares	Amount (Rs.)	Number of Shares	Amount (Rs.)
Balance as at the beginning of the year	59,456,615	297,283,075	57,791,616	288,958,080
Add: Shares issued under the Composite Scheme of Arrangement for merger of Radio Business of Radio Today Broadcasting Limited with the Company	-	-	1,655,999	8,279,995
Add: Shares issued under the ESOP scheme	-	-	9,000	45,000
<b>Balance as at the end of the year</b>	<b>59,456,615</b>	<b>297,283,075</b>	<b>59,456,615</b>	<b>297,283,075</b>

**(b) Rights, preferences and restrictions attached to shares**

The Company has only one class of equity shares having a par value of Rs. 5 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. However, no such preferential amounts exist currently.

**(c) Shares held by Holding Company**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
33,954,333 (Previous Year 33,954,333) shares held by Living Media India Limited, the Holding Company	169,771,665	169,771,665

**(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Living Media India Limited, the Holding Company	33,954,333 (57.11%)	33,954,333 (57.11%)
Reliance Capital Limited	8,100,000 (13.62%)	5,800,000 (9.76%)

**(e) Shares reserved for issue under Options**

Refer Note 27 for details of shares to be issued under the Employee Stock Option Plan

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(f) Shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash (during 5 years immediately preceding March 31, 2012)

	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
(i) Equity shares of Rs. 5 each issued to the shareholders of Radio Today Broadcasting Limited pursuant to the Composite Scheme of Arrangement, without payment being received in cash	-	1,655,999	-	-	-
(ii) Equity shares issued under the Employee Stock Option Plan as consideration for services rendered by employees (refer Note 27)	-	9,000	27,500	-	9,000
(iii) Aggregate number and class of shares bought back by the Company	-	-	203,752	41,132	-

3. Reserves and Surplus

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
<b>Employee Stock Options Outstanding</b>		
Options granted till date	8,692,500	5,077,500
Add: Compensation for options granted during the year	-	3,885,000
Less: Options forfeited	3,030,000	135,000
Less: Transfer to securities premium on exercise of stock options during the year	-	135,000
	<u>5,662,500</u>	<u>8,692,500</u>
Less: Deferred Employee Stock Compensation	930,820	3,141,557
<b>Balance as at the end of the year</b>	<u>4,731,680</u>	<u>5,550,943</u>
<b>General Reserve</b>		
Balance as at the beginning of the year	681,029,332	674,529,332
Add: Transferred from Surplus in Statement of Profit and Loss during the year	5,500,000	6,500,000
<b>Balance as at the end of the year</b>	<u>686,529,332</u>	<u>681,029,332</u>
<b>Revaluation Reserve</b>		
<b>Securities Premium Account</b>		
Balance as at the beginning of the year	523,434,194	522,810,044
Add: Transferred from stock options outstanding	-	135,000
Add: Share premium received on issue of Equity Shares	-	489,150
Less: Amounts utilized on issue of fully paid bonus shares		
<b>Balance as at the end of the year</b>	<u>523,434,194</u>	<u>523,434,194</u>
<b>Surplus in Statement of Profit and Loss</b>		
Balance as at the beginning of the year	1,617,007,956	1,551,101,775
Profit for the year	105,236,666	124,239,404
Less: Appropriations		
Proposed dividend on Equity Shares for the year	44,592,461	44,599,211



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Dividend distribution tax on proposed dividend on Equity Shares	7,234,012	7,234,012
Transfer to General Reserve	5,500,000	6,500,000
<b>Balance as at the end of the year</b>	<b>1,664,918,149</b>	<b>1,617,007,956</b>
<b>Total</b>	<b>2,879,613,355</b>	<b>2,827,022,425</b>

**4. Long-Term Borrowings**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Secured: Term Loan:		
From Other Party (Refer Note 9)	237,600,000	-
<b>Total</b>	<b>237,600,000</b>	<b>-</b>

**(a) Nature of security and terms of repayment for secured borrowings :**

**Nature of Security**

Term Loan from other party is secured by exclusive charge over equipment, demand promissory note and irrevocable and unconditional power of attorney for enforcement of security created in respect of the equipment.

**Terms of Repayment**

Repayable in 11 quarterly instalments in arrears, with principal only moratorium of 3 months, from the date of the loan (March 30, 2012) in the following manner:-

Quarter 2 - 10% of the loan amount

Quarter 3 to Quarter 12 - 9% of the loan amount

Interest payable monthly in arrears at the rate of 200 basis points above the effective State Bank of India Base Rate, as announced by State Bank of India on its web site under Base Rate.

**5. Other Long-Term Liabilities**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Income received in advance	288,530	408,457
Security Deposits	25,242,477	22,867,697
Others	6,452,206	7,759,194
<b>Total</b>	<b>31,983,213</b>	<b>31,035,648</b>

**6. Long-Term Provisions**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Provision for employee benefits: (Also refer Note 26)		
Provision for compensated absences	55,482,109	55,977,231
Other Provisions: (Also refer Note 20)		
Provision for litigations / disputes	46,323,277	36,007,355
<b>Total</b>	<b>101,805,386</b>	<b>91,984,586</b>

Provisions	Litigations / Disputes	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
<b>Balance as at the beginning of the year</b>	<b>36,007,355</b>	<b>34,054,196</b>
Additions	10,315,922	1,953,159
Amounts used	-	-
Unused amounts reversed	-	-
<b>Balance as at the end of the year</b>	<b>46,323,277</b>	<b>36,007,355</b>
Classified as Non-Current:	46,323,277	36,007,355
<b>Total</b>	<b>46,323,277</b>	<b>36,007,355</b>



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**7. Short-Term Borrowings**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
<b>Secured:</b>		
Cash Credit facilities from bank	65,469,523	178,744,914
Working Capital Loan repayable on demand from bank	169,060,600	-
<b>Total</b>	<b>234,530,123</b>	<b>178,744,914</b>

- (a) Cash Credit facilities have been secured by way of first charge against the whole of book-debts.  
 (b) Working Capital Loan has been secured by (hypothecation deed pending to be executed as at year end) :-  
 (i) Charge on book debts of the Company (both present and future) on a first pari passu basis with another bank.  
 (ii) Exclusive charge on proposed rental income received from all other India Today group companies for NOIDA Property.  
 (iii) Negative lien on the NOIDA property.

**8. Trade Payables**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Sundry Creditors (Refer Note 39)	321,543,529	268,736,310
<b>Total</b>	<b>321,543,529</b>	<b>268,736,310</b>

**9. Other Current Liabilities**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Current maturities of long-term debt (Refer Note 4)	92,400,000	-
Income received in advance	1,279,111	1,034,890
Unpaid dividends [Refer Note (a) below]	1,545,400	1,358,474
Advances from customers	87,485,703	153,255,059
Employee benefits payable	5,461,342	5,566,047
Statutory dues including provident fund and tax deducted at source	27,699,045	100,830,530
Others	103,736,000	14,650,562
<b>Total</b>	<b>319,606,601</b>	<b>276,695,562</b>

- (a) Amount due for payment to Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end is Rs. 144,430 (Previous Year Rs. Nil), being unpaid dividend for the year 2003-04.

