(29)

entertainment network (India) limited

Corporate Office: Trade Gardens, Ground Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013, India. Tel: 91 22 6753 6983. Fax: 91 22 6753 6800/900

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Entertainment Network (India) Limited
2.	Annual financial statements for the year ended	March 31, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not applicable
5.	To be signed by- □ CEO/Managing Director: **Prashant Panday** *Executive Director & CEO* □ ~~CFO~~ **Kailash Gupta** *VP- Finance* **For Price Waterhouse & Co., Bangalore** ***Firm Registration No. 007567S*** □ Auditor of the company: ***Chartered Accountants*** U. A. Shah **Uday Shah,** ***Partner*** ***(Membership no.: 046061)*** □ Audit Committee Chairman: **N. Kumar** ***Chairman- Audit Committee***	

Regd. Office: 'A' Wing, Matulya Centre, Senapati Bapat Marg, Lower Parel (West),Mumbai – 400 013, India.
Tel: 91 22 40983000/ 6662 0600. Fax: 91 22 6661 5030

98.3 FM RADIO MIRCHI It's hot!

ENIL
ENTERTAINMENT NETWORK (INDIA) LTD.

ENTERTAINMENT NETWORK (INDIA) LIMITED

ANNUAL REPORT 2012 -13

HOT TODAY
HOTTER TOMORROW

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS
(As on May 17, 2013)

Mr. Vineet Jain, *Chairman*

Mr. A. P. Parigi

Mr. B. S. Nagesh

Mr. N. Kumar

Mr. Ravindra Dhariwal

Mr. Ravindra Kulkarni

Mr. Richard Saldanha

Ms. Vibha Paul Rishi

Mr. Prashant Panday, *Executive Director & CEO*

COMPANY SECRETARY
Mehul Shah,
SVP - Compliance & Company Secretary

AUDITORS
M/s Price Waterhouse & Co. Bangalore
Chartered Accountants

LEGAL ADVISORS
Mrs. Pratibha M. Singh, Singh & Singh Law Firm LLP
Halai & Co., Advocates & Legal Consultants

BANKERS
HDFC Bank Limited

REGISTRAR & SHARE TRANSFER AGENTS (R & TA)
Karvy Computershare Private Limited,
Unit:- Entertainment Network (India) Limited,
Plot No. 17 to 24, Vittal Rao Nagar, Madhapur,
Hyderabad - 500 081.
Phone: (040) 44655000
Fax: (040) 23420814

MANAGEMENT TEAM

Prashant Panday, *Executive Director & CEO*

N. Subramanian, *Group Chief Financial Officer*

Hitesh Sharma, *Chief Operating Officer*

Tapas Sen, *Chief Programming Officer*

Sujata Bhatt, *Chief Marketing Officer & Head of HR*

Mahesh Shetty, *Chief Strategy Officer & RD - (North & East)*

Anand Parameswaran,
Chief Business Officer & RD - (South)

Yatish Mehrishi, *EVP & RD - (West & Central)*

Vanditta Malhotra Hegde, *SVP & Legal Head*

REGISTERED OFFICE
4th Floor, A-Wing,
Matulya Centre, Senapati Bapat Marg,
Lower Parel (West), Mumbai - 400 013.

CORPORATE OFFICE
Trade Gardens, Ground Floor,
Kamala Mills Compound, Senapati Bapat Marg,
Lower Parel (West), Mumbai - 400 013.
Phone: (022) 67536983
Website: www.enil.co.in

THE FUTURE ISN'T HOT – IT'S HOTTER!

"The future depends on what you do today"
– Mahatma Gandhi

What we have done today is create a brand that is globally recognized, build a team that is innovative and cutting edge, develop a business that is the undisputed leader and most importantly, induce a hunger for the future that is insatiable. Our today is hot. And our future is definitely hotter!

There are 2 exciting opportunities on the horizon:

In the short term, the private FM radio industry in India is going to expand dramatically. The Phase-3 announcement made by the Finance Minister in his budget speech this year means that FM radio will soon be present in 227 more cities. 839 new FM radio channels will be auctioned and after the auction, all cities having a population of more than 1 lac will be covered by private FM radio. It is a fantastic opportunity for growth – but one that requires deep pockets and solid management expertise. Mirchi is uniquely positioned to take advantage of these opportunities that lie ahead in Phase-3.

And in the long term, the digital revolution will bring about a massive change that will present another opportunity to Mirchi for growth. With the increasing adoption of smartphones and falling costs of broadband connectivity, that revolution is already visible in the distance. And we are ready to grab that opportunity. We already have 4 radio stations streaming online with more being planned. We also have a big hand in the social media pie with a fast growing Facebook and Twitter presence.

If the future depends on what we do today, then we are more than ready for the future. And we know that our future isn't just hot, it's hotter!

A CRUCIBLE OF HOT IDEAS

Among the more impressive achievements of your company is its ability to develop new innovative sales products and ideas that go beyond plain vanilla radio advertising.

One such innovative product is our ability to organize and monetize large format local on-ground events. This requires deep knowledge of the medium (i.e. radio programming) and the market, strong sales capability to get sponsors and superior execution skills to ensure a smooth event. Mirchi fully leverages the power of radio as a local medium and organizes events that integrate into the socio-cultural ethos of the city. Our clients get to ride piggy back with us in reaching these audiences!

This ability to conduct events is seen across the length and breadth of our 32-station network. We highlight just two such instances here – one from a growth market and the other from a metro:

- The Mirchi Premier League in Patna
- The Mirchi Para Football in Kolkata

THE MIRCHI PREMIER LEAGUE CRICKET MATCH

The Mirchi Premier League:

Conceptualized, organized and executed entirely by Radio Mirchi's Patna team, the Mirchi Premier League is like a mini-IPL. There are imaginatively named teams, designer player dresses, day-night matches….all spread over a 15 day long extravaganza. All that's missing are the cheerleaders! Rohan Gavaskar – son of the legendary Sunil Gavaskar – advises Mirchi on the technical aspects of this league.

The players are mostly Ranji trophy cricketers with a few having played in the IPL. The Mirchi Premier League gives an opportunity to upcoming players from Bihar to play with more established players and demonstrate their skills. The tournament has been a massive hit – with over 2 lac spectators watching these matches live. Our sponsors get an opportunity to interact with them. And Mirchi generates revenues in the process!

A CRUCIBLE OF HOT IDEAS

The Mirchi Para Football in Kolkata

Notwithstanding Sourav Ganguly and KKR, football is still the first love of every Bengali! The Mirchi Para Football (MPF) was started in 2005 and has been featured in the Limca Book of Records for the maximum number of teams in a tournament. The 2012 edition of MPF was bigger and better with preliminary rounds happening in eight districts of West Bengal, culminating in the Grand Finale at Gitanjali stadium, Kolkata. Mirchi Para Football was amplified across media platforms – print ads, hoardings, etc. The Finale was also telecast on a TV channel. While millions participated and watched the gala event, our clients got exciting opportunities to partner us and communicate with their consumers!

MIRCHI PARA FOOTBALL MATCH IN ACTION

To get an idea of the scale, it is safe to fall back on numbers:

- **320 teams**
- **60 days of non-stop action**
- **9 cities**
- **52 press articles**
- **15 TV channels doing MPF stories**
- **2 promising footballers hand picked by Ruud Gullit**

International footballer – Ruud Gullit, the Euro Cup winning ex-Captain of the Dutch soccer team – was the brand ambassador and face of the event! While the legend announced his arrival on Radio Mirchi, the Press went gaga over his presence in the city.

RUUD GULLIT - OUR BRAND AMBASSADOR

THE EMIRATES SIZZLE

Radio Mirchi launched in the UAE in February 2012. Our unique mix of international and community news, the hottest music, unrivalled access to Bollywood, broadcast in a comfortable mix of Hindi and English, has proved to be a huge hit with the Emirates' South Asian listeners.

And proof of this comes in the accolades – In December 2012, at the 5th Masala Awards (established by the ITP Publishing group), Mirchi was voted by listeners as the Best Radio Station in the Popular Choice category of the awards.

Situated on the 25th floor with stunning views, Mirchi's spanking new studios in Dubai have quickly become the must visit place for Bollywood. From concerts to fashion shows to movie premières, Mirchi is in the midst of it all and has quickly become an integral part of the social and cultural milieu of the Emirates!

SHANKAR-EHSAAN-LOY AT MIRCHI'S DUBAI STUDIO

MIRCHI MUSIC AWARDS

Getting hotter every year

The Mirchi Music Awards that reward excellence in music keep growing in stature, getting bigger and hotter every year. This year the Mirchi Music Awards were held for the first time in Marathi as well. They are already held in the 4 South Indian languages and Bangla.

NEETI MOHAN LIKE NEVER BEFORE

AYUSHMAN KHURANA & ANU MALIK ENTERTAINING THE AUDIENCE

MIRCHI MUSIC AWARDS

For The 5th Edition of the flagship Hindi Mirchi Music Awards, the jury was headed by renowned lyricist, Javed Akhtar and included a galaxy of other stars like Ramesh Sippy, Ashutosh Gowariker, Kailash Kher, Shankar Mahadevan, Sooraj Barjatya, Prasoon Joshi, Anu Malik, Aadesh Srivastava, Lalit Pandit, Louis Banks, Rakeysh Omprakash Mehra, Kavita Krishnamurthy, Alka Yagnik, Sameer, Sadhna Sargam, Suresh Wadkar, Talat Aziz and Ila Arun.

AN ELITE JURY HEADED BY JAVED AKHTAR

ESHA GUPTA

YAMI GAUTAM

MIRCHI MUSIC AWARDS

Mr. Amitabh Bachchan was honored with the award for the "Super Star with a Golden Voice" and Ms. Asha Bhosle was honored with the Mirchi Hall of Fame Award.

AMITABH BACHCHAN WINNING THE SUPERSTAR WITH A GOLDEN VOICE AWARD

ASHA BHOSLE WINNING THE LIFETIME ACHIEVEMENT AWARD

MIRCHI MUSIC AWARDS

There were high energy performances from Mika, Himesh, Anu Malik, Sonu Niigaam, Kumar Sanu, Alka Yagnik et al. The highlight of the show was the musical tribute to Mr. Bachchan when top singers sang some of the most memorable songs from his films over the years.

SOULFUL SONU NIIGAAM

CHARMING SHREYA GHOSHAL

MELODIOUS HIMESH RESHAMMIYA

MIRCHI MUSIC AWARDS

TAMANNA WITH HIMMATWALA AJAY DEVGAN


ROCKING MIKA

MIRCHI MUSIC AWARDS

The awards night was attended by Who's Who of the film and music world. The event was a unique integration of online, TV and radio. With 1.4 Million+ YouTube views on various channels and 25 million impressions on Twitter, #MMAwards was trending on the event day. In addition there were nearly 40 million radio listeners & 50 million viewers across India on TV, all resulting in a massive hit!

CELEBRATING THE FINEST IN MUSIC WITH THE LEGEND HIMSELF

DIGITAL MIRCHI BLAZES NEW TRAILS

MIRCHI NOW HAS 4 ONLINE RADIO STATIONS

Normally most online radio stations have a stream of music without any human voice. But this kind of listening experience is soulless and clinical; uninterrupted music of this type can be got by listening to an ipod too. At its heart, radio is about companionship – we want to listen to a human voice (albeit only briefly!) that goes beyond saying the name of the next song. We have thus launched RJ-led shows.

Meethi Mirchi Jussay with Jassi (weekday show), 90's with Manjula (weekend special)

Purani Jeans Music Ka Magnifying glass with Riya (weekday show) RJ Anmol's show

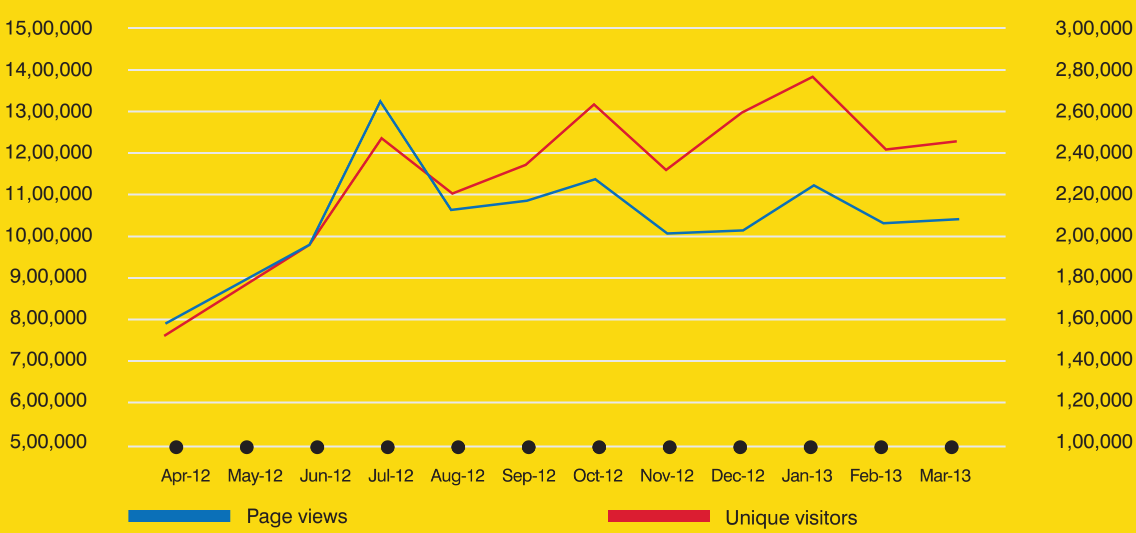
Club Mirchi Music remixed by DJ Kandy & Rohit

DIGITAL MIRCHI BLAZES NEW TRAILS

These initiatives have taken Mirchi to new heights:

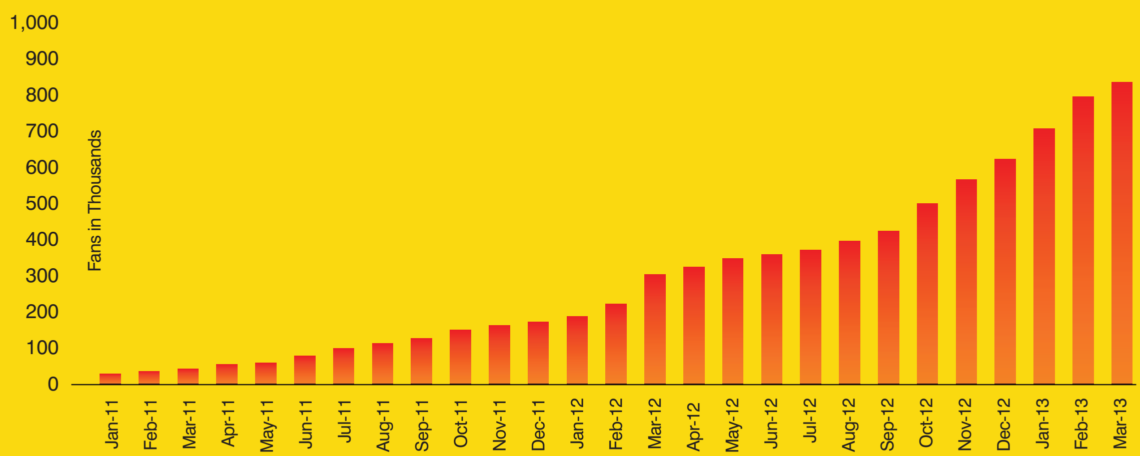
Page Views on our website, www.radiomirchi.com, up by 30%, to 12 Lacs a month

GROWTH IN WEBSITE CONTINUES

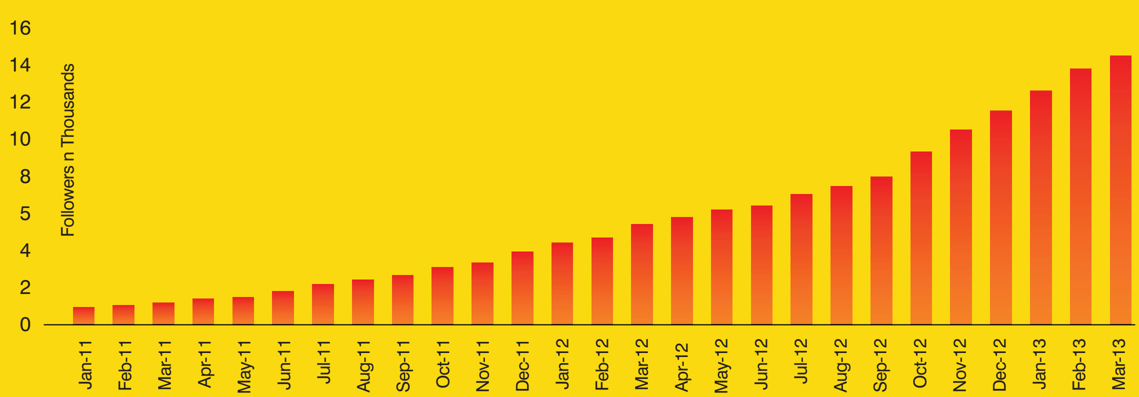


DIGITAL MIRCHI BLAZES NEW TRAILS

FACEBOOK FANS UP FROM 3 LACS TO 1 million

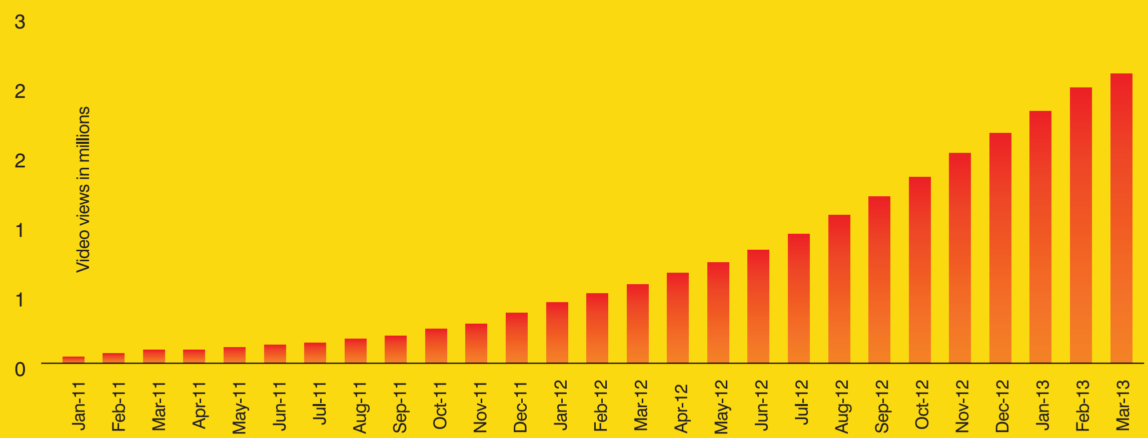


TWITTER FOLLOWERS UP FROM 6000 TO 16000



DIGITAL MIRCHI BLAZES NEW TRAILS

YOUTUBE CUMULATIVE VIEWS UP FROM 0.6 MILLION TO **2.5 million**



Visit us on www.radiomirchi.com

Like us on Facebook.com/mirchi983fm

Follow us on Twitter.com/983fm

Log on to youtube.com/mirchi983fm

AWARDS & RECOGNITION

It has been a year when the hottest radio station got even hotter! Mirchi has won a slew of awards spanning the entire gamut of our creative efforts – from cutting edge programming to tongue-in-cheek direct mailers. Even our FY'12 annual report won awards!

At the World Brand Congress, which honors the world's branding & marketing elite at the Global Awards for Brand Excellence, Mirchi won the Popular Radio Channel of the Year award.

At the India Radio Forum, Mirchi has made a habit of sweeping the awards – we picked up 12 awards in 2012! The awards won were across languages, cities and creative functions and are a testimony to the breadth of the creativity that flourishes in Mirchi.

AWARDS & RECOGNITION

Mirchi also won a bronze from Ad Club Bangalore for its “anti-clockwise clock” direct mailer for the night time retro show Purani jeans – the clock runs backwards to take you back in time evoking a feeling of nostalgia!

Our Annual Report 2011-2012 titled “Reimagining Radio” won 2 prestigious awards – a gold at the Midas Awards, which recognizes the best of financial advertising. And the first runner’s up at the Designomics Awards.

ED'S MESSAGE

Hot Today….Hotter Tomorrow

FY'13 was a poor year for the Indian economy. India's GDP growth crashed to 4.7% in the 3rd quarter. Not surprisingly, the Indian advertising industry faced strong headwinds, with growth in the two largest media segments – Print and TV – cooling down to an estimated 5-6%. The FM radio sector was relatively hotter, growing at 10%. Your company grew faster at 12.3%, improving its revenue market share - about 1/3rd of the private FM industry - in the process.

It is a well known fact that FM radio fares well when the economic times are bad. There are two major reasons for this. First, clients who have been bred on a diet of TV and Print are forced to re-evaluate their media mix when advertising budgets come under pressure. A re-evaluation brings to the fore, radio's core strengths, often not well known to clients. Radio's reach for example is far higher than print's. Radio's pricing is far more reasonable than both print's and TV's. It is this combination of high reach and affordable pricing that makes radio so attractive as an advertising medium, especially during periods of economic slowdown. Second, clients tend to shift focus from nationwide pure brand-building to more tactical, local, sales-generating "promotional" activities. Radio, being a local medium and being the last one consumed before a brand purchase, is ideal for such activities. Both these factors have contributed to FM radio's fast growth in FY'13.

Your company's growth has been higher than the industry's for another reason: pursuing an aggressive, multi-product sales strategy. Today, your company offers its clients, advertising and promotions solutions in areas as diversified as on-ground activations, digital activations, streaming online radio, mobile radio, TV and print backed sponsorships as well as multi-media plans….in addition to the regular radio FCT and programming integrations. Very few media companies – and even fewer radio companies – offer such a rich palette of advertising solutions!

All this has made your company hot today! But the future is even hotter! Your company is ready to play a much bigger role in the digital revolution that is expected to sweep the country in the next few years. In FY'13, we launched our 4th streaming radio station – Mirchi Edge – this one based on the non-film music genre. The other three are Meethi Mirchi (contemporary Hindi melodies), Purani Jeans (old Hindi melodies) and Club Mirchi (dance numbers). As with everything on the internet, these stations are available to a global audience. The start has been encouraging, with millions of "streams" being consumed already. With the online platform now established, your company is in a position to add many more hot stations in the years to come!

ED'S MESSAGE

Your company's maiden international foray – in the UAE – has also had a hot start! Within the first year of its operation, Radio Mirchi was voted as the best radio station in the popular category at the Masala Awards held in that country. This is the strength of the Mirchi brand; it gains immediate acceptance wherever it goes. The significance of this is obvious considering your company's ambition to enter many more markets worldwide when the timing is right.

But what will really make the future hotter is the roll out of Phase-3 of FM radio. The roll out was expected in FY'13, but will now happen only in FY'14. Phase-3 offers exciting opportunities for your company to expand – both horizontally into new cities and vertically with a 2nd and even 3rd frequency in the existing large markets. With economic activity shifting to small towns, a new opportunity has cropped up in these towns. And given the large sizes of our metros, there is a pressing need to operate multiple channels in these markets. These multiple channels can offer different types of programming and target different sets of consumers. This will expand the market, and generate new business opportunities for your company. Hot isn't it?!

Your company is part of a fast growing industry – the FICCI-KPMG report states that FM radio will continue to be the fastest growing segment of the Indian media sector, behind only the Internet, growing at a 5-year CAGR of over 16%.

Your company is in excellent financial condition. It reported an EBITDA of Rs. 104 crores and PAT of Rs. 68 crores in FY'13. The cash generation was more than Rs. 100 crores and the free cash on hand was Rs. 322 crores at the end of FY'13. This has prompted the Board to recommend a maiden dividend of 10% for the year. I would like to thank you for your patience in this matter and for continuing to support the company and believe in its growth strategy all along.

In the end, on behalf of all my team members, I would like to wish all of you a hot and prosperous year ahead and assure you of our continued commitment towards generating the hottest returns for you!

Prashant Panday
Executive Director and CEO

FINANCIAL HIGHLIGHTS

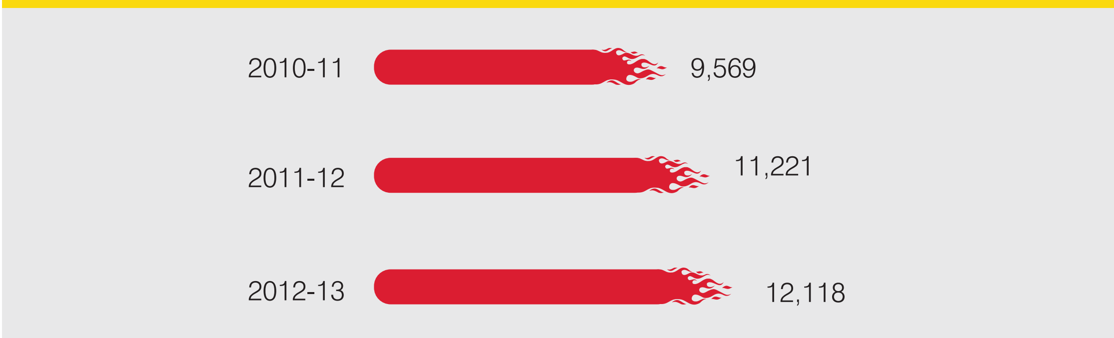
(₹ in Lakhs)

PARTICULARS	2012-13	2011-12	2010-11
Results of Operations			
Total Revenue	35,536.09	31,294.75	28,468.48
Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) & Exceptional items	12,118.06	11,221.06	9,568.77
Depreciation	3,172.01	3,246.25	3,359.60
Finance Costs	1.62	0.14	111.83
Profit/(Loss) before Tax	8,944.43	7,974.67	6,097.34
Exceptional Item	-	-	1,268.48
Net Profit / (Loss)	6,767.11	5,650.95	5,220.89
Financial Position			
Equity Share Capital	4,767.04	4,767.04	4,767.04
Reserves and Surplus	45,463.32	39,253.93	33,602.98
Networth	50,230.36	44,020.97	38,370.02
Fixed assets	12,034.88	14,982.51	18,007.20
Investments	31,782.96	18,503.19	9,310.03
Net Current / Non Current Assets	6,412.52	10,535.27	11,052.79
Stock Information			
No. of Shares	47,670,415	47,670,415	47,670,415
Earnings per share (Basic & Diluted) (In ₹)	14.20	11.85	10.95

FINANCIAL HIGHLIGHTS

TOTAL REVENUE (₹ in Lakhs)

EBITDA (₹ in Lakhs)



NET PROFIT / (LOSS) (₹ in Lakhs)

BOARD OF DIRECTORS

Mr. Vineet Jain
Chairman &
Non - Executive Director

A trustee and board member of several organizations, Mr. Vineet Jain – Chairman & Non Executive Director (ENIL) holds a Bachelor's degree (B. Sc.) in International Business Administration in Marketing from Switzerland.

As the Managing Director of Bennett, Coleman & Co. Ltd., Mr. Jain is acknowledged as a thought leader in transforming the Times Group from a publishing house to a diversified media conglomerate. He has made a significant difference to the landscape of the new age media in India. His leadership in the domain of Internet, Radio and Out of Home has added a new impetus to the categories.

He is on the managing committees of philanthropic organizations viz. The Times Foundation, The Times of India Relief Fund and the S. P. Jain Foundation. Mr. Jain is also a member of the Board of Directors of The Press Trust of India Ltd.

An alumnus of the Delhi School of Economics and Faculty of Management Studies, of the University of Delhi, Mr. A. P. Parigi has for the past 2 decades held senior positions in various industries. Prior to joining the Times Group, he was the CEO of BPL Mobile, Mumbai. After he stepped down as the Managing Director - ENIL, he joined Eros International Media Limited as the Managing Director & Group CEO - India operations - from October 2009 till February 2010.

Mr. A. P. Parigi
(Independent
Non - Executive Director)

In April 2009, he was awarded The William F Glaser'53, 'Rensselaer's Entrepreneur of the Year', in Troy, Albany, USA. In June 2010, he joined the Business Advisory Council of the Said Business School, Oxford University, UK. Mr. Parigi also serves as a member of the Board of Overseers - Fordham Graduate School of Business, Fordham University, New York. In May 2011, he was appointed Advisor – N.E.A., India. N.E.A. is a leading venture capital and growth equity firm in the USA.

Mr. Parigi was honored with the Life Time Achievement Award by the World Brand Congress in 2009. He serves on the Boards of several companies including Bennett, Coleman & Company Limited (Times of India Group), Times Global Broadcasting Company Limited (Times Now), Accel Frontline Limited, Absolute Radio, UK.

Mr. B. S. Nagesh
(Independent
Non - Executive Director)

Mr. B. S. Nagesh has been with Shoppers Stop Limited since its inception in 1991. Recognized as the pioneer of the retail boom in India, Mr. Nagesh was voted by Business India as one of the top 50 managers in India who will influence the Indian business scenario in the 21st century. Mr. Nagesh was also instrumental in acquiring of the Crossword chain of bookstores in the year 2000. Ernst & Young nominated him for the Entrepreneur of the Year Award 2005 as one of the top 30 finalists.

Mr. Nagesh is the first Asian to be inducted into the 'World Retail Hall of Fame' 2008 along with Mr. Millard Drexler of J Crew, Sir Philip Green of BHS and Arcadia and Mr. Amancio Ortega of Inditex at the World Retail Congress 2008 conducted in Barcelona.

The four iconic retailers have been selected by retail industry leaders and experts from across the Globe in recognition of their supreme industry achievements. Shoppers Stop Limited also won the 'Emerging Market Retailer of the Year' Award at the World Retail Congress 2008.

BOARD OF DIRECTORS

Mr. Nagesh has been involved in setting up and opening the country's largest hypermarket HyperCity, which was launched in May 2006. HyperCity has been declared as one of the top 100 retail destinations in the world by Retail Week, UK and the best hypermarket at the United States International Design Awards in New York. In the year 2009, Mr. Nagesh was elevated as the Vice Chairman of Shoppers Stop in a non executive position.

As part of his personal philosophy of Learn, Earn & Return, Nagesh stepped down from all operational roles in the K. Raheja Corp Group in August 2009 at the age of 50. He has set up a charitable trust called TRRAIN (Trust for Retailers and Retail Associates of India). He has also established Section 25 company called TRRAIN Foundation with a not-for-profit objective. Both these organisations are working towards empowering people in retail by helping them through financial literacy, skilling, education and getting them pride and respect through awards and celebrations.

Mr. N. Kumar
(Independent
Non - Executive Director)

Mr. N. Kumar is the Vice Chairman of The Sanmar Group, a multinational US$ 1 bn conglomerate headquartered in Chennai, India with manufacturing facilities in India, the US, Mexico, and Egypt. The Group is engaged in key business sectors - Chemicals (including Speciality Chemicals), Engineering (Products and Steel Castings) and Shipping.

As a spokesman of Industry and Trade, Mr. Kumar had been a President of CII and participated in other apex bodies. He presently chairs the CII Institute of Quality, Bangalore. Mr. Kumar is the Chairman of National Accreditation Board for Certification Bodies, which is a constituent of Quality Council of India. He is also a member of the Board of Governors of Institute for Financial Management & Research.

Mr. N. Kumar is on the Board of various public companies and carries with him over four decades of experience in the spheres of Technology, Management and Finance.

Mr. Kumar has a wide range of public interests going beyond the confines of corporate management in areas of health, social welfare, education and sports. One special area where he is involved is the Madhuram Narayanan Centre for Exceptional Children.

He is also the Honorary Consul General of Greece in Chennai.

An Electronics Engineering Graduate from Anna University, Chennai and a fellow member of the Indian National Academy of Engineering, Mr. Kumar is an avid golfer and a patron of cricket and tennis. He has extensively travelled across the globe.

Mr. Ravindra Dhariwal is the Executive Director and CEO, Bennett, Coleman & Co. Limited. Prior to this, Mr. Dhariwal was the Vice President, Franchise, SE Asia, PepsiCo International.

During his illustrious career, he has held various positions at companies like Hindustan Lever Limited, Rexona Prop. Limited - Sydney, Pepsi Foods Industries and PepsiCo International. He holds a B.Tech degree from IIT Kanpur and a Post Graduate Diploma in Management from IIM, Calcutta.

Mr. Ravindra Dhariwal
Non - Executive Director

BOARD OF DIRECTORS

Mr. Ravindra Kulkarni
(Independent
Non - Executive Director)

Mr. Ravindra Kulkarni holds a Masters degree in Law from University of Mumbai. Having been in the legal arena for over four decades, Mr. Kulkarni has vast experience as a legal practitioner, particularly on matters relating to corporate law and particularly on foreign collaborations, joint ventures, mergers and acquisitions, capital markets, public offerings for listing of securities in India as well as in international markets, infrastructure projects etc.

He is a senior partner of M/s. Khaitan & Co., one of India's leading law firms and heads their Mumbai office. He is on the boards of several listed companies as an independent director.

Mr. Richard Saldanha
(Independent
Non - Executive Director)

Mr. Richard Saldanha, a graduate Mechanical Engineer, served Hindustan Lever & Unilever plc with distinction for 30 years. He spent almost 10 years in Latin America. He was Technical Director of Unilever Venezuela, Vice-President – Supply Chain for Unilever Andina, (Venezuela, Colombia, Ecuador) rising to be Chairman and CEO of Unilever Peru and a Member of the Unilever Latin America Board.

As Managing Director of Haldia Petrochemicals Limited, a US$ 1.5 bn enterprise, Mr. Saldanha brought to the Company, experience and expertise gained in Unilever Companies worldwide as well as in India. He defined his role at Haldia as 'a role that provides clear vision and strategic direction, that builds culture, business ethics, structure and processes to deliver outstanding business performance and Good Corporate Governance'.

He is currently Vice Chairman and Executive Director of Blackstone India and before that he was a Member of the Board of The Times of India Group where he spent 5 years to help build organizational capability, culture and competitiveness.

His 45 years of corporate experience in a gamut of functions that ranged from Manufacturing and Planning to Corporate Development and General Management have given him learning and insights which have proved to be invaluable for restructuring and reorganizing companies as well as for managing partnerships and strategic alliances in an international arena. He has been a Board Member since the mid 80s on several boards nationally and internationally.

Mr. Saldanha has been associated with various chambers of commerce and industry bodies, both in India and globally, in various capacities. He was also the Founder President of Bal Raksha Bharat, India and a Former President of Delhi Management Association.

BOARD OF DIRECTORS

Ms. Vibha Paul Rishi
(Independent Non - Executive Director)

Ms. Vibha Paul Rishi is the Executive Director – Brand and Human Capital of Max India Limited, a multi business corporate with consolidated revenue of more than US$ 2 bn. Max has business interests primarily in the insurance and healthcare space. Max India is a joint venture partner in Max Life Insurance, Max Bupa and Max Healthcare.

