

ReLIANCE

Broadcast Network

Annual Report 2012-13



Dhirubhai H. Ambani

(28th December, 1932 – 6th July, 2002)

Reliance Group – Founder and Visionary

Profile

Reliance Broadcast Network Limited (RBNL) (BSE: 533143; NSE: RBN), is a multi-media entertainment conglomerate with play across radio, television and television production. It is part of the Reliance Group and specializes in creating and executing integrated media solutions for brands. Its business verticals are as follows:



92.7 BIG FM – India's largest FM Radio Network with 45 Radio stations, reaching over four crore Indians each week.



BIG MAGIC – A regional General Entertainment Television Channel for the Hindi heartland featuring regional family dramas, crime shows, sitcoms, reality shows and weekend blockbuster movies. The Company has also launched **BIG MAGIC Bihar and Jharkhand**, with specially created programming for the market. BIG MAGIC has also expanded into the United States and Canada under the brand name **BIG MAGIC International**.



BIG CBS Networks – A joint venture with CBS Studios International offering English General Entertainment Television Channels – Love and Prime (available in dual feed of English and Hindi), and a regional General Entertainment Channel for the Punjab, Chandigarh, Himachal Pradesh (PCHP) region called Spark Punjabi.



BIG RTL THRILL – A television channel from the Company's joint venture with Europe's RTL Group, targeted at male audiences and positioned as the ultimate action destination.

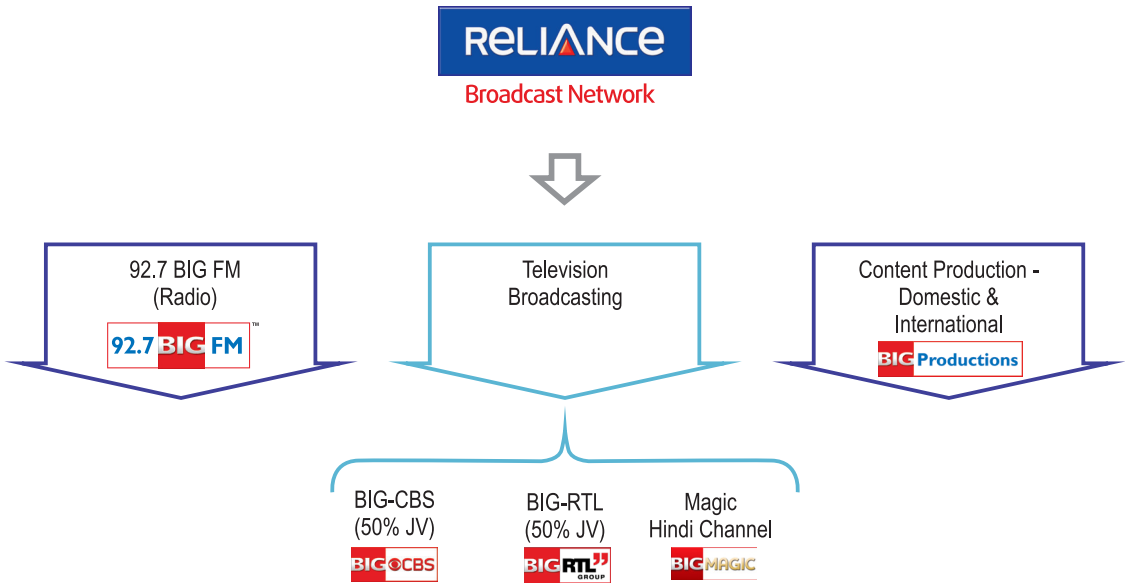


BIG PRODUCTIONS – The television content production division that caters to the creative needs of the diverse Indian television landscape.

Reliance Broadcast Network (through its subsidiary) also distributes **Bloomberg TV India**, the country's premier business news channel as part of its television bouquet.

Having built significant and all-inclusive media capabilities, each of these business verticals come together to offer clients a truly integrated media solution.

Business Verticals of Reliance Broadcast Network Limited



RELIANCE

Broadcast Network

RBNL's Vision and Values

RBNL's Vision

We reach engage and enrich consumers, through the power of relevant ideas, in the process creating ever growing value for our stakeholders



Consumer Centric Ideas:

Ideas that evolve from a deep understanding and appreciation of our consumers, our clients and the markets we operate in.

Reach:

Through our ever growing vast network and media platforms spread across the country.