**10. Short-Term Provisions**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Provision for employee benefits: (Refer Note 26)		
Provision for compensated absences	12,410,414	12,416,510
Other Provisions:		
Provision for wealth tax	1,666,447	1,676,089
Provision for proposed dividend on Equity Shares	44,592,461	44,592,461
Provision for dividend distribution tax on proposed dividend on Equity Shares	7,234,012	7,234,012
<b>Total</b>	<b>65,903,334</b>	<b>65,919,072</b>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**
**11. Tangible Assets**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	April 1, 2011	Additions	Disposal/ Adjustment	March 31, 2012	April 1, 2011	For the year	Disposal/ Adjustment	March 31, 2012	March 31, 2012	March 31, 2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Leasehold Land	120,359,050	-	-	120,359,050	9,893,514	1,648,919	-	11,542,433	108,816,617	110,465,536
Leasehold Improvements	97,700,946	-	-	97,700,946	81,695,929	4,237,276	-	85,933,205	11,767,741	16,005,017
Plant and Machinery	1,423,121,201	23,182,764	19,744,360	1,426,559,605	1,050,216,825	93,683,019	18,546,425	1,125,353,419	301,206,186	372,904,376
Computers	96,762,465	4,047,392	2,596,904	98,212,953	69,828,322	8,819,666	2,596,904	76,051,084	22,161,869	26,934,143
Office Equipment	37,693,273	751,920	2,469,566	35,975,627	26,768,759	2,719,989	2,089,793	27,398,955	8,576,672	10,924,514
Furniture and Fixtures	35,478,772	866,041	-	36,344,813	28,396,918	708,643	-	29,105,561	7,239,252	7,081,854
Vehicles	81,877,289	19,199,686	15,849,727	85,227,248	35,500,969	15,679,955	10,482,489	40,698,435	44,528,813	46,376,320
<b>Total</b>	<b>1,892,992,996</b>	<b>48,047,803</b>	<b>40,660,557</b>	<b>1,900,380,242</b>	<b>1,302,301,236</b>	<b>127,497,467</b>	<b>33,715,611</b>	<b>1,396,083,092</b>	<b>504,297,150</b>	<b>590,691,760</b>
Capital Work-in-Progress									1,745,770,563	749,672,168
<b>Total</b>									<b>2,250,067,713</b>	<b>1,340,363,928</b>
<b>Previous Year</b>	<b>1,885,012,296</b>	<b>42,350,147</b>	<b>34,369,447</b>	<b>1,892,992,996</b>	<b>1,184,400,644</b>	<b>149,249,033</b>	<b>31,348,441</b>	<b>1,302,301,236</b>	<b>590,691,760</b>	<b>44,696,810</b>

**12. Intangible Assets**

Particulars	GROSS BLOCK				AMORTISATION				NET BLOCK	
	April 1, 2011	Addition	Disposal / Adjustments	March 31, 2012	April 1, 2011	For the year	Disposal / Adjustments	March 31, 2012	March 31, 2012	March 31, 2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Production Software	88,108,189	18,306	-	88,126,495	72,223,784	6,513,929	-	78,737,713	9,388,782	15,884,405
Computer Software	3,771,808	3,447,029	-	7,218,837	3,381,187	1,627,457	-	5,008,644	2,210,193	390,621
CTI Site BECIL	35,800,000	11,218,578	-	47,018,578	9,176,406	4,744,337	-	13,920,743	33,097,835	26,623,594
<b>Total</b>	<b>127,679,997</b>	<b>14,683,913</b>	<b>-</b>	<b>142,363,910</b>	<b>84,781,377</b>	<b>12,885,723</b>	<b>-</b>	<b>97,667,100</b>	<b>44,696,810</b>	<b>42,898,620</b>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

13. Non-Current Investments

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
<b>Trade Investments (valued at cost)</b>		
Unquoted equity instruments		
Investment in associate:		
10,510,510 equity shares (Previous Year 10,510,510)		
of Rs. 10 each fully paid-up held in Mail Today Newspapers Private Limited (Refer Note 40)	455,212,482	455,212,482
	<u>455,212,482</u>	<u>455,212,482</u>
<b>Other Investments (valued at cost unless stated otherwise)</b>		
Quoted		
Investment in Mutual Funds :		
Nil units (Previous Year 1,439,232) of		
Prudential ICICI Gilt Fund - Investment Plan	-	17,967,948
[Net of provision for other than temporary diminution aggregating to Rs. Nil (Previous Year Rs. 2,032,052)]	-	17,967,948
<b>Total</b>	<u>455,212,482</u>	<u>473,180,430</u>
<b>Aggregate amount of quoted investments</b>	-	17,967,948
<b>Market value of quoted investments</b>	-	17,967,948
<b>Aggregate amount of unquoted investments</b>	455,212,482	455,212,482
<b>Aggregate provision for diminution in value of investments</b>	-	2,032,052

14. Deferred Tax Assets (Net)

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
<b>Deferred Tax Assets</b>		
Provision for doubtful debts and advances charged in the financial statements but allowed as deduction under the Income Tax Act in future years (to the extent considered realizable)	39,535,179	32,206,862
Provision for gratuity and compensated absences	11,603,454	5,099,885
Other disallowances as per the Income Tax Act	37,278,850	14,936,840
Depreciation claimed as deduction in the financial statements but allowed under the Income Tax Act in future years	62,319,613	59,291,435
<b>Total</b>	<u>150,737,096</u>	<u>111,535,022</u>

Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws.

15. Long-Term Loans and Advances

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Unsecured, considered good, unless otherwise stated :		
Capital Advances	98,293,287	124,117,632
Security Deposits	33,922,442	64,692,322
Advances recoverable in cash or kind	2,207,422	2,119,384
Other loans and advances		
- Balances with Government Authorities	2,672,151	2,598,536
<b>Total</b>	<u>137,095,302</u>	<u>193,527,874</u>



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**16. Trade Receivables**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Unsecured, considered good Outstanding for a period exceeding 6 months from the date they are due for payment	26,250,793	6,703,757
Others	866,034,856	979,720,055
Unsecured, considered doubtful Outstanding for a period exceeding 6 months from the date they are due for payment	84,623,587	68,591,337
Others	22,451,185	16,692,804
Less: Provision for doubtful debts	107,074,772	85,284,141
<b>Total</b>	<b>892,285,649</b>	<b>986,423,812</b>

**17. Cash and Bank Balances**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Cash and Cash equivalents		
Cash on hand	1,052,051	1,007,668
Bank balances		
In current accounts	119,459,499	22,652,228
	120,511,550	23,659,896
Other bank balances		
- Long term deposits with maturity more than 3 months but less than 12 months *	21,705,637	304,702,018
- Unpaid dividend account	1,545,345	1,358,474
	23,250,982	306,060,492
<b>Total</b>	<b>143,762,532</b>	<b>329,720,388</b>

\* Held as lien by bank against bank guarantees

**18. Short-Term Loans and Advances**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Unsecured considered good, unless otherwise stated:		
Security Deposits	34,761,923	705,500
Other Loans and Advances		
- Advance Income Tax [Net of Provision of Rs. 1,248,757,469 (Previous Year Rs.1,200,573,998)]	249,305,527	257,906,609
- Advance Fringe Benefits Tax [Net of Provision of Rs. 47,376,255 (Previous Year: Rs.47,376,255)]	241,989	241,989
- MAT Credit Entitlement	29,905,323	83,500,000
- Prepaid Expenses	24,615,581	25,675,333
- Others*	76,623,464	190,367,972
Less: Allowance for doubtful loans and advances	4,831,249	5,065,306
<b>Total</b>	<b>410,622,558</b>	<b>553,332,097</b>

\* Others includes loan given to Director

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**19. Other Current Assets**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Unsecured considered good, unless otherwise stated:		
Gratuity Plan Assets (Net)	5,154,623	2,720,832
Interest accrued on deposits	233,851	3,718,589
Claims Recoverable	9,946,898	9,712,841
Less: Allowance for doubtful other current assets	9,946,898	9,712,841
<b>Total</b>	<b>5,388,474</b>	<b>6,439,421</b>