She is a seasoned marketing professional with extensive experience in India and international markets, coupled with an abiding passion for people.

Her last role was as the Director, Marketing and Customer Strategy at the Future Group, India's largest retail group. Prior to this, she spent 17 years at PepsiCo in marketing and innovation roles in India, US and UK. She was one of the founding team employees of PepsiCo when they set up in India. During her PepsiCo India stint, she is remembered for the "Nothing official about it" and "Yeh dil maange more" campaigns, amongst others. She later moved to PepsiCo's headquarters to be a part of its international marketing team and looked after non-Cola brands such as 7up, Miranda and Mountain Dew.

She was also associated with Pratham, an NGO that works to provide education to underprivileged children in India.

Ms. Vibha Paul Rishi started her career with the Tata Administrative Services and was part of the founding team of Titan Watches. She is an alumnus of FMS, Delhi.

Mr. Prashant Panday
(Executive Director & CEO)

Forty eight years of age, Mr. Prashant Panday is an Engineering graduate in Electronics & Communication, and has done his PGDM from IIM Bangalore (1990).

Mr. Panday is the Executive Director and Chief Executive Officer of the Company. He has been associated with the Company since August 2000 and has played a key role in bringing in the radio revolution in India. Over the last 12 years, he has played a significant role in making Mirchi the #1 radio brand in the country in terms of listenership (IRS Q4, 2012: 37.5 million). In 2008, Mirchi was rated the #1 media brand – ahead of The Times of India and Star Plus – in the IMRB - Pitch survey.

Mr. Panday has total experience of 23 years in industries ranging from Advertising, Banking, FMCG & Media. Prior to joining the Company, he has worked with Citibank, Pepsi, HUL, Mudra and Modi Revlon. His areas of strength include Marketing & Sales, Analytics & Strategy and People Management. Mr. Panday is the Chairman of the FICCI Radio committee, the Sr. VP in the Association of Radio Operators of India (AROI), a member of the MRUC Governing Board, and a member of the CII Entertainment Committee. He also served as a member of the Ministry of I&B's committee on fighting piracy. He is a speaker at various industry forums.

FINANCIALS

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NOTICE is hereby given that the FOURTEENTH Annual General Meeting of the Members of ENTERTAINMENT NETWORK (INDIA) LIMITED will be held on Thursday, August 8, 2013 at 3.00 p.m. at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2013, the Profit and Loss Account (the Statement of Profit and Loss) and the Cash Flow Statement for the financial year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. To declare dividend on equity shares.

3. To appoint a director in place of Mr. Amba Preetham Parigi (Mr. A. P. Parigi) who retires by rotation and being eligible, offers himself for reappointment.

4. To appoint a director in place of Mr. Narayanan Kumar (Mr. N. Kumar) who retires by rotation and being eligible, offers himself for reappointment.

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to Section 224 and other applicable provisions, if any, of the Companies Act, 1956, Messrs Price Waterhouse & Co., Bangalore, Chartered Accountants, (Firm registration number-007567S), be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of the Fourteenth Annual General Meeting until the conclusion of the Fifteenth Annual General Meeting, at a remuneration as may be fixed by the Board of Directors of the Company, in addition to out of pocket expenses as may be incurred by them during the course of the Audit."

Special Business:

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311, 314, 316, 317 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as 'the Act'), (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with the Memorandum and Articles of Association of the Company, and subject to the approvals, consents, permissions, sanctions, etc., of the Central Government and all other concerned statutory, regulatory and other authorities, if and to the extent applicable and required, and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions, sanctions and the like, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board' which shall include duly authorized committee thereof for the time being in force exercising the powers conferred upon it by the Board), the Company hereby approves the reappointment of Mr. Prashant Panday on continuation basis, without any interruption/ break in service, as the Whole-time Director designated as 'Executive Director & Chief Executive Officer' of the Company, not liable to retire by rotation, for a period of three (3) years with effect from July 1, 2013 till June 30, 2016, on the terms and conditions, including remuneration, as stated in the Explanatory Statement annexed to this Notice;

   RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Mr. Prashant Panday as the Whole-time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, benefits, perquisites, allowances, etc. as specified in the Explanatory Statement annexed herewith as the minimum remuneration subject to compliance with the applicable provisions of Sections 198, 309 and all other applicable provisions, if any, of the Act read with Schedule XIII of the Act as amended from time to time, subject to the approval of the Central Government, if and to the extent necessary and applicable; notwithstanding that the same is in excess of the maximum remuneration permitted to be paid to him under the applicable provisions of the Act;

   RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper, expedient or desirable to give

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effect to this resolution or to make modifications as may be deemed to be in the interest of the Company, with liberty to the Board to alter and vary the terms and conditions of the aforesaid reappointment, including but not limited to the remuneration payable to Mr. Panday, from time to time, in accordance with and subject to the limits as stated in the Explanatory Statement annexed to this Notice or as may be stipulated by the Central Government if and to the extent necessary and applicable and to do all such acts, deeds, matters and things for giving effect to this resolution;

RESOLVED LASTLY THAT the Board be and is hereby authorized to delegate all or any of its powers to any of its committee(s) or any director or officer or person, to give effect to the aforesaid resolution."

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT Mr. Nagesh Satyanarayan Basavanhalli (Mr. B. S. Nagesh) who was appointed as an Additional Director (Independent Non- Executive Director) by the Board of Directors with effect from August 14, 2012 pursuant to the provisions of Section 260 of the Companies Act, 1956 ('the Act') and who holds office upto the date of this Annual General Meeting of the Company and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act, proposing Mr. Nagesh as a director of the Company, be and is hereby appointed as a director of the Company liable to retire by rotation."

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT Ms. Vibha Paul Rishi who was appointed as an Additional Director (Independent Non- Executive Director) by the Board of Directors with effect from August 14, 2012 pursuant to the provisions of Section 260 of the Companies Act, 1956 ('the Act') and who holds office upto the date of this Annual General Meeting of the Company and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act, proposing Ms. Vibha Paul Rishi as a director of the Company, be and is hereby appointed as a director of the Company liable to retire by rotation."

Notes:

(a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE GENERAL MEETING IS ENTITLED TO APPOINT A PROXY, WHO NEED NOT BE A MEMBER, TO ATTEND AND VOTE ON BEHALF OF HIMSELF/ HERSELF. The instrument appointing the Proxy should be deposited at the Registered Office of the Company not less than 48 (forty eight) hours before the commencement of the Meeting.

(b) The Company's Registrar & Share Transfer Agents are Karvy Computershare Private Limited ('**R & TA**'), Unit: Entertainment Network (India) Limited, Plot No. 17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500081.
Phone : 040-44655000, Fax : 040-23420814.

(c) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, August 1, 2013 to Thursday, August 8, 2013, both days inclusive, for taking record of the Members of the Company for the purpose of Annual General Meeting (AGM) and determining the names of the Members eligible for dividend on equity shares, if declared at the AGM.

(d) The Dividend, if declared at the AGM, would be paid/ dispatched on/ after August 9, 2013 and within thirty days from the date of declaration of dividend to those persons or their mandates:

   - whose names appear as Beneficial Owners as at the end of the business hours on July 31, 2013 in the list of the Beneficial Owners to be furnished by the Depositories i.e. National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL], in respect of the shares held in electronic/ dematerialized mode; and
   - whose names appear as Members in the Register of Members of the Company as on July 31, 2013, after giving effect to valid share transfers in physical forms lodged with the Company/ R & TA, in respect of the shares held in physical mode.

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As per the Circular issued by the Securities and Exchange Board of India, in respect of the Members holding shares in electronic form, the bank details as furnished by the respective depositories to the Company will be used for the purpose of distribution of dividend through various approved/ permissible electronic mode of payment viz. Electronic Clearing Services (ECS), National Electronic Funds Transfer (NEFT), Real Time Gross Settlement (RTGS), etc. The Company/ R & TA will not act on any direct request from Members holding shares in dematerialized form for change/ deletion of such bank details.

Members who hold shares in the physical form and desirous of availing ECS facility for direct credit of dividend to their bank account, may submit their requisite request to R & TA. Members are requested to utilize the ECS for receiving dividends. Any query related to dividend should be directed to R & TA of the Company.

(e) The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 ('the Act'), setting out material facts relating to the business at Item nos. 6, 7 and 8 of the Notice as set out above is annexed hereto. Pursuant to Clause 49 of the Listing Agreement, relevant details of the Directors seeking reappointment, appointment at Item nos. 3, 4, 6, 7 and 8 of the Notice are annexed hereto.

(f) Particulars of the employees as required under the provisions of Section 217(2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975, as amended, are given in the annexure and form part of the Directors' report. In terms of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the Members excluding the aforesaid annexure. Any Member interested in obtaining a copy of the said annexure may write to the Company Secretary at the registered office of the Company.

(g) The Ministry of Corporate Affairs ('MCA') has taken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by companies. As per circulars (Circular no. 17/ 2011 dated 21.04.2011 and Circular no. 18/ 2011 dated 29.04.2011) issued by MCA, companies can now serve/ send various reports, documents, communications, including but not limited to annual report comprising of directors' report, auditors' report, balance sheet, profit and loss account, notice of general meeting, etc. (hereinafter referred to as '**the Documents**') to its members through electronic mode at their e- mail addresses.

We have e-mailed the Documents in electronic mode at your e-mail address obtained from the depositories/ available with R & TA. Members who have not registered their e-mail addresses have been furnished hard copy of the Documents.

Members are requested to furnish/ update the details of their address, e-mail address, bank account details, relevant information for availing various approved/ permissible modes of electronic funds transfer facilities viz. Electronic Clearing Services (ECS), National Electronic Funds Transfer (NEFT), Real Time Gross Settlement (RTGS), etc.:

(i) to their depository participants in respect of their shareholdings in electronic (dematerialized) form;
(ii) to R & TA, in respect of their shareholdings in physical form, quoting their folio numbers.

Members are entitled to have, free of cost, a copy of the Documents upon placing a specific requisition addressed to R & TA.

(h) In terms of Section 109A of the Act, every holder of shares in the Company may at any time nominate, in the prescribed manner, a person to whom his/ her shares in the Company shall vest, in the event of his/ her death. Nomination forms can be obtained from the R & TA.

(i) Members/ Proxies should bring the Attendance Slip sent herein, duly filled in, for attending the Meeting.

(j) Members are requested to bring their copy of the Annual Report to the Meeting.

(k) Members desiring any information pertaining to the accounts are requested to write to the Company Secretary at an early date so as to enable the Management to reply at the Annual General Meeting.

(l) Annual Report containing *inter alia* the Notice convening the Fourteenth Annual General Meeting, Audited Balance Sheet of the Company as at March 31, 2013, Profit and Loss Account (Statement of Profit and Loss) and Cash flow statement for the

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financial year ended on that date and the Reports of the Board of Directors and Auditors thereon, Report on Corporate Governance, Management Discussion & Analysis, etc. are available on the Company's web site at: ***www.enil.co.in.*** Copies of the aforesaid documents are available for inspection at the Registered Office of the Company during business hours on any working day of the Company.

Important Communication to Members:

The Ministry of Corporate Affairs ('MCA') has taken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the companies. In accordance with the circulars (Circular no. 17/ 2011 dated 21.04.2011 and Circular no. 18/ 2011 dated 29.04.2011) issued by MCA, companies can now serve/ send various reports, documents, communications, including but not limited to annual report comprising of directors' report, auditors' report, balance sheet, profit and loss account, notice of general meeting, etc. (hereinafter referred to as 'the Documents') to its members through electronic mode at their e- mail addresses.

To support this initiative in full measure, Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses with their depository participants, in respect of electronic holdings. Members, who hold shares in physical form, are requested to kindly register their e-mail addresses with the Company's Registrar & Share Transfer Agents- Karvy Computershare Private Limited ('R & TA') at the address stated in para (b). The Company has e-mailed the Documents in electronic mode at the Members' e-mail addresses. The Company has used the e-mail addresses of the Members obtained from the Depositories/ available with the 'R & TA' to serve/ send the Documents through electronic mode.

By Order of the Board of Directors
For **Entertainment Network (India) Limited**

sd/-

Mehul Shah
SVP – Compliance & Company Secretary

Mumbai, May 17, 2013

Registered Office:

4th Floor, A-Wing, Matulya Centre,
Senapati Bapat Marg,
Lower Parel (West),
Mumbai - 400 013.

EXPLANATORY STATEMENT

Explanatory Statement as required under Section 173 of the Companies Act, 1956

The following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 6, 7 and 8 of the accompanying Notice dated May 17, 2013.

1. **Item No. 6:** On the basis of the approval and recommendation of the Remuneration/ Compensation Committee, the Board of Directors of the Company, on May 17, 2013, unanimously approved the reappointment of Mr. Prashant Panday as the Whole-time Director pursuant to the provisions of Sections 198, 269, 309, 310, 311, 314, 316, 317 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as 'the Act') for a period of 3 (three) years commencing from July 1, 2013 and ending on June 30, 2016. The aforesaid reappointment is on a continuation basis, without any interruption/ break in the service and is subject to the approvals, consents, permissions, sanctions and the like of the Members of the Company and all other concerned statutory and other authorities, if and to the extent applicable and required. Mr. Prashant Panday has been designated as 'Executive Director & Chief Executive Officer' of the Company.
2. Mr. Prashant Panday has been associated with the Company since August 2000. Owing to his outstanding qualities of leadership, maturity and

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performance over the years, he was promoted to the rank of Deputy Chief Executive Officer in August 2005 and to Chief Executive Officer in August 2007. The Members of the Company, at the 11th Annual General Meeting held on September 7, 2010, had approved the appointment of Mr. Prashant Panday as the Whole-time Director designated as 'Executive Director & Chief Executive Officer' of the Company for a period of three (3) years with effect from July 1, 2010 till June 30, 2013 on various terms and conditions as stated in the notice convening the 11th Annual General Meeting.

3. Mr. Panday has excellent academic and professional qualifications. He holds a Post Graduate Diploma in Management from Indian Institute of Management, Bangalore and also holds a degree of B. E. Electronics and Communication- Gujarat University. His academic brilliance is combined with rich experience of about two decades in various industries, including but not limited to marketing, advertising, financial services. Prior to joining the Company, Mr. Panday was the Director-Marketing, Modi-Revlon Limited, Delhi.

4. Mr. Panday has played a significant role in supporting the Board of Directors of the Company in Radio Mirchi's success; particularly in the context of geographical coverage, growth of listenership and revenues.

5. The material terms and conditions of the reappointment of Mr. Prashant Panday, as the Whole-time Director, are as follows:

a) Designation and period of reappointment:

Mr. Prashant Panday has been reappointed as the Whole-time Director under the provisions of Section 269 and all other applicable provisions, if any, of the Act. He has been designated as the 'Executive Director & Chief Executive Officer'. The aforesaid reappointment of Mr. Prashant Panday is for the period of 3 (three) years commencing from July 1, 2013 and ending on June 30, 2016, on continuation basis, without any interruption/ break in service. His office shall not be liable to retire by rotation.

b) Remuneration:

The terms and conditions of the reappointment of Mr. Panday, including remuneration, have been approved by a resolution passed by the Remuneration/ Compensation Committee. Mr. Panday shall be entitled to the remuneration, perquisites, allowances, reimbursement, etc. as listed below:

i. Basic Salary: ₹ 4,14,125 (Rupees four lacs fourteen thousand one hundred twenty five only) per month with such increments as may be determined by the Board of Directors of the Company (hereinafter referred to as the 'Board' which shall include committee thereof for the time being in force, exercising the powers conferred upon it by the Board), at its sole discretion, based on the performance;

ii. House Rent Allowance: Either the Company's owned/ hired/ leased fully furnished residential accommodation or house rent allowance of equivalent amount in lieu thereof or a combination of both, the cost of which shall not exceed 50 % of the Basic Salary, with authority to the Board to revise the limit from time to time;

iii. Special Pay Allowance: ₹ 9,08,213 (Rupees nine lacs eight thousand two hundred thirteen only) per month with such increments as may be determined by the Board, at its sole discretion, based on the performance;

iv. Other Allowance: other allowances including but not limited to transportation allowance, medical reimbursement, car allowance/ company car/ monetized value of leased car, leave travel allowance, other allowances, reimbursements, etc. upto 15 % of the Basic Salary, as may be determined by the Board;

v. Performance Bonus/ Incentive: ₹ 5,55,000 (Rupees five lacs fifty five thousand only) per month, based on merit and taking into consideration the Company's performance, with such increments as may be determined by the Board;

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vi. Remuneration as a percentage of the net profits of the Company as permissible and subject to the provisions of Sections 198, 309 and other applicable provisions of the Act, as determined by the Board at its sole discretion;

vii. During the tenure of the reappointment (i.e. commencing from July 1, 2013 and ending on June 30, 2016), aggregate increments in the remuneration as referred to at para b) i to vi hereof shall be limited to a maximum of 50 (fifty) % in aggregate of the gross remuneration as on July 1, 2013;

viii. Others:

- Contribution to provident fund, superannuation fund, annuity fund, payment of gratuity, encashment of leave, etc. shall be subject to the Company's policy/ rules;
- Club Fees - Membership and annual fees of clubs shall be incurred by the Company subject to maximum of two clubs and shall be subject to the Company's policy/ rules or as may be permitted by the Board;
- Contribution to medical/ accident insurance and such other perquisites and allowances in accordance with the Company's policy/ rules or as may be permitted by the Board;

ix. Minimum Remuneration:

Where in any financial year during the currency of the tenure of Mr. Prashant Panday, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, benefits, perquisites, allowances, performance bonus, etc. as specified hereof as the minimum remuneration subject to compliance with the applicable provisions of Sections 198, 309 and all other applicable provisions, if any, of the Act, read with Schedule XIII of the Act as amended from time to time, subject to the approval of the Central Government, if and to the extent necessary and applicable; notwithstanding that the same is in excess of the maximum remuneration permitted to be paid to him under the applicable provisions of the Act for the time being and from time to time in force.

c) Mr. Panday shall be entitled to reimbursement of all expenses relating, including but not limited to traveling, field visits, mobile, e-mail devices, communication facilities, entertainment, other out-of-pocket expenses, etc. incurred by him in connection with or relating to the business of the Company.

d) Mr. Panday shall also be entitled to stock options as per the employees' stock option plan as may be formulated/ amended by the Board from time to time pursuant to the provisions of the Act, read with the applicable rules, regulations and guidelines thereon.

e) Mr. Panday shall devote his whole time and attention to the business of the Company and he shall carry out such functions, exercise such powers and perform such duties as the Board shall, from time to time, in its absolute discretion determine and entrust upon him. Subject to the superintendence, control and direction of the Board, Mr. Panday shall have general control of the business of the Company and be vested with the management of affairs of the Company and is authorized to enter into contracts on behalf of the Company and to do and perform all other acts and things which, in the ordinary course of business, he may consider necessary or proper in the best interest of the business of the Company and the business of any one or more of its associated companies and/ or subsidiaries, including performing duties as assigned by the Board from time to time by serving on the boards of such associated companies and/ or subsidiaries or any other executive body or any committee of such company.

f) The aforesaid reappointment may be terminated by either party by giving to the other party not less than three months' prior notice in writing of such termination or

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payment in lieu of notice.

g) The reappointment of Mr. Panday as a director is by virtue of his employment in the Company and is subject to the provisions of Section 283(1)(*l*) of the Act.

h) If and when the aforesaid reappointment/ employment of Mr. Panday expires or is terminated, Mr. Panday shall cease to be the Whole-time Director and also Director of the Company from such date of cessation.

i) If at any time, Mr. Panday ceases to be a director of the Company, he shall automatically cease to be the Whole-time Director and his employment shall stand terminated forthwith.

j) Mr. Panday will not be subject to retirement by rotation in accordance with the provisions of the Act.

k) The terms and conditions of the aforesaid reappointment/ employment including but not limited to the remuneration payable to Mr. Panday may be revised, modified, altered and varied from time to time as may be determined by the Board at its sole discretion.

6. The Special Resolution at Item No. 6 is necessary having regard to the provisions of Sections 198, 269, 309, 310, 311, 314, 316, 317 and other applicable provisions, read with Schedule XIII of the Act and to allow a certain amount of flexibility to the Board to recognize merit and reward outstanding performance. The Company has not made any default in repayment of any of its undisputed debts (including public deposits) or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of appointment of such managerial person.

7. Mr. Panday is holding 26900 equity shares in the Company (0.06% of the paid up capital of the Company) as on date of this Notice. He is not having any interest in the capital of the Company or its holding Company, directly or indirectly or through any other statutory structures and not having any direct or indirect interest or related to the directors or promoters of the Company or its holding Company at any time during last two years before or on the date of the reappointment and is having a graduate level qualification with expert and specialized knowledge in the field of his profession.

8. Taking into consideration the size of the Company, the profile of the incumbent, the responsibilities shouldered by him and the industry benchmark, the remuneration proposed to be paid to the incumbent is commensurate with the remuneration packages paid to similar senior level incumbents in other companies. The Board of Directors, therefore, commends the Special Resolution at Item No. 6 of the accompanying Notice for approval by the Members.

9. Copies of the relevant resolutions passed by the Board and other relevant documents relating to the aforesaid reappointment of Mr. Panday are available for inspection by the Members of the Company during business hours on any working day of the Company.

10. Other than Mr. Prashant Panday, no other Director is concerned or interested in Item no. 6 of the Notice.

Additional information as per Schedule XIII of the Companies Act, 1956:

1. General Information:

1.1 Nature of industry:

Radio broadcast commenced in India in the early 1920's. It is one of the oldest and the most accessible segments of the entertainment industry. The history of radio broadcasting in India dates back to 1923 when the first radio programme was broadcasted by the Radio Club of Bombay.

Though radio has been one of the oldest mediums in India, its true expansion only took place in 2001 when the government deregulated the medium and allowed frequencies to be owned by private players. All India Radio ('AIR'), established and operated by the Ministry of Information and Broadcasting ('MIB'), was the only player till the FM radio privatization process was initiated in the year 1999. Presently, private FM radio is available in 86 cities in the country. With the announcement of Phase 3 policy, it is set for the roll out of licenses in 227 new

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cities – a positive step that will accelerate the sector's growth.

Today radio has become an integral part of a media plan due to its phenomenal reach in India. It is the only medium which is local, live and interactive. Advertisers can actually create localized and segmented advertising for their target customers. They can use radio to reach out to specific pockets of audiences and get real time responses to their communication. In 2012, radio was the fastest growing traditional media segment with a growth of 10.4% over the previous year. As per FICCI-KPMG Indian Media and Entertainment Industry Report 2013, the ad revenues are expected to more than double by 2017 with a CAGR of 16.6%. Radio is expected to outgrow the TV, Print & OOH. These higher growth estimates are based on expectations of a Phase 3 roll out.

The Company is the leader in Indian Private FM radio sector and operates its radio stations through the brand 'Radio Mirchi'® in 32 Indian cities.

1.2 Date of commencement of commercial production:

The Company was incorporated as a public limited company on June 24, 1999. The Company has launched its Private FM radio stations under the brand name 'Radio Mirchi'® at various places in India on the below mentioned dates:

Sr. No.	Place	Date of Launch
1	Indore	October 4, 2001
2	Ahmedabad	December 20, 2001
3	Mumbai	April 23, 2002
4	Pune	May 1, 2002
5	Delhi	April 29, 2003
6	Kolkata	May 3, 2003
7	Chennai	May 5, 2003
8	Bengaluru	April 17, 2006
9	Jaipur	April 17, 2006
10	Hyderabad	April 19, 2006
11	Patna	April 2, 2007
12	Jalandhar	April 14, 2007
13	Panjim	May 22, 2007
14	Bhopal	May 26, 2007
15	Vadodara	June 5, 2007
16	Rajkot	June 13, 2007
17	Kanpur	June 16, 2007
18	Nasik	July 6, 2007
19	Varanasi	July 14, 2007
20	Aurangabad	July 24, 2007
21	Lucknow	August 13, 2007
22	Surat	August 21, 2007
23	Kolhapur	September 18, 2007
24	Madurai	September 28, 2007
25	Nagpur	October 18, 2007
26	Visakhapatnam	October 26, 2007
27	Coimbatore	November 3, 2007
28	Mangalore	November 24, 2007
29	Vijayawada	December 11, 2007
30	Raipur	January 11, 2008
31	Thiruvananthapuram	January 29, 2008
32	Jabalpur	February 16, 2008

As on date, the Company operates 32 radio stations across 14 states and in as many as 10 different languages.

1.3 In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable

1.4 Financial performance based on given indicators:

As per published audited financial results of the Company for the financial year ended March 31, 2013;

Particulars	In ₹
Turnover & Other Income	**3,553,609,049**
Net Profit as per the Statement of Profit & Loss	**676,710,850**
Profit as computed under Section 309 read with Section 198 of the Act	**889,705,576**
Net Worth	**5,023,035,784**

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1.5 Export performance and net foreign exchange collaborations:

	2012-2013 In ₹	2011-2012 In ₹	2010-2011 In ₹
Consultancy Services	37,468,375	13,164,105	Nil
Total	**37,468,375**	**13,164,105**	**Nil**

1.6 Foreign investments or collaborators, if any:

During the reporting period, no Foreign Direct Investment (FDI) has been made in the Company and foreign investments made in the Company is through Stock Exchanges/ under Portfolio Investment Scheme.

2. Information about the appointee:

2.1 Back ground details, recognition or awards, job profile and his suitability:

During his illustrious tenure, Mr. Prashant Panday has played a commendable role in the success and growth achieved by the Company.

For the under mentioned reasons, it is deemed expedient to reappoint Mr. Prashant Panday as the Whole-time Director designated as 'Executive Director & Chief Executive Officer' of the Company:

- Mr. Panday has excellent academic and professional qualifications. He holds a Post Graduate Diploma in Management from Indian Institute of Management, Bangalore and also holds a degree of B. E. Electronics and Communication-Gujarat University.
- His academic brilliance is combined with rich experience of about two decades in various industries, including but not limited to marketing, advertising, financial services.
- Prior to joining the Company, Mr. Panday was the Director-Marketing, Modi-Revlon Limited, Delhi.
- Private FM radio broadcast is a business which is relatively new and the knowledge domain and expertise acquired by Mr. Panday is of immense value to the Company.
- Being a relatively new industry, it is difficult to attract and retain talent vis-à-vis more lucrative and high profile industries. The proposed remuneration is in line with current job market norms.
- Taking into consideration the size of the Company, the profile of Mr. Panday, the responsibilities shouldered by him and the industry benchmark, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level incumbents in other companies.

2.2 Past remuneration:

Remuneration	In ₹
For the financial year 2012-2013	22,056,402
For the financial year 2011-2012	20,653,895
For the financial year 2010-2011	13,684,998

2.3. Remuneration proposed:

The details of the proposed remuneration have been furnished hereinbefore in para 5 of the Explanatory Statement.

2.4 Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

Generally, in the Media & Entertainment industry, talent (personnel/ employee) cost forms a large part of overall costs as compared to other industries. Taking into consideration the nature of the industry and size of the Company, the profile of the incumbent, the responsibilities shouldered by him and the industry benchmark, the remuneration proposed to be paid to the incumbent is commensurate with the remuneration packages paid to similar senior executives in other companies. It is therefore necessary to reappoint Mr. Panday as the Whole-time Director, designated as 'Executive Director & Chief Executive Officer' on the aforesaid terms, conditions and remuneration, which are similar to the industry norms, considering the knowledge domain, skill sets and expertise he brings to the Company.

2.5 Pecuniary relationship, directly or indirectly, with the Company or

relationship with the managerial personnel, if any:

Mr. Prashant Panday has no pecuniary relationship, directly or indirectly, with the Company or with any managerial personnel, other than his present office of the Executive Director & Chief Executive Officer of the Company. Mr. Panday is holding 26900 equity shares in the Company as on date of this Notice. Mr. Panday draws remuneration, as the Executive Director & Chief Executive Officer, only from the Company i.e. Entertainment Network (India) Limited. He is holding the office of Non-Executive Director on the Board of Alternate Brand Solutions (India) Limited, subsidiary of the Company and does not draw remuneration from the said subsidiary. He is also the Member of the Board of Governors of Market Research Users Council.

3. Other information:

Reasons for Loss or inadequate profits, Steps taken or proposed to be taken for improvement and Expected increase in productivity and profits in measurable terms:

As on date, the Company has adequate profit. Industry growth, future outlook, relevant government policies, operating performance, etc. have been discussed at a length in the Management Discussion and Analysis Report which forms part of the Annual Report.

4. Disclosures:

4.1 Remuneration policy:

The remuneration policy of the Company is based upon well defined criteria such as success and performance of its managerial persons and the Company, industry benchmark, the profile of the incumbent, the responsibilities shouldered, etc. Through its remuneration policy, the Company endeavors to attract, retain, develop and motivate its high skilled and dedicated workforce.

4.2 Details of remuneration paid to Mr. Prashant Panday during the financial year 2012-2013 is given below:

Particulars	In ₹
Salary#	21,445,062
Benefits*	596,340
Perquisites	15,000
Total	**22,056,402**

Salary includes performance linked incentives of ₹ 5,282,034 paid during the year 2012-2013.

* Also includes Company's contribution to Provident, Superannuation Funds, as per the Company rules, policy.

Notes:

- Appointment, terms, conditions and payment of remuneration to the Whole-time Director is governed by the resolution(s) passed by the Remuneration/ Compensation Committee, Board of Directors and Members of the Company and approval from the Central Government, if and to the extent applicable and required. The remuneration structure comprises salary, incentive allowance, perquisites, allowance, contribution to provident fund, etc.
- The said reappointment is terminable on not less than three months' notice from either side or payment in lieu of notice period.
- In November, 2005, Mr. Prashant Panday was issued and allotted 23200 equity shares of the Company on preferential basis, along with other senior executives. Under the Entertainment Network (India) Limited - Employee Stock Option Scheme - 2005, he was granted 8700 Stock options, pursuant to which he was issued and allotted 8700 equity shares in July 2007. The aforesaid shares were of the face value of ₹ 10/- each, at a price of ₹ 90/- per share, including securities premium of ₹ 80/- per share.

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- Mr. Prashant Panday is holding 26900 equity shares of the Company as on date of this Notice.

4.3 Criteria for making payments to non-executive directors:

As per the provisions of Section 309 and other applicable provisions of the Companies Act, 1956, Non-Executive Directors of the Company are paid sitting fees of ₹ 20,000/- (Rupees twenty thousand only) per meeting during the financial year under review, subject to deduction of applicable taxes, levies, etc., if any, for attending;

- Meeting of the Board of Directors;
- Meeting of the Audit Committee; and
- Meeting of the Remuneration/ Compensation Committee.

Commission amount has been provided for FY2013 based on the time and contribution committed by the independent board members.

The remuneration structure is commensurate with the best practices in terms of remunerating non- executive/ independent directors of a company of similar size keeping in view the role, responsibilities and participation made by the non- executive/ independent directors.

- **Details of sitting fees and commission:**

Name of the Non - Executive Directors	Sitting Fees for FY 2013 (In ₹)	Commission for FY 2013 (In ₹)
Mr. Vineet Jain	Nil	Nil
Mr. A. P. Parigi	1,00,000/-	Nil
Mr. B. S. Nagesh	40,000/-	1,60,000/-
Mr. N. Kumar	2,60,000/-	2,40,000/-
Mr. Ravindra Dhariwal	2,60,000/-	Nil
Mr. Ravindra Kulkarni	2,60,000/-	2,40,000/-
Mr. Richard Saldanha	2,60,000/-	2,40,000/-
Ms. Vibha Paul Rishi	20,000/-	80,000/-

11. Item No. 7: The Board of Directors appointed Mr. Nagesh Satyanarayan Basavanhalli (Mr. B. S. Nagesh) as an Additional Director (Independent Non- Executive Director) with effect from August 14, 2012 pursuant to the provisions of Section 260 of the Companies Act, 1956, read with the Articles of Association of the Company. Accordingly Mr. Nagesh holds office upto the date of this Annual General Meeting and being eligible, offers himself for appointment. Pursuant to the provisions of Section 257 of the Companies Act, 1956, a notice in writing has been received from a member proposing Mr. Nagesh as a director of the Company liable to retire by rotation, along with requisite deposit.

12. Mr. Nagesh has been with Shoppers Stop Limited since its inception in 1991. Recognized as the pioneer of the retail boom in India, Mr. Nagesh was voted by Business India as one of the top 50 managers in India who will influence the Indian business scenario in the 21st century. Mr. Nagesh was also instrumental in acquiring of the Crossword chain of bookstores in the year 2000. Ernst & Young nominated him for the Entrepreneur of the Year Award 2005 as one of the top 30 finalists.

13. Mr. Nagesh is the first Asian to be inducted into the 'World Retail Hall of Fame' 2008 along with Mr. Millard Drexler of J Crew, Sir Philip Green of BHS and Arcadia and Mr. Amancio Ortega of Inditex at the World Retail Congress 2008 conducted in Barcelona. The four iconic retailers have been selected by retail industry leaders and experts from across the Globe in recognition of their supreme industry achievements. Shoppers Stop Limited also won the 'Emerging Market Retailer of the Year' Award at the World Retail Congress 2008.

14. Mr. Nagesh has been involved in setting up and opening the country's largest hypermarket HyperCity, which was launched in May 2006. HyperCity has been declared as one of the top 100 retail destinations in the world by Retail Week, UK and the best hypermarket at the United States International Design Awards in New York. In the year 2009, Mr. Nagesh was elevated as the Vice Chairman of Shoppers Stop in a non-executive position.

15. As part of his personal philosophy of Learn, Earn & Return, Nagesh stepped down from all operational roles in the K. Raheja Corp Group in August 2009 at the age of 50. He has set up a charitable trust called TRRAIN (Trust for Retailers and Retail Associates of India). He has also established

NOTICE

Section 25 company called TRRAIN Foundation with a not for profit objective. Both these organisations are working towards empowering people in retail by helping them through financial literacy, skilling, education and getting them pride and respect through awards and celebrations.

16. Mr. Nagesh does not hold any equity share in the Company as on date of this Notice. Other than Mr. Nagesh, no other Director is concerned or interested in Item no. 7 of the Notice.

17. The Board of Directors commends the Ordinary Resolution at Item no. 7 of the Notice for approval by the Members.

18. **Item No. 8:** The Board of Directors appointed Ms. Vibha Paul Rishi as an Additional Director (Independent Non- Executive Director) with effect from August 14, 2012 pursuant to the provisions of Section 260 of the Companies Act, 1956, read with the Articles of Association of the Company. Accordingly she holds office upto the date of this Annual General Meeting and being eligible, offers herself for appointment. Pursuant to the provisions of Section 257 of the Companies Act, 1956, a notice in writing has been received from a member proposing Ms. Vibha Paul Rishi as a director of the Company liable to retire by rotation, along with requisite deposit.