Engage:

Through exciting consumer centric ideas delivered through multiple touch points.

Enrich:

Through the power of entertainment, content, experience, knowledge, awareness and interactivity.

RELIANCE

Broadcast Network

RBNL's Values



Service Leadership:

Our internal and external consumer, client and stakeholder interests are always ahead of everything else.

Excellence in Execution:

'Compromise' is a word that does not exist for us. When we deliver we excel.

Sense of Urgency:

We value the power of time and demonstrate this in our everyday functioning.

Constant Innovation:

We love new ideas and better ways to do things. We set new benchmarks, not chase existing ones.

Team Work:

We are one, else we are none.

This Report is printed on environment friendly paper

Reliance Broadcast Network Limited

Board of Directors	Contents	Page No.
Shri Darius Kakalia	Letter to Shareowners – from CEO's desk	8
Shri Gautam Doshi	Highlights – at a glance	9
Shri Pradeep Shah	Notice of Annual General Meeting	10
Shri Anil Sekhri	Directors' Report	14
Shri Rajesh Sawhney	Management Discussion and Analysis	18
Shri Prasoon Joshi	Corporate Governance Report	24
	Practicing Company Secretary's Certificate on Corporate Governance	34
	Investor Information	35
	Independent Auditors' Report on Financial Statements	39
	Balance Sheet	42
	Statement of Profit and Loss	43
	Cash Flow Statement	44
	Significant Accounting Policies and Notes to Financial Statements	45
	Independent Auditors' report on Consolidated Financial Statements	66
	Consolidated Balance Sheet	68
	Consolidated Statement of Profit and Loss	69
	Consolidated Cash Flow Statement	70
	Significant Accounting Policies and Notes to Consolidated Financial Statements	71
	Financial Information of Subsidiary Companies	94
	Attendance Slip and Proxy Form	95
Company Secretary and Manager		
Shri Gururaja Rao		
Auditors		
M/s. Chaturvedi and Shah		
Registered Office		
401, 4th Floor, INFINITI Link Road, Oshiwara, Andheri West Mumbai 400 053 Maharashtra, India		
Registrar and Transfer Agent		
Karvy Computershare Private Limited Madhura Estate, Municipal No. 1-9/13/C Plot No. 13 and 13 C, Madhapur Village, Hyderabad 500 081 Andhra Pradesh, India. Website: www.karvy.com		
Investor Helpdesk		
Toll free no. (India) : 1800 4250 999		
Telephone : +91 40 4030 8000		
Fax No. : +91 40 2342 0859		
Email : rbnl@karvy.com		
Post your request : http://kcpl.karvy.com/adag		

**9th Annual General Meeting on Saturday, September 28, 2013 at 10.00 a.m.
at Auditorium, Reliance Energy Management Institute, 19 Aarey Colony,
Jogeshwari Vikhroli Link Road, Opp. SEEPZ, Mumbai 400 065.**

This Annual Report can be accessed at www.reliancebroadcast.com



Dear Shareowners,

British adventurer, writer and television presenter Edward Grylls once said, "There is little faith involved in setting out on a journey where the destination is certain and every step in between has been mapped in detail. Bravery, trust is about leaving camp when we do not know the route ahead...!"

In early 2006, we left camp and set out to launch 92.7 BIG FM with a mission to reach, engage and enrich the lives of India's vast populace and we stand today as India's largest and leading private FM Radio network. Our journey since, has been packed with many moments of adventure and discovery.

In just seven years, your Company is India's only multi-media organisation to have transformed from a FM Radio business into one with a strong presence across television and television production. Your Company is equipped with the potential to turn into a truly global multi-media brand and stand committed to being true to its consumers, clients and the industry in which it operates.

Though we value the power of time, we realize the importance of being patient and in waiting for the right moment to make investments that count and help us grow. We are here to create a strong, secure and profitable business with you by our side. As I look back at the year that has gone by, I am filled with pride when I think about what we have achieved and a sense of excitement looking at the opportunities that await us.

2012-13 has been a significant financial year for us in many ways. We have experienced impressive growth at both ends of the spectrum in the radio and television business.