**20. Contingent Liabilities**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
<b>Claims against the Company not acknowledged as debts :</b>		
Income Tax Matters :		
The Company has received demand notices from the Income Tax department, which the Company has contested. In the opinion of the management, no liability is likely to arise on account of such demand notices.	82,707,017	87,411,396
Other Matters :		
(1) Claims from Prasar Bharti	24,532,931	100,197,555
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 were also disputed by the Company.		
During the year, the telecast fees matter with Prasar Bharti has been settled vide Delhi High Court order dated February 24, 2012. The total amount payable by the Company as per the said order is Rs. 30,184,406 (net of interest earned on amount already deposited with the Court). The Company had paid and expensed Rs. 23,320,971 till previous year and therefore, the charge to the Statement of Profit and Loss in the current year amounts to Rs. 6,864,406, included in "Others" under "Other Current Liabilities" (Note 9).		
In relation to the uplinking charges matter, the total claim as at March 31, 2012 amounted to Rs. 70,856,205. Pending final outcome in respect of such dispute, the Company is carrying provision on an estimated basis amounting to Rs. 46,323,274, including Rs. 10,315,922 provided for in the current year. In the opinion of the management, based on its understanding of the case and as advised by their counsel, the provision made in the books is considered adequate and the balance amount is considered as a contingent liability.		
(2) 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.	-	-
<b>Guarantees:</b>		
Bank Guarantees	25,069,899	28,554,699
(a) It is not possible for the Company to estimate the timing of cash outflows, if any, in respect of the above, pending resolution of the respective proceedings.		
(b) The Company does not expect any reimbursements in respect of the above contingent liabilities.		

**21. Capital Commitments**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Estimated value of contracts in capital account remaining to be executed	204,322,916	299,551,612
<b>Total</b>	<b>204,322,916</b>	<b>299,551,612</b>



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**22. Proposed Dividend**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
The final dividend proposed for the year is as follows:		
On Equity Shares of Rs. 5 each		
Amount of dividend proposed	44,592,461	44,599,211
Dividend per Equity Share	0.75	0.75

**23. Revenue**

Particulars	Year ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Sale of Services		
Advertisement Income	2,774,033,613	2,669,752,341
Subscription Income	307,797,141	262,143,611
Other Operating Revenue		
Fees from Training	1,559,636	1,171,071
SMS Income	947,185	719,955
<b>Total</b>	<b>3,084,337,575</b>	<b>2,933,786,978</b>

**24. Other Income**

Particulars	Year ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Interest income	12,145,286	42,151,379
Dividend income		
From others	234,585	717,991
Net gain on sale of investments	204,371	-
Net profit on sale of tangible assets	1,181,101	1,608,208
Provisions / Liabilities written back to the extent no longer required	37,562,687	41,323,307
Miscellaneous income	4,988,302	8,548,306
<b>Total</b>	<b>56,316,332</b>	<b>94,349,191</b>

**25. Production Cost**

Particulars	Year ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Reporting Expenses	93,722,800	109,675,606
Up linking Charges	22,037,051	19,923,065
Assignment Charges	5,117,517	1,851,556
Production Expenses	189,011,571	165,895,454
Subscription	14,507,192	14,470,226
Consumables	3,983,190	5,024,493
Transponder Lease Rentals	72,251,631	67,898,824
Programme Procurement	606,252	1,966,729
<b>Total</b>	<b>401,237,204</b>	<b>386,705,953</b>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**26. Employee Benefits Expense**

Particulars	Year ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Salaries, Wages and Bonus	884,434,873	824,438,500
Contribution to Provident and Other Funds [Refer Note (I) below]	38,038,886	34,809,768
Gratuity [Refer Note (II) below]	7,158,944	9,393,964
Employee Stock Option Scheme (Refer Note 27)	(819,263)	1,556,816
Staff Welfare Expenses	4,701,094	7,103,130
<b>Total</b>	<b>933,514,534</b>	<b>877,302,178</b>

Particulars	Year ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
<b>I Defined Contribution Plans</b>		
Amount recognised in the Statement of Profit and Loss		
- Employers' Contribution to Provident Fund	31,139,560	27,945,992
- Employers' Contribution to Employees' Pension Scheme, 1995	6,899,326	6,863,776
<b>Total</b>	<b>38,038,886</b>	<b>34,809,768</b>

**II Defined Benefit Plans**

**(A) The assumptions used to determine the defined benefit obligations are as follows :**

Particulars	As at	
	March 31, 2012	March 31, 2011
Discount rate (per annum)	8.60%	8.00%
Rate of increase in compensation levels	6.50%	6.50%
Expected rate of return on plan assets (for gratuity)	9.30%	9.25%
Expected average remaining working lives of employees (years)	23.87	24.69

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

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**(B) Changes in the Present Value of Obligation**

**(i) Compensated Absences (Unfunded)**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Present Value of Obligation as at April 1, 2011	68,393,741	58,172,208
Interest Cost	5,595,875	4,596,405
Current Service Cost	11,596,848	9,341,722
Benefits Paid	(5,939,718)	(2,201,847)
Actuarial (Gain) / Loss on Obligation	(11,754,223)	(1,514,747)
Present Value of Obligation as at March 31, 2012	67,892,523	68,393,741

**(ii) Gratuity (Funded)**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Present Value of Obligation as at April 1, 2011	58,035,914	46,042,373
Interest Cost	4,642,873	3,637,961
Current Service Cost	9,857,503	9,736,233
Benefits Paid	(6,662,251)	(912,272)
Actuarial (Gain) / Loss on Obligation	(1,886,908)	(468,381)
Present Value of Obligation as at March 31, 2012	63,987,131	58,035,914



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

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

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Fair Value of Plan Assets as at April 1, 2011	60,756,747	38,044,046
Expected Return on Plan Assets	5,619,999	3,511,849
Actuarial Gain / (Loss)	(165,475)	Nil
Contributions	9,592,734	20,113,123
Benefits Paid	(6,662,251)	(912,272)
Fair Value of Plan Assets as at March 31, 2012	69,141,754	60,756,746

**(D) Reconciliation of Present Value of Defined Benefit Obligation and Fair Value of Plan Assets**

**(i) Gratuity**

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Present Value of Obligation as at March 31, 2012	63,987,131	58,035,914	46,042,373	35,079,134	24,001,092
Fair Value of Plan Assets as at March 31, 2012	69,141,754	60,756,746	38,044,046	32,547,524	23,690,240
Funded Status Net Asset / (Liability)	5,154,623	2,720,832	(7,998,327)	(2,531,610)	(310,852)
Recognized in Balance Sheet	5,154,623	2,720,832	(7,998,327)	(2,531,610)	(310,852)
Recognised under : Other Current Assets (Refer Note 19)	5,154,623	2,720,832			

**(ii) Compensated Absences**

	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Present Value of Obligation as at March 31, 2012	67,892,523	68,393,741	58,172,208	45,138,967	19,157,626
Fair Value of Plan Assets as at March 31, 2012	-	-	-	-	-
Funded Status Net Asset / (Liability)	(67,892,523)	(68,393,741)	(58,172,208)	(45,138,967)	(19,157,626)
Recognized in Balance Sheet	(67,892,523)	(68,393,741)	(58,172,208)	(45,138,967)	(19,157,626)
Recognised under : Long-Term Provisions (Refer Note 6)	55,482,109	55,977,231			
Short-Term Provisions (Refer Note 10)	12,410,414	12,416,510			
<b>Total</b>	<b>67,892,523</b>	<b>68,393,741</b>			