19. Ms. Vibha Paul Rishi is the Executive Director – Brand and Human Capital of Max India Limited, a multi business corporate with consolidated revenue of more than two billion USD. Max has business interests primarily in the insurance and healthcare space. Max India is a joint venture partner in Max Life Insurance, Max Bupa and Max Healthcare.

20. She is a seasoned marketing professional with extensive experience in India and international markets, coupled with an abiding passion for people.

21. Her last role was as the Director, Marketing and Customer Strategy at the Future Group, India's largest retail group. Prior to this, she spent 17 years at PepsiCo in marketing and innovation roles in India, US and UK. She was one of the founding team employees of PepsiCo when they set up in India. During her PepsiCo India stint, she is remembered for the "Nothing official about it" and "Yeh dil maange more" campaigns, amongst others. She later moved to PepsiCo's headquarters to be a part of its international marketing team and looked after non-Cola brands such as 7up, Miranda and Mountain Dew.

22. She was also associated with Pratham, a NGO that works to provide education to underprivileged children in India

23. Ms. Vibha Paul Rishi started her career with the Tata Administrative Services and was part of the founding team of Titan Watches. She is an alumnus of FMS, Delhi.

24. Ms. Vibha Paul Rishi does not hold any equity share in the Company as on date of this Notice. Other than Ms. Vibha Paul Rishi, no other Director is concerned or interested in Item no. 8 of the Notice.

25. The Board of Directors commends the Ordinary Resolution at Item no. 8 of the Notice for approval by the Members.

By Order of the Board of Directors
For **Entertainment Network (India) Limited**
sd/-

Mehul Shah
SVP – Compliance &
Company Secretary

Mumbai, May 17, 2013

Registered Office:
4th Floor, A-Wing, Matulya Centre,
Senapati Bapat Marg,
Lower Parel (West),
Mumbai - 400 013.

NOTICE

ANNEXURE TO ITEM NOS. 3, 4, 6, 7 AND 8 OF THE NOTICE.

Details of Directors seeking appointment/ reappointment at the forthcoming Annual General Meeting (pursuant to the Clause 49 of the Listing Agreement).

Name of the Director	Mr. A. P. Parigi	Mr. N. Kumar	Mr. Prashant Panday
Date of Birth	July 15, 1949	January 28, 1950	July 8, 1965
Nationality	Indian	Indian	Indian
Date of Appointment on the Board	October 1, 2009	November 5, 2005	July 1, 2010
Qualifications	Master degree in Business Administration from the Faculty of Management Studies, University of Delhi and also holds a Bachelor degree in Economics and a Master degree in Sociology from the Delhi School of Economics.	Engineering Graduate in Electronics and Communication from Anna University, Chennai.	Post Graduate Diploma in Management from Indian Institute of Management, Bangalore and Degree of B.E. Electronics and Communication - Gujarat University.
Shareholding in the Company	14000 equity shares of ₹ 10/- each	5580 equity shares of ₹ 10/- each	26900 equity shares of ₹ 10/- each
List of Directorships held in other Companies	Bennett, Coleman & Company Limited, Times Infotainment Media Limited, Times Innovative Media Limited, Alternate Brand Solutions (India) Limited, Times Global Broadcasting Company Limited, Artha Financial Services Limited, Accel Media Ventures Limited, Accel Frontline Limited, Worldwide Media Private Limited, Appglow Management Private Limited. **Foreign Companies:** TIML Global Limited, TIML Golden Square Limited, TIML Radio Holdings Limited, TIML Radio Limited, One Golden Square Creative Limited, TIML Digital Radio Limited.	Bharti Infratel Limited, Bharti Infratel Ventures Limited, Times Innovative Media Limited, MRF Limited, Take Solutions Limited, Mphasis Limited, eG Innovations Private Limited, eG Innovations Pte Limited, Madhura Kumar Properties Private Limited, N. K. Trading & Consultancy Private Limited, Cubbon Road Properties Private Limited, Nani Palkhivala Arbitration Centre (Sect. 25 Company), Singapore India Partnership Foundation (Sect. 25 Company).	Alternate Brand Solutions (India) Limited, Member of the Board of Governors of Market Research Users Council.
Committee membership	1. Entertainment Network (India) Limited: [Member of Shareholders'/Investors' Grievance Committee] 2. Bennett, Coleman & Company Limited: [Member of Audit Committee] 3. Times Global Broadcasting Company Limited: [Member of Audit Committee] 4. Times Infotainment Media Limited: [Member of Audit Committee and Member of Compensation Committee] 5. Times Innovative Media Limited: [Member of Audit Committee and Member of Remuneration Committee]	1. Entertainment Network (India) Limited: [Chairman of Audit Committee, Member of Remuneration/ Compensation Committee] 2. Bharti Infratel Limited: [Chairman of HR & ESOP Compensation Committee] 3. Mphasis Limited: [Chairman of Audit Committee] 4. Take Solutions Limited: [Chairman of Shareholders'/ Investors' Grievance Committee] 5. Times Innovative Media Limited: [Member of Audit Committee and Member of Remuneration Committee]	Nil

NOTICE

Name of the Director	Mr. B. S. Nagesh	Ms. Vibha Paul Rishi
Date of Birth	April 12, 1959	June 19, 1960
Nationality	Indian	Indian
Date of Appointment on the Board	August 14, 2012	August 14, 2012
Qualifications	A degree of Masters in Management Studies from the Banaras Hindu University	An alumnus of FMS, Delhi
Shareholding in the Company	Nil	Nil
List of Directorships held in other Companies	Shoppers Stop Limited, Marico Industries Limited, Hypercity Retail (India) Limited, Nagesh (BSN) Consults Private Limited	Future Venture India Limited
Committee membership	1. Shoppers Stop Limited: [Member of Investors' Grievance & Share Transfer Committee] 2. Hypercity Retail (India) Limited: [Chairman of Remuneration Committee] 3. Marico Industries Limited: [Member of Audit Committee]	Nil

Brief resume of all the Directors of the Company has also been furnished separately in the Annual Report.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting this Fourteenth Annual Report together with the Audited Financial Statements of Entertainment Network (India) Limited ['the Company'/ 'ENIL'/ 'Radio Mirchi'] for the financial year ended March 31, 2013.

1. Financial Highlights

Amount in ₹

	Financial Year 2012-2013	Financial Year 2011-2012
Income	**3,553,609,049**	3,129,475,246
Profit before Tax & Exceptional item	**894,443,457**	797,466,918
Tax expense	**217,732,607**	232,371,797
Profit after Tax	**676,710,850**	565,095,121
Profit brought Forward	**2,040,176,365**	1,475,081,244
Equity	**476,704,150**	476,704,150
Transfer to General Reserve	**Nil**	Nil
Proposed dividend (including dividend distribution tax)	**55,772,002**	Nil
Surplus carried to Balance Sheet	**2,661,115,213**	2,040,176,365

2. Financial Performance

Your Company retained its position as the market leader in Private FM Radio Broadcasting Industry. Total income of the Company increased from ₹ 3,129,475,246 during the previous year to ₹ 3,553,609,049 during the year under review. Profit after tax was higher at ₹ 676,710,850. The financial performance is discussed in detail in the Management Discussion and Analysis Report which forms part of the Annual Report.

3. Dividend

Your Directors are pleased to recommend a dividend of ₹ 1.00 (Rupee one only) per equity share of ₹ 10/- each for the financial year ended March 31, 2013, aggregating ₹ 557.72 Lacs including Dividend Distribution Tax. The dividend payment is subject to the approval of the shareholders at the ensuing Annual General Meeting.

The Dividend, if declared at the Annual General Meeting, would be paid/ dispatched on/ after August 9, 2013 and within thirty days from the date of declaration of dividend to those persons or their mandates:

- whose names appear as Beneficial Owners as at the end of the business hours on July 31, 2013 in the list of the Beneficial Owners to be furnished by the Depositories i.e. National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL], in respect of the shares held in electronic/ dematerialized mode; and
- whose names appear as Members in the Register of Members of the Company as on July 31, 2013, after giving effect to valid share transfers in physical forms lodged with the Company/ Registrar & Share Transfer Agents, in respect of the shares held in physical mode.

4. Operations

The financial year under review was a challenging one for the entire media industry. The slowdown in the economy, with the GDP growth expected to be 5.5% in CY2012, affected the Indian Advertising industry, as companies affected by the slowdown resorted to cuts in advertising spends to maintain profit margins. The advertising industry reported a growth of an estimated 9% during CY2012. It is important to point out that GDP growth numbers are measured in "real" terms, while advertising growth numbers are indicated in "nominal" terms. This means that the growth in the advertising industry trailed the overall GDP growth rate, something that typically happens under poor economic growth conditions.

DIRECTORS' REPORT

The radio industry has turned in a much stronger performance in FY13, compared to the rest of the traditional media segments, growing at an estimated 10% during the year. Your Company has reported even better growth at 12.3%. Your Company's strategy of developing a multiple products portfolio (which advertisers can use for their marketing activities) has yielded the higher growth. This led to a strong net profit growth as well, at 19.8% to ₹ 67.7 crores. Your Company generated ₹ 100.1 crores of cash flow during FY13. At the end of FY13, your Company had ₹ 322.5 crores of free cash and cash equivalents. Your Company's revenue market share remained strong at between 33-35% of the private FM industry.

Radio Mirchi continues to enjoy the confidence of its listeners and it remains the clear No. 1 radio brand as per the Indian Readership Survey (IRS)– the only pan-India media research survey which also includes radio listenership. According to the latest IRS survey (Q4 2012), Radio Mirchi has a weekly listenership of 37.5 million. Our listenership is more than 50% higher than that of the nearest competitor brand.

In recognition of the music fraternity's exceptional creativity, your Company organized yet another edition – the 5th – of the Mirchi Music Award (MMA) this year. The MMAs are now held in all major languages. Apart from the flagship Hindi, MMAs are also held in the 4 South Indian Languages (4th edition of the awards to be held in June 2013) and Bangla (2nd edition completed in FY13). During FY13, for the first time, the awards were held in Marathi as well. The Hindi MMA had the who's who of the music and film fraternity in attendance. The TVR of the main show, aired on Colors TV, was 2.1, a 60% improvement over last year's TVR. But what was even more gratifying than the TVR was the support and presence of the entire music fraternity.

Your Company operates one of India's most popular radio websites. We stream four popular internet radio stations, which are available to a worldwide audience. We also have a strong presence on social networking sites. We have 1 million "fans" on Facebook. This helps us "connect" with online users, get "feedback" on the brand and also "talk" to them about our new plans.

In addition, we also operate a YouTube channel of our own (total views upwards of 2.6 million till date) and a twitter handle (about 16000 followers). Together, Mirchi's digital footprint spans 2.5 million people across all its platforms.

We are pleased to share that your Company won several awards and recognitions during the year. Radio Mirchi won the Popular Radio Channel of the Year Award at the World Brand Congress 2012. The forum honors the world's branding & marketing elite at the Global Awards for Brand Excellence. Mirchi won twelve awards at the Excellence in Radio Awards (ERA) at the India Radio Forum (IRF) this year – the most number of awards won by any broadcaster. Our FY 2011-12 Annual Report "Reimagining Radio" won the gold for innovative design and layout at the Midas awards. Midas recognizes the world's best in financial advertising. Founded in 2001 & based out of New York, the jury includes creative & art directors from all over the world. In less than a year after its launch, Radio Mirchi UAE was voted the best Radio Station in the Popular Choice category at the 5th Annual Masala Awards held in that country. The award demonstrates the power of the Mirchi brand and the loyal audience that it has built there in a short period of time.

The Cabinet approved the Phase 3 expansion policy in May 2013, the biggest growth opportunity for the private FM radio sector. Auctions for new licenses and new cities are expected to commence before the end of FY14. New stations should be operational within a year from the auctions getting completed. For your Company, expanding nationally and within the big cities is a priority. The salient features of the Phase 3 policy have been discussed in the Management Discussion and Analysis report.

5. Fixed Deposits

The Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as on the date of the Balance Sheet.

6. Directors

Mr. Nagesh Satyanarayan Basavanhalli (Mr. B. S. Nagesh) and Ms. Vibha Paul Rishi were appointed as additional directors (Independent Non-Executive Directors) by the Board of Directors

DIRECTORS' REPORT

with effect from August 14, 2012 pursuant to the provisions of Section 260 of the Companies Act, 1956. They hold their office up to the date of the forthcoming Annual General Meeting and being eligible, offer themselves for appointment. Pursuant to the provisions of Section 257 of the Companies Act, 1956, notices in writing have been received from a member proposing them as Directors of the Company.

Mr. Amba Preetham Parigi (Mr. A. P. Parigi) was holding the office of 'Managing Director' on the board of the Company up to September 30, 2009. He was appointed as the Non- executive Director on the Board with effect from October 1, 2009. Clause 49 (I)(A)(iii) of the listing agreement contains the definition of *'independent director'*. Based on the declaration received from Mr. Parigi confirming his independent directorship as per the Clause 49 (I)(A)(iii) of the listing agreement, the Board of Directors considered him as an independent director with effect from April 1, 2013.

In accordance with the provisions of the Companies Act, 1956, read with the Articles of Association of the Company, Mr. Amba Preetham Parigi (Mr. A. P. Parigi) and Mr. Narayanan Kumar (Mr. N. Kumar) retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Brief resume of the Directors proposed to be appointed/ reappointed, nature of their expertise in specific functional areas, names of the companies in which they hold directorships and the memberships/ chairmanships of Committees of the Board and their shareholding in the Company, as stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchanges, are set out in the Annexure to the Notice forming part of the Annual Report.

7. Audit Committee

The Audit Committee of the Company presently comprises of Mr. N. Kumar (Chairman), Mr. Ravindra Dhariwal, Mr. Ravindra Kulkarni and Mr. Richard Saldanha. The Internal Auditors of the Company report directly to the Audit Committee. Brief description of the terms of reference of the Audit Committee has been furnished in the Report on Corporate Governance.

8. Auditors

Messrs Price Waterhouse & Co., Bangalore, Chartered Accountants (Firm Registration Number 007567S), the Statutory Auditors of the Company retire at the conclusion of the Fourteenth Annual General Meeting and have confirmed their eligibility and willingness to accept office, if appointed.

Members are requested to appoint Messrs Price Waterhouse & Co., Bangalore, Chartered Accountants, as the Statutory Auditors of the Company for the period commencing from the conclusion of the Fourteenth Annual General Meeting until the conclusion of the Fifteenth Annual General Meeting and to fix their remuneration.

9. Cost Auditor

The Company is required to comply with the relevant provisions of the Cost Accounting Records (Telecommunication Industry) Rules 2011, dated December 7, 2011. The Company had appointed M/s. R. Nanabhoy & Co., Cost Accountants as the Cost Auditor for the financial years 2012-2013 and 2013-2014 pursuant to the provisions of Section 233B and other applicable provisions of the Companies Act, 1956 read with the relevant notifications, orders, rules, circulars, etc. issued by the Ministry of Corporate Affairs for audit of cost records/ cost accounts. The Cost Audit Report for the financial year 2012-13 will be filed on/ before the due date (i.e. within 180 days from the close of the financial year).

10. Buy-Back of Shares

During the financial year under review, the Company has not offered to buy-back any of its outstanding shares.

11. Conservation of Energy and Technology Absorption

The Company is in the business of FM Radio Broadcasting. Hence, most of the information required to be provided under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is not applicable.

However the information, as applicable, is given hereunder:

(i) Conservation of Energy:

The operations of the Company are not energy intensive. Nevertheless, continuous

DIRECTORS' REPORT

efforts are being made by the Company and its employees to reduce the wastage of scarce energy resources.

(ii) Technology Absorption:

The Company continues to use technology to augment business, productivity and performance. The Company is currently expanding and improving the scope of Sales Automation through CRM (Customer Relationship Management) to increase adoption and sales productivity.

(iii) Research & Development:

The Company is scaling up its digital and mobile presence in a significant way. The Company already streams 4 music feeds through *Gaana.com* platform. In mobile space, the Company offers 17 radio feeds on a dial-in IVR platform which is available across telecom networks.

12. Foreign Exchange Earnings & Outgo

Statement pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988:

(i) Activities relating to export, initiatives to increase exports, developments of new export markets for products and services and export plan:

The Company is actively exploring profitable business opportunities in the overseas market.

(ii) Total foreign exchange earned and used:

Amount in ₹

	Financial Year 2012-2013	Financial Year 2011-2012
Foreign exchange earnings	37,468,375	13,164,105
Foreign exchange outgo	8,266,554	8,122,585

13. Particulars of Employees

Particulars of the employees as required under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, are given in the annexure appended hereto and forms part of this report. In terms of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report and Accounts are being sent to all the Members excluding the aforesaid annexure. Any Member interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.

14. Share Capital & Listing of Securities

The equity shares of the Company are listed and admitted to dealings on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) effective from February 15, 2006. Annual Listing Fee has been paid to each exchange.

15. Management Discussion and Analysis Report

Management Discussion and Analysis Report for the financial year under review as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges is set out in a separate section forming part of the Annual Report.

16. Corporate Governance

The Company is adhering to good corporate governance practices in every sphere of its operations. The Company has taken adequate steps to comply with the applicable provisions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges. A separate report on Corporate Governance is enclosed as a part of the Annual Report along with the Certificate from the Practicing Company Secretary confirming compliance with the conditions of Corporate Governance. Observation of the Practicing Company Secretary in the aforesaid Certificate has been adequately dealt with in the report on Corporate Governance, which forms part of the Annual Report.

17. Directors' Responsibility Statement

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, hereby confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

(ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied the suggested accounting

DIRECTORS' REPORT

policies 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 for the financial year ended on March 31, 2013 and of the profit of the Company for that period;

(iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, to the best of their knowledge and ability;

(iv) they have prepared the annual accounts on a going concern basis.

18. Subsidiary Company

Alternate Brand Solutions (India) Limited (ABSL) is the Company's wholly owned subsidiary. ABSL recorded a total income of ₹ 2.3 crores during FY13. Profit after Tax stood at ₹ 0.6 crores.

The Board of Directors of the Company, at their meeting held on August 13, 2012, approved the purchase of ABSL's Intellectual Property Rights Events Business ('IPR Business') as a going concern. The slump sale of the IPR Business by ABSL to the Company was effected through a Business Transfer Agreement ('BTA'). The transfer was effective from July 1, 2012.

As per Section 212 of the Companies Act, 1956, the Company is required to attach the Balance Sheet, the Profit and Loss Account (Statement of Profit and Loss) and other documents of its subsidiary companies to the Balance Sheet of the Company. Vide General Circular No. 2/ 2011 dated February 8, 2011 issued by the Government of India (Ministry of Corporate Affairs), general exemption has been granted to companies from attaching financial statements of subsidiaries, subject to fulfillment of conditions stated in the said circular. Accordingly, the Balance Sheet, the Profit and Loss Account (Statement of Profit and Loss) and other documents of the Subsidiary Company are not attached to the Balance Sheet of the Company.

Relevant financial information of the Subsidiary Company is disclosed in the Annual Report. The Company shall make available the Annual Accounts and the related detailed information of its subsidiary to any Member of the Company or its subsidiary who may be interested in obtaining the same at any point of time. These documents will also be available for inspection during business hours at the Registered Office. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary company.

19. Consolidated Financial Statements

In accordance with the Accounting Standard 21 on Consolidated Financial Statements, the audited Consolidated Financial Statements are annexed and form part of the Annual Report.

20. Acknowledgements

Your Directors take this opportunity to convey their appreciation to all the members, listeners, advertisers, media agencies, dealers, suppliers, bankers, regulatory and government authorities and all other business associates for their continued support and confidence in the management of the Company. Your Directors are pleased to place on record their appreciation of the consistent contribution made by employees at all levels through their hard work, dedication, solidarity and cooperation and acknowledge that their efforts have enabled the Company to achieve new heights of success.

For and on behalf of the Board of Directors

sd/-

Vineet Jain
Chairman

Mumbai, May 17, 2013

Registered Office:

4th Floor, A-Wing, Matulya Centre,
Senapati Bapat Marg,
Lower Parel (West),
Mumbai - 400 013.

REPORT ON CORPORATE GOVERNANCE

Corporate Governance refers to the systems and policies that influence a corporation's administration. The core principles of Corporate Governance practices are fairness, transparency, accountability and responsibility. Effective Corporate Governance emphasizes efficiency, accountability and adaptability to the changing environment. Corporate Governance is a process to manage the business affairs of the company towards enhancing business prosperity and accountability with the objective of realizing long term shareholder value, while taking into account the interests of other stakeholders.

The equity shares of the Company are listed and admitted to dealings on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). Pursuant to the provisions of Clause 49 of the Listing Agreement, a report on Corporate Governance for the financial year ended March 31, 2013 is furnished below:

1. Company's Philosophy on Code of Governance

Your Company's philosophy on Corporate Governance envisages attainment of highest level of integrity, fairness, transparency, equity and accountability in all facets of its functioning and in its interactions with shareholders, employees, government, regulatory bodies, listeners and the community at large. Your Company has been upholding fair and ethical business and corporate practices and transparency in its dealings.

The Company reiterates its commitment to adhere to the highest standards of Corporate Governance. The Company recognizes that good Corporate Governance is a continuing exercise and is committed to pursue the highest standard of governance in the overall interest of the stakeholders.

In compliance with the regulatory requirements and effective implementation of Corporate Governance practices, the Company has adopted the following codes of governance in accordance with the applicable regulations of Securities and Exchange Board of India:

- Code of Conduct for Prevention of Insider Trading: for regulating the dealings of the Directors and Employees of the Company possessing or likely to possess price sensitive information, pertaining to the securities of the Company;
- Code of Corporate Disclosure Practices: for ensuring timely and adequate disclosure of price sensitive information;
- Code of Ethics and Business Principles for Directors and Employees.

These codes and their effective implementation re-affirm the commitment of the Company towards putting in place the highest standards of Corporate Governance in every sphere of its operations. The Company's philosophy of Corporate Governance is not only consistent with the statutory requirements but also underlines our commitment to operate in the best interest of the stakeholders.

The Company has a strong Enterprise Risk Management framework which is administered by the Senior Management. This team periodically reviews the risk events that could affect the Company and initiates appropriate mitigation procedures and also reviews the progress made with respect to the mitigation plans and the effectiveness of the same in addressing the relevant risk. The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures and these procedures are periodically reviewed.

2. Board of Directors

(i) Composition of the Board of Directors and other directorships and committee memberships of the Directors:

The Company believes that an active, well-informed and independent Board of Directors is vital to achieve the apex standard of Corporate Governance. The Board of Directors of the Company comprises an optimal combination of executive, non-executive and independent directors so as to preserve and maintain the independence of the Board. The Board of Directors comprises nine directors, each being eminent persons with professional experience in varied fields. Brief profile of all the Directors of the Company has been furnished separately in the Annual Report.

The Certificate, dated May 17, 2013, issued by the Practicing Company Secretary on the compliance of conditions of Corporate Governance by the Company during the

REPORT ON CORPORATE GOVERNANCE

financial year under review contains an observation that compliances under Clauses 49 I (A)(ii) and 49 I (C)(iv) relating to the composition of the Board of Directors of the Company could not be observed upto August 13, 2012.

The Company wishes to place on record that during the aforesaid observed period, the Board of Directors was comprised of three independent directors, three non- executive directors and one executive director. The Company had already identified two independent directors and the appointment of the independent directors was subject to the approval/ permission/ no objection from the Ministry of Information & Broadcasting, Government of India. Upon receipt of the *no objection* from the said Ministry, the Company has appointed two Independent Non- Executive Directors with effect from August 14, 2012. With the appointment of two directors on August 14, 2012, the composition of the Board of Directors is in compliance with the requirements under Clause 49 of the Listing Agreement.

Composition of the Board of Directors, attendance at Board Meetings (BM) held during the financial year under review and at the last Annual General Meeting (AGM) is as follows:

Name of the Directors	Category	Financial Year 2012-2013 Attendance at	
		Board Meeting	Last AGM
Mr. Vineet Jain	Non- Executive Chairman	5	Yes
Mr. A. P. Parigi *	Independent Non- Executive	5	Yes
Mr. B. S. Nagesh #	Independent Non- Executive	2	N. A.
Mr. N. Kumar	Independent Non- Executive	5	Yes
Mr. Ravindra Dhariwal	Non- Executive	5	Yes
Mr. Ravindra Kulkarni	Independent Non- Executive	5	Yes
Mr. Richard Saldanha	Independent Non- Executive	5	Yes
Ms. Vibha Paul Rishi #	Independent Non- Executive	1	N. A.
Mr. Prashant Panday	Whole-time Director	5	Yes

* Mr. A. P. Parigi is holding the office of Independent Director with effect from April 1, 2013 as per the Clause 49 (I)(A)(iii) of the listing agreement.

Mr. B. S. Nagesh and Ms. Vibha Paul Rishi were appointed as the additional directors with effect from August 14, 2012 (after conclusion of the last AGM).

Number of directorships, memberships and chairmanships of the Directors of the Company in other public limited companies as on the date of this report is as follows:

Name of the Directors	Category	As on date of this report		
		No. of other Directorships @	Committee positions @	
			Member	Chairman
Mr. Vineet Jain	Non- Executive Chairman	11	0	0
Mr. A. P. Parigi	Independent Non- Executive	8	5	0
Mr. B. S. Nagesh	Independent Non- Executive	3	2	0
Mr. N. Kumar	Independent Non- Executive	6	1	3
Mr. Ravindra Dhariwal	Non- Executive	7	4	1
Mr. Ravindra Kulkarni	Independent Non- Executive	8	5	2
Mr. Richard Saldanha	Independent Non- Executive	3	3	0
Ms. Vibha Paul Rishi	Independent Non- Executive	1	0	0
Mr. Prashant Panday	Whole-time Director	1	0	0

@ For the purpose of considering the number of other directorships and committee positions, all public limited companies, whether listed or not, have been included and all other companies

REPORT ON CORPORATE GOVERNANCE

including private limited companies, foreign companies and companies under Section 25 of the Companies Act, 1956, have been excluded. Committee positions considered are only Audit Committee and Shareholders'/Investors' Grievance Committee, including that of the Company.

None of the Directors are related with each other *(inter-se)* within the meaning of Clause 49 IV (G) *(ia)* of the Listing Agreement.

None of the above referred Non- Executive Directors have any material pecuniary relationship or transaction with the Company, which would affect the independence or judgment of the Board of Directors.

The Company has not entered into any materially significant transactions with its Promoters, Directors or their relatives or with the Management, etc. that may have potential conflict with the interest of the Company at large.

(ii) Board Meetings and Annual General Meeting held:

Five Board Meetings were held during the financial year under review, the dates of which were: May 25, 2012; August 13, 2012; August 14, 2012; November 8, 2012; and February 11, 2013.

The Thirteenth Annual General Meeting was held on August 14, 2012.

(iii) Declaration by the Whole-time Director & Chief Executive Officer under Clause 49(I)(D) of the Listing Agreement regarding adherence to the Code of Conduct is forming part of the Report on Corporate Governance.

(iv) A certificate as stipulated under Clause 49 (V) of the Listing Agreement was placed before the Board of Directors.

(v) In preparation of the financial statements, the applicable accounting standards have duly been followed and there are no material departures.

3. Audit Committee

(i) Brief description of terms of reference:

The Company recognizes that the Audit Committee is indispensable for ensuring accountability amongst the Board, the Management and the Auditors, who are responsible for sound and transparent financial reporting. The Audit Committee is responsible for overseeing the processes related to financial reporting and information dissemination. It assists the Board in its responsibility for overseeing the quality and integrity of accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The primary objective of the Audit Committee of the Company is to monitor and effectively supervise the financial reporting process of the Company with a view to ensure accurate, timely and proper disclosures and transparency and integrity of financial reporting.

The role and terms of reference of the Audit Committee *inter alia* include review of internal audit reports, review of financial statements, both quarterly and annual, before submission to the Board, review of Management Discussion and Analysis of financial condition and results of operations, review of performance of statutory and internal auditors, adequacy of internal control systems and other matters in conformity with the requirements of the Listing Agreement entered into with the Stock Exchanges and applicable provisions of the Companies Act, 1956.

(ii) Composition of the Audit Committee:

The Audit Committee of the Company is constituted in conformity with the provisions of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

The Audit Committee comprises of the following Directors as on date of the Report:

- Mr. N. Kumar – Chairman (Independent Non-Executive Director)
- Mr. Ravindra Dhariwal (Non-Executive Director)
- Mr. Ravindra Kulkarni (Independent Non-Executive Director)
- Mr. Richard Saldanha (Independent Non-Executive Director)

REPORT ON CORPORATE GOVERNANCE

All the Members of the Audit Committee are financially literate and have relevant accounting and financial management expertise as required under Clause 49 of the Listing Agreement. The Company Secretary acts as the Secretary to the Audit Committee.

(iii) Meetings and attendance during the year:

During the financial year under review, the Audit Committee met four times, i.e. on May 25, 2012; August 13, 2012; November 8, 2012; and February 11, 2013. All the members of the Audit Committee attended all the committee meetings.

4. Subsidiary Company

As on date of this Report, the Company has one wholly owned subsidiary company, viz. Alternate Brand Solutions (India) Limited. The Audit Committee of the Company reviews *inter alia* the financial statements of its subsidiary company, etc. as stipulated under Clause 49 of the Listing Agreement. The minutes of the Board Meetings of unlisted subsidiary company have been placed at the Board meetings of the Company and other relevant provisions of the said Clause of the Listing Agreement are duly complied with, to the extent applicable.

5. Remuneration / Compensation Committee

(i) Brief description of terms of reference:

The Remuneration / Compensation Committee has been constituted to review and recommend the remuneration payable to the executive directors and senior management of the Company based on their performance and defined assessment criteria.

Brief terms of reference of the Remuneration/ Compensation Committee include:

- Determining the Company's policy on specific remuneration packages for the Company's Managing/ Joint Managing/ Deputy Managing/ Whole-time/ Executive Directors, including pension rights and any compensation payment;
- Determining and / or recommending to the Board of Directors, the remuneration packages of the Company's Managing/ Joint Managing/ Deputy Managing/ Whole-time/ Executive Directors, including all elements of the remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees, etc.);
- Reviewing and determining the remuneration packages of the Company's top executives/ key management personnel who are one level below the Managing/ Joint Managing/ Executive Directors, including all elements of their remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees, etc.);
- Implementing, supervising and administering the present and future Employee Stock Option Scheme(s);
- Any other matter duly specified under the applicable provisions of the Companies Act, 1956, read with Clause 49 of the Listing Agreement.

(ii) Composition, name of members and Chairperson:

The Remuneration/ Compensation Committee of the Company is constituted in conformity with Clause 49 of the Listing Agreement read with Schedule XIII and other applicable provisions of the Companies Act, 1956.

The Remuneration / Compensation Committee comprises of the following Directors as on date of the Report:

- Mr. N. Kumar (Independent Non-Executive Director)
- Mr. Ravindra Dhariwal (Non-Executive Director)
- Mr. Ravindra Kulkarni (Independent Non-Executive Director)

REPORT ON CORPORATE GOVERNANCE

- Mr. Richard Saldanha (Independent Non-Executive Director)

(iii) Meetings and attendance during the year:

During the financial year under review, the Remuneration / Compensation Committee met four times, i.e. on May 25, 2012; August 13, 2012; November 8, 2012; and February 11, 2013. All the members of the Remuneration/ Compensation Committee attended all the committee meetings.

(iv) Remuneration policy:

The remuneration policy of the Company is based upon well defined criteria such as success and performance of its managerial persons and the Company, industry benchmarks, the profile of the incumbent, the responsibilities shouldered, etc. Through its remuneration policy, the Company endeavors to attract, retain, develop and motivate its high skilled and dedicated workforce.

(v) Details of remuneration:

(a) Details of remuneration paid to Mr. Prashant Panday, Whole-time Director during the year 2012-2013 are given below:

Particulars	In ₹
Salary#	21,445,062
Benefits*	596,340
Perquisites	15,000
Total	**22,056,402**

\# Salary includes performance linked incentives of ₹ 5,282,034 paid during the year 2012-2013.

* Includes the Company's contribution to Provident and Superannuation Funds.

Notes:

- Mr. Prashant Panday is holding the office of Whole-time Director designated as 'Executive Director & Chief Executive Officer' of the Company.
- The Board of Directors has approved his reappointment for a period of three (3) years with effect from July 1, 2013 till June 30, 2016 on various terms and conditions as stated in the notice convening this AGM.
- Appointment, terms, conditions and payment of remuneration to the Whole-time Director is governed by the resolution(s) passed by the Remuneration/ Compensation Committee, Board of Directors and Members of the Company and approval from the Central Government, if and to the extent applicable and required. The remuneration structure comprises salary, incentive allowance, perquisites, allowance, contribution to provident fund and superannuation, etc.
- The aforesaid reappointment may be terminated by either party by giving to other party not less than three months' prior notice in writing of such termination or payment in lieu of notice.
- Mr. Prashant Panday is holding 26900 equity shares of the Company as on the date of this Report.
- No option was granted to any Director of the Company under any scheme for grant of stock options during the financial year under review.

(b) Details of sitting fees and commission for the financial year 2012-2013:

Name of the Non-Executive Directors	Sitting Fees for FY2013 (In ₹)	Commission for FY2013 (In ₹)
Mr. Vineet Jain	Nil	Nil
Mr. A. P. Parigi	1,00,000/-	Nil
Mr. B. S. Nagesh	40,000/-	1,60,000/-
Mr. N. Kumar	2,60,000/-	2,40,000/-
Mr. Ravindra Dhariwal	2,60,000/-	Nil
Mr. Ravindra Kulkarni	2,60,000/-	2,40,000/-
Mr. Richard Saldanha	2,60,000/-	2,40,000/-
Ms. Vibha Paul Rishi	20,000/-	80,000/-

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(c) **Criteria for making payments to Non-Executive Directors:**

As per the provisions of Section 309 and other applicable provisions of the Companies Act, 1956, Non-Executive Directors of the Company are paid sitting fees of ₹ 20,000/- (Rupees twenty thousand only) per meeting during the financial year under review, subject to deduction of applicable taxes, levies, etc., if any, for attending;

- Meeting of the Board of Directors;
- Meeting of the Audit Committee; and
- Meeting of the Remuneration/ Compensation Committee.

Commission amount has been provided for FY2013 based on the time and contribution committed by the independent board members.