Our radio network **92.7 BIG FM** is a leading national FM network which continues to dominate key markets across India. Other than being the quickest to become profitable, the latest round of Indian Readership Survey (IRS) has placed 92.7 BIG FM as No.1 FM broadcasting radio station in the key Hindi speaking markets of Uttar Pradesh, Madhya Pradesh, Jharkhand, Rajasthan, Haryana, Punjab and New Delhi. In July 2013, our Delhi FM Radio Station clinched the No. 1 spot in the capital with an incredible rise in listenership base. Being the leading radio network in the city further fortifies our position and offerings enabling us to provide an extensive platform to our advertisers to increase their consumer base and visibility in the market. The business also achieved the highest ever numbers in a quarter since the inception of the brand.

We were India's first private FM station to host programming in local dialects, which has become a case study in garnering loyal audiences. The brand, today, stands as the premier choice for marketers looking to reach out to a relevant audience base.

The radio network continues to service over 2000 brands each month.

While audience ownership is its biggest reward, 92.7 BIG FM has also been honoured with both national and international recognitions by the radio fraternity viz. maximum awards at the prestigious New York Festival, three years in a row and the Golden Mikes Award for the 2nd year in a row.

The radio business has broken even at the stand alone level and will gain from the impending Phase III FM Radio auctions, which will see private FM radio service expand to 294 additional cities. This will augment reach and unleash the true potential of 92.7 BIG FM, already India's largest and leading private FM network.

Similarly, on the television front, Phase II of digitization has changed the Indian broadcast environment. As distribution led advantages collapse and ratings begin to reflect true audience preferences and tastes, content is emerging as 'king'. Optimizing from digitization, we have expanded our reach to monetize untapped market segments and offer new and high quality innovative content.

The television business is very young and we remain committed to entertaining viewers with a fantastic array of specially created programming offerings. Our flagship channel BIG Magic has performed excellently in Central India, beating long standing players and has now expanded reach across Hindi speaking markets of India. On the Regional front, the Channel has further expanded to launch BIG Magic Bihar and Jharkhand for the region, while International inroads have been made to the United States and Canada with BIG Magic International. The BIG CBS Networks' channels have been performing superbly with BIG CBS Prime now available in dual feeds of English and Hindi and BIG CBS Love targeted at the urban English speaking audiences. BIG RTL Thrill, our joint venture channel with Europe's RTL Group, is delighting viewers with 'edge of the seat' entertainment with handpicked reality shows, action series, wrestling, extreme sports, game shows and movies from across the world.

TRAI's mandate to regulate commercial advertisement inventory to 10 minutes per clock hour will translate into more equitable distribution of advertisement inventory across television channels, resulting in increased advertisement flow to both radio and emerging channels like BIG Magic, BIG CBS and BIG RTL Thrill.

Though the coming year might prove to be challenging for markets around the World, I believe we will continue to create ever-growing value for you and everyone associated with RBNL while focusing / driving profitable growth, which is key. Our biggest priority now is creating / increasing shareholders value.

RBNL is continuing to transform itself into an all-inclusive multi-media conglomerate believing we have what it takes to become the best in the World. I thank you for your unwavering belief in this dream and hope to have you by our side in the exciting journey ahead!

Tarun Katial

Chief Executive Officer

Highlights - at a glance

Radio-92.7 BIG FM

- As per IRS Q4 FY 2012-13, BIG FM is at #2 at All India level reaching out to 43.2 million (4.32 crore) listeners per week
- BIG FM is # 1 station in 14 cities, #2 in 8 cities, and has established leadership in Metros. (Source: IRS Q4 FY 2012-13)
- Highest Reach among all radio stations in the Hindi Speaking Markets (Source: IRS Q4 FY 2012-13)
- Closed the last quarter of FY 2012-13 with a brand count of over 1600 advertisers every month
- Won multiple awards at New York Radio Festival 2013, Golden Mikes 2012, Creative Abbys at the Goafest 2012 and Indian Radio Forum 2013
- Key shows and properties in FY 2012-13 were BIG Green Ganesha, BIG Green Durga, Total Quartz Safety Run, Avon Cyclothon, BIG Memsaab, Yaadon ka Idiot Box and Suhaana Safar

TV - BIG MAGIC

- The regional general entertainment Channel for the core Hindi heartland of UP, MP, Bihar and Jharkhand has cemented its position as the No. 1 Channel
- Launched a new channel - BIG Magic Bihar & Jharkhand specifically targeting this region
- Launched a number of daily shows - Police Files, Pyar Ya Dehshat, Hum Hai Bajrangji, Beta Hi Chahiye
- Key reality shows - BIG Memsaab - a talent show for house-wives, Khul Ja Sim Sim - A unique game show, Mele Ka BIG Star - show offering a platform for talent from the region and Rasoi ki Rani - A cookery show