**(E) Experience Adjustments on Plan Assets and Liabilities**

	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008
Experience adjustments on Plan Assets - (Loss) / Gain - Gratuity (Funded)	(165,475)	-	(54,114)	Not Available	Not Available
Experience adjustments on Plan Liabilities - (Loss) / Gain - Gratuity (Funded)	(463,223)	78,385	8,618,573	Not Available	Not Available
- Compensated Absences (Unfunded )	8,748,026	1,552,338	5,714,278	Not Available	Not Available



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**(F) Expense recognized in the Statement of Profit and Loss**

**(i) Compensated Absences**

Particulars	Year ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Current Service Cost	11,596,848	9,341,722
Interest Cost	5,595,875	4,596,405
Net Actuarial (Gain) / Loss recognized in the period	(11,754,223)	(1,514,747)
Total Expense	5,438,500	12,423,380

**(ii) Gratuity**

Particulars	Year ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Current Service Cost	9,857,503	9,736,233
Interest Cost	4,642,873	3,637,961
Expected Return on Plan Assets	(5,619,999)	(3,511,849)
Net Actuarial (Gain) / Loss recognized in the period	(1,721,433)	(468,381)
Total Expense	7,158,944	9,393,964

**(G) Constitution of Plan Assets (for Gratuity)**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Total of the Plan Assets	69,141,755*	60,756,747*
* The contribution is made to LIC and the detailed information of Plan Assets has not been provided by LIC		
Actual return on Plan Assets	5,454,524	3,511,849

**27. Employee Stock Option Plan**

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 21st August, 2006 and by shareholders in their meeting held on 28th September, 2006, for grant of 2,900,000 options, representing one share for each option upon exercise by the employees of the Company, at an exercise price determined by the 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. (-)819,263 (Previous Year Rs. 1,556,816) as expense during the year. Further, the liability as at March 31, 2012 in respect of Employee Stock Options Outstanding is Rs. 5,662,500 (Previous Year Rs. 8,692,500). The balance deferred compensation expense of Rs. 930,820 (Previous Year 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 2012 under the TVTN ESOP 2006 is set out below:**

Date of Grant	First Grant 1-Dec-06	Second Grant 1-Mar-07	Third Grant 1-Dec-07	Fourth Grant 24-Jun-08	Fifth Grant 5-Apr-10	Sixth Grant 20-May-10	Seventh Grant 30-Sep-10
Market value on the date of grant of underlying equity shares	Rs. 74.35	Rs. 134.85	Rs.152.75	Rs.93.15	Rs. 113.90	Rs. 102.85	Rs.85.15
Exercise Price (50% of options)	Rs. 74.35	Rs. 134.85	Rs.152.75	Rs.93.15	Rs. 113.90	Rs. 102.85	Rs.85.15
(Balance 50% of options) *	Rs. 44.35	Rs. 104.85	Rs.122.75	Rs.63.15	Rs. 83.90	Rs. 72.85	Rs.55.15
Vesting Period	4 Years	4 Years	4 Years	4 Years	4 Years	4 Years	4 Years
Options outstanding at the beginning of the year (Nos.)	145,000	55,000	15,000	104,000	21,500	37,500	200,000
Options granted (Nos.)	-	-	-	-	-	-	-
Options forfeited (Nos.)	10,500	45,000	15,000	15,000	16,500	-	100,000
Options exercised (Nos.)	-	-	-	-	-	-	-
Options expired (Nos.)	-	-	-	-	-	-	-
Options outstanding at the end of the year (Nos.)	134,500	10,000	-	89,000	5,000	37,500	100,000
Options exercisable at the year end (Nos.)	134,500	10,000	-	53,400	500	3,750	10,000

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



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

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 :-

Date of Grant	December 1, 2006	March 1, 2007	December 1, 2007	June 24, 2008	April 5, 2010	May 20, 2010	September 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)

The impact on the profit of the Company for the year ended March 31, 2012 and the basic and diluted earnings per share, had the Company followed the fair value method of accounting for stock options is as set out below :

Particulars	Year ended	
	March 31, 2012	March 31, 2011
Profit after taxation	105,236,666	124,239,404
Add: Employee compensation cost based on Intrinsic value	(819,263)	1,556,816
Less: Employee compensation cost based on Fair value	3,480,709	5,133,150
Profit after taxation as per Fair Value Method	100,936,694	120,663,070
Earnings per Share (EPS)		
Basic		
Number of shares	59,456,615	57,844,137
Basic EPS as reported	1.77	2.15
Proforma Basic EPS	1.70	2.09
Diluted		
Number of shares	59,517,346	57,941,261
Diluted EPS as reported	1.77	2.14
Proforma Diluted EPS	1.70	2.08

**28. Finance Costs**

Particulars	Year ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Interest on long-term borrowings	256,027	6,659,444
Interest on short-term borrowings	5,273,187	402,726
Interest on shortfall of advance tax	3,526,052	-
Other borrowing costs	5,283,485	2,396,082
<b>Total</b>	<b>14,338,751</b>	<b>9,458,252</b>

**29. Depreciation and Amortization Expense**

Particulars	Year ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Depreciation on Tangible assets	127,497,467	149,249,033
Amortisation on Intangible assets	12,885,723	10,815,662
<b>Total</b>	<b>140,383,190</b>	<b>160,064,695</b>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**30. Other Expenses**

Particulars	Year Ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Advertising, Distribution and Sales Promotion	869,813,086	842,651,941
Power and Fuel	50,233,109	45,286,481
Rent	148,493,097	125,811,031
Repairs to Machinery	27,421,542	29,970,875
Repairs - Others	11,408,371	7,305,058
Insurance	13,611,080	13,468,087
Rates and Taxes	3,710,554	2,578,284
Travelling Expenses	97,750,760	105,935,496
Payment to Auditors (excluding service tax)		
As Auditor:		
Audit Fee	3,025,000	2,525,000
Tax Audit Fee	150,000	100,000
Other Services	1,225,000	900,000
Reimbursement of Expenses	480,139	157,017
Legal and Professional fees	15,927,381	12,169,202
Printing and Stationery	4,478,900	3,907,809
Communication Expenses	34,507,542	33,801,352
Car Hire Charges	50,658,934	43,143,857
Housekeeping	39,191,204	33,626,385
Vehicle Running and Maintenance	4,391,504	8,053,618
Agency Incentive	19,289,791	15,700,773
Freight and Courier	2,235,676	2,059,488
Guard Services	14,183,229	9,943,720
Newspapers and Periodicals	6,133,678	947,454
Business Promotion	13,076,056	14,217,203
Technical Consultancy Fees	1,471,333	11,618,917
Software Expenses	2,938,319	332,400
Fixed Assets written off	-	1,356,802
Bad Debts and Advances written off	-	605,622
Net loss on Foreign Currency Transaction and Translation	2,242,343	409,705
Provision for Doubtful Debts and Advances	38,519,128	37,856,399
Loss of Capital Work-In-Progress due to fire	6,924,000	-
Miscellaneous Expenses	3,402,785	3,626,366
<b>Total</b>	<b>1,486,893,541</b>	<b>1,410,066,342</b>

Expenses capitalised as a part of Capital Work-In-Progress

Particulars	Year Ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Salaries and Wages	15,738,325	-
Power and Fuel	7,951,618	-
Production Cost	1,892,000	-
Housekeeping	1,697,735	-
Other Expenses	735,949	-
<b>Total</b>	<b>28,015,627</b>	<b>-</b>



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**31. CIF Value of Imports**

Particulars	Year ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Capital Goods	264,408,514	21,134,543
<b>Total</b>	<b>264,408,514</b>	<b>21,134,543</b>