The remuneration structure is commensurate with the best practices in terms of remunerating non- executive/ independent directors of a company of similar size keeping in view the role, responsibilities and participation made by the non-executive/ independent directors.

(d) **Number of shares and convertible instruments of the Company held by Non-Executive Directors as on the date of this Report are as follows:**

Name of the Directors	No. of equity shares held
Mr. Vineet Jain	Nil
Mr. A. P. Parigi	14000
Mr. B. S. Nagesh	Nil
Mr. N. Kumar	5580
Mr. Ravindra Dhariwal	Nil
Mr. Ravindra Kulkarni	Nil
Mr. Richard Saldanha	Nil
Ms. Vibha Paul Rishi	Nil

6. **Shareholders' / Investors' Grievance Committee**

(i) **Constitution and terms of reference of the Committee:**

The Company has always valued its investors' and stakeholders' relationships. In order to ensure the proper and speedy redressal of shareholders'/ investors' complaints, the Shareholders'/ Investors' Grievances Committee was constituted. The constitution and terms of reference of the Shareholders'/ Investors' Grievance Committee is in conformity with the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchanges. The Shareholders'/ Investors' Grievances Committee is empowered to look into redressal of shareholders' and investors' complaints like transfer of shares, non-receipt of annual report(s), non-receipt of declared dividends and other miscellaneous complaints. The Committee also ensures implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in conformity with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

The Shareholders'/ Investors' Grievances Committee is headed by a Non-Executive Director and comprises of the following Directors:

- Mr. Ravindra Dhariwal - Chairman
- Mr. A. P. Parigi - Member

(ii) **Name and designation of Compliance Officer:**

Mr. Mehul Shah, *SVP - Compliance & Company Secretary* is the Compliance Officer of the Company.

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(iii) Shareholders' complaints:

Number of shareholders' complaints/ queries, etc. received during the financial year 2012-2013	1
Number of complaints/ queries, etc. not resolved to the satisfaction of shareholders as on March 31, 2013. (Same has been resolved in consonance with the applicable provisions of the relevant rules/ regulations and acts for the time being in force).	0
No. of pending complaints/ queries, etc.	0

(iv) Meetings and attendance during the year:

During the financial year under review, the Shareholders'/ Investors' Grievances Committee met four times, i.e. on May 25, 2012; August 13, 2012; November 8, 2012; and February 11, 2013. All the Members of the said Committee attended all the Committee meetings.

(v) Disclosure(s) pertaining to unclaimed shares:

Disclosure pursuant to the Clause 5A of the Listing Agreement in relation to unclaimed shares, based on the disclosure furnished by Karvy Computershare Private Limited, the Registrar and Transfer Agents (R&TA) of the Company, for the financial year ended March 31, 2013, is as below:

Clauses of the Listing Agreement	Particulars	Remarks
Clause 5A(g)(i)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. on April 1, 2012;	Number of Shareholders – 41 and Number of Outstanding shares –1746 equity shares.
Clause 5A(g)(ii)	Number of shareholders who approached issuer for transfer of shares from suspense account during the year 2012-2013;	Nil
Clause 5A(g)(iii)	Number of shareholders to whom shares were transferred from suspense account during the year 2012-2013;	Nil
Clause 5A(g)(iv)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	41 Shareholders with outstanding equity shares of 1746.
Clause 5A(g)(v)	Voting rights on these shares.	Voting rights on the equity shares lying in the suspense account shall remain frozen till the rightful owner of such equity shares claims those equity shares.

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7. **General Body Meetings**

(i) **Annual General Meetings:**

Location, date and time of the Annual General Meeting (AGM) held during the preceding three years and the Special Resolutions passed thereat are as follows:

Year	Location	Date and Time	Special Resolution(s) passed
2011-2012 (Thirteenth AGM)	Y. B. Chavan Auditorium, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Near Mantralaya, Nariman Point, Mumbai – 400021.	August 14, 2012 3.00 p.m.	• To increase in the Foreign Investment limit from existing 20% to 26% pursuant to the applicable provisions of the Foreign Exchange Management Act, 1999 (FEMA), Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) Regulations, 2000, etc. • To alter Article no. 206 of the Articles of Association to enable the directors to participate in the Board/ Committees meetings through Video Conference facilities as permissible by the Ministry of Corporate Affairs. • To alter Article nos. 248 and 249 of the Articles of Association to enable service of corporate documents through electronic mail as permissible by the Ministry of Corporate Affairs.
2010-2011 (Twelfth AGM)	Y. B. Chavan Auditorium, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Near Mantralaya, Nariman Point, Mumbai – 400021.	August 30, 2011 3.00 p.m.	To enable payment of commission to non-executive directors of the Company pursuant to Section 309 of the Companies Act, 1956.
2009-2010 (Eleventh AGM)	Y. B. Chavan Auditorium, Gen. Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Near Mantralaya, Nariman Point, Mumbai – 400021.	September 7, 2010 3.00 p.m.	To approve the appointment and terms of appointment including remuneration payable to Mr. Prashant Panday, Whole-time Director of the Company with effect from July 1, 2010.

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(ii) **Special Resolution passed through Postal Ballot:** During the financial year under review, no resolution was passed through postal ballot.

(iii) **Person who conducted the postal ballot exercise**: Not applicable.

(iv) **Whether any special resolution is proposed to be conducted through postal ballot:** No.

(v) **Procedure for postal ballot:** The Company will comply with the requirements of postal ballot as and when such matter arises requiring approval of the Members by such process as per Section 192A and other applicable provisions of the Companies Act, 1956, read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001.

8. Other Disclosures

(i) **Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large:**

During the financial year under review, there were no materially significant related party transactions with the Promoters, Directors, etc. that may have potential conflict with the interests of the Company at large.

(ii) **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:**

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence no penalties, strictures have been imposed on the Company by Stock Exchanges or Securities and Exchange Board of India or any other statutory authority.

(iii) **Whistle Blower policy and affirmation that no personnel has been denied access to the Audit Committee:**

The Board of Directors affirms and confirms that no personnel has been denied access to the Audit Committee. Bennett, Coleman & Company Limited ('BCCL')- the Ultimate Holding Company has introduced a policy of 'Whistle Blower' to reinforce the 'Code of Conduct' across BCCL and its group companies. Its applicability has been extended to the Company.

(iv) **Reconciliation of Share Capital Audit:**

A qualified practicing Company Secretary carried out a Share Capital Audit to reconcile the total admitted equity share capital with National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL] and the total issued and listed equity share capital. The Audit Report confirms that the total issued/ paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

(v) **Risk Management:**

The Company has procedures in place to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

(vi) **Details of compliance with mandatory requirements and adoption of the non mandatory requirements of this clause:**

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, read with the observation of the Practicing Company Secretary in his certificate, dated May 17, 2013, relating to compliance with the aforesaid Clause 49 and response of the Company thereto under Para 2 (Board of Directors) of the Report on Corporate Governance. The status of compliance with the non-mandatory requirements of this clause has been detailed herein.

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9. Means of Communication

(i) Quarterly/ Half yearly/ Annual results:

Quarterly/ Half yearly/ Annual results are regularly submitted to the Stock Exchanges where the securities of the Company are listed pursuant to the provisions of Listing Agreement and are published in the newspapers. The Company has also displayed the results, as specified under Clause 41 of the Listing Agreement, on the Company's website i.e. ***www.enil.co.in***

(ii) Newspapers wherein results are normally published:

Financial Express (English) and Loksatta (Marathi, the regional language).

(iii) Any Website, where displayed :

www.enil.co.in

(iv) Whether Website also displays official news releases:

The Company has maintained a functional website [***www.enil.co.in***] containing basic information about the company e.g. details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances, etc.

(v) Presentations made to institutional investors or to the analysts:

The presentations made to institutional investors/analysts are posted on the Company's website i.e. ***www.enil.co.in***

10. General Shareholder Information

(i) Annual General Meeting (AGM):

Day, Date and time	:	Thursday, August 8, 2013 at 3.00 p.m.
Venue	:	Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai- 400020.

(ii) Financial year:

April 1, 2012 to March 31, 2013.

(iii) Date of Book closure: Thursday, August 1, 2013 to Thursday, August 8, 2013, both days inclusive, for taking record of the Members of the Company for the purpose of AGM and determining the names of the Members eligible for dividend on equity shares, if declared at AGM.

(iv) Dividend Payment Date: The Dividend, if declared at the AGM, would be paid/ dispatched on / after August 9, 2013 and within thirty days from the date of declaration of dividend.

(v) Listing on Stock Exchange: The Company's shares are listed on the BSE- Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 and NSE- Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra-(East), Mumbai – 400 051. The Company has paid the annual listing fees for the year 2013-2014, as applicable, to BSE and NSE.

(vi) Stock code :

BSE Scrip Code	532700
NSE Trading Symbol	ENIL
ISIN Number for NSDL & CDSL	INE265F01028

(vii) Market Price Data: High, Low during each month in last financial year*

The performance of the equity shares of the Company on BSE and NSE depicting the liquidity of the Company's equity shares for the financial year ended March 31, 2013, on the said exchanges, is as follows:

Stock Market data – BSE

Month	Open Price (₹)	High Price (₹)	Low Price (₹)	Close Price (₹)	No.of Shares	Total Turnover (₹ in lacs)
April-12	220.00	234.00	203.55	207.75	59573	131.75
May-12	213.00	219.80	194.00	214.70	27703	58.15
June-12	216.45	221.90	199.00	204.70	32824	68.33
July-12	206.20	238.00	201.00	210.65	633101	1345.08
August-12	211.95	241.80	207.40	215.95	100733	227.72
September-12	220.45	258.00	217.00	244.70	63144	151.14
October-12	246.00	254.00	227.00	241.70	89849	215.81
November-12	241.00	276.70	235.00	257.35	1234503	3095.77
December-12	255.75	268.75	236.25	243.65	148364	380.56
January-13	247.95	263.00	214.05	235.45	106159	252.96
February-13	235.00	238.80	198.95	216.60	71561	162.49
March-13	216.50	249.20	215.30	237.30	45367	103.55

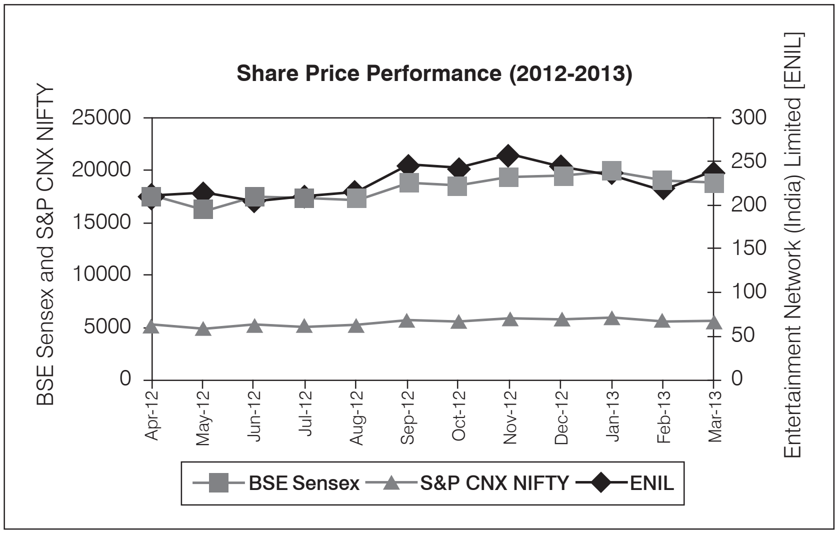
Stock Market data – NSE

Month	Open Price (₹)	High Price (₹)	Low Price (₹)	Close Price (₹)	No.of Shares	Turnover (₹ in lacs)
April-12	216.00	234.00	203.35	208.10	230984	518.20
May-12	207.70	223.20	193.00	215.05	132763	278.92
June-12	211.55	223.90	199.00	204.60	150243	311.63
July-12	203.60	224.65	201.10	211.00	394610	855.05
August-12	206.50	243.70	206.40	222.65	339620	769.19
September-12	220.10	258.80	210.55	245.90	157904	377.69
October-12	241.00	254.00	223.65	242.10	319726	773.03
November-12	246.10	276.80	229.15	257.45	1625008	4101.75
December-12	254.15	269.00	233.05	243.80	588079	1510.43
January-13	242.85	261.00	212.20	237.55	548448	1294.13
February-13	240.00	240.00	203.00	215.80	237497	538.98
March-13	219.90	263.60	205.95	241.45	160581	368.16

* (Source: This information is compiled from the data available on the website of BSE and NSE)

REPORT ON CORPORATE GOVERNANCE

(viii) Stock Performance:



(ix) **Registrar and Transfer Agents (R & TA):**

Karvy Computershare Private Limited, Unit: Entertainment Network (India) Limited, Plot No. 17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081, Phone: 040 – 44655000, Fax: 040 – 23420814.

(x) **Share Transfer System:**

Pursuant to the provisions of the Listing Agreement entered into with the Stock Exchanges, the Board of Directors of the Company, in order to expedite the process, has delegated the power of approving transfer, transmission, etc. of the securities of the Company to the R & TA. Securities lodged for transfer, transmission, etc. are normally processed within the stipulated time as specified in the Listing Agreement and other applicable provisions of the Companies Act, 1956. The Company has duly obtained certificates on half yearly basis from the Practicing Company Secretary, certifying due compliance with the formalities of share transfer as required under Clause 47 (c) of the Listing Agreement entered into with Stock Exchanges and submitted a copy of the certificate to the Stock Exchanges where the securities of the Company are listed.

(xi) **Distribution of shareholding as on March 31, 2013:**

Category	No. of Members	% of Members	Total Shares	% of shares
1-5000	15078	97.00	829678	1.74
5001- 10000	225	1.45	178605	0.37
10001- 20000	100	0.64	149689	0.31
20001- 30000	38	0.24	99395	0.21
30001- 40000	17	0.11	59645	0.13
40001- 50000	20	0.13	95124	0.20
50001- 100000	24	0.15	170555	0.36
100001 & Above	43	0.28	46087724	96.68
Total	**15545**	**100.00**	**47670415**	**100.00**

As on March 31, 2013 and as on the date of this report, none of the Promoters and Promoters' Group of the Company have pledged any shares of the Company.

REPORT ON CORPORATE GOVERNANCE

Shareholding pattern of the Company (as on March 31, 2013):

Category code	Category of shareholder	Number of shareholders	Total Number of shares	Total shareholding as a percentage of total number of shares
(A)	**Shareholding of Promoter and Promoter Group**	—		
(1)	**Indian ***			
(a)	Bodies Corporate	2	33918400	71.15
	Sub-Total (A)(1)	**2**	**33918400**	**71.15**
(2)	**Foreign**	0	0	0
	Sub-Total (A)(2)	**0**	**0**	**0**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**2**	**33918400**	**71.15**
(B)	**Public shareholding**			
(1)	**Institutions**			
(a)	Mutual Funds/ UTI	7	248450	0.52
(b)	Financial Institutions/ Banks	1	1754	0.00
(c)	Foreign Institutional Investors	19	7520082	15.78
	Sub-Total (B)(1)	**27**	**7770286**	**16.30**
(2)	**Non-institutions**			
(a)	Bodies Corporate	299	3480020	7.30
(b)	Individuals -			
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	15038	1376998	2.89
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	11	992987	2.08
(c)	Others			
	Non Resident Indians	120	122732	0.26
	Trust	4	86	0.00
	Clearing Members	44	8906	0.02
	Sub-Total (B)(2)	**15516**	**5981729**	**12.55**
	Total Public Shareholding (B) = (B) (1) + (B) (2)	**15543**	**13752015**	**28.85**
	TOTAL (A)+(B)	**15545**	**47670415**	**100.00**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	**0**	**0**	**0.00**
	GRAND TOTAL (A)+(B)+(C)	**15545**	**47670415**	**100.00**

* The Indian Promoter Group comprises of Times Infotainment Media Limited and Bennett, Coleman and Company Limited.

REPORT ON CORPORATE GOVERNANCE

(xii) Dematerialization of shares and liquidity:

99.99% of the paid up equity share capital of the Company are in dematerialized form as on March 31, 2013. Trading in equity shares of the Company is permitted only in dematerialized form as per the notification issued by Securities and Exchange Board of India. The trading / liquidity details are given in para (vii) hereinbefore.

(xiii) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on Equity :

Nil.

(xiv) Location of Studios:

1.	Ahmedabad	The Times of India Press Premises, Vejalpur, Ahmedabad-380 051.
2.	Aurangabad	F 8, 9, 10, 5th Floor, Aurangabad Business Centre, Adalat Road, Opposite Session Court, Aurangabad-431 005.
3.	Bengaluru	39/2, 3rd Floor, Sagar Building, Banerghatta Road, Bengaluru-560 029.
4.	Bhopal	2nd Floor, C. P. Square, 2, Malviya Nagar, Opposite Old Vidhansabha, Bhopal-462 003.
5.	Chennai	6th & 7th Floor, Fathima Akhtar Court, Anna Salai Teynampet, Chennai-600 018.
6.	Coimbatore	8th Floor, Classic Towers, 1547 Trichy Road, Coimbatore-641 018.
7.	Delhi	Plot No. 6, 3rd Floor, Sector 16A, Film City, Noida, Uttar Pradesh-201 301.
8.	Hyderabad	1st Floor, Queen's Plaza, Sardar Patel Road, Opposite Begumpet Police Station, Begumpet, Secunderabad-500 003.
9.	Indore	9th Floor, Industry House, 15 AB Road, Indore-452 001.
10.	Jabalpur	2nd Floor, Shukla Bhawan, 1415, Wright Town, Jabalpur-482 002.
11.	Jaipur	Prestige Tower, 6th Floor E – 1, Amrapali Road, Vaishali Nagar, Jaipur-302 021.
12.	Jalandhar	6th Floor, Shakti Tower, Adjoining Swani Motors, GT Road, Near BMC Chowk, Jalandhar-144 001.
13.	Kanpur	14/113, Kan Chambers, 6th Floor, Civil Lines, Kanpur-208 001.
14.	Kolhapur	517/2 E, Gemstone, 1st Floor, Rao Bahadur Rajirao Vichare Complex, New Shahupuri, Kolhapur-416 001.
15.	Kolkatta	Shantiniketan Building, 13th Floor, 8, Camac Street, Kolkata-700 017.
16.	Lucknow	6th Floor, Shalimar Tower, Vibhuti Khand, Gomti Nagar, Lucknow-226 010.
17.	Madurai	2nd Floor, Nataraja Complex, Opposite New District Court, 128 Melur Road, K. K. Nagar, Madurai-625 020.
18.	Mangalore	5th Floor, Maximus Commercial Complex, Light House Hill Road, Mangalore-575 001.
19.	Mumbai	4th Floor, 'A' Wing, Matulya Centre, Senapati Bapat Marg, Lower Parel (West), Mumbai-400 013.
20.	Nagpur	2nd Floor, Narang Towers, 27 Palam Road, Civil Lines, Nagpur-440 001.
21.	Nashik	3rd Floor, United Legend, Plot 1, Serial 733/1/2, Opposite Parijat Nagar Bus Stop, Nashik-422 005
22.	Panjim	1st Floor, Above Times of India office, Vivenda De Hassan Building, D. B. Marg, Miramar, Panjim, Goa-403 001.
23.	Patna	4th Floor, Times of India Building, Fraser Road, Patna-800 001.
24.	Pune	3rd Floor, Aditya Business Centre, Above ICICI Bank, Kondhwa Khurd, Pune-411 048.
25.	Raipur	1st Floor, Chawla Towers, Near Bottle House, Shankar Nagar, Raipur, Chhattisgarh-492 007.
26.	Rajkot	Property No. 23, 24/P, Radhika House, Near Kinnari Flats, Opposite Princess School, Kalawad Road, Rajkot-360 007.
27.	Surat	601-A, International Trade Center, Majuragate Crossing, Ring Road, Surat-395 002.

REPORT ON CORPORATE GOVERNANCE

28.	Thiruvananthapuram	3rd Floor, Andoor Buildings, General Hospital Road, Vanchiyoor P.O., Thiruvananthapuram-695 035.
29.	Vadodara	Property No. 1001/1002, 10th Floor, Gunjan Tower, Off. Alembic - Gorwa Road, Subhanpura, Vadodara-390 023.
30.	Varanasi	2nd floor, Unit 201-A & 204, RH Tower, The Mall Cantt, Varanasi-221 002.
31.	Vijaywada	4th Floor, Matha Towers, Bishop House, Door No. 59 A 1-7, Vijayawada-520 008.
32.	Visakhapatnam	3rd Floor, Varun Towers, Kasturba Marg, Siripuram Junction, Visakhapatnam-530 003.

(xv) Address for correspondence:

Investor Correspondence:

(a) For share transfer / dematerialisation of shares / other queries relating to the securities:

Karvy Computershare Private Limited, Unit: Entertainment Network (India) Limited, Plot No. 17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500081.
Phone: 040-44655000,
Fax: 040-23420814.

(b) For queries on Annual Report or investors' assistance:

Mr. Mehul Shah,
SVP - Compliance & Company Secretary,
Trade Gardens, Ground Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013.
Ph: 022 – 67536983.
mehul.shah@timesgroup.com

Investors can register their complaints/ grievances at the Company's designated e-mail id: *mehul.shah@timesgroup.com*

The aforesaid e-mail id and other relevant details have been displayed on the website of the Company i.e. *www.enil.co.in*

Non- Mandatory Requirements:

The Company has complied with the following non-mandatory requirements of Clause 49 of the Listing Agreement:

1. **The Board**
The Company does not defray any expenses of the Chairman's Office. Independent Directors do not have a tenure exceeding, in the aggregate, a period of nine years, on the Board of the Company. The Company ensures that all the persons being appointed as Independent Directors of the Company have the requisite qualifications and experience which would be of use to the Company and which, in the opinion of the Company, would enable them to contribute effectively to the company in their capacity as Independent Directors.

2. **Remuneration Committee**
As stated earlier, the Company has constituted Remuneration/ Compensation Committee to review and recommend the remuneration of the Managing / Executive Director based on his/her performance and defined assessment criteria. Details regarding composition and scope of the Remuneration/ Compensation Committee are given in the earlier part of this Report.

3. **Shareholder Rights**
The Company's quarterly and half-yearly results are furnished to the Stock Exchanges and are also published in the newspapers and on the website of the Company and therefore results were not separately sent to the Members. Quarterly/ Half yearly/ Annual results of the Company are also displayed on the website of the Company i.e. *www.enil.co.in*

4. **Audit qualifications**
There are no audit qualifications in the Audit Report for the financial year under review.

5. **Training of Board Members**
No training is provided to the Board Members as on date of this Report.

6. **Mechanism for evaluating Non- Executive Board Members**
No formal mechanism for evaluation of the

REPORT ON CORPORATE GOVERNANCE

performance of Non-executive Directors is in place as on date of this Report.

7. **Whistle Blower Policy**

   The Company has adopted the Code of Ethics & Business Principles for Directors and Employees. Bennett, Coleman & Company Limited ('BCCL')- the Ultimate Holding Company has introduced a policy of 'Whistle Blower' to reinforce the 'Code of Conduct' across BCCL and its group companies. Its applicability has been extended to the Company.

For and on behalf of the Board of Directors

sd/-

Mumbai, May 17, 2013 **Vineet Jain**

Registered Office: *Chairman*

4th Floor, A-Wing, Matulya Centre,
Senapati Bapat Marg,
Lower Parel (West), Mumbai - 400 013.

DECLARATION BY THE CEO UNDER CLAUSE 49(I)(D) OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

To the best of our knowledge and belief, this is to affirm and declare, on behalf of the Board of Directors of the Company and senior management personnel, that:

- The Board of Directors has laid down a code of conduct for all Board members and Senior Management of the Company ['the Code of Conduct'];
- The Code of conduct has been posted on the website of the Company;
- All the Directors and Senior Management personnel have affirmed their compliance and adherence with the provisions of the Code of Conduct for the financial year ended March 31, 2013.

For and on behalf of the Board of Directors and Senior Management Personnel

sd/-

Prashant Panday

Executive Director & CEO

Mumbai, May 17, 2013

Registered Office:

4th Floor, A-Wing, Matulya Centre,
Senapati Bapat Marg,
Lower Parel (West), Mumbai - 400 013.

CERTIFICATE

To the Members of ENTERTAINMENT NETWORK (INDIA) LIMITED

We have examined the compliance of conditions of Corporate Governance by **ENTERTAINMENT NETWORK (INDIA) LIMITED** ("the Company"), for the financial year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement entered into with the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said Clause 49. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement, subject to one observation that compliances under Clauses 49 I (A)(ii) and 49 I (C)(iv) relating to the composition of the Board of Directors of the Company could not be observed upto August 13, 2012.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Hemanshu Kapadia & Associates**

Company Secretaries

sd/-

Hemanshu Kapadia

Proprietor

Mumbai, May 17, 2013 C.P. No. 2285

MANAGEMENT DISCUSSION & ANALYSIS

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on these forward looking statements that speak only as of their dates.

A. Media Industry Structure and Developments

World Economy is poised to strengthen

According to the World Economic Outlook report of the IMF, released in April 2013, the world economy is poised to grow at 3.3% in 2013 and 4% in 2014. This is higher than the growth recorded in the previous years and augurs well for the world economy. While growth in emerging markets and developing economies is forecast to reach 5.3% in 2013 and 5.7% in 2014, from a lower number in 2012, growth in the United States is forecast to be 1.9% in 2013 and 3.0 % in 2014. The Euro Area is forecast to de-grow by 0.3% in 2013 and recover partially in 2014 and grow at 1.1%. Overall, the economic sentiment is forecast to improve worldwide in the next two years.

Indian Economy – to be back on the growth path in FY14

The Finance Minister, in his budget speech this year indicated that the Indian economy is set to grow at 6.5% in FY14. And even though FY13 was a year of slow growth, only China and Indonesia (amongst the large economies) grew faster than India. In FY14, only China is expected to grow faster than India.

Morgan Stanley in a report states:

"We expect the initial phase of recovery to be driven by an improvement in growth mix and productivity growth rather than a big rise in investment. The starting point of macro environment stability (inflation, current account deficit and high banking sector loan deposit ratio) will still likely constrain domestic demand from staging a strong recovery."

The projected growth rate of 6.5% is a marked improvement over the 5.5% growth likely in FY13 but much below the potential of 8% that India is capable of. Opinion on this growth forecast is divided, with many experts believing that it is achievable and many thinking otherwise. The IMF for instance has a conservative estimate of 5.7%. The Government has promised more reforms including in vital sectors of the economy like Banking, Insurance and pensions (which should bring in more foreign investments), land acquisition (which should make land acquisitions more expensive, but more easy) etc. It has also promised to speed up decision making in core areas like infrastructure where environmental concerns have held back approvals of large projects for several years. The Government has set up a Cabinet Committee on Infrastructure, headed by the PM, to remove the bottlenecks in large infrastructure projects with investment exceeding ₹ 1000 crores. The Government has also said repeatedly that it will stick to the fiscal target of 4.8% in FY14, a number that now carries credibility after the successful achievement of the FY13 revised target of 5.2%.

The good news for the country is that the overall interest rate regime is expected to soften in FY14. Reputed bankers have indicated that they expect a drop of more than 1% during FY14. Sectors which advertise – BFI, Auto, Real Estate, Durables, Mobile handsets, etc. – depend strongly on the ability of their buyers to get cheap loans. If that happens, the economy should get a boost; and the advertising industry too.

The government has also taken measures to tackle the current account deficit. It has levied additional taxes on gold, which has become a very large part of India's imports. Further, the good news is that there is a slump in commodity prices worldwide, including in petroleum, and this should significantly ease the current account deficit, strengthen the rupee, reduce raw material costs for industries that import and improve their operational margins.

Overall, the macro-economic environment appears to be improving and is expected to get better in FY14. Further, after more than a year of slow policy making, the government appears to have got back on its feet. This should lift the advertising industry growth rates in FY14.

Global Advertising Spends to Strengthen

With advertising spends closely linked to the health of the economy, any uptick in the economy has a positive impact on advertising. The opposite is also true, which is why the advertising industry has generally witnessed

MANAGEMENT DISCUSSION & ANALYSIS

slow growth over the last few years.

According to Zenith Optimedia's Advertising Expenditure Forecasts – April 2013, the global ad expenditure growth will strengthen over the next 3 years, rising from 3.5% in 2012 to 3.9% in 2013, 4.9% in 2014 and 5.6% in 2015. The agency puts the ad spends in 2013 at US$ 518 billion. Further the agency forecasts that the growth will be led by emerging markets in Asia, Eastern Europe and Latin America. Advertising growth in "Fast Track Asia" – a bloc of which India is a part – is forecast to be 10.3% in 2013 over the previous year.

Indian Advertising Industry expects a better 2013

The slowdown in the economy's growth to 5.5% in 2012 affected the Indian Advertising industry as companies affected by the slowdown cut advertising spends. But with the economy expected to get back on the growth track, the outlook is brighter. As per FICCI KPMG's Indian Media and Entertainment Industry Report 2013, the advertising industry which grew by 9.1% in 2012 is expected to grow by 10% in 2013 and 11.2% in 2014. The 5-year forecast is even stronger with a CAGR of 14% till 2017. Segment-wise growth trends are as tabulated below:

then, for various reasons, the policy's implementation has got delayed. It appears now that the last of the obstacles have been cleared.

The Finance Minister announced the roll out of the policy in his budget speech on 28th February 2013, an unusual gesture considering that no Finance Minister had announced the earlier two phases of radio expansion. Thereafter, the EGoM (Empowered Group of Ministers) chaired by the Finance Minister also cleared all pending issues with respect to the policy in its meeting held on 6th March 2013. Finally, the Cabinet, in its meeting held on 1st May, 2013 ratified the decisions of the EGoM, paving the way for the roll out of the much-delayed Phase 3 policy. If everything goes to plan, it is our expectation that the auctions should commence before FY14 is over.

Phase 3 roll outs are vital for the FM radio industry's growth. Radio can only expand when spectrum is released by the Government through the process of auctions. The last auctions were held in Jan 2006. Since then, there have not been any more auctions held. In the meantime, the other segments of the media industry have all grown by leaps and bounds. More and more TV channels continue to get launched every year and today there are 750+ channels available. Newspaper groups have launched several new editions of existing titles as well as new titles across the country. With more transport infrastructure projects (airports, highways, etc.) getting completed, the Out Of Home (OOH) industry has also got a boost. And of course, the internet knows no bounds. In the midst of all these fast growing alternatives to advertisers, the radio industry has been feeling the squeeze. It has had to rely on increasing the utilization of available advertising inventory, but now with inventories almost fully exhausted, the only way left to grow further is to have more channels. Phase 3 will provide the requisite growth impetus.

Indian Advertising Industry Revenue

in ₹ billion	2011	2012	2013(P)	2014(P)	2015(P)	2016(P)	2017(P)	CAGR (2012-17)
TV	116.0	125.0	139.0	157.0	180.0	207.0	240.0	14.0%
Print	139.0	150.0	162.0	179.0	200.0	222.0	248.0	10.6%
Radio	12.0	13.0	14.0	15.0	19.0	23.0	27.0	16.6%
OOH	18.0	18.0	19.0	21.0	23.0	25.0	27.0	8.4%
Digital Advertising	15.0	22.0	28.0	37.0	49.0	65.0	87.0	32.1%
Total	**300.0**	**328.0**	**362.0**	**409.0**	**471.0**	**542.0**	**629.0**	**14.0%**

Source: FICCI KPMG 2013 report

The Indian Radio Industry – will outgrow traditional media

Like in 2012, the FM radio industry is expected to outpace the growth of the overall advertising industry in the coming years. This higher growth is expected on the back of the Phase 3 policy of radio expansion. Phase 3 provides an immense opportunity for your Company to expand its footprint across the country. With a forecasted CAGR of 16.6% till 2017 as per KPMG's FICCI report – industry revenues are expected to more than double by 2017.

The Phase 3 policy – which entails major expansion in the sector – was announced in July 2011. Since

MANAGEMENT DISCUSSION & ANALYSIS

The Phase 3 policy is ambitious. It aims to expand private FM radio services to 227 more cities, taking the total to more than 313. About 839 new FM radio channels will be auctioned and, after the auctions are completed, all cities having a population 1 lac and more will be covered by private FM radio services. The policy also has other far reaching features including giving broadcasters the right to operate more than one channel in each city (thus allowing for more programming variety, the ability to target a different set of listeners and rapidly grow revenues), networking of small cities with big ones (thus helping cut operating costs), extending the license period to 15 years (thus reducing vulnerability to economic slowdowns) and others.

B. Radio Industry – Future Outlook, Opportunities and Threats

1) Phase 3 policy of FM radio expansion:

As mentioned earlier, the biggest growth opportunity for the FM radio sector is the Phase 3 policy of FM radio expansion. Auctions for new licenses and new cities are expected to commence before the end of FY14. New stations should be operational within a year from the auctions getting completed.

The salient features of the Phase 3 policy are:

a. Multiple Frequencies
b. License Period
c. Tradability of Licenses
d. Networking
e. News and Current Affairs allowed

a. <u>Multiple frequencies</u>: The current policy allows a broadcaster to operate only one channel in a market. However, no such restriction is imposed on TV, newspaper or internet companies. The Phase 3 policy amends this, and allows broadcasters to operate upto 40% of the licenses available in a city, subject to a minimum of three different broadcasters being present in the city. This amendment provides an opportunity to existing broadcasters to acquire new frequencies and expand. It also allows existing broadcasters the opportunity to divest their stakes and sell their businesses to other broadcasters operating in the same town. This provision will thus increase the possibility of mergers and acquisitions in the future.