TV - BIG CBS

- BIG CBS Prime, BIG CBS Love and BIG CBS Spark Punjabi consolidated their positions in their respective genres
- Key shows on BIG CBS Prime and BIG CBS Love were America's Got Talent, American Idol, X Factor, Crime Scene Investigation (CSI), Sex and the City, Excused, America's Next Top Model and I Love Style
- Key shows on BIG CBS Spark Punjabi were BIG Boli Star, SP Top 20, Police Files, BIG Punjabian and Rasoi di Rani

BIG PRODUCTIONS

- Successfully produced BIG Star Entertainment Awards in December 2012. It was the most successful New Year's Event in the last 6 years with Television Viewership Ratings (TVR) of 5.9
- Produced various shows for regional channels like Swapnachya Palikadle (Star Pravah), Vivah Bandhan (ETV Marathi), Laxmi vs Saraswati (Star Pravah) and Niharika (ETV Gujarati)

Reliance Broadcast Network Limited

Notice

Notice is hereby given that the 9th Annual General Meeting of the Members of **Reliance Broadcast Network Limited** will be held on Saturday, September 28, 2013 at 10.00 a.m at Auditorium, Reliance Energy Management Institute, 19 Aarey Colony, Jogeshwari Vikhroli Link Road, Opp. SEEPZ, Mumbai 400 065, to transact the following business:

Ordinary Business:

1. To consider and adopt the audited Balance Sheet as at March 31, 2013, the audited statement of Profit and Loss for the financial year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Gautam Doshi who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Rajesh Sawhney who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s. Chaturvedi and Shah, Chartered Accountants (Firm Registration No. 101720W), be and are hereby appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors."

Special Business:

5. Issue of securities to the Qualified Institutional Buyers.

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

- a. RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (the "Act") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into with the Stock Exchanges and subject to the provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR"), the provisions of the Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, applicable rules, regulations, guidelines or laws and/or any approval, consent, permission or sanction of the Central Government, Reserve Bank of India and any other appropriate authorities, institutions or bodies (hereinafter collectively referred to as the "appropriate authorities"), and subject to such conditions as may be prescribed by any one of them while granting any such approval, consent, permission and/or sanction (hereinafter referred to as the "requisite approvals"),

which may be agreed to by the Board of Directors of the Company (hereinafter called the "Board" which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution), the Board be and is hereby authorised to issue, offer and allot equity shares/fully convertible debentures/partly convertible debentures/non convertible debentures with warrants/ any other securities (other than warrants), which are convertible into or exchangeable with equity shares on such date as may be determined by the Board but not later than 60 months from the date of allotment (collectively referred to as "QIP Securities"), to the Qualified Institutional Buyers (QIBs) as per the SEBI ICDR, whether or not such QIBs are Members of the Company, on the basis of placement document(s), at such time or times in one or more tranche or tranches, at par or at such price or prices, and on such terms and conditions and in such manner as the Board may, in its absolute discretion determine, in consultation with the Lead Managers, Advisors or other intermediaries, provided however that the aggregate amount raised by issue of QIP Securities as above shall not exceed ₹ 1000 Crore.

- b. RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of the QIP Securities shall be the date on which the Board of the Company decide to open the proposed issue, or the date on which the holder of the securities which are convertible into or exchangeable with equity shares at a later date becomes entitled to apply for the said shares, as the case may be ("Relevant Date").
- c. RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any Securities referred to in paragraph (a) above or as may be necessary in accordance with the terms of the offering, all such shares shall rank pari passu with the then existing shares of the Company in all respects, as may be provided under the terms of the issue and in the offering document.
- d. RESOLVED FURTHER THAT such of these QIP Securities to be issued as are not subscribed may be disposed of by the Board to such person or persons and in such manner and on such terms as the Board may in its absolute discretion think fit in accordance with the provisions of law.
- e. RESOLVED FURTHER THAT the issue to the holders of the Securities with equity shares underlying such securities shall be inter alia, subject to suitable adjustment in the number of shares, the price and the time period etc., in the event of any change in the equity capital structure of the Company consequent upon any merger, de-merger, amalgamation, takeover or any other re-organisation or restructuring in the Company.
- f. RESOLVED FURTHER THAT for the purpose of giving