**32. Expenditure in Foreign Currency**

Particulars	Year ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Foreign Travel	20,023,167	14,338,051
Production Cost	79,802,299	96,010,286
Repair and Maintenance	1,123,041	3,026,682
Other Expenses	1,961,195	15,876,959
<b>Total</b>	<b>102,909,702</b>	<b>129,251,978</b>

**33. Earnings in Foreign Currency**

Particulars	Year ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Advertisement Income	7,088,560	9,972,844
Subscription Income	82,874,874	72,301,624
Miscellaneous Income	123,431	272,846
<b>Total</b>	<b>90,086,865</b>	<b>82,547,314</b>

**34. Earnings Per Share**

Particulars	Year ended		
		March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
<b>Basic</b>			
Profit after tax	A	105,236,666	124,239,404
Weighted average number of shares outstanding	B	59,456,615	57,844,137
Basic EPS	A/B	1.77	2.15
<b>Diluted</b>			
Profit after tax	A	105,236,666	124,239,404
Weighted average number of shares outstanding	B	59,456,615	57,844,137
Add: Weighted average number of potential equity shares on account of employee stock options	C	60,731	97,124
Weighted average number of shares outstanding for diluted EPS	D = B+C	59,517,346	57,941,261
Diluted EPS (Rs.)	A/D	1.77	2.14
Face value per share (Rs.)		5	5

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**Other Disclosures**

**35. Investments**

The following table includes the classification of investments in accordance with AS 13, Accounting for Investments :

Particulars	Year ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
<b>Long Term Investments</b>		
10,510,510 equity shares (Previous Year 10,510,510) of Rs. 10 each fully paid-up held in Mail Today Newspapers Private Limited (Refer Note 40)	455,212,482	455,212,482
Nil Mutual Funds units (Previous Year 1,439,232) of Prudential ICICI Gilt Fund - Investment Plan [Net of provision for other than temporary diminution aggregating to Rs. Nil (Previous Year Rs. 2,032,052)]	-	17,967,948
<b>Total</b>	<b>455,212,482</b>	<b>473,180,430</b>
<b>Disclosed Under:</b>		
Non-Current Investments (Refer Note 13)	455,212,482	473,180,430
<b>Total</b>	<b>455,212,482</b>	<b>473,180,430</b>

**36. Segment Reporting**

The Company has considered the business segment as the primary reporting segment on the basis that the risk and returns of the Company is primarily determined by the nature of services.

The business segments have been identified on the basis of :

- the nature of services
- the risks and returns
- internal organization and management structure and
- the internal performance reporting systems

The business segment comprise of the following :

- TV Broadcasting
- Radio Broadcasting

Particulars	March 31, 2012			March 31, 2011		
	TV Broadcasting	Radio Broadcasting	Total	TV Broadcasting	Radio Broadcasting	Total
<b>Segment Revenue</b>						
Advertisement Income	2,693,228,992	80,804,621	2,774,033,613	2,627,605,797	42,146,544	2,669,752,341
Subscription Income	307,797,141	-	307,797,141	262,143,611	-	262,143,611
Other Operating Revenue	2,460,153	46,668	2,506,821	1,891,026	-	1,891,026
Other Allocable Income	40,201,317	3,530,773	43,732,090	48,792,279	2,416,536	51,208,815
<b>Segment Result - Profit / (Loss)</b>	<b>346,620,074</b>	<b>(185,862,363)</b>	<b>160,757,711</b>	<b>367,541,388</b>	<b>(219,080,846)</b>	<b>148,460,542</b>
Interest Expense			(9,055,266)			(7,062,170)
Interest Income			12,145,286			42,151,379
Dividend Income			234,585			717,991
Diminution in value of Investment written back			-			271,007
Gain on sale of Investment			204,371			-
<b>Profit Before Tax</b>			<b>164,286,687</b>			<b>184,538,749</b>
Income Tax Expense			(59,050,021)			(60,299,345)
<b>Profit After Tax</b>			<b>105,236,666</b>			<b>124,239,404</b>
<b>Other Information</b>						
Segment Assets	3,236,871,299	223,598,517	3,460,469,816	2,538,701,815	238,916,750	2,777,618,565
Unallocated Corporate Assets			599,208,865			806,619,407
Advance Tax (Net of Provision)			279,452,839			341,648,598
Deferred Tax Assets			150,737,096			111,535,022
<b>Total Assets</b>			<b>4,489,868,616</b>			<b>4,037,421,592</b>
Segment Liabilities	654,431,751	40,537,310	694,969,061	643,797,061	37,291,999	681,089,060
Unallocated Corporate Liabilities			618,003,125			232,027,032
Shareholders' Funds			3,176,896,430			3,124,305,500
<b>Total Liabilities</b>			<b>4,489,868,616</b>			<b>4,037,421,592</b>
Capital Expenditure	1,044,327,455	14,502,656	1,058,830,111	58,644,782	461,906	59,106,688
Depreciation and Amortisation included in Segment Expense	113,648,600	26,734,590	140,383,190	133,333,717	26,730,978	160,064,695
Non-cash expenditure other than Depreciation and Amortization included in Segment Expense	39,472,286	10,825,023	50,297,309	56,465,183	4,455,408	60,920,591



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**37. Related Party Disclosures**

**(a) Names of related parties and nature of relationship**

- (i) Where control exists:
  - Holding Company: Living Media India Limited
  - Ultimate Holding Company: World Media Private Limited\*
  - Subsidiary: T.V. Today Network (Business) Limited
- (ii) Other Related Parties with whom transactions have taken place during the year:
  - Fellow Subsidiaries: Thomson Press (India) Limited  
Today Merchandise Private Limited  
Radio Today Broadcasting Limited  
Mail Today Newspapers Private Limited
  - Company under Common Control: Integrated Databases India Limited
  - Key Management Personnel (KMP): Mr. Aroon Purie (Managing Director)  
Ms. Koel Purie Rinchet (Whole Time Director)

<b>(b) Transactions / Balances</b>	<b>Holding Company</b>		<b>Company under Common Control</b>		<b>Fellow Subsidiaries</b>		<b>KMP</b>	
	<b>March 31, 2012</b>	<b>March 31, 2011</b>	<b>March 31, 2012</b>	<b>March 31, 2011</b>	<b>March 31, 2012</b>	<b>March 31, 2011</b>	<b>March 31, 2012</b>	<b>March 31, 2011</b>
Purchase of ad space / material**	4,177,305	60,955	-	-	-	-	-	-
Advertisement Income**	23,264,908	21,658,124	-	-	829,908	322,130	-	-
Management fee	656,650	600,000	-	44,000	-	-	-	-
Purchase of fixed assets	19,305	85,980	-	-	-	-	-	-
SMS charges	-	86,239	-	-	-	-	-	-
Rent payment made to related parties for use of common facilities / utilities	12,197,965	10,538,876	-	-	1,273,968	1,273,968	-	-
Rent charged to related parties for use of common facilities / utilities	57,603	7,974	-	-	26,472	26,472	-	-
Remuneration / Commission paid	-	-	-	-	-	-	14,986,341	13,609,084
Misc. inter-company services received from related parties and other charges paid	7,207,227	3,022,289	-	-	2,161,371	879,504	-	-
Misc. inter-company services rendered to related parties and other charges received	1,014,620	1,925,611	-	-	821,198	663,657	-	-
Loan received	-	17,000,000	-	-	-	-	-	-
Loan repayment	-	377,540,626	-	-	-	-	-	-
Share subscription money paid	-	-	-	-	-	270,000,000	-	-
<b>Balance as at year end</b>								
Trade Payables	4,552,682	9,210,538	-	-	505,999	-	8,134,439	8,210,682
Trade Receivables	10,625,760	-	-	-	2,242,967	1,120,742	-	-

\* There were no transactions during the year and previous year.