For your Company, expanding within the big cities is a priority. ENIL expects to take advantage of this policy measure.

b. <u>License Period</u>: The license period of Phase 3 frequencies has been increased to 15 years, compared to 10 years for the present licenses. This is a good change for several reasons. First, as the experience of the last four years has shown, the advertising industry is vulnerable to sudden deceleration of the economy. In a ten year license, it is extremely difficult to recover from such downturns and recoup the losses. Second, the certainty of a longer license period will allow broadcasters to invest more in brand building, and take risks with experimentative programming content. This should help provide more content diversity to the market and grow it faster. Third, the entire process of renewals creates uncertainty and anxiety, and the less often it is done, the better it is. ENIL welcomes this policy initiative.

c. <u>Tradability of licenses</u>: The current policy allows a broadcaster to sell off its stake in a radio company only after five years of operationalization. The Phase 3 policy reduces this period to three years. Even though it helps radio broadcasters, it is still not entirely fair considering that no such restrictions exist in any other media segment. ENIL welcomes this measure, as it will (along with the allowance for operating multiple frequencies) help early consolidation in the fragmented radio industry. Consolidation in turn will trigger improvements in content, enhance investments in brand building, encourage launch of new programs, etc.

d. <u>Networking</u>: Most of the small towns with population less than 1 lac would be financially unviable if they were to operate as full-service stations. The revenue potential in these towns is small, and hence managing costs is key to financial viability. Networking would allow small stations to take content from other bigger stations with a similar language/ programming mix, thus reducing their cost of operation. The proposed networking clause is more liberal than the current one which allows networking only between category C and D stations. The Phase 3 policy allows networking across all categories of towns. There is only a provision for a certain minimum locally produced content to be met. ENIL welcomes

MANAGEMENT DISCUSSION & ANALYSIS

this measure.

e. News & current affairs: The current policy does not allow radio broadcasters to conduct news and current affairs programs. This is a blatantly unfair and discriminatory restriction, since no other medium is subject to such restrictions. The Phase 3 policy makes a minor concession on this. Radio broadcasters will be allowed to do news & current affairs shows, but they will have to source the news content only from All India Radio (AIR). The industry believes this is highly restrictive, and hopes that future policy announcements will remove this restriction. ENIL welcomes this policy measure guardedly, and hopes that all restrictions will be removed soon.

Weaknesses of the Phase 3 policy:

There are three big weaknesses of the Phase 3 policy:

i. Auction methodology: The Phase 3 policy prescribes the 3G telecom methodology, "ascending e-auctions" for FM radio auctions. The policy completely misses the point that FM radio is all about "viewpoint plurality" or "content plurality", while telecom companies need only to provide the "exact same" service i.e. voice and data. One feature of ascending auctions is that all licenses auctioned in a city are sold at the same price. The ascending auction methodology usually also increases the license costs, especially taking the scarcity of spectrum being auctioned (more details in following paragraphs) into account. When license costs rise, and when all licenses are priced exactly the same, there is very little possibility of content or viewpoint plurality emerging. One of the biggest complaints listeners have today with the FM radio industry is that "all stations play the same music". This is only going to become worse as the new policy is rolled out. What is worse is that whatever content plurality exists today – an English station here, a regional station there – will disappear when the current licenses come up for renewal and are subject to the same ascending e-auction methodology.

The ascending auction methodology has already been tried in FM radio during the Phase 1 auctions in the year 2000. That policy was an abject failure - only 21 out of the 120 licenses auctioned survived. Even those licenses proved to be loss making for the broadcasters. The policy was subsequently improved by the Government and an alternate methodology – called "closed tendering" was introduced in Phase 2 auctions in 2006. In closed tendering, broadcasters get only one chance to bid. Either they win or they lose. A key feature of this methodology is that each bid received is likely to be of a different value. Thus licenses are sold at different prices. This makes content plurality possible as broadcasters who bid low and succeeded can launch smaller music formats. For example, it is likely that a broadcaster who bid lower will launch a Punjabi music station in Delhi. If the government's objective is content plurality, as it repeatedly says it is, then tendering would be better than ascending auctions. Phase 2 shows this to be true too. Most of the English radio stations operating in the major metros are those run by broadcasters who bid lower amounts in Phase 2. ENIL strongly opposes this auction methodology.

ENIL however supports "electronic" auctioning, since it brings in more transparency into the bidding process. E-tendering would be the best auction methodology for any media vertical, including radio.

ii. Reserve Fee: One of the problems associated with e-ascending auctions is that a "Reserve fee" needs to be specified before the auctions start. In fact, the reserve fee becomes the point at which bidding starts. The reserve fee should ideally be small so that more and more bidders are attracted to the auction. The purpose of a reserve fee is only to ensure that in the absence of any competitive bidding, licenses aren't given away at "zero value", even though that is arguable since the best determinant of a license's worth should be the market anyways.

The problem with the Phase 3 policy is that the Government has kept the reserve fees extremely high. The reserve fee has been set as the highest bid received in the Phase 2 auctions. Thus in Mumbai, where the highest bid received in Phase 2 was ₹ 35 crores, that has become the reserve fee for the Phase 3 auction. This is bizarre considering that the

MANAGEMENT DISCUSSION & ANALYSIS

auction methodology in Phase 2 was different from the one being used now. Using the "maximum" of the closed tendering auctions as the reserve fee in ascending auctions is a fundamentally flawed concept.

The government realized the mistake of keeping the reserve fee too high during the recent 2G auctions which failed. The government was forced to lower the reserve fee twice, but the unsold slots have still not been sold. Surprisingly, the government is continuing with its flawed reserve fee formula for Phase 3 FM auctions.

The reserve fee formula of the government creates another peculiar situation. In a market where no auctions were held in Phase 2, the reserve fee will be the "highest bid received in a similar category town in the same region". By this formula, the reserve fee for Sahranpur, a small media market in UP, will be ₹ 15.6 crores - the highest bid received in a big media market like Chandigarh in Phase 2, which happens to be belonging to the same category as Sahranpur. The auctions in Sahranpur are therefore expected to fail and the 4 licenses there are unlikely to see any bids. This problem also exists in many other towns where the reserve fee is too high.

The fundamental flaw which the reserve fee policy fails to recognize is that media markets don't depend only on population (the way categories have been described in the policy), but on several other factors. Chandigarh's population may be similar to Sahranpur's (both are between 5-10 lacs, making them Category C towns), but the two markets are vastly different in media terms. Chandigarh is a well developed media market. It is a vibrant and modern city with a high purchasing power unlike Sahranpur which is much smaller in media terms. The two simply cannot be categorized the same way.

Further, the high license fee of Chandigarh itself in Phase 2 – ₹ 15.6 crores – was because there were just 2 licenses available for auction. Had there been more licenses available then, the maximum bid would have been lower. In Chennai for example, a city which is much bigger than Chandigarh in terms of its media market and population, the max bid received was just ₹ 12.3 crores. This was because there were 7 licenses offered for auction in Chennai. The fact that Chandigarh's highest bid was higher than even Chennai's proves that the highest bid formula cannot be used to set reserve fees in Phase 3. Even so, the government has refused to change this formula.

ENIL believes that the high reserve fees will lead to many licenses not being taken up. This is a serious flaw in the policy that we hope the government will amend it before auctions take place.

iii. Scarcity of spectrum: In most major markets (the top 13 A+ and A categories in particular), there are just a handful of licenses being auctioned in Phase 3. In Delhi, Bangalore, Chennai, Ahmedabad and Pune, there is just one license available for auction. In Mumbai there are two, in Kanpur and Lucknow, three, and in Hyderabad, four. It is a well known fact that auctions should not be conducted under scarcity conditions because the bids become irrational; non-serious bidders who have corporate interests in other businesses enter the fray, and the category suffers.

While it is true that the FM band is limited in size, it is possible to increase the number of channels in a simple way. At present, two adjoining channels are spaced a minimum of 800 KHz apart. This rule was developed more than a decade back, when radio receivers (the humble pocket radio of those days) were of mechanical design. Tuning into adjoining stations would have been difficult if the separation was less than 800 KHz. However, in today's times, most people listen to radio on their mobile handsets, or car stereos or 3-in-1s at home. All of these devices are technologically advanced and mostly digital, allowing even channels spaced 400 KHz apart to be tuned easily. Keeping this in mind, TRAI, the telecom regulator that also regulates the radio industry, recommended that the channel separation be lowered to 400 Khz. Every one would benefit if this were done. The government would get more license fees by being able to auction more frequencies, the listeners would get more programming variety as more channels would come up, and broadcasters would be protected from irrational bidding.

The Cabinet has approved in principle the 400 Khz recommendation of TRAI. However, it has left the implementation for later – after technical feasibility studies are completed. ENIL believes that the technical feasibility is not an issue since 400 Khz separation is widely prevalent in many countries around the world. Whatever technical issues are there can be sorted out even after auctions are held. It looks however that the government wants to roll out Phase 3 on an “as is” basis- maybe because the policy has been so delayed- rather than finish the technical studies and roll out more spectrum. ENIL believes that this will lead to high license fees, and could affect the growth of the sector. ENIL will likely benefit from this flawed policy because of its leadership status, and strong financial strength, but it is worried about the impact it will have on curbing the overall size of the radio market. ENIL would prefer more licenses being auctioned now.

2) **Renewal of Phase 2 licenses:**

We expect that after Phase 3 auctions are completed, the government will start the process of renewing the current Phase 2 licenses. Since many licenses will start expiring from April 2015 onwards, the next two years are crucial for the renewal process. The government has however given indications that it would want existing broadcasters to continue after their current license term expires. Clarity on the process of renewals is awaited.

3) **Copyright Amendment Act 2012 – an update:**

The amendments to the original Copyright Act of 1957 were passed by both Houses of Parliament in May 2012. The Copyright (Amendment) Rules 2013, which prescribe rules for statutory license were notified on March 14, 2013. As on date the Copyright Board has not been constituted. The provision of Statutory License has a significant impact on the operations of a radio company as it ensures unfettered access to music at rates fixed by a statutory authority.

Super Cassettes Industries Limited **(“T Series”)** has filed a writ petition before the Delhi High Court challenging the constitutional validity of the provisions of statutory licensing as described above. Similar challenge has been made by Venus Worldwide Entertainment Pvt. Ltd (a member of Phonographic Performance Ltd) before the Delhi High Court. ENIL shall take all such steps that are necessary to protect itself from anything that directly and substantially affect’s ENIL’s rights under the statutory licensing mechanism.

4) **Foray into Digital Media:**

Internet penetration is growing rapidly in India. There are about 150 million users today, and this number is expected to grow to 500 million in 5 years. Most internet users access the net through their mobile phones (smart phones as well as old-generation feature phones). Most internet users have access only to slow internet bandwidth today; though with the rapidly falling cost of bandwidth, this situation may change drastically in the next few years.

Media companies are already seeing their consumers move online, adding to their regular media consumption. Worldwide experience shows that savvy media brands are able to grow their audience size by making themselves available online. In the case of radio, there is however a unique problem. Online music royalties are prohibitively high reminiscent of the early days of FM radio when music royalties were exorbitantly priced. The Copyright Board (CRB) brought relief to FM broadcasters. It will have to rationalize online music royalties as well.

As in all online media businesses, there are only very limited advertising opportunities available for online radio streaming as well. Maintaining an online presence is thus an unviable proposition today. Equally, the cost of not reacting to this medium could be even higher. New competitors could start reaching out to our advertisers with more targeted offerings, and even take away our listeners by offering them greater variety of content. Keeping this in mind, ENIL has embarked on an ambitious project to develop its digital business.

ENIL’s online presence:

- We have one of India’s most popular radio websites. We offer a variety of content like
  - a) four specially created streaming stations with a plan to increase this number to 10 in the next few months
  - b) non-music audio content like Mirchi Murga

MANAGEMENT DISCUSSION & ANALYSIS

c) interaction with RJs

d) videos of film stars visiting our studios

e) consumer contests, etc.

- Our four streaming stations offer a wide choice of music formats. The most popular is “Meethi Mirchi” (contemporary Hindi melodies) followed by “Purani Jeans” (60s to 80s Hindi retro), “Club Mirchi” (Hindi Dance) and “Mirchi Edge” (non-Bollywood or Indi-pop).
- We have a strong presence on social networking sites. We have 1 million “fans” on Facebook. This helps us “connect” with online users, get “feedback” on the brand and also “talk” to them about our new plans. In addition, we also have a YouTube channel of our own (total views upwards of 2.6 million till date) and a twitter handle (about 16000 followers).

C. FY13 – A mixed year with ad recovery in the later part

1) FY 13 operating performance:

The radio industry has turned in a good performance in FY13, considering the tough economic conditions that prevailed. In our estimation, the industry has grown by about 10% over the previous year. In comparison, estimates of growth of other media segments are 5-6% for newspapers, 5-6% for TV and 2-4% for Out of Home. There is a reason why the radio industry has performed so well. In times of economic slowdown, advertisers are forced to “re-evaluate” their media mixes. In this process, a relatively new medium like radio (and also the internet) gets evaluated even by those advertisers who weren’t using radio earlier. Since radio’s listenership numbers are impressive, the medium manages to enter the media plans of a lot of new advertisers. There is yet another reason. Advertisers typically spend more on “promotions” during periods of slowdown. Such campaigns work best on radio for several reasons. One, because radio is the “last” medium consumed before he or she walks into a shop. Second, radio creatives are easy to make and change, thus giving flexibility to the advertiser to change his message. Third, radio’s reach is huge; and far higher than the reach of newspapers. For example, in Mumbai, as per RAM, Radio Mirchi reaches upwards of 50 lac people every week. These are all consumers that advertisers are keen to reach. And lastly, the outlays required for an effective radio campaign are typically smaller than those required for a newspaper or outdoors campaign. For all these reasons, radio has done better than other segments in FY13. We believe the same trend will continue in FY14 as well.

It’s a matter of pride that ENIL has fared better than the radio industry. ENIL’s operating revenues (not including other income) have grown by 12.3% during FY13, reaching ₹ 338.4 crores. ENIL’s profitability has been strong with PAT growing by 19.8% to ₹ 67.7 crores. ENIL has ₹ 322.5 crores of free cash and cash equivalents in its books. It generated ₹ 100.1 crores of cash flow during FY13. The Company is well resourced to participate in Phase 3 bidding. ENIL’s strong revenue performance has helped its revenue market share grow to 33-35% of the private FM industry. Considering the consistent good performance of the Company year-on-year and the strong cash position as on date, the Board of Directors have recommended a maiden dividend of 10% i.e. ₹ 1/- per equity share of ₹ 10/-.

2) Listenership performance:

Radio Mirchi continues to enjoy the listener’s confidence and remains the No. 1 radio brand in the Indian Readership Survey (IRS) – the only pan-India Radio listenership Survey.

The IRS is conducted by Media Research Users Council (MRUC). This is the only survey that measures radio listenership across most of the country, including big cities and small towns. In every survey conducted so far Radio Mirchi has been the No.1 radio station. According to the latest survey (Q4, 2012), Radio Mirchi has a weekly listenership of 37.5 million. Our listenership is more than 50% higher than that of the nearest competitor brand. Our programming and marketing teams continue to innovate and keep us at the No.1 position. Radio Mirchi continues to be No.1 in the North, West and Eastern Regions and a close no.2 in the South. Radio Mirchi has the highest cumulative listenership across the all important Top 8 markets.

As per RAM, Radio Mirchi is the clear leader in Mumbai and Kolkata in the business hours (7am-9pm – Monday to Saturday). It shares the top honors in Bangalore. It is this listenership that drives Mirchi to its number 1 position in revenues and market shares.

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3) **The Mirchi Music Awards – Better and bigger every year:**

The Mirchi Music Awards (MMAs) now span virtually all the major languages. Apart from the flagship Hindi, MMAs are held in the 4 South Indian Languages, Bangla and, for the first time this year, were held in Marathi as well.

The 5th edition of the Hindi Mirchi Music Awards had the who's who of the music and film fraternity in attendance. The winners were decided by an all star jury – Javed Akhtar (Chairman), Ramesh Sippy, Ashutosh Gowariker, Kailash Kher, Shankar Mahadevan, Sooraj Barjatya, Prasoon Joshi, Sameer, Anu Malik, Aadesh Srivastava, Alka Yagnik, Lalit Pandit, Louis Banks, Rakeysh Omprakash Mehra, Kavita Krishnamurthy, Sadhna Sargam, Suresh Wadkar, Talat Aziz and Ila Arun. The jury process also comprises the important work undertaken by the Screening jury which went through more than 800 songs that the film industry produced in 2012. The Screening jury was made up of Akbar Sami, Shibani Kashyap, Bishwadeep Chatterjee, Jitu Shankar, Kavita Seth, Raju Singh, Shmair Tandon, Teesha Nigam, Dominique Cerejo, Anand Sharma, Niranjan Iyengar, Javed Ali, Abhijeet Sawant, Dr. Arindam Mukhopadhyay, Vidya Shah, Dr. Sujit Kumar Ojha.

TV viewers gave the televised show their vote of approval. The TVR of the main show was 2.1, which is a 60% improvement over last year's number. But more than the TVR, what was satisfying was the support and presence of almost the entire music fraternity. After all, these awards are our tribute to their outstanding work. Like we say "Music ko Mirchi ka salaam" (Mirchi's salute to music).

Mr. Amitabh Bachchan was recognized with the "Super star with a golden voice" award and Ms. Asha Bhosle was honored with the Life Time Achievement Award.

The Mirchi Music Awards (Marathi) were held for the first time this year. They received an overwhelming response from the Marathi film and music fraternity and audience. The jury was chaired by Suresh Wadkar and the Head of the jury was Ashok Patki.

The Mirchi Music Awards (South) completed their 3rd edition in July 2012. Like in Hindi and Marathi, the support of the film and music industry in all the Southern languages is a matter of great pride for us. We are the only pan-South music award show. Mr. Gangai Amaren (Tamil), Mr. Hamsalekha (Kannada), Mr. Suresh Babu (Telugu) and Mr. Kaithapram Damodaran Namboothiri (Malayalam) were the jury Chairmen for these awards.

The Mirchi Music Awards (Bangla) completed their second edition in March this year. Like everywhere else, the show had an outstanding success.

4) **Awards & Recognition:**

- **Radio Mirchi UAE voted the Best Radio Station**

  In less than a year from its launch, Radio Mirchi UAE was voted the best Radio Station in the Popular Choice category in 5th Annual Masala Awards. The award demonstrates the power of the Mirchi brand and the loyal audience that it has built there in a short period of time.

- **World Brand Congress – Popular Radio Channel of the Year**

  World Brand Congress honors the world's branding & marketing elite at the Global Awards for Brand Excellence. Radio Mirchi won the Popular Radio Channel of the Year Award in the radio category.

- **Annual Report 2011-2012 wins Midas Award**

  Midas recognizes the best of financial advertising. Founded in 2001 & based out of New York, the jury includes creative & art directors from all over the world. Our FY 2011-12 Annual Report "Reimagining Radio" won the gold for innovative design and layout. Reimagining Radio captures the essence of the shift from traditional to a new age media company.

- **Designomics Awards**

  The FY12 annual report was also the first runner up in the Designomics Awards.

- **Accolades from Ad Club Bangalore**

  Purani jeans is the retro songs show on Radio Mirchi that goes on air from 9pm on weeknights. In this show, old Hindi songs are played. For promoting this show, an innovative clock that ran anti-clockwise was created so as to evoke the feeling of taking you back in time. This direct mailer won the

MANAGEMENT DISCUSSION & ANALYSIS

bronze at the Ad Club of Bangalore's award function.

- **Mirchi sweeps the IRF awards**

  Mirchi won twelve awards at the Excellence in Radio Awards (ERA) at the India Radio Forum (IRF) this year – the most won by any radio broadcaster. Mirchi won four awards in the Programming Category for Best Radio Program (Bengali, Gujarati, Kannada and Marathi). In the Promotion and Marketing Category, Radio Mirchi got three awards in Telugu, Bengali and Marathi. Additionally, Mirchi was also awarded the Radio Station Imaging Innovation for its 9th Birthday campaign, Best Interactive Campaign, Best Creative Campaign for Radio films by Mirchi productions, and Best Use of Radio in an Ad Campaign for "Top Indian cricketers" quiz. The station also won the Best use of Radio in Activation Campaign award for Ponds "Let's Pink" campaign. The award for Best Radio Program (Hindi) for non-metro station also went to Mirchi for its 'Janmashtami Special' campaign in Bhopal. Bezawada Basha won the Best RJ of the Year (Telugu).

5) Mirchi Cares continues to serve the public:

Mirchi Cares is the CSR initiative of Radio Mirchi. Radio Mirchi donates airtime generously to serve social causes that aim for inclusive growth. The core CSR activity we undertake is to help the visually challenged. We reach more than 10,000 visually challenged people in over 75 blind schools and institutes across 32 cities where we are present. Our main projects:

- Audio or 'Talking' Books
  - » We have recorded over 400 audio books in 11 languages
  - » The books range from syllabus, fiction, motivational, murder mysteries, children's story books, sex education, B.A. Music syllabus and even Mills and Boons!
- Audio Descriptive Films
- Stories through Sound
- Ek Kahani
- Let there be Light - Eye Care and Donation Awareness

Apart from the foregoing, our stations also support a number of city centric causes. .

D. Risks, Concerns and Challenges Facing the Company

1) Macroeconomic risk

As discussed earlier, the advertising industry depends a lot on the fortunes of the economy itself. As an economy slows down, advertisers cut advertising spends as a means of managing their profits. When an economy lifts, advertisers re-instate the advertising monies back, but there is typically a lag effect. In many ways, advertising is the first to be cut, and the last to be re-instated. While the overall outlook of the Indian economy is positive – analysts believe that it has bottomed out – growth is expected to be slower than in the recent past. This may have a slowing-down impact on the advertising industry itself.

2) Operational and Financial Risks

The Risk Management Framework established by your Company, and monitored by the Board of ENIL, has been the back-bone for managing the operational and the financial risks that the Company faces. Several risks have been identified and risk mitigation plans are in place. Process owners review the risks periodically and bring to the attention of the Board any risk that may need its intervention.

3) Retaining Talent

The media industry is critically dependent on its people. Mirchi is proud that it manages to attract the best in class from the creative and business fraternities. It is this talent pool that powers Mirchi's growth and leadership. While a risk always exists that key resources may leave the company, we are confident that we will be able to keep attrition low. Given our healthy HR practices, we believe we will be able to keep our best together.

E. Segment- Wise Financial Performance

Management Discussion and Analysis of the Company's operations and financial consolidation and segment-wise performance together with discussion on financial performance with respect to operational performance should be read in

MANAGEMENT DISCUSSION & ANALYSIS

conjunction with the financial statements and the related footnotes.

ENIL – Radio Mirchi

As discussed earlier, the radio industry has grown faster than TV, print and Out Of Home media. Within the radio industry, Radio Mirchi has grown faster than the industry itself. Radio Mirchi revenues are up 12.3% in a tough year, rising to ₹ 338.4 crores (without other income). In the 4th quarter, the Company's revenues crossed the ₹ 100 crore mark, the first time ever in any quarter. Its PAT was ₹ 67.7 crores, a growth of 19.8% over last year. Mirchi's market share in the private FM market is in the range of 33-35%. Its listenership remains strong. Overall, it was a satisfying year for Mirchi.

Subsidiary Company

Alternate Brand Solutions (India) Limited (ABSL) is the Company's wholly owned subsidiary. ABSL recorded a total income of ₹ 2.3 crores during FY13. Profit after Tax stood at ₹ 0.6 crores.

The Board of Directors of the Company, at their meeting held on August 13, 2012, approved the purchase of ABSL's Intellectual Property Rights Events Business ('IPR Business') as a going concern. The slump sale of the IPR Business by ABSL to the Company was effected through a Business Transfer Agreement ('BTA'). The transfer was effective from July 1, 2012.

GENERAL

Internal Control Systems and their Adequacy

The Company has a system of internal controls to ensure that all its assets are properly safeguarded and not exposed to risks arising out of unauthorized use or disposal. The Internal Control system is supplemented by programs of internal audit to ensure that the assets are properly accounted for and the business operations are conducted in adherence to laid down policies and procedures. The internal control system also focuses on processes to ensure integrity of the Company's financial accounting and reporting processes and compliance with the Company's legal obligations. The Company has a well defined risk management programme for identifying and mitigating risks across all the functions which is reviewed by the Board of Directors of the Company periodically.

The Company has an Audit Committee of the Board of Directors which meets regularly to review *inter alia* risk management policies, adequacies of internal controls, the audit findings on the various segments of the business, the financial information and other issues related to the Company's operations.

Material Developments in Human Resources/ Industrial Relations front, including number of people employed

Specific need based training and development programs for all levels of employees were imparted in order to optimize the contribution of the employees to the Company's business and operations. Occupational health safety and environmental management are given utmost importance. As on March 31, 2013, the employee strength (on permanent roll) of the Company was 733.

For and on behalf of the Board of Directors

sd/-
Vineet Jain
Chairman

Mumbai, May 17, 2013

Registered Office:

4th Floor, A-Wing, Matulya Centre,
Senapati Bapat Marg,
Lower Parel (West),
Mumbai - 400 013.

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Members of Entertainment Network (India) Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Entertainment Network (India) Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

   (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

   (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

INDEPENDENT AUDITORS' REPORT

8. As required by section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;

   (e) On the basis of written representations received from the directors as on March 31, 2013 , and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Price Waterhouse & Co., Bangalore
Firm Registration Number: 007567S
Chartered Accountants

Uday Shah
Partner
Membership Number 046061

Mumbai
Dated : May 17, 2013

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Entertainment Network (India) Limited on the financial statements as of and for the year ended March 31, 2013

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 off by the Company during the year.

ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 4(ii) of the said Order are not applicable to the Company.

iii. The Company has not granted/taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii)[(b),(c) and (d) / (f) and (g)] of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.

v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

(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. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

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 undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.

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

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

xi. As the Company does not have any borrowings from any financial institution or bank nor has it issued any debentures as at the balance sheet date, the provisions of Clause 4(xi) of the Order are not applicable to the Company.

xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.

xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.

xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.

xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.

xvi. The Company has not raised any term loans. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.

xvii. The Company has not raised any loans on short term basis. Accordingly, the provisions of Clause 4(xvii) of the Order are not applicable to the Company.

xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.

xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.

xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.

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

For Price Waterhouse & Co., Bangalore
Firm Registration Number: 007567S
Chartered Accountants

Uday Shah
Partner
Membership Number 046061

Mumbai
Dated : May 17, 2013

BALANCE SHEET AS AT MARCH 31, 2013

	Notes	**Figures as at March 31, 2013 ₹**	Figures as at March 31, 2012 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	**476,704,150**	476,704,150
Reserves and surplus	3	**4,546,331,634**	3,925,392,786
Non-current liabilities			
Deferred tax liabilities (net)	4	**36,616,529**	97,905,815
Other Long-term liabilities	5	**4,239,904**	—
Long-term provisions	6	**42,665,148**	38,222,592
Current liabilities			
Trade payables	7	**443,475,581**	420,069,143
Other current liabilities	8	**104,552,096**	102,057,405
Short-term provisions	9	**241,379,970**	89,511,457
TOTAL		**5,895,965,012**	5,149,863,348
ASSETS			
Non-current assets			
Fixed assets	10		
Intangible assets		**706,636,858**	910,846,873
Tangible assets		**496,851,517**	586,491,327
Capital work-in-progress		**—**	912,365
Non-current investments	11	**81,141,266**	80,250,000
Long-term loans and advances	12	**117,624,710**	128,724,833
Other non-current assets	13	**65,650,741**	73,656,344
Current assets			
Current investments	11	**3,097,154,235**	1,770,068,599
Trade receivables	14	**994,067,955**	922,402,912
Cash and bank balances	15	**122,376,348**	443,253,201
Short-term loans and advances	16	**200,745,642**	220,085,480
Other current assets	17	**13,715,740**	13,171,414
TOTAL		**5,895,965,012**	5,149,863,348
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-35		

As per our report of even date

For Price Waterhouse & Co., Bangalore
Firm Registration No. 007567S
Chartered Accountants

Uday Shah
Partner
Membership No.: 046061

Mumbai
Dated : May 17, 2013

For and on behalf of the Board of Directors

Vineet Jain
Chairman

N. Kumar
Director

Ravindra Dhariwal
Director

A. P. Parigi
Director

B. S. Nagesh
Director

Vibha Paul Rishi
Director

Prashant Panday
Executive Director & CEO

Kailash Gupta
VP - Finance

Mehul Shah
SVP - Compliance & Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

	Notes	2012-2013 ₹	2011-2012 ₹
Revenue from operations	18	**3,383,876,643**	3,014,253,542
Other income	19	**169,732,406**	115,221,704
Total Revenue		**3,553,609,049**	3,129,475,246
Expenses:			
Production expenses	20	**154,294,242**	146,332,497
License fees	21	**180,920,473**	152,015,260
Employee benefits expense	22	**735,554,764**	628,605,195
Depreciation and amortisation expense	10	**317,200,672**	324,625,139
Other expenses	23	**1,271,033,448**	1,080,415,800
Finance cost	24	**161,993**	14,437
Total expenses		**2,659,165,592**	2,332,008,328
Profit before taxation		**894,443,457**	797,466,918
Tax expense: (Refer Note (1)(x))			
Current tax		**291,500,000**	223,000,000
Deferred tax		**(61,289,286)**	9,371,797
Tax adjustment of earlier years		**(12,478,107)**	—
Profit for the period		**676,710,850**	565,095,121
Earnings per equity share [nominal value per share: ₹ 10 (2011-12: ₹ 10)] (Refer Notes (1)(ix))	33		
– Basic		**14.20**	11.85
– Diluted		**14.20**	11.85
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-35		

As per our report of even date

For Price Waterhouse & Co., Bangalore
Firm Registration No. 007567S
Chartered Accountants

Uday Shah
Partner
Membership No.: 046061

Mumbai
Dated : May 17, 2013

For and on behalf of the Board of Directors

Vineet Jain *Chairman*	**N. Kumar** *Director*	**Ravindra Dhariwal** *Director*
A. P. Parigi *Director*	**B. S. Nagesh** *Director*	**Vibha Paul Rishi** *Director*
Prashant Panday *Executive Director & CEO*	**Kailash Gupta** *VP - Finance*	**Mehul Shah** *SVP - Compliance & Company Secretary*

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

		2012-2013 ₹	2011-2012 ₹
A)	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Profit Before Taxation	**894,443,457**	797,466,918
	Adjustments for:		
	Depreciation and amortisation expense	**317,200,672**	324,625,139
	Interest income	**(30,044,731)**	(28,962,499)
	Interest expense	**161,993**	14,437
	Provision no longer required written back	**(46,525,987)**	—
	Profit on sale of short term investments (net)	**(34,090,997)**	(9,548,362)
	Dividend on investments	**(105,590,276)**	(76,638,018)
	Loss / (Profit) on sale of tangible assets	**6,431**	623,264
	Tangible Assets written off	**4,413,838**	2,229,817
	Provision for doubtful debts (net)	**(45,387,232)**	(130,781,678)
	Bad Debts written off	**46,077,604**	64,845,895
	Provision for retirement benefits	**10,845,353**	7,762,039
	Operating Profit Before Working Capital Changes	**1,011,510,125**	951,636,952
	Adjustments for changes in working capital :		
	(Increase) / Decrease in trade receivables	**(38,816,682)**	181,538,654
	Decrease / (Increase) in long term loans and advances	**1,333,572**	(11,750,953)
	Decrease in other non current assets	**5,851,099**	4,813,691
	(Increase) in other current assets	**(1,139,652)**	—
	(Increase) / Decrease in short term loans and advances	**(95,688,890)**	63,734,478
	Increase in other long term liabilities	**4,239,904**	—
	Increase in trade payables	**69,932,425**	183,656,551
	Increase / (Decrease) in other current liabilities	**2,494,691**	(165,557,393)
	Increase / (Decrease) in short term provisions	**77,472,396**	(24,247,261)
	Cash generated from operations	**1,037,188,988**	1,183,824,719
	Taxes paid (net)	**(175,544,029)**	(54,689,770)
	Net Cash generated from Operating Activities (A)	**861,644,959**	1,129,134,949
B)	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Purchase of tangible assets	**(15,869,735)**	(26,956,696)
	Purchase of intangible assets	**(13,591,058)**	—
	Movement in capital work-in-progress	**912,365**	(360,179)
	Proceeds from sale of tangible assets	**1,689,777**	2,308,325
	Purchase of event business (Refer Note 34)	**(100)**	—
	Interest received	**33,015,758**	15,903,117
	Dividend received on investments	**105,369,079**	76,931,417
	Purchase of long term investments	**(5,891,266)**	(5,000,000)
	Purchase of current investments	**(6,918,268,002)**	(5,288,277,233)
	Proceeds from sale of current investments	**5,630,273,363**	4,383,509,681
	Net Cash (used in) Investing Activities (B)	**(1,182,359,819)**	(841,941,568)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

		2012-2013 ₹	2011-2012 ₹
C)	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Interest paid	**(161,993)**	(14,437)
	Net Cash Flow (used in) Financing Activities (C)	**(161,993)**	(14,437)
	Net (Decrease) / Increase in Cash and Cash Equivalents (A)+(B)+(C)	**(320,876,853)**	287,178,944
	Cash and Cash Equivalents as at the beginning of the year	**443,253,201**	156,074,257
	Cash and Cash Equivalents as at the end of the year	**122,376,348**	443,253,201
		(320,876,853)	287,178,944

NOTES ON CASH FLOW STATEMENT :

1.	Cash and cash equivalents at the end of the year as per Balance Sheet. (Refer Note 15 in the Financial Statements)	**122,376,348**	443,253,201
		122,376,348	443,253,201

2. The above cash flow statement has been prepared under the “Indirect Method” as set out in Accounting Standard 3 ‘Cash Flow Statements’ notified under the Companies (Accounting Standard) Rules, 2006 (‘as amended’).
3. Previous Year’s figures have been regrouped and rearranged wherever necessary.
4. Cash flows in brackets indicate cash outgo.

As per our report of even date

For Price Waterhouse & Co., Bangalore
Firm Registration No. 007567S
Chartered Accountants

Uday Shah
Partner
Membership No.: 046061

Mumbai
Dated : May 17, 2013

For and on behalf of the Board of Directors

Vineet Jain — *Chairman*
N. Kumar — *Director*
Ravindra Dhariwal — *Director*

A. P. Parigi — *Director*
B. S. Nagesh — *Director*
Vibha Paul Rishi — *Director*

Prashant Panday — *Executive Director & CEO*
Kailash Gupta — *VP - Finance*
Mehul Shah — *SVP - Compliance & Company Secretary*

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Nature of Operations

The Company was incorporated on June 24, 1999. The Company operates FM radio broadcasting stations in 32 Indian cities under the brand name 'Radio Mirchi'. The Company's principal revenue stream is advertising. Advertising revenues are generated through the sale of air time in the Company's FM radio broadcasting stations.

1. Significant Accounting Policies

i. Basis of Accounting

The financial statements comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified under the Companies (Accounting Standards) Rules, 2006, ('as amended') and the relevant provisions of the Companies Act, 1956 ("The Act"). The financial statements are prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those followed in the previous year.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Revised Schedule VI to the Act.

ii. Use of Estimates

The preparation of financial statements in accordance with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to such accounting estimates is recognised prospectively in the accounting period in which such revision takes place.

iii. Revenue Recognition

a. Revenue from radio broadcasting is recognised on an accrual basis on the airing of client's commercials. The revenue that is recognised is net of service tax.

b. Revenue from short period events is recognised according to the completed performance method. Revenue from services provided over a longer term is recognised when the result of the transactions can be determined with reliability and on the percentage completed basis.

c. Dividend income on mutual fund units is accounted for when the right to receive the dividend is established by the Balance Sheet date.