\*\* The figures include Sales Tax / Service Tax, as applicable.

Other Related Party transactions :

The Company is using certain 2 MB telephone lease 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.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**(c) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties**

Particulars	Transactions (Rs.)		Balances (Rs.)	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
<b>(i) Rent charged to related parties for use of common facilities / utilities</b>				
Fellow Subsidiaries: Radio Today Broadcasting Limited	26,472	26,472	233,328	26,472
<b>(ii) Misc. inter-company services received from related parties and other charges paid</b>				
Fellow Subsidiaries: Thomson Press India Limited	2,161,371	879,504	365,169	148,784
<b>(iii) Misc. inter-company services rendered to related parties and other charges received</b>				
Fellow Subsidiaries: Mail Today Newspapers Private Limited	635,714	654,477	1,072,124	1,122,682
<b>(iv) Remuneration paid #</b>				
Aroon Purie	9,234,491	9,220,034	8,134,439	8,210,682
Koel Purie Rinchet	5,751,850	4,389,050	-	-
<b>(v) Share subscription money paid</b>				
Fellow Subsidiaries: Mail Today Newspapers Private Limited	-	270,000,000	-	-

(#)As gratuity and compensated absences are computed for all the employees in aggregate, the amounts relating to the Key Management Personnel cannot be individually identified.

**38. Operating Leases**

The Company has cancellable lease arrangements mainly for office premises and company leased accommodation for employees. Terms of lease include terms of renewal, increase in rents in future period and terms of cancellation. The operating lease payments recognized in the Statement of Profit and Loss amount to Rs. 148,493,097 (Previous Year Rs. 125,811,031), net of sub-lease rental received Rs. 726,024 (Previous Year Rs. 572,926).

**39. Dues to Micro and Small Enterprises**

Based on information available with the Company, there are no outstanding dues to Micro and Small enterprises as at March 31, 2012. No interest is paid / payable by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.

**40.** 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 acquired some stake through direct subscription and also through purchase from existing shareholders amounting to Rs. 455,212,482. Though, Mail Today is in the initial stages of operations and is presently 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.

**41. Previous Year Figures**

The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

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 & Head Legal  
General Manager (F&A)

Sd/-  
**Anil Mehra**  
Director

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

Place: Gurgaon  
Date : May 18, 2012

## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting the Seventh Annual Report with the Audited Statement of Accounts for the year ended 31st March 2012.

#### 1. Financial Results

During the financial year 2011-12, the Company earned an income of Rs. 172,987/- (Rupees One Lakh Seventy Two Thousand Nine Hundred and Eighty Seven only) mainly on interest on Bank Deposits (Gross of Tax Deducted at source Rs. 16,879/-) as compared to interest on Bank deposits of Rs. 119,626/- (Rupees One Lakh Nineteen Thousand Six Hundred and Twenty Six only) earned last year Hence, the Company has earned a profit of Rs. 279,211/- (Rupees Two Lakh Seventy Nine Thousand Two Hundred and Eleven only) after adjustment of current tax and brought forward balances during the period under review.

#### 2. Dividend

Since no operations of the Company were commenced during the period, your directors do not recommend any Dividend for the current year.

#### 3. Operations

The commercial operations have yet to start.

#### 4. Director's Responsibility Statement: -

In terms of the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors state that: -

- i) In the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The Directors had prepared the annual accounts on a going concern basis.

#### 5. Auditors

The auditors of your company M/s. Price Waterhouse, Chartered Accountants, retire at the close of forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

#### 6. Compliance Certificate by Company Secretary in Practice

The Company has obtained compliance certificate in terms of Proviso to Section 383A (1) of the Companies Act, 1956, from JUS & Associates, Company Secretaries which is appended hereto and forms part of this Directors Report.

#### 7. Directors

In accordance with the requirement of Section 256 of the Companies Act, 1956 and the Articles of Association of your company, Mrs. Rekha Purie, Director of the Company, retires by rotation at the Seventh Annual General Meeting and being eligible offers herself for re-appointment.

#### 8. Personnel

Since no employee was employed during the current financial year, the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, are not applicable.

#### 9. The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

The requirement of clause (e) of sub-section (1) of section 217 of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is not applicable during the current year.

#### 10. Acknowledgement

Your directors' wish to place on record their appreciation for the co-operation and support extended by all the stakeholders of the Company.

For and on behalf of the Board of Directors

Place : New Delhi  
Date : May 18, 2012

Sd/-  
**Aroon Purie**  
Director

Sd/-  
**Anil Mehra**  
Director



## COMPLIANCE CERTIFICATE

[Pursuant to provision to sub-section (1) of section 383A of the Companies Act, 1956 and Rule 3(1) of the Companies (Compliance Certificate) Rules, 2001]

Company No. : U74899DL2005PLC142634  
Authorized Capital : 15,00,000  
Paid-up Share Capital : 15,00,000

To The Members,

**T.V. TODAY NETWORK (BUSINESS) LIMITED**

VIDEOCON TOWER

E-1, JHANDEWALAN EXTENSION

NEW DELHI-110 055

We have examined the registers, records, books and papers of **M/s. TV Today Network (Business) Ltd**, (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended March 31, 2012. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company, being a public limited company, has the minimum prescribed paid up capital.
4. The Board of Directors duly met four times on May 30, 2011, July 29, 2011, November 04, 2011 and February 09, 2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended March 31, 2011 was held on August 29, 2011 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors, persons, firms, or companies referred to in Section 295 of the Act.
9. The Company has not entered into a contract falling within the purview of Section 297 of the Act, during the period.
10. The Company was not required to make any entry in the register maintained under section 301 of the Act. However, entries were made in the said register under section 301(3) of the Act, during the period.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or the Central Government.
12. The company has not issued any duplicate share certificates during the period.
13. The Company:
  - a. has not made allotment of any security during the financial year.
  - b. the company was not required to deliver share certificates since the company did not receive any request for transfer / transmission of shares during the financial year.
  - c. has not deposited any amount in a separate bank account as no dividend was declared during the financial year.
  - d. was not required to post dividend warrants to any member of the Company as no dividend was declared during the financial year.
  - e. was not required to transfer the amounts in Unpaid Dividend Account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained



## T.V. Today Network (Business) Limited

- unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund .
- f. has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and there was no change in the Board, during the period.
  15. The Company has not appointed any Managing Director or Whole-time Director or a Manager, during the period.
  16. The Company has not appointed any sole-selling agent during the period.
  17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act, during the period.
  18. The Directors have disclosed their interest in other firms and / or companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
  19. The Company has not issued any shares, debentures, or other securities during the financial year.
  20. The Company has not bought back any shares during the period.
  21. Preference shares do not form part of the share capital of the Company. The Company has not issued any debentures during the financial year under scrutiny.
  22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares or bonus shares pending registration of transfer of shares.
  23. The Company has not invited or accepted any deposits including any unsecured loans falling within the purview of Section 58 A of the Act during the financial year.
  24. The Company has not borrowed any amount from financial institutions, banks, Directors, members, public & others during the financial year.
  25. The Company has not made any investments or given any loans or advances or given any guarantee or provided any security to other bodies corporate during the period and consequently, no entry was required to be made in the relevant registers.
  26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the period.
  27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the period.
  28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the period.
  29. The Company has not altered the provisions of the Memorandum with respect to share capital of the company during the period.
  30. The Company has not altered its Articles of Association during the period.
  31. As per the information provided and explanations given by the Company, there was no prosecution initiated against or show cause notices received by the Company for alleged offences under the Act and also the fines and penalties or any other punishment imposed on the Company during the period, for offences under the Act.
  32. As per the information provided and explanations given by the Company, it has not received any money as security from its employees, as per the provisions of Section 417 (1) of the Act, during the period.
  33. The provisions of Provident Fund Act are not applicable to the company.

**For JUS & Associates**

*Company Secretaries*

Jyoti Upmanyu Sharma

C.P. 8987

Place : New Delhi

Date : May 18, 2012

## Annexure-A

## Annexure-B

### Registers as maintained by the Company

#### Statutory Registers

1. Register of Members u/s. 150
2. Register and Returns u/s. 163
3. Minutes Book of Meetings
4. Books of Accounts u/s. 209
5. Register of Contracts u/s. 301
6. Register of Directors u/s. 303
7. Register of Directors' Shareholding u/s 307

#### Others Registers

1. Attendance Register for Board Meeting
2. Register of Common Seal

### Forms and Returns as filed by the Company with the Registrar of Companies, Regional Directors, Central Government or other authorities during the financial year ended March 31, 2012:

1. Balance Sheet for the year ended March 31, 2011 was filed vide Challan No. P79894713 dated November 21, 2011. (Date of Annual General Meeting - August 29, 2011).
2. Compliance Certificate pursuant to proviso to sub section (1) of section 383A for the year ended March 31, 2011 was filed along with additional fees vide Challan No P71228167 dated September 29, 2011.
3. Annual Return u/s 159 in respect of the Annual General Meeting held on August 29, 2011 was filed vide Challan No. P71227136 dated September 29, 2011.
4. Form 22B pursuant to section 187-C (1) for Declaration of beneficial interest was filed vide Challan No B24593543 dated November 11, 2011



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

1. We have audited the attached Balance Sheet of T.V. Today Network (Business) Limited (the "Company") as at March 31, 2012, and the related Statement of Profit and Loss 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 the "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. The Company does not have any fixed assets and hence clause (i) of paragraph 4 of the Order, is not applicable.
  - ii. The Company does not have any inventory, hence, clause (ii) of paragraph 4 of the Order 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) and (iii)(d) of paragraph 4 of the Order are not applicable.  
(b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses (iii)(f) and (iii)(g) of paragraph 4 of the Order are not applicable.
  - iv. The Company has not purchased any inventory and fixed assets and has not sold any good and / or services during the year, hence, clause (iv) of paragraph 4 of the Order is not applicable.
  - v. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
- 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. As the Company is not listed on any stock exchange or the paid-up capital and reserves as at the commencement of the financial year did not exceed Rupees Fifty Lakhs or the average annual turnover for a period of three consecutive financial years immediately preceding the financial year did not exceed Rupees Five Crores, clause (vii) of paragraph 4 of the Order is not applicable.
- viii. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including income tax, service tax, 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, and excise duty which have not been deposited on account of any dispute.
- x. The Company has no accumulated losses.
- 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. The Company has not obtained any term loans.
- 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 during the year; and does not have any debentures outstanding as at the year end.
  - 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 any such case by the Management.
4. 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by

this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;

- (e) On the basis of written representations received from the directors, as on March 31, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2012 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, 2012;
  - (ii) in the case of the Statement of Profit and Loss, 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

Place : Gurgaon  
Date : May 18, 2012

Partner  
Membership No. F-57084



**BALANCE SHEET AS AT MARCH 31, 2012**

	Note	As at	
		March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
<b>Equity and Liabilities</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	1,500,000	1,500,000
Reserves and Surplus	3	279,211	196,631
<b>Current Liabilities</b>			
Trade Payables	4	295,581	217,547
Short-Term Provisions	5	15,595	20,321
<b>Total</b>		<b>2,090,387</b>	<b>1,934,499</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Bank balances	6	1,937,824	1,830,332
Other Current Assets	7	152,563	104,167
<b>Total</b>		<b>2,090,387</b>	<b>1,934,499</b>

The notes are an integral part of these financial statements

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

For Price Waterhouse  
Firm Registration No. 301112E  
Chartered Accountants

For and on behalf of the Board

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

Sd/-  
**Anil Mehra**  
Director

Sd/-  
**Aroon Purie**  
Director

Place : Gurgaon  
Date : May 18, 2012

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

	Note	Year Ended	
		March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
<b>Other Income</b>	8	172,987	119,626
<b>Total Revenue</b>		<b>172,987</b>	<b>119,626</b>
Expenses:			
Other Expenses	9	51,253	35,225
<b>Total Expenses</b>		<b>51,253</b>	<b>35,225</b>
<b>Profit Before Tax</b>		<b>121,734</b>	<b>84,401</b>
Tax Expense			
Current Tax		39,154	38,743
<b>Profit / (Loss) for the Period</b>		<b>82,580</b>	<b>45,658</b>
Earnings Per Equity Share: [Nominal Value Per Share: Rs. 10 (Previous Year Rs. 10)]	11		
Basic		0.55	0.30
Diluted		0.55	0.30

The notes are an integral part of these financial statements.

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

For Price Waterhouse  
Firm Registration No. 301112E  
Chartered Accountants

For and on behalf of the Board

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

**Sd/-**  
**Anil Mehra**  
Director

**Sd/-**  
**Aroon Purie**  
Director

Place : Gurgaon  
Date : May 18, 2012



# T.V. Today Network (Business) Limited

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	Year ended (Rs.) March 31, 2012	Year ended (Rs.) March 31, 2011
<b>A. Cash Flows from Operating Activities</b>		
Profit before taxation	121,734	84,401
Interest income	(172,987)	(119,626)
Operating profit before working capital changes	(51,253)	(35,225)
Changes in Working Capital:		
Increase / (Decrease) in trade payables	78,034	62,226
Cash generated from operations	26,781	27,001
Taxes paid (net of refunds)	(43,880)	(38,743)
<b>Net cash generated from / (used in) operations</b>	<b>(17,099)</b>	<b>(11,742)</b>
<b>B. Cash Flows from Investing Activities</b>		
Proceeds from maturity of deposits with banks	(107,712)	(107,884)
Interest received	124,591	119,626
<b>Net cash from / (used in) investing activities</b>	<b>16,879</b>	<b>11,742</b>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>(220)</b>	<b>-</b>
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>32,407</b>	<b>32,407</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>32,187</b>	<b>32,407</b>
<b>Cash and cash equivalents comprise of:</b>		
Cash on hand	1,500	1,500
Bank balances		
In current accounts	30,687	30,907
<b>Total</b>	<b>32,187</b>	<b>32,407</b>

The notes are an integral part of these financial statements

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

For Price Waterhouse  
Firm Registration No. 301112E  
Chartered Accountants

For and on behalf of the Board

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

Sd/-  
**Anil Mehra**  
Director

Sd/-  
**Aroon Purie**  
Director

Place : Gurgaon  
Date : May 18, 2012



## 1. Significant Accounting Policies

### a. Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Schedule VI to the Companies Act, 1956. The Company does not have any operations and therefore, no operating cycle exists.

### b. Interest Income

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

### c. 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 is 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.

### d. Earnings Per Share

Basic earnings 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 earnings per share, the net profit or 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 dilutive potential equity shares.