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

e. Profit on sale of units of mutual funds is recognised at the time of redemption and is determined as the difference between the redemption price and the carrying value.

iv. Fixed assets and Depreciation

Cost of fixed assets comprises purchase price, duties, levies and any directly attributable cost of bringing the asset to its working condition and location for the intended use.

Borrowing cost directly attributable to fixed assets which take substantial period of time to get ready for its intended use are capitalised to the extent they relate to the period till such assets are ready to be put to use.

Cost incurred on assets not ready for their intended use is disclosed as Capital Work-in-Progress.

a. Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation on tangible fixed assets is provided on written down value method at the rates and in the manner specified in Schedule XIV to the Act. The cost of leasehold improvements are amortised over the primary period of lease of the property. Leasehold land is not amortised since the term of lease is perpetual in nature. Tangible assets individually costing less than ₹ 5,000 are depreciated fully in the year of purchase.

b. Intangible assets (other than Software)

Migration fees paid by the Company for existing licenses upon migration to Phase II of the Licensing policy and One Time Entry Fees paid by the Company for acquiring new licenses have been capitalised as an asset.

The migration fee capitalised is being amortised, with effect from April 1, 2005, equally over a period of ten years, being the period of the license. One Time Entry Fees is amortised over a period of ten years, being the period of license, from the date of operationalisation of the respective stations.

Goodwill is amortised over a period of five years.

c. Software

i. Software obtained initially together with hardware is capitalised along with the cost of hardware and depreciated in the same manner as the hardware. All subsequent purchases of software licenses are treated as revenue expenditure and charged in the year of purchase.

ii. Expenditure on Enterprise Software such as SAP and Sales CRM where the economic benefit is expected to be more than a year is recognised as "Intangible Asset" and amortised.

v. Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Gains and losses arising out of subsequent fluctuations are accounted for on actual payment or realisation. Monetary items denominated in foreign currency as at the Balance Sheet date are converted at the exchange rates prevailing on that day. Exchange differences are recognised in the Statement of Profit and Loss.

vi. Investments

Investments that are intended to be held for not more than a year from the date of investment are classified as Current investments. All other investments are termed as Long term investments. The portion of Long term investments which is expected to be realized within twelve months from the Balance Sheet date are classified as current investments.

Investment in buildings that is not intended to be occupied substantially for use by, or in the operations of the Company, have been classified as investment property. The same has been classified as long term investments. Investment property is carried at cost less accumulated depreciation.

Current investments are carried at cost or fair value, whichever is lower. Long term investments are stated at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the long term investments.

vii. Retirement Benefits

a. Short Term Employee Benefits :

The employees of the Company are entitled to leave encashment as per the leave policy of the Company. The liability in respect of leave encashment which is expected to be encashed / utilised within twelve months after the Balance Sheet date is considered to be of short term nature.

b. Long Term Employee Benefits :

<u>Defined Contribution Plans :</u>

The Company has Defined Contribution Plans for post employment benefits such as Provident Fund and Employee's Pension Scheme, 1995. Under the Provident Fund Plan, the Company contributes to a Government administered Provident Fund on behalf of its employees and has no further obligation beyond making its contribution.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The Company contributes to a State Plan namely Employee's Pension Scheme, 1995 and has no further obligation beyond making its contribution.

The Company's contributions to the above funds are charged to revenue every year.

Defined Benefit Plans :

The Company has a Defined Benefit Plan namely Gratuity and Leave Encashment for all its employees. The liabilities in respect of Leave Encashment which is expected to be encashed / utilised after twelve months from the Balance Sheet date is considered to be long term in nature.

Liability for Defined Benefit Plan is provided on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used by the independent actuary for measuring the liability is the Projected Unit Credit Method. Actuarial losses / gains are recognised in the Statement of Profit and Loss in the year in which they arise.

c. Termination benefits are recognised as an expense as and when incurred.

viii. Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

ix. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

x. Income Taxes

Tax expense comprises of Current and Deferred tax. Current income tax and deferred tax are measured based on the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with tax laws which give rise to future economic benefits in the form of adjustment to future income tax liability is considered as an asset, if there is convincing evidence that the Company will pay normal tax in future. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

xi. Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

xii. Provisions and Contingent Liabilities

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present date value and are determined based on best estimates of the amount required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources embodying economic benefit. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

xiii. License Fees

As per the Frequency Module (FM) broadcasting policy, effective April 1, 2005 license fees are charged to revenue at the rate of 4% of gross revenue for the period or 10% of Reserve One Time Entry Fee (ROTEF) for the concerned city, whichever is higher. Gross Revenue for this purpose shall mean revenue on the basis of billing rates inclusive of any taxes and without deduction of any discount given to the advertiser and any commission paid to advertising agencies. Barter advertising contracts shall also be included in the gross revenue on the basis of relevant billing rates. ROTEF means 25% of highest valid bid in the city.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Figures as at March 31, 2013 ₹	Figures as at March 31, 2012 ₹
NOTE 2 : SHARE CAPITAL		
Authorised Capital		
120,000,000 (Previous Year : 120,000,000) Equity shares of ₹ 10 each	**1,200,000,000**	1,200,000,000
Issued and Subscribed		
47,670,415 (Previous Year : 47,670,415) Equity shares of ₹ 10 each fully paid-up	**476,704,150**	476,704,150
	476,704,150	476,704,150
Notes:		
(a) Terms attached to equity shares		
The Company has only one class of equity shares. Each shareholder is eligible for one vote per share held. The par value per share is ₹ 10. The Company declares dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing annual general meeting.		
(b) Shares held by Holding company and Ultimate holding company	**Shares (nos)**	Shares (nos)
i) Equity Shares of ₹ 10 each held by Times Infotainment Media Limited, the Holding Company.	**30,526,560**	30,526,560
ii) Equity Shares of ₹ 10 each held by Bennett, Coleman & Company Limited, the Ultimate Holding Company.	**3,391,840**	3,391,840
(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the company	**Shares (nos) (in %)**	Shares (nos) (in %)
i) Times Infotainment Media Limited, the Holding Company.	**30,526,560 (64.04%)**	30,526,560 (64.04%)
ii) Bennett, Coleman & Company Limited, the Ultimate Holding Company.	**3,391,840 (7.12%)**	3,391,840 (7.12%)
iii) SBI Life Insurance Company Limited.	**2,428,312 (5.09%)**	2,715,269 (5.70%)

NOTE 3 : RESERVES AND SURPLUS		
Securities Premium Account	**1,885,216,421**	1,885,216,421
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	**2,040,176,365**	1,475,081,244
Add: Profit for the year	**676,710,850**	565,095,121
Less : Appropriations		
Proposed Dividend on equity shares (Refer Note 27) [per share ₹ 1.00 (Previous Year: ₹ Nil)]	**(47,670,415)**	—
Dividend distribution tax	**(8,101,587)**	—
Balance as at the end of the year	**2,661,115,213**	2,040,176,365
	4,546,331,634	3,925,392,786

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Figures as at March 31, 2013 ₹	Figures as at March 31, 2012 ₹
NOTE 4 : DEFERRED TAX LIABILITIES (NET)		
(Refer Note 1(x))		
Deferred tax assets and liabilities are attributable to the following items:		
Assets:		
Provision for Doubtful Debts	**41,592,108**	51,543,257
Provision for compensated absences	**7,031,890**	4,598,442
Provision for gratuity	**10,497,841**	8,615,708
Others	**32,134,438**	496,478
	91,256,277	65,253,885
Liability:		
Depreciation	**127,872,806**	163,159,700
	127,872,806	163,159,700
	(36,616,529)	(97,905,815)
Note:		
Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws.		
NOTE 5 : OTHER LONG-TERM LIABILITIES		
Deposits received	**4,239,904**	—
	4,239,904	—
NOTE 6 : LONG-TERM PROVISIONS		
Provision for employee benefits (Refer Notes 1(vii) and 29)		
Provision for gratuity	**30,166,794**	26,022,275
Provision for compensated absences	**12,498,354**	12,200,317
	42,665,148	38,222,592
NOTE 7 : TRADE PAYABLES		
Sundry Creditors (Refer Note 26)	**443,475,581**	420,069,143
	443,475,581	420,069,143
NOTE 8 : OTHER CURRENT LIABILITIES		
Advance from Customers	**28,625,161**	25,990,951
Other Payables		
Statutory dues	**26,961,873**	28,550,748
Related parties	**47,027,690**	47,515,706
Deposits	**1,937,372**	—
	104,552,096	102,057,405
NOTE 9 : SHORT-TERM PROVISIONS		
Provision for employee benefits		
Provision for gratuity (Refer Notes 1(vii) and 29)	**718,293**	532,535
Provision for compensated absences (Refer Notes 1(vii) and 29)	**8,189,760**	1,972,721
Provision for Bonus	**164,478,597**	87,006,201
Provision for taxation (net off advance tax ₹ 453,527,738 (Previous Year : Nil))	**12,221,318**	—
Proposed Dividend (Refer Note 27)	**47,670,415**	—
Dividend distribution tax on proposed dividend	**8,101,587**	—
	241,379,970	89,511,457

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 10 : FIXED ASSETS (Refer Notes 1 (iv) and (xi))

(₹)

PARTICULARS	GROSS BLOCK					DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 1, 2012	Additions	Transfer on purchase of event business	Deletions	As at March 31, 2013	As at April 1, 2012	For the year	On Deletions	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
Intangible Assets											
Goodwill	—	—	10,335,278	—	**10,335,278**	—	1,551,707	—	**1,551,707**	**8,783,571**	—
Computer Softwares	16,907,372	3,255,880	—	—	**20,163,252**	16,907,372	40,430	—	**16,947,802**	**3,215,450**	—
Migration Fees	815,234,695	—	—	—	**815,234,695**	570,664,290	81,523,470	—	**652,187,760**	**163,046,935**	244,570,405
One Time Entry Fees	1,346,855,672	—	—	—	**1,346,855,672**	680,579,204	134,685,566	—	**815,264,770**	**531,590,902**	666,276,468
	2,178,997,739	**3,255,880**	**10,335,278**	**—**	**2,192,588,897**	**1,268,150,866**	**217,801,173**	**—**	**1,485,952,039**	**706,636,858**	**910,846,873**
Previous Year	2,178,997,739	—	—	—	**2,178,997,739**	1,051,941,830	216,209,036	—	**1,268,150,866**	**—**	—
Tangible Assets											
Land - Leasehold	2,036,147	—	—	—	**2,036,147**	—	—	—	**—**	**2,036,147**	2,036,147
Building	7,578,551	—	—	—	**7,578,551**	3,099,377	223,959	—	**3,323,336**	**4,255,215**	4,479,174
Leasehold Improvements	271,301,574	129,558	—	1,210,861	**270,220,271**	165,384,521	20,119,870	962,494	**184,541,897**	**85,678,374**	105,917,053
Office Equipments	1,013,739,665	6,236,096	569,453	16,385,021	**1,004,160,193**	568,835,651	67,308,524	11,138,317	**625,005,858**	**379,154,335**	444,904,014
Computers	154,186,548	5,575,646	666,102	4,826,189	**155,602,107**	133,545,290	9,582,665	4,592,137	**138,535,818**	**17,066,289**	20,641,258
Furniture and Fixtures	33,587,742	211,422	202,182	1,986,975	**32,014,371**	27,797,912	1,137,503	1,720,492	**27,214,923**	**4,799,448**	5,789,830
Motor Vehicles	8,605,143	2,279,276	—	1,771,127	**9,113,292**	5,881,292	1,026,978	1,656,687	**5,251,583**	**3,861,709**	2,723,851
	1,491,035,370	**14,431,998**	**1,437,737**	**26,180,173**	**1,480,724,932**	**904,544,043**	**99,399,499**	**20,070,127**	**983,873,415**	**496,851,517**	**586,491,327**
Previous Year	1,496,488,537	26,956,696	—	32,409,863	**1,491,035,370**	823,376,397	108,416,103	27,248,457	**904,544,043**		
Capital work-in-progress										**—**	912,365

Note:

As per the Frequency Module (FM) broadcasting policy, effective April 1, 2005 the Company was given the option to migrate all its existing licenses from Phase I regime to Phase II regime on payment of migration fees. Migration fees for each station was equal to the average of all successful bids received for that city. The Company had exercised the option and had migrated its licenses for all the seven cities to Phase II regime by payment of migration fees aggregating ₹ 815,234,695. Migration Fees have a remaining amortisation period of two years.

Further, the Company had participated in the second round of bidding and was awarded frequency at 25 locations. The payment made by the Company to acquire these frequencies (One Time Entry Fees) was ₹ 1,301,000,000. The remaining amortisation period of OTEF ranges between two and five years. Based on the opinion obtained from an independent firm of Chartered Accountants, both Migration Fees and One Time Entry Fees have been capitalised as Intangible Assets.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Figures as at March 31, 2013		Figures as at March 31, 2012	
	No. of shares	₹	No. of shares	₹
NOTE 11 : INVESTMENTS				
Non-current investments (Refer Note 1(vi))				
Non-Trade, Long Term (Unquoted) at cost				
Investment in Subsidiary Company :				
Equity Shares of Alternate Brand Solutions (India) Limited of ₹ 10 each fully paid-up	**1,600,000**	**70,250,000**	1,600,000	70,250,000
Sub-total (A)		**70,250,000**		70,250,000
Investment in long term capital asset (Building)		**5,891,266**		—
Sub-total (B)		**5,891,266**		—
	Nos.	₹	Nos.	₹
Capital Gains Bonds: Non-convertible redeemable taxable bonds	**500**	**5,000,000**	1,000	10,000,000
(with benefits u/s 54EC of the Income Tax Act, 1961 for Long Term Capital Gains)				
Sub-total (C)		**5,000,000**		10,000,000
Non-Current Investments (A)+(B)+(C)		**81,141,266**		80,250,000
Current investments (at the lower of cost or market value)				
Non-Trade, Short Term (Unquoted) at cost				
Capital Gains Bonds:				
Non-convertible redeemable taxable bonds (with benefits u/s 54EC of the Income Tax Act, 1961 for Long Term Capital Gains)	**500**	**5,000,000**	—	—
Sub-total (D)		**5,000,000**		—
Non-Trade, Current (Quoted - Mutual Funds)				
Axis Fixed Term Plan - Series 20 (3 Months) - Growth, of ₹ 10 each	—	—	4,501,495	45,014,950
Birla Sun Life Short Term FMP Series 29 Growth, of ₹ 10 each	—	—	1,750,010	17,500,100
Birla Sun Life Short Term FMP Series 30 Growth, of ₹ 10 each	—	—	2,500,000	25,000,000
DSP BlackRock FMP - Series 29 - 3M - Growth, of ₹ 10 each	—	—	5,000,000	50,000,000
DSP BlackRock FMP - Series 33 - 3M - Growth, of ₹ 10 each	—	—	8,712,925	87,129,251
HDFC FMP 92D March 2012 (1) - Growth - Series XIX, of ₹ 10 each	—	—	10,000,000	100,000,000
ICICI Prudential Interval Fund – Interval Plan 1 – Quarterly Institutional Growth, of ₹ 10 each	—	—	6,156,490	69,999,994
ICICI Prudential Interval Fund II – Interval Plan B – Quarterly Institutional Growth, of ₹ 10 each	—	—	7,331,302	83,257,503
ICICI Prudential Interval Fund II – Quarterly Interval Plan D – Institutional Growth, of ₹ 10 each	—	—	1,312,324	14,999,995
IDFC Fixed Maturity Quarterly Series 68 - Growth, of ₹ 10 each	—	—	2,000,677	20,006,773
IDFC Fixed Maturity Quarterly Series 69 - Growth, of ₹ 10 each	—	—	2,250,000	22,500,000
Kotak Quarterly Interval Plan Series 2 - Growth, of ₹ 10 each	—	—	3,544,973	49,990,030
Kotak Quarterly Interval Plan Series 4 - Growth, of ₹ 10 each	—	—	5,794,162	80,000,000
Kotak Quarterly Interval Plan Series 9 - Growth, of ₹ 10 each	—	—	4,015,838	50,000,000
Reliance Quarterly Interval Fund - Series III - Institutional Growth Plan-Growth Option, of ₹ 10 each	—	—	690,105	10,009,215
UTI - Fixed Income Interval Fund - Quarterly Interval Plan IV - Series II - Institutional Growth, of ₹ 10 each	—	—	7,954,160	89,987,003
UTI - Fixed Income Interval Fund - Quarterly Interval Plan Series III - Institutional Growth, of ₹ 10 each	—	—	4,205,804	60,000,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Figures as at March 31, 2013		Figures as at March 31, 2012	
	Nos.	**₹**	Nos.	₹
UTI - Fixed Income Interval Fund - Series II - Quarterly Interval Plan V - Institutional Growth, of ₹ 10 each	—	—	6,162,517	69,998,800
UTI - Fixed Maturity Plan - Quarterly Series (QFMP 02/12-I) - Institutional Growth, of ₹ 10 each	—	—	1,000,000	10,000,000
UTI - Fixed Maturity Plan - Quarterly Series (QFMP 02/12-II) - Institutional Growth, of ₹ 10 each	—	—	2,500,200	25,002,000
Sub-total (E)		—		980,395,614

Note:
The market price has been determined based on the NAV declared on the Balance Sheet date by the mutual fund houses. Aggregate market value of Quoted mutual fund units held by the Company is ₹ Nil (Previous Year : ₹ 991,388,438).

	Figures as at March 31, 2013		Figures as at March 31, 2012	
	Nos.	**₹**	Nos.	₹
Current investments (at the lower of cost or market value) Non-Trade, Current (Unquoted - Mutual Funds)				
Axis Treasury Advantage Fund - Growth, of ₹ 1,000 each	**81,359**	**100,000,000**	—	—
Axis Short Term Fund - Regular Dividend Reinvestment, of ₹ 10 each	**5,403,050**	**54,226,546**	—	—
Axis Short Term Fund - Institutional Growth, of ₹ 10 each	**—**	**—**	4,369,199	50,578,282
Birla Sun Life Short Term Fund - Growth, of ₹ 10 each	**2,488,150**	**100,000,000**	—	—
Birla Sun Life Cash Manager-Institutional Plan-Growth, of ₹ 100 each	**549,088**	**101,265,900**	—	—
Birla Sun Life Dynamic Bond - Retail - Monthly Dividend - Regular Plan - Reinvestment, of ₹ 10 each	**10,159,428**	**106,985,380**	—	—
BNP Paribas Money Plus Fund - Daily Dividend Reinvestment, of ₹ 10 each	**10,468,358**	**104,836,707**	—	—
DSP BlackRock Short Term Fund - Growth, of ₹ 10 each	**—**	**—**	2,991,108	54,367,579
DSP BlackRock Short Term Fund - Regular Weekly Dividend, of ₹ 10 each	**5,733,416**	**58,366,175**	—	—
DWS Short Maturity Fund - Premium Plus Growth, of ₹ 10 each	**—**	**—**	4,601,883	50,811,686
DWS Short Maturity Fund - Premium Plus - Weekly Dividend, of ₹ 10 each	**5,158,986**	**53,521,842**	—	—
DWS Short Maturity Fund - Regular Plan - Weekly Dividend - Reinvestment, of ₹ 10 each	**151,782**	**1,553,562**	—	—
DWS Ultra Short Term Fund - Institutional Growth, of ₹ 10 each	**—**	**—**	4,598,349	58,257,402
DWS Cash Opportunities Fund - Institutional Daily Dividend, of ₹ 10 each	**10,219,903**	**102,447,370**	—	—
DWS Cash Opportunities Fund - Regular Plan - Daily Dividend - Reinvestment, of ₹ 10 each	**266,150**	**2,668,708**	—	—
DWS Cash Opportunities Fund - Regular Plan - Growth, of ₹ 10 each	**3,203,609**	**50,000,000**	—	—
DWS Gilt Fund Regular Plan - Growth, of ₹ 10 each	**7,835,941**	**100,000,000**	—	—
Templeton India Low Duration Fund - Growth, of ₹ 10 each	**—**	**—**	8,965,957	103,477,902
Templeton India Short Term Income Fund - Growth, of ₹ 1,000 each	**—**	**—**	23,953	51,010,045
Templeton India Low Duration Fund - Monthly Dividend Re-investment, of ₹ 10 each	**15,634,223**	**162,087,071**	—	—
Templeton India Short Term Income Retail Plan - Weekly Dividend, of ₹ 1,000 each	**50,759**	**54,659,042**	—	—
Templeton India Ultra Short Bond Fund Super Institutional Plan - Daily Dividend Reinvestment, of ₹ 10 each	**10,493,371**	**105,077,060**	—	—
Templeton India Ultra Short Bond Fund Super Institutional Plan - Growth, of ₹ 10 each	**3,273,151**	**50,000,000**	—	—
HDFC Short Term Opportunities Fund - Growth of ₹ 10 each	**13,157,016**	**164,565,461**	—	—

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Figures as at March 31, 2013		Figures as at March 31, 2012	
	Nos.	**₹**	Nos.	₹
IDFC Money Manager Fund - Investment Plan - Inst Plan B - Growth, of ₹ 10 each	—	—	3,020,418	50,000,000
IDFC Money Manager Fund - Investment Plan - Regular Plan - Daily Dividend, of ₹ 10 each	**5,341,790**	**54,044,434**	—	—
IDFC - Super Saver Income Fund - Short Term Plan B – Fortnightly Dividend (Defunct Plan), of ₹ 10 each	**4,970,725**	**54,329,838**	—	—
IDFC - SSIF - Short Term - Plan B – Growth, of ₹ 10 each	—	—	4,245,991	51,887,278
IDFC - Ultra Short Term Fund – Growth, of ₹ 10 each	—	—	9,207,835	136,514,443
ICICI Prudential Floating Rate Plan Regular Daily Dividend, of ₹ 100 each	**532,445**	**53,296,970**	—	—
ICICI Prudential Short Term Plan – Direct Growth Option, of ₹ 100 each	**4,172,003**	**100,000,000**	—	—
ICICI Prudential Liquid Super Institutional Plan – Growth, of ₹ 100 each	—	—	346,958	55,000,000
ICICI Prudential Blended Plan B, Reg Growth Option - I of ₹ 10 each	**2,918,864**	**51,037,788**	4,039,067	46,717,065
ICICI Prudential Flexible Income - Regular Plan - Growth, of ₹ 100 each	**286,633**	**62,748,436**	—	—
JP Morgan India Treasury Fund Super Institutional Plan - Growth, of ₹ 10 each	**6,952,024**	**100,000,000**	—	—
JP Morgan India Treasury Fund Direct Plan - Growth, of ₹ 10 each	**6,563,575**	**100,000,000**	—	—
JP Morgan India Short Term Income Fund - Regular Plan - Growth, of ₹ 10 each	**8,029,242**	**102,745,388**	—	—
Kotak Bond (Short Term) - Growth, of ₹ 10 each	**1,485,227**	**32,686,717**	1,516,137	30,454,644
Kotak Floater Long Term - Daily Dividend, of ₹ 10 each	**10,834,356**	**109,208,144**	—	—
Religare Credit Opportunities Fund - Growth, of ₹ 10 each	**8,044,923**	**100,000,000**	—	—
Religare Short Term Plan - Growth, of ₹ 10 each	**6,479,685**	**100,000,000**	—	—
Reliance Floating Rate Fund - Short Term Plan - Growth Plan, of ₹ 10 each	—	—	3,001,771	50,596,659
Reliance Floating Rate Fund - Short Term Plan - Daily Dividend Reinvestment Plan, of ₹ 10 each	**5,391,740**	**54,275,952**	—	—
Reliance Medium Term Fund - Growth Plan - Growth Option, of ₹ 10 each	**3,313,554**	**75,537,102**	—	—
Reliance Money Manager Fund - Growth Plan, of ₹ 1,000 each	**61,456**	**92,500,000**	—	—
Reliance Income Fund - Growth Plan - Bonus Option, of ₹ 10 each	**3,487,703**	**37,500,000**	—	—
SBI Short Term Debt Fund - Regular Plan - Growth, of ₹ 10 each	**7,506,408**	**101,072,045**	—	—
Sundaram Ultra Short Term Fund - Regular - Growth, of ₹ 10 each	**6,259,232**	**100,000,000**	—	—
Tata Income Fund Plan A-Appreciation Option - Bonus, of ₹ 10 each	**1,843,805**	**19,444,444**	—	—
UTI Floating Rate Fund - Short Term Plan - Institutional Growth, of ₹ 1,000 each	**46,385**	**57,500,000**	—	—
UTI Treasury Advantage Fund - Institutional Plan - Growth, of ₹ 1,000 each	**41,789**	**61,966,153**	—	—
Sub-total (F)		**3,092,154,235**		789,672,985
Current Investments (D)+(E)+(F)		**3,097,154,235**		1,770,068,599

Note: The market price has been determined based on the NAV declared on the Balance Sheet date by the mutual fund houses. Aggregate market value of Unquoted mutual fund units held by the Company is ₹ 3,159,005,546 (Previous Year : ₹ 790,562,566).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Figures as at March 31, 2013 ₹	Figures as at March 31, 2012 ₹
NOTE 12 : LONG TERM LOANS AND ADVANCES		
(Unsecured Considered good unless otherwise stated)		
Capital Advances	**1,088,144**	235,565
Deposits (Considered Good)	**113,626,628**	115,036,783
Other long term loans and advances		
Employee Loans	**300,028**	1,076,024
Advance Tax and Tax deducted at Source [Net of Provision of ₹ 42,374,002 (Previous Year : ₹ 52,095,815)]	**2,609,910**	12,376,461
	117,624,710	128,724,833
NOTE 13 : OTHER NON CURRENT ASSETS		
Non current bank balances (margin money deposits)	**65,650,741**	71,501,840
Interest accrued on deposits	**—**	2,154,504
	65,650,741	73,656,344
NOTE 14 : TRADE RECEIVABLES		
Unsecured, considered good		
Outstanding for a period exceeding 6 months from the date they are due for payment	**2,707,678**	68,216,044
Others	**991,360,277**	854,186,868
	994,067,955	922,402,912
Unsecured, considered doubtful		
Outstanding for a period exceeding 6 months from the date they are due for payment	**105,926,904**	100,009,509
Others	**16,438,814**	58,853,973
	122,365,718	158,863,482
	1,116,433,673	1,081,266,394
Less: Provision for Doubtful Debts	**(122,365,718)**	(158,863,482)
	994,067,955	922,402,912
NOTE 15 : CASH AND BANK BALANCES		
Cash and cash equivalents:		
Cheques on hand	**39,622,386**	22,495,207
Balances with banks:		
Current Accounts	**12,753,962**	80,757,994
Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months	**70,000,000**	340,000,000
Balances with bank held as security against Guarantees issued by banks		
Margin money deposits	**65,650,741**	71,501,840
Less: Amount disclosed under non current assets	**(65,650,741)**	(71,501,840)
	122,376,348	443,253,201

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Figures as at March 31, 2013 ₹	Figures as at March 31, 2012 ₹
NOTE 16 : SHORT-TERM LOANS AND ADVANCES (Unsecured Considered good unless otherwise stated)		
Loans and advances to related parties:		
Due from other related parties	**102,561,508**	1,921,280
Prepaid expenses	**43,535,322**	63,985,442
Advances recoverable in cash or in kind or for value to be received :		
Considered Good	**51,693,774**	36,994,533
Deposits :		
Considered Good	**2,955,038**	2,155,497
Advance Tax and Tax deducted at Source [Net of Provision of ₹ Nil (Previous Year: ₹ 341,754,261)]	**—**	6,626,638
Minimum Alternate Tax Credit Entitlement	**—**	108,402,090
	200,745,642	220,085,480
NOTE 17 : OTHER CURRENT ASSETS (Unsecured Considered good unless otherwise stated)		
Interest accrued on deposits	**12,354,891**	13,171,414
Dividend receivable on investments	**221,197**	—
Others	**1,139,652**	—
	13,715,740	13,171,414

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	2012-2013 ₹	2011-2012 ₹
NOTE 18 : REVENUE FROM OPERATIONS		
Sale of Services (Refer Notes 1(iii)(a) and (b))	**3,258,281,957**	2,946,820,816
Digital Revenues, Service Fee, Marketing & Sales Commission	**72,498,303**	58,443,029
Other operating income		
Provision no longer required written back	**46,525,987**	—
Others	**6,570,396**	8,989,697
	53,096,383	8,989,697
	3,383,876,643	3,014,253,542
NOTE 19 : OTHER INCOME		
Interest Income (Refer Note 1(iii)(d))		
On Fixed Deposits	**23,341,037**	22,774,477
On Income-Tax Refund	**5,863,171**	5,338,649
On Others	**840,523**	849,373
Dividend Income on Current Investments (Refer Note 1(iii)(c))	**105,590,276**	76,638,018
Profit on Sale of Current Investments (net) (Refer Note 1(iii)(e))	**34,090,997**	9,548,362
Miscellaneous Income	**6,402**	72,825
	169,732,406	115,221,704
NOTE 20 : PRODUCTION EXPENSES		
Royalty	**106,076,042**	110,231,650
Other Production Expenses	**48,218,200**	36,100,847
	154,294,242	146,332,497
NOTE 21 : LICENSE FEES		
License Fees (Refer Note 1(xiii))	**180,920,473**	152,015,260
	180,920,473	152,015,260
NOTE 22 : EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	**672,139,385**	566,675,963
Contributions to Provident and Other Funds (Refer Notes 1(vii) and 29)	**21,606,622**	20,795,546
Gratuity (Refer Notes 1(vii) and 29)	**7,697,737**	8,440,901
Staff welfare expenses	**34,111,020**	32,692,785
	735,554,764	628,605,195

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	2012-2013 ₹	2011-2012 ₹
NOTE 23 : OTHER EXPENSES		
Rent	**159,735,947**	161,295,708
Rates and Taxes	**2,141,289**	2,273,696
Power and Fuel	**105,745,940**	90,790,789
Marketing	**663,707,405**	559,069,805
Travelling and Conveyance	**90,486,504**	84,804,032
Insurance	**3,567,691**	3,446,751
Communication	**12,054,133**	15,341,909
Repairs and Maintenance on:		
Buildings	**1,498,939**	925,474
Plant and Machinery	**24,931,821**	21,107,289
Others	**24,559,140**	23,918,180
Legal and Professional Fees	**101,909,717**	91,221,445
Software Expenses (Refer Note 1(iv)(c))	**24,221,921**	25,629,257
Payments to Auditors		
As Auditors:		
Audit Fee	**2,500,000**	2,500,000
Other Services	**70,000**	570,000
Reimbursement of expenses	**94,022**	130,488
	2,664,022	3,200,488
Bad Debts written off	**46,077,604**	64,845,895
Provision for Doubtful Debts	**92,443,694**	120,828,913
Provision for Doubtful Debts withdrawn	**(137,830,926)**	(251,610,591)
	(45,387,232)	(130,781,678)
Doubtful Deposits written off	**—**	6,250,000
Provision for doubtful deposits written back	**—**	(6,250,000)
	—	—
Loss on Sale of Tangible Assets	**6,431**	623,264
Tangible Assets written off	**4,413,838**	2,229,817
Director's Sitting Fees and Commission	**2,160,000**	1,260,000
Net loss on foreign currency transaction and translation	**—**	206,153
Miscellaneous Expenses	**46,538,338**	59,007,526
	1,271,033,448	1,080,415,800
NOTE 24 : FINANCE COST		
Interest Expense:		
On Others	**161,993**	14,437
	161,993	14,437

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

25. Commitments to the extent not provided for

Estimated amount of contracts remaining to be executed on capital account ₹ 790,039 (Previous Year : ₹ 1,523,654) net of advances of ₹ 1,088,144 (Previous Year : ₹ 235,565).

26. Sundry Creditors

i. Disclosure has been made as per the definition given in the Micro, Small and Medium Enterprises Development Act, 2006. The Company received information from some of the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to the amounts as at year end together with interest payable as required under the Act have been given below:

	March 31, 2013 ₹	March 31, 2012 ₹
a) Payment due as at the year end on account of:		
– Principal	—	42,534
– Interest	—	—
b) Total Interest paid on all delayed payment during the year	—	—
c) Interest due on principal amounts paid beyond the due date during the year but without the interest amount	—	—
d) Interest accrued but not due	—	—
e) Total Interest due but not paid	—	—

The information in the table above and that regarding micro and small enterprises given in Note 7 "Trade Payables" has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

ii. There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

27. Proposed Dividend

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
Dividend proposed for the year is as follows: On Equity Shares of ₹ 10 each		
Amount of dividend proposed	**47,670,415**	—
Dividend per Equity Share	**1.00**	—

28. a. Value of Imports calculated on CIF basis:

	2012-2013 ₹	2011-2012 ₹
Capital goods	**1,982,948**	2,667,805
	1,982,948	2,667,805

b. Expenditure in Foreign Currency

	2012-2013 ₹	2011-2012 ₹
Travel	**63,512**	1,297,868
Professional Fees	**723,318**	1,496,652
Others	**5,496,776**	2,660,260
	6,283,606	5,454,780

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

c. **Earnings in Foreign Currency**

	2012-2013 ₹	2011-2012 ₹
Consultancy services	**37,468,375**	13,164,105
	37,468,375	13,164,105

29. The Company has classified the various employee benefits provided to employees as under:-

I) **Defined Contribution Plans**

a) Provident Fund

b) State Defined Contribution Plans - Employers' Contribution to Employee's Pension Scheme, 1995.