### e. Cash and Cash Equivalents

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



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**2. Share Capital**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Authorised: 150,000 (Previous Year 150,000) Equity Shares of Rs. 10 each	1,500,000	1,500,000
Issued: 150,000 (Previous Year 150,000) Equity Shares of Rs. 10 each	1,500,000	1,500,000
Subscribed and Paid-Up: 150,000 (Previous Year 150,000) Equity shares of Rs. 10 each fully paid-up	1,500,000	1,500,000
<b>Total</b>	<b>1,500,000</b>	<b>1,500,000</b>

**(a) Reconciliation of number of shares**

Equity Shares :	As at March 31, 2012		As at March 31, 2011	
	Number of Shares	Amount (Rs.)	Number of Shares	Amount (Rs.)
Balance as at the beginning of the year	150,000	1,500,000	150,000	1,500,000
<b>Balance as at the end of the year</b>	<b>150,000</b>	<b>1,500,000</b>	<b>150,000</b>	<b>1,500,000</b>

**(b) Rights, preferences and restrictions attached to shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. However, no such preferential amounts exist currently.

**(c) Shares held by Holding Company**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
150,000 (Previous Year 150,000) shares held by T.V. Today Network Limited, the Holding Company	1,500,000	1,500,000

**3. Reserves and Surplus**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
<b>Surplus in Statement of Profit and Loss</b>		
Balance as at the beginning of the year	196,631	150,973
Profit for the year	82,580	45,658
<b>Balance as at the end of the year</b>	<b>279,211</b>	<b>196,631</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**4. Trade Payables**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Sundry Creditors (Refer Note 13)	295,581	217,547
<b>Total</b>	<b>295,581</b>	<b>217,547</b>

**5. Short-Term Provisions**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Provision for Current Tax [Net of Advance Tax of Rs. 208,675 (Previous Year Rs. 164,795)]	15,595	20,321
<b>Total</b>	<b>15,595</b>	<b>20,321</b>

**6. Cash and Bank Balances**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Cash and Cash equivalents		
Cash on hand	1,500	1,500
Bank balances		
In current account	30,687	30,907
	<b>32,187</b>	<b>32,407</b>
Other bank balances		
Long term deposits with maturity more than 3 months but less than 12 months	1,905,637	1,797,925
<b>Total</b>	<b>1,937,824</b>	<b>1,830,332</b>

**7. Other Current Assets**

Particulars	As at	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Interest accrued on deposits	152,563	104,167
<b>Total</b>	<b>152,563</b>	<b>104,167</b>

**8. Other Income**

Particulars	Year ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Interest income	172,987	119,626
<b>Total</b>	<b>172,987</b>	<b>119,626</b>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**9. Other Expenses**

Particulars	Year ended	
	March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
Legal and Professional Fees	23,458	10,225
Payment to Auditors (excluding service tax)		
As Auditor:		
Audit Fee	25,000	25,000
Reimbursement of Expenses	2,575	-
Bank Charges	220	-
<b>Total</b>	<b>51,253</b>	<b>35,225</b>

**10. Related Party Disclosures**

**(I) Names of related parties and nature of relationship**

- (a) Entities Controlling the Company
  - Living Media India Limited (Ultimate Holding Company)
  - T.V. Today Network Limited (Holding Company)
- (b) Companies under Common Control:
  - Thomson Press (India) Limited
  - Radio Today Broadcasting Limited

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

Nature of Transaction	Amount (Rs.)	
	Holding Company	
	March 31, 2012	March 31, 2011
Income tax paid on behalf of the Company	29,759	34,256
Reimbursement of Expenses	44,317	52,135

**(III) Balance as at year end**

Particulars	March 31, 2012	March 31, 2011
Trade Payables:		
T.V. Today Network Limited	194,448	120,372

**11. Earnings Per Share**

Particulars		Year ended	
		March 31, 2012 Amount (Rs.)	March 31, 2011 Amount (Rs.)
<b>Basic and Diluted</b>			
Profit after tax	A	82,580	45,658
Weighted average number of shares outstanding	B	150,000	150,000
Basic and Diluted EPS	A/B	0.55	0.30
Face value per share (Rs.)		10	10

The Company does not have any outstanding dilutive potential equity shares.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 12. Dues to Micro and Small enterprises

Based on information available with the Company, there are no outstanding dues to Micro and Small enterprises as at March 31, 2012. No interest is paid / payable by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.

13. No deferred tax asset has been recognized on the brought forward losses of the Company as there is no virtual certainty of its realization.

### 14. Previous Year Figures

The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

For Price Waterhouse  
Firm Registration No. 301112E  
Chartered Accountants

For and on behalf of the Board

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

Sd/-  
**Anil Mehra**  
Director

Sd/-  
**Aroon Purie**  
Director

Place : Gurgaon  
Date : May 18, 2012



# T.V. Today Network (Business) Limited

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

### (A) REGISTRATION DETAILS

REGISTRATION NUMBER	:	142634
STATE CODE	:	55
BALANCE SHEET DATE	:	March 31, 2012

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

PUBLIC ISSUE	:	NIL
RIGHTS ISSUE	:	NIL
BONUS ISSUE	:	NIL
PRIVATE PLACEMENT	:	NIL

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

TOTAL LIABILITIES	:	2,090
TOTAL ASSETS	:	2,090

#### SOURCES OF FUNDS

PAID- UP CAPITAL	:	1,500
RESERVE & SURPLUS	:	279
SHARE APPLICATION	:	NIL
SECURED LOANS	:	NIL
UNSECURED LOANS	:	NIL
DEFERRED TAX LIABILITY- NET	:	NIL

#### APPLICATION OF FUNDS

NET FIXED ASSETS	:	NIL
INVESTMENTS	:	NIL
NET CURRENT ASSETS	:	1,779
MISCELANEOUS EXPENDITURE	:	-
ACCUMULATED LOSSES	:	-

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

TURNOVER	:	173
TOTAL EXPENDITURE	:	51
PROFIT/(LOSS) BEFORE TAX	:	122
PROFIT/(LOSS) AFTER TAX	:	83
EARNINGS PER SHARE IN RS.	:	0.55
DIVIDEND RATE %	:	Nil

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

ITEM CODE NUMBER	:	-
PRODUCT DISCRIPTION	:	TELECAST & BROADCAST

# TV TODAY NETWORK LTD.

## AHMEDABAD

2C, Surya Rath Building  
II Floor, Behind White House  
Off CG Road, Panchwati  
Ahmedabad -380 006 (Gujrat)  
Ph: +9179-26560393/26560929  
Fax: +9179-2656-5293

## BANGALORE

116-118, Richmond Tower  
Ist Floor, 12 Richmond Road  
Bangalore – 560 025  
(Karnataka)  
Ph : +9180-2212448,2210810/188  
Fax : +9180-2218335

## CHANDIGARH

SCO 147-148  
1st Floor, Madhya Marg  
Sector 9C,  
Chandigarh - 160 017  
Ph : +91172-2749902/03  
Fax : +91172-2712358

## CHENNAI

Fifth Floor, Guna Complex Main Building,  
443, Anna Salai,  
Tynampet, Chennai - 600 018  
(Tamilnadu)  
Ph : +9144-28478525  
Fax : +9144-24361942

## HYDERABAD

6-3-885/7/B, Raj Bhavan Road  
Somajiguda,  
Hyderabad - 500 082  
(Andhra Pradesh)  
Ph : +9140-23415408,23410100  
Fax : +9140-23403484

## KOLKATA

52, Chawringhee Road, 4th Floor  
Kolkata – 700 071  
(West Bengal)  
Ph : +9133-22825398/22825231/22825991  
Fax : +9133-2827254

## MUMBAI

101, 102, 1st Floor,  
Trade Avenue Building,  
Dr. Suren Road, Opp Landmark Building,  
Chakala, Andheri (E),  
Mumbai (Maharashtra)  
Phone- +9122-26841799

## NEW DELHI

8th Floor, Videocon Tower,  
E-1, Jhandewalan Extension,  
New Delhi - 110 055  
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