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss :-

	2012-2013 ₹	2011-2012 ₹
Employers' Contribution to Provident Fund*	**16,439,293**	15,470,242
Employers' Contribution to Employee's Pension Scheme, 1995*	**4,582,684**	4,590,037
Employers' Contribution to Employee State Insurance Scheme*	**584,645**	735,267

* Included in Contributions to Provident and Other Funds (Refer Note 22)

II) **Defined Benefit Plans**

In accordance with Accounting Standard 15, actuarial valuation was done in respect of the aforesaid Defined Benefit Plan of gratuity (unfunded) based on the following assumptions:-

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
Discount Rate (per annum)	**8.00%**	8.50%
Rate of increase in Compensation levels	**6.50%**	6.50%
Attrition rate	**2.00%**	1.00%

A) **Changes in the Present Value of Obligation**

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
Present Value of Obligation at the beginning of the year	**26,554,810**	20,587,045
Interest Cost	**2,257,159**	1,749,898
Past Service Cost	**—**	—
Current Service Cost	**5,699,061**	4,405,730
Curtailment Cost / (Credit)	**—**	—
Settlement Cost / (Credit)	**—**	—
Benefits Paid	**(3,548,029)**	(2,473,136)
Actuarial (gain) / loss on obligations	**(258,483)**	2,746,173
Effect of transfer in / (transfer out)	**180,569**	(460,900)
Present value of Obligation as at the year end	**30,885,087**	26,554,810

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

B) **Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets**

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
Present Value of funded obligation as at the year end	**—**	—
Fair Value of Plan Assets as at the year end	**—**	—
Funded Status	**—**	—
Present Value of unfunded obligation as at the year end	**30,885,087**	26,554,810
Unrecognised Actuarial (gains) / losses	**—**	—
Unfunded (Liability) recognised in Balance Sheet	**(30,885,087)**	(26,554,810)

C) **Amount recognised in the Balance Sheet**

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
Present Value of Defined Benefit Obligation at the end of the year	**30,885,087**	26,554,810
Fair Value of Plan Assets as at the end of the year	**—**	—
Liability recognised in the Balance Sheet	**30,885,087**	26,554,810
Recognised under:		
Long term provisions	**30,166,794**	26,022,275
Short term provisions	**718,293**	532,535

D) **Expenses recognised in the Statement of Profit and Loss**

	2012-2013 ₹	2011-2012 ₹
Current Service Cost	**5,699,061**	4,405,730
Past Service Cost	**—**	—
Interest Cost	**2,257,159**	1,749,898
Expected Return on Plan Assets	**—**	—
Curtailment Cost / (Credit)	**—**	—
Settlement Cost / (Credit)	**—**	—
Effects of transfer in / (transfer out)	**—**	(460,900)
Net actuarial (gain) / loss recognised in the year	**(258,483)**	2,746,173
Total Expenses recognised in the Statement of Profit and Loss	**7,697,737**	8,440,901

E) **Experience Adjustment**

	2012-2013 ₹	2011-2012 ₹
Defined Benefit Obligation	**30,885,087**	26,554,810
Plan Assets	**—**	—
Deficit / Surplus	**30,885,087**	26,554,810
Experience Adjustment on Plan Liabilities (gain) / loss	**(2,066,790)**	2,746,173

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

F) **Amounts recognised in current year and previous four years**

(₹)

	March 31, 2013	**March 31, 2012**	**March 31, 2011**	**March 31, 2010**	**March 31, 2009**
Defined Benefit Obligation	**30,885,087**	26,554,810	20,587,045	16,630,670	16,845,843
Surplus / (Deficit)	**(30,885,087)**	(26,554,810)	(20,587,045)	(16,630,670)	(16,845,843)
Experience adjustment on plan liabilities (gain) / loss	**(2,066,790)**	2,746,173	1,037,081	(4,584,050)	(1,772,887)

III) The liability for leave encashment and compensated absences as at the year end is ₹ 20,688,114 (Previous Year: ₹ 14,173,038).

30. Segment Information

In accordance with Accounting Standard – 17, "Segment Reporting", the Company's business segment is radio broadcasting business and it has no other primary reportable segments. Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liabilities, total cost incurred to acquire segment assets and total amount of charge for depreciation during the year, is as reflected in the Financial Statements as of and for the year ended March 31, 2013. The Company mainly caters to the needs of the domestic market and hence there are no reportable geographical segments.

31. Related Party Disclosures as required under Accounting Standard 18 - "Related Party Disclosures" are given below:

i. **Parties where control exists**

Bennett, Coleman & Company Limited (BCCL) – Ultimate Holding Company
Times Infotainment Media Limited (TIML) – Holding Company *

ii. **Subsidiary Companies**

Alternate Brand Solutions (India) Limited (ABSL) – Subsidiary Company

iii. **Fellow Subsidiary Companies**

Mirchi Movies (India) Limited (MML) *
Times Innovative Media Limited (TIM)
TIM Delhi Airport Advertising Private Limited (TIMDAA)
Times Internet Limited (TIL)
Times Global Broadcasting Company Limited (TGBCL)
Times Business Solutions Limited (TBSL)
Times VPL Limited (TVL) *
Vardhaman Publishers Limited (VPL)
Times Websol Limited (TWL)
Times Mobile Limited (TM)
Brand Equities Treaties Limited (BETL)

iv. **Other Related Parties**

Worldwide Media Private Limited (WWM)
Bennett Property Holding Company Limited (BPHCL)
BCCL International Events Private Limited (BIEPL)
Aegon Religare Life Insurance Company (ARLIC)

v. **Key Managerial Personnel**
Executive Director & Chief Executive Officer

Mr. Prashant Panday

* There are no transactions during the year

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

vi. Transaction with Related Parties

(₹)

Particulars	2012-2013																	
	Holding Companies		Subsidiary company	Fellow Subsidiary Companies											Other Related Parties			
	BCCL	TIML	ABSL	MML	TIM	TIMDAA	TIL	TGBCL	TBSL	VPL	TWL	TM	TVL	BETL	WWM	BPHCL	BIEPL	ARLIC
Transactions with Related Parties :																		
Sales	128,318,788	—	—	—	—	—	1,273,677	1,231,501	8,787,449	—	1,049,995	—	—	—	—	—	2,851,275	2,740,710
Sale of Fixed Asset	123,939	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Business Purchase Consideration	—	—	100	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Receiving of Services	36,186,039	—	7,000,000	—	1,517,037	—	375,608	1,308,000	17,974,762	143,742	—	143,574	—	—	—	35,593,220	—	—
Recovery of Expenses	—	—	—	—	7,598,658	381,073	2,021,890	384,201	—	—	—	—	—	—	—	—	—	—
Year end Balances with Related Parties :																		
Trade Receivables	—	—	—	—	—	—	—	697,014	5,410,011	—	—	—	—	—	250,000	—	3,082,057	3,079,462
Non-trade Receivables (net)	63,246,833	—	—	—	—	36,830	—	—	—	—	—	—	—	39,277,845	—	—	—	—
Deposit	—	—	—	—	—	—	777,960	—	—	—	—	—	—	—	—	10,000,000	—	—
Payables (net)	—	—	—	—	—	—	107,207	552,526	46,367,957	—	—	—	—	—	—	—	—	—

(₹)

Particulars	2011-2012																	
	Holding Companies		Subsidiary company	Fellow Subsidiary Companies											Other Related Parties			
	BCCL	TIML	ABSL	MML	TIM	TIMDAA	TIL	TGBCL	TBSL	VPL	TWL	TM	TVL	BETL	WWM	BPHCL	BIEPL	ARLIC
Transactions with Related Parties :																		
Sales	95,948,367	—	177,054	—	—	—	7,712,137	3,129,700	3,976,740	—	—	—	1,410,698	—	453,000	—	—	25,680,064
Sale of Fixed Asset	364,500	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Purchase of Fixed Asset	—	—	361,194	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Receiving of Services	50,936,295	—	10,312,072	—	1,452,613	—	4,542,379	2,591,094	24,027,934	143,750	—	—	1,556,000	—	—	8,594,316	—	—
Recovery of Expenses	226,936	—	3,485,034	253,194	7,475,608	226,471	—	384,207	—	—	—	—	—	—	—	—	—	—
Year end Balances with Related Parties :																		
Trade Receivables	—	—	—	—	—	—	4,907,684	2,445,376	488,438	—	—	—	—	—	489,667	—	—	28,325,111
Non-trade Receivables (net)	—	—	—	109,641	—	31,084	—	1,780,555	—	—	—	—	—	—	—	—	—	—
Deposit	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	10,000,000	—	—
Payables (net)	—	—	—	—	—	—	933,573	—	13,433,993	—	—	—	—	—	—	33,148,140	—	—

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

vii. **Details relating to Persons referred to in 31(v) above**

Name of the Person	2012-2013 ₹	2011-2012 ₹
Mr. Prashant Panday	**22,056,402**	20,653,895
	22,056,402	20,653,895

32. Disclosures for Operating Leases

Disclosures in respect of cancellable agreements for cars, transmission towers, office and residential premises taken on lease:

a) Lease payments recognised in the Statement of Profit and Loss ₹ 159,735,947 (Previous Year : ₹ 153,516,356).

b) All the agreements provide for early termination by the Company by giving prior notice in writing.

33. Earnings Per Share (Basic and Diluted)

The number of shares used in computing Basic Earnings per share (EPS) is the weighted average number of shares outstanding during the year.

	2012-2013	2011-2012
Profit for the year (₹) (A)	**676,710,850**	565,095,121
Weighted average number of Equity shares (B)	**47,670,415**	47,670,415
Earnings per share – basic and diluted (₹) (A/B)	**14.20**	11.85
Nominal value of an equity share (₹)	**10.00**	10.00

34. The Board of Directors of the Company at their meeting held on August 13, 2012 approved the purchase of its wholly owned subsidiary's (ABSL) Intellectual Property Rights Events Business ('IPR Business') as a going concern. The slump sale of the IPR Business by ABSL to the Company was effected through a Business Transfer Agreement ('BTA') for a consideration of ₹ 100. The transfer was effective from July 1, 2012. The purchase resulted in a goodwill of ₹ 49,708 and acquisition of assets and liabilities amounting to ₹ 83,571,199 and ₹ 83,620,807 respectively.

35. The previous year figures have been reclassified to conform to this year's classification.

Signatures to Notes "1" to "35" forming part of the financial statements.

For Price Waterhouse & Co., Bangalore
Firm Registration No. 007567S
Chartered Accountants

Uday Shah
Partner
Membership No.: 046061

Mumbai
Dated : May 17, 2013

For and on behalf of the Board of Directors

Vineet Jain *Chairman*	**N. Kumar** *Director*	**Ravindra Dhariwal** *Director*
A. P. Parigi *Director*	**B. S. Nagesh** *Director*	**Vibha Paul Rishi** *Director*
Prashant Panday *Executive Director & CEO*	**Kailash Gupta** *VP - Finance*	**Mehul Shah** *SVP - Compliance & Company Secretary*

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

(Amount in ₹)

Subsidiary	Alternate Brand Solutions (India) Limited (ABSL)
Financial Year ended	March 31, 2013
Holding Company's interest	100%
Number of Shares held by the Holding Company	1,600,000
Net aggregate profits / (losses) of the subsidiary for the current year so far as it concerns the members of the holding company	
a. dealt with or provided for in the accounts of the holding company (₹)	Nil
b. not dealt with or provided for in the accounts of the holding company (₹)	6,080,852
Net aggregate profits / (losses) for previous financial years of the subsidiary so far as it concerns the members of the holding company	
a. dealt with or provided for in the accounts of the holding company (₹)	Nil
b. not dealt with or provided for in the accounts of the holding company (₹)	(6,786,488)

(Amount in ₹)

Subsidiary	Issued and subscribed share capital	Reserves	Total assets	Total Liabilites	Investments	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed Dividend
Alternate Brand Solutions (India) Limited (ABSL)	16,000,000	53,398,374	70,493,952	70,493,952	40,860,528	18,747,286	6,080,852	Nil	6,080,852	Nil

For and on behalf of the Board of Directors

Vineet Jain
Chairman

N. Kumar
Director

Ravindra Dhariwal
Director

A. P. Parigi
Director

B. S. Nagesh
Director

Vibha Paul Rishi
Director

Prashant Panday
Executive Director & CEO

Kailash Gupta
VP - Finance

Mehul Shah
SVP - Compliance & Company Secretary

Mumbai
Dated : May 17, 2013

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Entertainment Network (India) Limited

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of Entertainment Network (India) Limited ("the Company") and its subsidiary hereinafter referred to as the "Group" (refer Note 1 (iii) (2) to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. 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.
7. In our opinion and to the best of our information and according to the explanations given to us, the accompanying 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, 2013;
   (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
   (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For Price Waterhouse & Co., Banglore
Firm Registration Number: 007567S
Chartered Accountants

Uday Shah
Partner
Membership Number: 046061

Mumbai
Dated : May 17, 2013

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

	Notes	Figures as at March 31, 2013 ₹	Figures as at March 31, 2012 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	**476,704,150**	476,704,150
Reserves and surplus	3	**4,545,437,763**	3,907,708,381
Non-current liabilities			
Deferred tax liabilities (net)	4	**36,616,529**	97,905,815
Other long-term liabilities	5	**4,239,904**	—
Long-term provisions	6	**42,665,148**	38,641,990
Current liabilities			
Trade payables	7	**444,523,686**	431,477,458
Other current liabilities	8	**104,599,568**	167,699,913
Short-term provisions	9	**229,158,652**	89,727,864
TOTAL		**5,883,945,400**	5,209,865,571
ASSETS			
Non-current assets			
Fixed assets	10		
Intangible assets		**706,594,613**	910,846,873
Tangible assets		**496,851,517**	588,032,864
Capital work-in-progress		**—**	912,365
Non-current investments	11	**10,891,266**	10,000,000
Long-term loans and advances	12	**125,391,668**	135,866,936
Other non-current assets	13	**65,650,741**	73,656,344
Current assets			
Current investments	11	**3,138,014,763**	1,825,068,599
Trade receivables	14	**994,067,955**	930,374,010
Cash and bank balances	15	**123,040,346**	447,572,171
Short-term loans and advances	16	**209,726,791**	274,363,995
Other current assets	17	**13,715,740**	13,171,414
TOTAL		**5,883,945,400**	5,209,865,571
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS	1-32		

As per our report of even date

For Price Waterhouse & Co., Bangalore
Firm Registration No. 007567S
Chartered Accountants

Uday Shah
Partner
Membership No.: 046061

Mumbai
Dated : May 17, 2013

For and on behalf of the Board of Directors

Vineet Jain *Chairman*

N. Kumar *Director*

Ravindra Dhariwal *Director*

A. P. Parigi *Director*

B. S. Nagesh *Director*

Vibha Paul Rishi *Director*

Prashant Panday *Executive Director & CEO*

Kailash Gupta *VP - Finance*

Mehul Shah *SVP - Compliance & Company Secretary*

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

	Notes	2012-2013 ₹	2011-2012 ₹
Revenue from operations	18	**3,395,574,221**	3,110,454,244
Other income	19	**174,165,760**	120,670,302
Total Revenue		**3,569,739,981**	3,231,124,546
Expenses:			
Production expenses	20	**165,893,110**	229,569,676
License fees	21	**180,920,473**	152,015,260
Employee benefits expense	22	**738,280,352**	649,110,784
Depreciation and amortisation expense	10	**317,297,009**	325,392,191
Other expenses	23	**1,266,232,657**	1,081,615,991
Finance cost	24	**167,955**	14,437
Total expenses		**2,668,791,556**	2,437,718,339
Profit before taxation		**900,948,425**	793,406,207
Tax expense: (Refer Note 1(xi))			
Current tax		**291,889,169**	223,000,000
Deferred tax		**(61,289,286)**	9,371,797
Tax adjustment of earlier years		**(12,478,107)**	—
Minimum alternate tax credit entitlement		**(389,169)**	—
Profit for the period		**683,215,818**	561,034,410
Earnings per equity share [nominal value per share: ₹ 10 (2011-12 : ₹ 10)] (Refer Notes (1)(x))	31		
– Basic		**14.33**	11.77
– Diluted		**14.33**	11.77
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS	1-32		

As per our report of even date

For Price Waterhouse & Co., Bangalore
Firm Registration No. 007567S
Chartered Accountants

Uday Shah
Partner
Membership No.: 046061

Mumbai
Dated : May 17, 2013

For and on behalf of the Board of Directors

Vineet Jain
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Executive Director & CEO

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VP - Finance

Mehul Shah
SVP - Compliance & Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

		2012-2013 ₹	2011-2012 ₹
A)	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Profit Before Taxation	**900,948,425**	793,406,207
	Adjustments for :		
	Depreciation and amortisation expense	**317,297,009**	325,392,191
	Interest income	**(32,862,522)**	(31,547,963)
	Interest expense	**167,955**	14,437
	Provision no longer required written back	**(46,525,987)**	(3,495,410)
	Dividend on investments received	**(105,590,276)**	(76,638,018)
	Loss / (Profit) on sale of tangible assets	**6,431**	657,364
	Tangible assets written off	**4,413,838**	2,229,817
	Profit on sale of short term investments (net)	**(35,706,560)**	(12,411,496)
	Provision for doubtful deposits	**—**	446,513
	Provision for doubtful debts (net)	**(45,137,232)**	(129,595,655)
	Bad Debts written off / (realised) (Net)	**46,077,604**	54,451,895
	Provision for retirement benefits	**10,351,572**	6,470,936
	Operating Profit Before Working Capital Changes	**1,013,440,257**	929,380,818
	Adjustments for changes in working capital :		
	(Increase) / Decrease in trade receivables	**(31,095,584)**	276,405,725
	Decrease / (Increase) in long term loans and advances	**1,391,172**	(11,750,953)
	Decrease in other non current assets	**5,851,099**	4,813,691
	(Increase) in other current assets	**(1,139,652)**	—
	(Increase) / Decrease in short term loans and advances	**(80,170,121)**	81,293,084
	Increase in other long term liabilities	**4,239,904**	—
	Increase in trade payables	**59,572,216**	147,883,397
	(Decrease) in other current liabilities	**(63,100,345)**	(193,346,211)
	Increase / (Decrease) in short term provisions	**77,330,372**	(24,215,605)
	Cash generated from operations	**986,319,318**	1,210,463,946
	Taxes paid (net)	**(158,669,209)**	(41,033,192)
	Net Cash generated from Operating Activities (A)	**827,650,109**	1,169,430,754
B)	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Purchase of tangible assets	**(14,431,998)**	(26,958,996)
	Purchase of intangible assets	**(3,255,880)**	—
	Movement in capital work-in-progress	**912,365**	(360,179)
	Proceeds from sale of tangible assets	**1,689,777**	2,772,261
	Dividend on investments received	**105,369,079**	76,931,417
	Purchase of long term investments	**(5,891,266)**	(5,000,000)
	Purchase of current investments	**(7,054,867,774)**	(5,509,635,499)
	Proceeds from sale of current investments	**5,782,628,169**	4,565,382,477
	Interest received	**35,833,549**	18,488,581
	Net Cash (used in) Investing Activities (B)	**(1,152,013,979)**	(878,379,938)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

		2012-2013 ₹	2011-2012 ₹
C)	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Interest paid	**(167,955)**	(14,437)
	Net Cash Flow (used in) from Financing Activities (C)	**(167,955)**	(14,437)
	Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)	**(324,531,825)**	291,036,379
	Cash and Cash Equivalents as at the beginning of the year	**447,572,171**	156,535,792
	Cash and Cash Equivalents as at the end of the year	**123,040,346**	447,572,171
		(324,531,825)	291,036,379

NOTES ON CASH FLOW STATEMENT :

1.	Cash and cash equivalents at the end of the year as per Balance	**123,040,346**	447,572,171
	Sheet. (Refer Note 15 in the Financial Statements)	**123,040,346**	447,572,171

2. The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 'Cash Flow Statements' notified under the Companies (Accounting Standard) Rules, 2006 ('as amended').
3. Previous Year's figures have been regrouped and rearranged wherever necessary.
4. Cash flows in brackets indicate cash outgo.

As per our report of even date

For Price Waterhouse & Co., Bangalore
Firm Registration No. 007567S
Chartered Accountants

Uday Shah
Partner
Membership No.: 046061

Mumbai
Dated : May 17, 2013

For and on behalf of the Board of Directors

Vineet Jain *Chairman* — **N. Kumar** *Director* — **Ravindra Dhariwal** *Director*

A. P. Parigi *Director* — **B. S. Nagesh** *Director* — **Vibha Paul Rishi** *Director*

Prashant Panday *Executive Director & CEO* — **Kailash Gupta** *VP - Finance* — **Mehul Shah** *SVP - Compliance & Company Secretary*

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. **Significant Accounting Policies**

   i. **Basis of Accounting**

   The Consolidated Financial Statements of Entertainment Network (India) Limited ("the Company") and its subsidiary company, Alternate Brand Solutions (India) Limited, (collectively referred to as 'the Group') are prepared under the historical cost convention to comply in all material aspects with all the applicable accounting principles in India and the Accounting Standard 21 on Consolidation of Financial Statements, notified under the Companies (Accounting Standard) Rules, 2006 ('as amended'), to the extent possible in the same format as that adopted by the Company for its separate financial statements.

   All assets and liabilities have been classified as current or non-current as per the criteria set out in the Revised Schedule VI to the Companies Act, 1956 (the Act).

   ii. **Use of Estimates**

   The preparation of financial statements in accordance with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to such accounting estimates is recognised prospectively in the accounting period in which such revision takes place.

   iii. **Principles of Consolidation**

   1. The consolidated financial statements have been prepared on the following basis:

      – The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, revenues and expenses.

      – Intra-group balances and intra-group transactions and resulting profits are eliminated in full.

      – The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's separate financial statements.

   2. The subsidiary considered in the consolidated financial statements is:

Name of the Company	Country of Incorporation	% voting power
Alternate Brand Solutions (India) Limited (ABSL) as on 31st March 2013	India	100.00%

   iv. **Revenue Recognition**

   a. Revenue from radio broadcasting is recognised on an accrual basis on the airing of client's commercials. The revenue that is recognised is net of service tax.

   b. Revenue from short period events is recognised according to the completed performance method. Revenue from services provided over a longer term is recognised when the result of the transactions can be determined with reliability and on the percentage completed basis.

   c. Dividend income on mutual fund units is accounted for when the right to receive the dividend is established by the Balance Sheet date.

   d. Interest income is recognized on a time proportionate basis taking into account the amount outstanding and the rate applicable.

   e. Profit on sale of units of mutual funds is recognized at the time of redemption and is determined as the difference between the redemption price and the carrying value.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

v. **Fixed assets and Depreciation**

Cost of fixed assets comprises purchase price, duties, levies and any directly attributable cost of bringing the asset to its working condition and location for the intended use.

Borrowing cost directly attributable to fixed assets which take substantial period of time to get ready for its intended use are capitalised to the extent they relate to the period till such assets are ready to be put to use.

Cost incurred on assets not ready for their intended use is disclosed as Capital Work-in-Progress.

a. **Tangible assets**

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation on tangible fixed assets is provided on written down value method at the rates and in the manner specified in Schedule XIV to the Act. The cost of leasehold improvements are amortized over the primary period of lease of the property. Leasehold land is not amortised since the term of lease is perpetual in nature. Tangible assets individually costing less than ₹ 5,000 are depreciated fully in the year of purchase.

b. **Intangible assets (other than Software)**

Migration fees paid by the Company for existing licenses upon migration to Phase II of the Licensing policy and One Time Entry Fees paid by the Company for acquiring new licenses have been capitalised as an asset.

The migration fee capitalised is being amortised, with effect from April 1, 2005, equally over a period of ten years, being the period of the license. One Time Entry Fee is amortised over a period of ten years, being the period of license, from the date of operationalisation of the respective stations.

Goodwill is amortised over a period of five years.

c. **Software**

i. Software obtained initially together with hardware is capitalised along with the cost of hardware and depreciated in the same manner as the hardware. All subsequent purchases of software licenses are treated as revenue expenditure and charged in the year of purchase.

ii. Expenditure on Enterprise Software such as SAP and Sales CRM where the economic benefit is expected to be more than a year is recognised as “Intangible Asset” and amortised.

vi. **Foreign Currency Transactions**

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Gains and losses arising out of subsequent fluctuations are accounted for on actual payment or realisation. Monetary items denominated in foreign currency as at the Balance Sheet date are converted at the exchange rates prevailing on that day. Exchange differences are recognised in the Statement of Profit and Loss.

vii. **Investments**

Investments that are intended to be held for not more than a year from the date of investments are classified as Current investments. All other investments are termed as Long term investments. The portion of Long-Term investments which is expected to be realized within twelve months from the Balance Sheet date are classified as current investments.

Investment in buildings that is not intended to be occupied substantially for use by, or in the operations of the Company, have been classified as investment property. The same has been classified as long term investments. Investment property is carried at cost less accumulated depreciation.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Current investments are carried at cost or fair value, whichever is lower. Long term investments are stated at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the long term investments.

viii. Retirement Benefits

a. Short Term Employee Benefits :

The employees of the Company are entitled to leave encashment as per the leave policy of the Company. The liability in respect of leave encashment which is expected to be encashed / utilised within twelve months after the Balance Sheet date is considered to be of short term nature.

b. Long Term Employee Benefits :

Defined Contribution Plans :

The Company has Defined Contribution Plans for post employment benefits such as Provident Fund and Employee's Pension Scheme, 1995. Under the Provident Fund Plan, the Company contributes to a Government administered Provident Fund on behalf of its employees and has no further obligation beyond making its contribution.

The Company contributes to a State Plan namely Employee's Pension Scheme, 1995 and has no further obligation beyond making its contribution.

The Company's contributions to the above funds are charged to revenue every year.

Defined Benefit Plans :

The Company has a Defined Benefit Plan namely Gratuity and Leave Encashment for all its employees. The liabilities in respect of Leave Encashment which is expected to be encashed / utilised after twelve months from the Balance Sheet date is considered to be long term in nature.

Liability for Defined Benefit Plan is provided on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used by the independent actuary for measuring the liability is the Projected Unit Credit Method. Actuarial losses / gains are recognised in the Statement of Profit and Loss in the year in which they arise.

c. Termination benefits are recognised as an expense as and when incurred.

ix. Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

x. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

xi. Income Taxes

Tax expense comprises of Current and Deferred tax. Current income tax and Deferred tax are measured based on the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with tax laws which give rise to future economic benefits in the form of adjustment to future income tax liability is considered as an asset if there is convincing evidence that the Company will pay normal tax in future. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

xii. Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

xiii. Provisions and Contingent Liabilities

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present date value and are determined based on best estimates of the amount required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources embodying economic benefit. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

xiv. License Fees

As per the Frequency Module (FM) broadcasting policy, effective April 1, 2005 license fees are charged to revenue at the rate of 4% of gross revenue for the period or 10% of Reserve One Time Entry Fee (ROTEF) for the concerned city, whichever is higher. Gross Revenue for this purpose shall mean revenue on the basis of billing rates inclusive of any taxes and without deduction of any discount given to the advertiser and any commission paid to advertising agencies. Barter advertising contracts shall also be included in the gross revenue on the basis of relevant billing rates. ROTEF means 25% of highest valid bid in the city.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Figures as at March 31, 2013 ₹	Figures as at March 31, 2012 ₹
NOTE 2 : SHARE CAPITAL		
Authorised Capital		
120,000,000 (Previous Year : 120,000,000) Equity shares of ₹ 10 each	**1,200,000,000**	1,200,000,000
Issued and Subscribed		
47,670,415 (Previous Year : 47,670,415) Equity shares of ₹ 10 each fully paid-up	**476,704,150**	476,704,150
	476,704,150	476,704,150

Notes:

(a) **Terms attached to equity shares**

The Company has only one class of equity shares. Each shareholder is eligible for one vote per share held. The par value per share is ₹10. The Company declares dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing annual general meeting.

(b) **Shares held by Holding company and subsidiary of Holding company**	**Shares (nos)**	Shares (nos)
i) Equity Shares of ₹ 10 each held by Times Infotainment Media Limited, the Holding Company.	**30,526,560**	30,526,560
ii) Equity Shares of ₹ 10 each held by Bennett, Coleman & Company Limited, the Ultimate Holding Company.	**3,391,840**	3,391,840

(c) **Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**	**Shares (nos) (in %)**	Shares (nos) (in %)
i) Times Infotainment Media Limited, the Holding Company.	**30,526,560 (64.04%)**	30,526,560 (64.04%)
ii) Bennett, Coleman & Company Limited, the Ultimate Holding Company.	**3,391,840 (7.12 %)**	3,391,840 (7.12 %)
iii) SBI Life Insurance Company Limited.	**2,428,312 (5.09%)**	2,715,269 (5.70%)

NOTE 3 : RESERVES AND SURPLUS		
Securities Premium Account	**1,885,070,431**	1,885,070,431
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	**2,022,637,950**	1,461,603,540
Add: Profit for the year	**683,215,818**	561,034,410
Less: Appropriations		
Proposed Dividend on equity shares (Refer Note 26) [per share ₹ 1.00 (Previous Year : ₹ Nil)]	**(47,670,415)**	—
Dividend distribution tax	**(8,101,587)**	—
Add: Goodwill reinstated	**10,285,566**	—
Balance as at the end of the year	**2,660,367,332**	2,022,637,950
	4,545,437,763	3,907,708,381

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Figures as at March 31, 2013 ₹	Figures as at March 31, 2012 ₹
NOTE 4 : DEFERRED TAX LIABILITIES (NET)		
(Refer Note 1(xi))		
Deferred tax assets and liabilities are attributable to the following items:		
<u>Assets:</u>		
Provision for Doubtful Debts	**41,592,108**	51,543,257
Provision for compensated absences	**7,031,890**	4,598,442
Provision for gratuity	**10,497,841**	8,615,708
Others	**32,134,438**	496,478
	91,256,277	65,253,885
<u>Liability:</u>		
Depreciation	**127,872,806**	163,159,700
	127,872,806	163,159,700
	(36,616,529)	(97,905,815)
Note:		
Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws.		
NOTE 5 : OTHER LONG-TERM LIABILITIES		
Deposits received	**4,239,904**	—
	4,239,904	—
NOTE 6 : LONG-TERM PROVISIONS		
Provision for employee benefits (Refer Notes 1(viii) and 27)		
Provision for gratuity	**30,166,794**	26,127,465
Provision for compensated absences	**12,498,354**	12,514,525
	42,665,148	38,641,990
NOTE 7 : TRADE PAYABLES		
Sundry Creditors	**444,523,686**	431,477,458
	444,523,686	431,477,458
NOTE 8 : OTHER CURRENT LIABILITIES		
Advance from Customers	**28,625,161**	26,861,646
Other Payables		
Statutory dues	**27,009,345**	28,985,709
Related parties	**47,027,690**	111,801,633
Employee benefits payable	**—**	50,925
Deposits	**1,937,372**	—
	104,599,568	167,699,913
NOTE 9 : SHORT-TERM PROVISIONS		
Provision for employee benefits		
Provision for gratuity (Refer Notes 1(viii) and 27)	**718,293**	532,914
Provision for compensated absences (Refer Notes 1(viii) and 27)	**8,189,760**	2,046,725
Provision for bonus	**164,478,597**	87,148,225
Proposed Dividend (Refer Note 26)	**47,670,415**	—
Dividend distribution tax on proposed dividend	**8,101,587**	—
	229,158,652	89,727,864

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10 : FIXED ASSETS (Refer Notes 1(v) and (xii))

(₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at April 1, 2012	Additions	Deletions	As at March 31, 2013	As at April 1, 2012	For the year	On Deletions	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
Intangible Assets										
Goodwill	—	10,285,570	—	**10,285,570**	—	1,544,244	—	**1,544,244**	**8,741,326**	—
Computer Softwares	16,907,372	3,255,880	—	**20,163,252**	16,907,372	40,430	—	**16,947,802**	**3,215,450**	—
Migration Fees	815,234,695	—	—	**815,234,695**	570,664,290	81,523,470	—	**652,187,760**	**163,046,935**	244,570,405
One Time Entry Fees	1,346,855,672	—	—	**1,346,855,672**	680,579,204	134,685,566	—	**815,264,770**	**531,590,902**	666,276,468
	2,178,997,739	**13,541,450**	**—**	**2,192,539,189**	**1,268,150,866**	**217,793,710**	**—**	**1,485,944,576**	**706,594,613**	**910,846,873**
Previous Year	2,178,997,739	—	—	**2,178,997,739**	1,051,941,830	216,209,036	—	**1,268,150,866**		
Tangible Assets										
Land - Leasehold	2,036,147	—	—	**2,036,147**	—	—	—	**—**	**2,036,147**	2,036,147
Building	7,578,551	—	—	**7,578,551**	3,099,377	223,959	—	**3,323,336**	**4,255,215**	4,479,174
Leasehold Improvements	271,301,574	129,558	1,210,861	**270,220,271**	165,384,521	20,119,870	962,494	**184,541,897**	**85,678,374**	105,917,053
Office Equipments	1,014,868,915	6,236,096	16,385,021	**1,004,719,990**	569,374,990	67,328,982	11,138,317	**625,565,655**	**379,154,335**	445,493,925
Computers	158,447,607	5,575,646	4,826,189	**159,197,064**	137,066,451	9,656,461	4,592,137	**142,130,775**	**17,066,289**	21,381,156
Furniture and Fixtures	34,214,577	211,422	1,986,975	**32,439,024**	28,213,019	1,147,049	1,720,492	**27,639,576**	**4,799,448**	6,001,558
Motor Vehicles	8,605,143	2,279,276	1,771,127	**9,113,292**	5,881,292	1,026,978	1,656,687	**5,251,583**	**3,861,709**	2,723,851
	1,497,052,514	**14,431,998**	**26,180,173**	**1,485,304,339**	**909,019,650**	**99,503,299**	**20,070,127**	**988,452,822**	**496,851,517**	**588,032,864**
Previous Year	1,504,215,352	26,958,996	34,121,834	**1,497,052,514**	828,298,887	109,183,155	28,462,392	**909,019,650**		
Capital Work-in-Progress									—	912,365

Note:

As per the Frequency Module (FM) broadcasting policy, effective April 1, 2005 the Company was given the option to migrate all its existing licenses from Phase I regime to Phase II regime on payment of migration fees. Migration fees for each station was equal to the average of all successful bids received for that city. The Company had exercised the option and had migrated its licenses for all the seven cities to Phase II regime by payment of migration fees aggregating ₹ 815,234,695. Migration Fees have a remaining amortisation period of two years.

Further, the Company had participated in the second round of bidding and was awarded frequency at 25 locations. The payment made by the Company to acquire these frequencies (One Time Entry Fees) was ₹ 1,301,000,000. The remaining amortisation period of OTEF ranges between two and five years. Based on the opinion obtained from an independent firm of Chartered Accountants, both Migration Fees and One Time Entry Fees have been capitalised as an Intangible Assets.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Figures as at March 31, 2013		Figures as at March 31, 2012	
	Nos.	₹	Nos.	₹
NOTE 11 : INVESTMENTS				
Non-current investments (Refer Note 1(vii))				
Non-Trade, Long Term (Unquoted) at cost				
Investment in long term capital asset (Building)		5,891,266		—
Sub-total (A)		5,891,266		—
Capital Gains Bonds:				
Non-convertible redeemable taxable bonds	500	5,000,000	1,000	10,000,000
(with benefits u/s 54EC of the Income Tax Act, 1961 for Long Term Capital Gains)				
Sub-total (B)		5,000,000		10,000,000
Non-Current Investments (A)+(B)		10,891,266		10,000,000
Current investments (at the lower of cost or market value)				
Non-Trade, Short Term (Unquoted) at cost				
Capital Gains Bonds:				
Non-convertible redeemable taxable bonds (with benefits u/s 54EC of the Income Tax Act, 1961 for Long Term Capital Gains)	500	5,000,000	—	—
Sub-total (C)		5,000,000		—
Non-Trade, Current (Quoted - Mutual Funds)				
Axis Fixed Term Plan - Series 20 (3 Months) - Growth, of ₹ 10 each	—	—	4,501,495	45,014,950
Birla Sun Life Short Term FMP Series 29 Growth, of ₹ 10 each	—	—	1,750,010	17,500,100
Birla Sun Life Short Term FMP Series 30 Growth, of ₹ 10 each	—	—	2,500,000	25,000,000
DSP BlackRock FMP - Series 29 - 3M - Growth, of ₹ 10 each	—	—	5,000,000	50,000,000
DSP BlackRock FMP - Series 33 - 3M - Growth, of ₹ 10 each	—	—	8,712,925	87,129,251
HDFC FMP 92D March 2012 (1) - Growth - Series XIX, of ₹ 10 each	—	—	10,000,000	100,000,000
ICICI Prudential Interval Fund – Interval Plan 1 – Quarterly Institutional Growth, of ₹ 10 each	—	—	6,156,490	69,999,994
ICICI Prudential Interval Fund II – Interval Plan B – Quarterly Institutional Growth, of ₹ 10 each	—	—	7,331,302	83,257,503
ICICI Prudential Interval Fund II – Quarterly Interval Plan D – Institutional Growth, of ₹ 10 each	—	—	1,312,324	14,999,995
IDFC Fixed Maturity Quarterly Series 68 - Growth, of ₹ 10 each	—	—	2,000,677	20,006,773
IDFC Fixed Maturity Quarterly Series 69 - Growth, of ₹ 10 each	—	—	2,250,000	22,500,000
Kotak Quarterly Interval Plan Series 2 - Growth, of ₹ 10 each	—	—	3,544,973	49,990,030
Kotak Quarterly Interval Plan Series 4 - Growth, of ₹ 10 each	—	—	5,794,162	80,000,000
Kotak Quarterly Interval Plan Series 9 - Growth, of ₹ 10 each	—	—	4,015,838	50,000,000
Reliance Quarterly Interval Fund - Series III - Institutional Growth Plan - Growth Option, of ₹ 10 each	—	—	690,105	10,009,215
UTI - Fixed Income Interval Fund - Quarterly Interval Plan IV - Series II - Institutional Growth, of ₹ 10 each	—	—	7,954,160	89,987,003
UTI - Fixed Income Interval Fund - Quarterly Interval Plan Series III - Institutional Growth, of ₹ 10 each	—	—	4,205,804	60,000,000
UTI - Fixed Income Interval Fund - Series II - Quarterly Interval Plan V - Institutional Growth, of ₹ 10 each	—	—	6,162,517	69,998,800
UTI - Fixed Maturity Plan - Quarterly Series (QFMP 02/12 - I) - Institutional Growth, of ₹ 10 each	—	—	1,000,000	10,000,000
UTI - Fixed Maturity Plan - Quarterly Series (QFMP 02/12 - II) - Institutional Growth, of ₹ 10 each	—	—	2,500,200	25,002,000
Sub-total (D)		—		980,395,614

Note:
The market price has been determined based on the NAV declared on the Balance Sheet date by the mutual fund houses. Aggregate market value of Quoted mutual fund units held by the Company is ₹ Nil (Previous Year : ₹ 991,388,438).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Figures as at March 31, 2013		Figures as at March 31, 2012	
	Nos.	₹	Nos.	₹
Current investments (at the lower of cost or market value)				
Non-Trade, Current (Unquoted - Mutual Funds)				
Axis Treasury Advantage Fund - Growth, of ₹ 1,000 each	**81,359**	**100,000,000**	—	—
Axis Short Term Fund - Regular Dividend Reinvestment, of ₹ 10 each	**5,403,050**	**54,226,546**	—	—
Axis Short Term Fund - Institutional Growth, of ₹ 10 each	**—**	**—**	4,369,199	50,578,282
Birla Sun Life Short Term Fund - Growth, of ₹ 10 each	**2,488,150**	**100,000,000**	—	—
Birla Sun Life Cash Manager - Institutional Plan - Growth, of ₹ 100 each	**549,088**	**101,265,900**	—	—
Birla Sun Life Dynamic Bond - Retail - Monthly Dividend - Regular Plan - Reinvestment, of ₹ 10 each	**10,159,428**	**106,985,380**	—	—
BNP Paribas Money Plus Fund - Daily Dividend Reinvestment, of ₹ 10 each	**10,468,358**	**104,836,707**	—	—
DSP BlackRock Short Term Fund - Growth, of ₹ 10 each	**—**	**—**	2,991,108	54,367,579
DSP BlackRock Short Term Fund - Regular Weekly Dividend, of ₹ 10 each	**5,733,416**	**58,366,175**	—	—
DWS Short Maturity Fund - Premium Plus Growth, of ₹ 10 each	**—**	**—**	4,601,883	50,811,686
DWS Short Maturity Fund - Premium Plus - Weekly Dividend, of ₹ 10 each	**5,158,986**	**53,521,842**	—	—
DWS Short Maturity Fund - Regular Plan - Weekly Dividend - Reinvestment, of ₹ 10 each	**151,782**	**1,553,562**	—	—
DWS Ultra Short Term Fund - Institutional Growth, of ₹ 10 each	**—**	**—**	4,598,349	58,257,402
DWS Cash Opportunities Fund - Institutional Daily Dividend, of ₹ 10 each	**10,219,903**	**102,447,370**	—	—
DWS Cash Opportunities Fund - Regular Plan - Daily Dividend - Reinvestment, of ₹ 10 each	**266,150**	**2,668,708**	—	—
DWS Cash Opportunities Fund - Regular Plan - Growth, of ₹ 10 each	**3,203,609**	**50,000,000**	—	—
DWS Gilt Fund Regular Plan - Growth, of ₹ 10 each	**7,835,941**	**100,000,000**	—	—
Templeton India Low Duration Fund - Growth, of ₹ 10 each	**—**	**—**	8,965,957	103,477,902
Templeton India Short Term Income Fund - Growth, of ₹ 1,000 each	**—**	**—**	23,953	51,010,045
Templeton India Low Duration Fund - Monthly Dividend Re-investment, of ₹ 10 each	**15,634,223**	**162,087,071**	—	—
Templeton India Short Term Income Retail Plan - Weekly Dividend, of ₹ 1,000 each	**50,759**	**54,659,042**	—	—
Templeton India Ultra Short Bond Fund Super Institutional Plan - Daily Dividend Reinvestment, of ₹ 10 each	**10,493,371**	**105,077,060**	—	—
Templeton India Ultra Short Bond Fund Super Institutional Plan - Growth, of ₹ 10 each	**3,273,151**	**50,000,000**	—	—
HDFC Short Term Opportunities Fund - Growth of ₹ 10 each	**13,157,016**	**164,565,461**	—	—
IDFC Money Manager Fund - Investment Plan - Inst Plan B - Growth, of ₹ 10 each	**—**	**—**	3,020,418	50,000,000
IDFC Money Manager Fund - Investment Plan - Regular Plan - Daily Dividend, of ₹ 10 each	**5,341,790**	**54,044,434**	—	—
IDFC - Super Saver Income Fund - Short Term Plan B – Fortnightly Dividend (Defunct Plan), of ₹ 10 each	**4,970,725**	**54,329,838**	—	—

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Figures as at March 31, 2013		Figures as at March 31, 2012	
	Nos.	**₹**	Nos.	₹
IDFC - SSIF - Short Term - Plan B – Growth, of ₹ 10 each	—	—	4,245,991	51,887,278
IDFC - Ultra Short Term Fund – Growth, of ₹ 10 each	—	—	9,207,835	136,514,443
ICICI Prudential Floating Rate Plan Regular Daily Dividend, of ₹ 100 each	**532,445**	**53,296,970**	—	—
ICICI Prudential Short Term Plan – Direct Growth Option, of ₹ 100 each	**4,172,003**	**100,000,000**	—	—
ICICI Prudential Liquid Super Institutional Plan – Growth, of ₹ 100 each	—	—	346,958	55,000,000
ICICI Prudential Blended Plan B, Reg Growth Option - I of ₹ 10 each	**2,918,864**	**51,037,788**	4,039,067	46,717,065
ICICI Prudential Flexible Income - Regular Plan - Growth, of ₹ 100 each	**286,633**	**62,748,436**	—	—
JP Morgan India Treasury Fund Super Institutional Plan - Growth, of ₹ 10 each	**6,952,024**	**100,000,000**	—	—
JP Morgan India Treasury Fund Direct Plan - Growth, of ₹ 10 each	**6,563,575**	**100,000,000**	—	—
JP Morgan India Short Term Income Fund - Regular Plan - Growth, of ₹ 10 each	**8,029,242**	**102,745,388**	—	—
Kotak Bond (Short Term) - Growth, of ₹ 10 each	**1,485,227**	**32,686,717**	1,516,137	30,454,644
Kotak Floater Long Term - Daily Dividend, of ₹ 10 each	**10,834,356**	**109,208,144**	—	—
Religare Credit Opportunities Fund - Growth, of ₹ 10 each	**8,044,923**	**100,000,000**	—	—
Religare Short Term Plan - Growth, of ₹ 10 each	**6,479,685**	**100,000,000**	—	—
Reliance Floating Rate Fund - Short Term Plan - Growth Plan, of ₹ 10 each	—	—	3,001,771	50,596,659
Reliance Floating Rate Fund - Short Term Plan - Daily Dividend Reinvestment Plan, of ₹ 10 each	**5,391,740**	**54,275,952**	—	—
Reliance Medium Term Fund - Growth Plan - Growth Option, of ₹ 10 each	**3,313,554**	**75,537,102**	—	—
Reliance Money Manager Fund - Growth Plan, of ₹ 1,000 each	**61,456**	**92,500,000**	—	—
Reliance Income Fund - Growth Plan - Bonus Option, of ₹ 10 each	**3,487,703**	**37,500,000**	—	—
Reliance Liquid Fund - Treasury Plan - Growth Plan - Growth Option - LFIG, of ₹ 1,000 each	**4,073**	**11,159,696**	21,074	55,000,000
Reliance Medium Term Fund - Growth Plan - Growth Option - IPGP, of ₹ 10 each	**965,065**	**22,000,000**	—	—
Reliance Money Manager Fund - Growth Plan Growth Option - LPIG, of ₹ 1,000 each	**5,113**	**7,700,832**	—	—
SBI Short Term Debt Fund - Regular Plan - Growth, of ₹ 10 each	**7,506,408**	**101,072,045**	—	—
Sundaram Ultra Short Term Fund - Regular - Growth, of ₹ 10 each	**6,259,232**	**100,000,000**	—	—
Tata Income Fund Plan A - Appreciation Option - Bonus, of ₹ 10 each	**1,843,805**	**19,444,444**	—	—
UTI Floating Rate Fund - Short Term Plan - Institutional Growth, of ₹ 1,000 each	**46,385**	**57,500,000**	—	—
UTI Treasury Advantage Fund - Institutional Plan - Growth, of ₹ 1,000 each	**41,789**	**61,966,153**	—	—
Sub-total (E)		**3,133,014,763**		844,672,985
Current Investments (C)+(D)+(E)		**3,138,014,763**		1,825,068,599

Note:

The market price has been determined based on the NAV declared on the Balance Sheet date by the mutual fund houses. Aggregate market value of Unquoted mutual fund units held by the Company is ₹ 3,202,323,133 (Previous Year : ₹ 845,611,037).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Figures as at March 31, 2013 ₹	Figures as at March 31, 2012 ₹
NOTE 12 : LONG TERM LOANS AND ADVANCES		
(Unsecured Considered good unless otherwise stated)		
Capital Advances	**1,088,144**	235,565
Deposits		
Considered Good	**113,626,628**	115,094,383
Considered Doubtful	**—**	873,010
	113,626,628	115,967,393
Less: Provision for Doubtful Deposits	**—**	(873,010)
	113,626,628	115,094,383
Other long term loans and advances		
Employee loans	**300,028**	1,076,024
Minimum Alternate Tax Credit Entitlement	**2,420,092**	2,400,000
Advance Tax and Tax Deducted at Source [Net of Provision of ₹ 49,349,002 (Previous Year : ₹ 58,870,815)]	**7,956,776**	17,060,964
	125,391,668	135,866,936
NOTE 13 : OTHER NON CURRENT ASSETS		
Non current bank balances (margin money deposits)	**65,650,741**	71,501,840
Interest accrued on deposits	**—**	2,154,504
	65,650,741	73,656,344
NOTE 14 : TRADE RECEIVABLES		
Unsecured, considered good		
Outstanding for a period exceeding 6 months from the date they are due for payment	**2,707,678**	68,912,683
Others	**991,360,277**	861,461,327
	994,067,955	930,374,010
Unsecured, considered doubtful		
Outstanding for a period exceeding 6 months from the date they are due for payment	**105,926,904**	108,648,977
Others	**16,438,814**	58,853,973
	122,365,718	167,502,950
Less: Provision for Doubtful Debts	**(122,365,718)**	(167,502,950)
	994,067,955	930,374,010

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Figures as at March 31, 2013 ₹	Figures as at March 31, 2012 ₹
NOTE 15 : CASH AND BANK BALANCES		
Cash and cash equivalents:		
Cheques on hand	**39,818,235**	23,616,746
Balances with banks:		
Current Accounts	**13,222,111**	83,955,425
Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months	**70,000,000**	340,000,000
Balances with bank held as security against Guarantees issued by banks		
Margin money deposits	**65,650,741**	71,501,840
Less: Amount disclosed under non current assets	**(65,650,741)**	(71,501,840)
	123,040,346	447,572,171
NOTE 16 : SHORT-TERM LOANS AND ADVANCES		
(Unsecured Considered good unless otherwise stated)		
Loans and advances to related parties:		
Due from other related parties	**102,561,508**	1,921,280
Prepaid expenses	**43,535,322**	64,053,131
Advances recoverable in cash or in kind or for value to be received :		
Considered Good	**51,693,773**	52,445,617
Deposits :		
Considered Good	**2,955,038**	2,155,497
Advance Tax and Tax deducted at Source [Net of Provision of ₹ 468,169,148 (Previous Year : ₹ 344,854,261)]	**8,981,150**	45,386,380
Minimum Alternate Tax Credit Entitlement	**—**	108,402,090
	209,726,791	274,363,995
NOTE 17 : OTHER CURRENT ASSETS		
(Unsecured Considered good unless otherwise stated)		
Interest accrued on deposits	**12,354,891**	13,171,414
Dividend receivable on investments	**221,197**	—
Others	**1,139,652**	—
	13,715,740	13,171,414

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	2012-2013 ₹	2011-2012 ₹
NOTE 18 : REVENUE FROM OPERATIONS		
Airtime Sales (Refer Note 1(iv)(a))	**3,258,281,957**	2,946,643,762
Event Income (Refer Note 1(iv)(b))	**11,476,299**	91,260,572
Digital Revenues, Service Fee, Marketing and Sales Commission	**72,498,303**	58,443,029
Other operating income		
Provision no longer required written back	**46,525,987**	3,495,410
Others	**6,791,675**	10,611,471
	53,317,662	14,106,881
	3,395,574,221	3,110,454,244
NOTE 19 : OTHER INCOME		
Interest Income (Refer Note 1(iv)(d))		
On Fixed Deposits	**23,341,037**	22,774,477
On Income-tax Refund	**8,680,962**	7,924,113
On Others	**840,523**	849,373
Dividend Income on Current Investments (Refer Note 1(iv)(c))	**105,590,276**	76,638,018
Profit on Sale of Current Investments (Net) (Refer Note 1(iv)(e))	**35,706,560**	12,411,496
Miscellaneous Income	**6,402**	72,825
	174,165,760	120,670,302
NOTE 20 : PRODUCTION EXPENSES		
Royalty	**106,076,042**	110,231,650
Other Production Expenses	**48,218,200**	36,100,846
Event Expenses	**11,598,868**	83,237,180
	165,893,110	229,569,676
NOTE 21 : LICENSE FEES		
License Fees (Refer Note 1(xiv))	**180,920,473**	152,015,260
	180,920,473	152,015,260
NOTE 22 : EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Allowances	**674,584,319**	585,420,399
Contributions to Provident and Other Funds (Refer Notes 1(viii) and 27)	**21,668,266**	21,610,381
Gratuity (Refer Notes 1(viii) and 27)	**7,772,737**	7,914,746
Staff Welfare Expenses	**34,255,030**	34,165,258
	738,280,352	649,110,784

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	2012-2013 ₹	2011-2012 ₹
NOTE 23 : OTHER EXPENSES		
Rent	**159,735,947**	164,669,841
Rates and Taxes	**2,216,836**	2,318,175
Power and Fuel	**105,745,940**	91,503,160
Marketing	**659,707,405**	548,804,575
Travelling and Conveyance	**90,935,365**	93,980,479
Insurance	**3,589,823**	3,471,557
Communication	**12,054,133**	15,341,909
Repairs and Maintenance on:		
Buildings	**1,498,939**	925,474
Plant and Machinery	**24,931,821**	21,276,111
Others	**24,559,140**	25,496,368
Legal and Professional Fees	**99,748,750**	93,711,202
Software Expenses (Refer Note 1(v)(c))	**24,221,921**	25,629,257
Payment to Auditors		
As Auditors:		
Audit Fee	**3,000,000**	3,000,000
Other Services	**70,000**	670,000
Reimbursement of expenses	**99,942**	130,488
	3,169,942	3,800,488
Provision for Doubtful Debts	**92,693,694**	125,876,355
Provision for Doubtful Debts withdrawn	**(137,830,926)**	(255,472,010)
	(45,137,232)	(129,595,655)
Bad Debts written off (Net)	**46,077,604**	54,451,895
Provision for doubtful deposits written back	**—**	(6,250,000)
Doubtful Deposits written off	**—**	6,250,000
	—	—
Provision for Doubtful deposits	**—**	446,513
Loss on Sale of Tangible Assets	**6,431**	657,364
Tangible Assets written off	**4,413,838**	2,229,817
Directors' Sitting Fees and Commission	**2,160,000**	1,260,000
Net loss on foreign currency transaction and translation	**—**	206,153
Miscellaneous Expenses	**46,596,054**	61,031,308
	1,266,232,657	1,081,615,991
NOTE 24 : FINANCE COST		
Interest Expense:		
On Others	**167,955**	14,437
	167,955	14,437

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

25. Commitments to the extent not provided for

Estimated amount of contracts remaining to be executed on capital account ₹ 790,039 (Previous Year : ₹ 1,523,654) net of advances of ₹ 1,088,144 (Previous Year : ₹ 235,565).

26. Proposed Dividend

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
Dividend proposed for the year is as follows: On Equity Shares of ₹ 10 each		
Amount of dividend proposed	**47,670,415**	—
Dividend per Equity Share	**1.00**	—

27. The Group has classified the various employee benefits provided to employees as under:-

I) Defined Contribution Plans

a) Provident Fund

b) State Defined Contribution Plans - Employers' Contribution to Employee's Pension Scheme, 1995.
During the year, the Group has recognised the following amounts in the Statement of Profit and Loss:-

	2012-2013 ₹	2011-2012 ₹
Employers' Contribution to Provident Fund*	**16,484,707**	16,070,480
Employers' Contribution to Employee's Pension Scheme, 1995*	**4,598,914**	4,804,634
Employers' Contribution to Employee State Insurance Scheme*	**584,645**	735,267

* Included in Contributions to Provident and Other Funds (Refer Note 22)

II) Defined Benefit Plans

In accordance with Accounting Standard 15, actuarial valuation was done in respect of the aforesaid Defined Benefit Plan of gratuity (unfunded) based on the following assumptions:-

	As at March 31, 2013	As at March 31, 2012
Discount Rate (per annum)	**8.00%**	8.50-8.65%
Rate of increase in Compensation levels	**6.50%**	6.50%
Attrition rate	**2.00%**	1-10%

A. Changes in the Present Value of Obligation

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
Present Value of Obligation at the beginning of the year	**26,660,379**	21,587,753
Interest Cost	**2,257,159**	1,823,898
Past Service Cost	**—**	—
Current Service Cost	**5,774,061**	4,460,099
Curtailment Cost / (Credit)	**—**	—
Settlement Cost / (Credit)	**—**	—
Benefits Paid	**(3,548,029)**	(2,842,120)
Actuarial (gain) / loss on obligations	**(258,483)**	2,403,589
Effect of transfer in / (transfer out)	**—**	(772,840)
Present Value of Obligations at the year end	**30,885,087**	26,660,379

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

B. **Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets**

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
Present Value of funded obligation as at the year end	**—**	—
Fair Value of Plan Assets as at the year end	**—**	—
Funded Status	**—**	—
Present Value of unfunded obligation as at the year end	**30,885,087**	26,660,379
Unrecognised Actuarial (gains) / losses	**—**	—
Unfunded (Liability) recognised in Balance Sheet	**(30,885,087)**	(26,660,379)

C. **Amount recognised in the Balance Sheet**

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
Present Value of Defined Benefit Obligation at the end of the year	**30,885,087**	26,660,379
Fair Value of Plan Assets as at the end of the year	**—**	—
Liability recognised in the Balance Sheet	**30,885,087**	26,660,379
Recognised under:		
Long term provisions	**30,166,794**	26,127,465
Short term provisions	**718,293**	532,914

D. **Expenses recognised in the Statement of Profit and Loss**

	2012-2013 ₹	2011-2012 ₹
Current Service Cost	**5,774,061**	4,460,099
Past Service Cost	**—**	—
Interest Cost	**2,257,159**	1,823,898
Expected Return on Plan Assets	**—**	—
Curtailment Cost / (Credit)	**—**	—
Settlement Cost / (Credit)	**—**	—
Effects of transfer in / (transfer out)	**—**	(772,840)
Net actuarial (gain) / loss recognised in the year	**(258,483)**	2,403,589
Total Expenses recognised in the Statement of Profit and Loss	**7,772,737**	7,914,746

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

E. **Experience Adjustment**

	2012-2013 ₹	2011-2012 ₹
Defined Benefit Obligation	**30,885,087**	26,660,379
Plan Assets	**—**	—
Deficit / Surplus	**30,885,087**	26,660,379
Experience Adjustment on Plan Liabilities (gain) / loss	**(2,066,790)**	2,099,476
Experience Adjustment on Plan Assets (gain) / loss	**—**	—

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

F. **Amounts recognised in current year and previous four years**

(₹)

	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Defined Benefit Obligation	**30,885,087**	26,660,379	21,587,753	20,806,953	21,349,067
Surplus / (Deficit)	**(30,885,087)**	(26,660,379)	(21,587,753)	(20,806,953)	(21,349,067)
Experience adjustment on plan liabilities (Gain) / Loss	**(2,066,790)**	2,099,476	1,209,719	(5,962,038)	(1,524,777)

III) The liability for leave encashment and compensated absences as at the year end is ₹ 20,688,114 (Previous Year : ₹ 14,561,250).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

28. Segment Information

(i) Information about Primary Business Segments

(₹)

	2012-2013					2011-2012				
	Radio Brodcasting	**Events**	**Unallocated**	**Inter Segment Eliminations**	**Total**	Radio Brodcasting	Events	Unallocated	Inter Segment Eliminations	Total
Revenue										
External	**3,383,876,643**	**11,697,578**	**—**	**—**	**3,395,574,221**	3,014,076,487	96,377,757	—	—	3,110,454,244
Inter-Segment	**—**	**7,049,708**	**—**	**(7,049,708)**	**—**	177,055	10,265,230	—	(10,442,285)	—
Total Revenue	**3,383,876,643**	**18,747,286**	**—**	**(7,049,708)**	**3,395,574,221**	3,014,253,542	106,642,987	—	(10,442,285)	3,110,454,244
Results										
Segment Results	**724,880,507**	**2,070,113**	**—**	**—**	**726,950,620**	682,259,652	(9,509,310)	—	—	672,750,342
Other Income	**—**	**—**	**174,165,760**	**—**	**174,165,760**	—	—	120,670,302	—	120,670,302
Finance Cost	**—**	**—**	**(167,955)**	**—**	**(167,955)**	—	—	(14,437)	—	(14,437)
Profit before taxation	**724,880,507**	**2,070,113**	**173,997,805**	**—**	**900,948,425**	682,259,652	(9,509,310)	120,655,865	—	793,406,207
Taxation	**—**	**—**	**(217,732,607)**	**—**	**(217,732,607)**	—	—	(232,371,797)	—	(232,371,797)
Profit after taxation	**724,880,507**	**2,070,113**	**(43,734,802)**	**—**	**683,215,818**	682,259,652	(9,509,310)	(111,715,932)	—	561,034,410
Other Information										
Segment Assets	**2,808,883,542**	**17,412,106**	**3,219,156,029**	**(70,250,000)**	**5,975,201,677**	3,364,798,634	75,252,219	1,905,318,603	(70,250,000)	5,275,119,456
Segment Liabilities	**951,964,186**	**1,095,578**	**—**	**—**	**953,059,764**	813,020,297	77,686,628	—	—	890,706,925
Capital Expenditure	**27,061,083**	**—**	**—**	**—**	**27,061,083**	27,316,875	2,300	—	—	27,319,175
Depreciation / Amortisation	**317,200,672**	**570,161**	**—**	**(473,824)**	**317,297,009**	324,625,139	2,637,622	—	(1,870,570)	325,392,191

ii. Information about Secondary Business Segments:

(₹)

	2012-2013			2011-2012		
	India	**Others**	**Total**	India	Others	Total
Revenue from external customers	**3,358,105,846**	**37,468,375**	**3,395,574,221**	3,097,290,139	13,164,105	3,110,454,244
Carrying amount of Segment Assets	**5,963,113,039**	**12,088,638**	**5,975,201,677**	5,270,985,205	4,134,251	5,275,119,456
Capital Expenditure	**27,061,083**	**—**	**27,061,083**	27,319,175	—	27,319,175

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

iii. Notes:

a. The Group is organised into two main business segments 'Radio Broadcasting' comprising of activities relating to airtime sales and 'Events', comprising of activities relating to management of events, creating and marketing media properties. The segments have been identified and reported taking into account the nature of activities and services, the differing risks and returns, the organisation structure and the internal financial reporting systems.

b. Segment revenue in each of the above business segments represents revenue directly attributable to the respective segments.

c. The Segment revenue in the geographical segments considered for disclosure are as follows:

i. Revenue within India includes income from customers located within India and earnings in India.

ii. Revenue outside India represents income from customers located outside India.

d. Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the above segments and amounts allocated on a reasonable basis.

29. Related Party Disclosures as required under Accounting Standard 18 - "Related Party Disclosures" are given below:

i. Parties where control exists

Bennett, Coleman & Company Limited (BCCL) - Ultimate Holding Company
Times Infotainment Media Limited (TIML) - Holding Company*

ii. Fellow Subsidiary Companies

Mirchi Movies (India) Limited (MML)*
Times Innovative Media Limited (TIM)
TIM Delhi Airport Advertising Private Limited (TIMDAA)
Times Internet Limited (TIL)
Times Global Broadcasting Company Limited (TGBCL)
Times Business Solutions Limited (TBSL)
Times VPL Limited (TVL)*
Vardhaman Publishers Limited (VPL)
Times Websol Limited (TWL)
Times Mobile Limited (TM)
Brand Equities Treaties Limited (BETL)
Zoom Entertainment Network Limited (ZENL)

iii. Other Related Parties

Worldwide Media Private Limited (WWM)
Bennett Property Holdings Company Limited (BPHCL)
BCCL International Events Private Limited (BIEPL)
Aegon Religare Life Insurance Company (ARLIC)

iv. Key Managerial Personnel
Executive Director & Chief Executive Officer

Mr. Prashant Panday

* There are no transactions during the year.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

v. Transaction with Related Parties

(₹)

Particulars	2012-2013																	
	Holding Companies		Fellow Subsidiary Companies												Other Related Parties			
	BCCL	TIML	MML	TIM	TIMDAA	TIL	TGBCL	TBSL	VPL	TWL	TM	TVL	BETL	ZENL	WWM	BPHCL	BIEPL	ARLIC
Transactions with Related Parties :																		
Sales	**128,318,788**	—	—	—	—	**1,273,677**	**1,231,501**	**8,787,449**	—	**1,049,995**	—	—	—	—	—	—	**2,851,275**	**2,740,710**
Sale of Fixed Asset	**123,939**	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Purchase of Fixed Asset	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Receiving of Services	**38,040,439**	—	—	**1,651,700**	—	**375,608**	**3,319,500**	**17,974,762**	**143,742**	—	**143,574**	—	—	—	—	**35,593,220**	—	—
Recovery of Expenses	—	—	—	**7,598,658**	**381,073**	**2,021,890**	**384,201**	—	—	—	—	—	—	—	—	—	—	—
Year end Balances with Related Parties :																		
Trade Receivables	—	—	—	—	—	—	**697,014**	**5,410,011**	—	—	—	—	—	—	**250,000**	—	**3,082,057**	**12,426,749**
Non-trade Receivables (net)	**63,246,833**	—	—	—	**36,830**	—	—	—	—	—	—	—	**39,277,845**	—	—	—	—	—
Deposit	—	—	—	—	—	**777,960**	—	—	—	—	—	—	—	—	—	**10,000,000**	—	—
Payables (net)	—	—	—	—	—	**107,207**	**552,526**	**46,367,957**	—	—	—	—	—	—	—	—	—	—

(₹)

Particulars	2011-2012																	
	Holding Companies		Fellow Subsidiary Companies												Other Related Parties			
	BCCL	TIML	MML	TIM	TIMDAA	TIL	TGBCL	TBSL	VPL	TWL	TM	TVL	BETL	ZENL	WWM	BPHCL	BIEPL	ARLIC
Transactions with Related Parties :																		
Sales	97,045,375	—	—	—	—	7,712,137	3,129,700	3,976,740	—	—	—	1,410,698	—	—	453,000	—	—	25,680,064
Sale of Fixed Asset	364,500	—	—	27,720	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Purchase of Fixed Asset	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Receiving of Services	59,129,688	—	—	1,691,512	—	5,605,098	6,641,094	28,802,140	143,750	—	—	1,556,000	—	3,617,248	—	8,594,316	—	—
Recovery of Expenses	69,559,430	—	253,194	7,475,608	226,471	—	384,207	—	—	—	—	—	—	—	—	—	—	—
Year end Balances with Related Parties :																		
Trade Receivables	3,774,500	—	—	—	—	4,907,684	2,445,376	488,438	—	—	—	—	—	—	739,667	—	—	28,325,111
Non-trade Receivables (net)	—	—	109,641	—	31,084	—	1,780,555	—	—	—	—	—	—	—	—	—	—	—
Deposit	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	10,000,000	—	—
Payables (net)	7,400,234	—	—	—	—	11,148,625	97,285	59,801,949	—	—	—	—	—	205,400	—	33,148,140	—	—

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

vi. **Details relating to Persons referred to in 29 (iv) above:**

Name of the Person	2012-2013 ₹	2011-2012 ₹
Mr. Prashant Panday	**22,056,402**	20,653,895
	22,056,402	20,653,895

30. Disclosures for Operating Leases

Disclosures in respect of cancellable agreements for cars, transmission towers, office and residential premises taken on lease:

a) Lease payments recognised in the Statement of Profit and Loss ₹ 159,735,947 (Previous Year : ₹ 153,516,356).

b) All the agreements provide for early termination by the Company by giving prior notice in writing.

31. Earnings Per Share (Basic and Diluted)

The number of shares used in computing Basic Earnings per share (EPS) is the weighted average number of shares outstanding during the year.

	2012-2013	2011-2012
Profit for the year (₹) (A)	**683,215,818**	561,034,410
Weighted average number of Equity shares (B)	**47,670,415**	47,670,415
Earnings per share – basic and diluted (₹) (A/B)	**14.33**	11.77
Nominal value of an equity share (₹)	**10.00**	10.00

32. The previous year figures have been reclassified to conform to this year's classification.

Signatures to Notes "1" to "32" forming part of the financial statements.

As per our report of even date

For Price Waterhouse & Co., Bangalore
Firm Registration No. 007567S
Chartered Accountants

Uday Shah
Partner
Membership No.: 046061

Mumbai
Dated : May 17, 2013

For and on behalf of the Board of Directors

Vineet Jain *Chairman*	**N. Kumar** *Director*	**Ravindra Dhariwal** *Director*
A. P. Parigi *Director*	**B. S. Nagesh** *Director*	**Vibha Paul Rishi** *Director*
Prashant Panday *Executive Director & CEO*	**Kailash Gupta** *VP - Finance*	**Mehul Shah** *SVP - Compliance & Company Secretary*

Entertainment Network (India) Limited

Registered Office : Matulya Centre, 4th Floor, A-Wing, Senapati Bapat Marg,
Lower Parel (West) Mumbai - 400 013.

ATTENDANCE SLIP

Fourteenth Annual General Meeting on Thursday, August 08, 2013 at 3.00 p.m. at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

DP Id*	Client Id*
Registered Folio No.	

NAME AND ADDRESS OF THE MEMBER:..

No. of Share(s) held: :......................................

I hereby record my presence at the Fourteenth Annual General Meeting of the Company on Thursday, August 08, 2013 at 3.00 p.m. at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020.

Signature of the Member / Proxy ....

* Applicable for Members holding shares in electronic form.

– TEAR HERE –

Entertainment Network (India) Limited

Registered Office : Matulya Centre, 4th Floor, A-Wing, Senapati Bapat Marg,
Lower Parel (West) Mumbai - 400 013.

PROXY FORM

DP Id*	Client Id*
Registered Folio No.	

I/We . ... of ....

being a Member(s) of ENTERTAINMENT NETWORK (INDIA) LIMITED hereby appoint ....
....
....of
.... or failing him / her
.... of .... as
my / our proxy to vote for me / us and on my / our behalf at the Fourteenth Annual General Meeting of the Company to be held on Thursday, August 08, 2013 at 3.00 p.m. and at any adjournment thereof.

Signed .... 2013.

Place: .... Signature ______________ Affix Re. 1/- Revenue Stamp ______________

* Applicable for Members holding shares in electronic form.

Note: The Proxy, in order to be effective, should be duly completed, stamped, signed and must be deposited at the Registered Office of the Company not less than 48 hours prior to commencement of the Meeting. The Proxy need not be a Member of the Company.

Download this Annual Report from http://enil.co.in/financials-annual-reports.php

Corporate Office: Trade Gardens, Ground Floor, Kamala Mills Compound,
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design : r y l print : GP Offset Pvt. Ltd.