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# ANNUAL REPORT 2006-2007

INDIA'S No.1 NEWS NETWORK

NETWORK

आज  
तक

तेज

आजतक

HEADLINES  
TODAY

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## NOTICE

Notice is hereby given that the Eighth Annual General Meeting of the members of the Company is scheduled to be held on Wednesday, the 26<sup>th</sup> day of September, 2007 at 3:30 P.M. at M.P.C.U. Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, (Shree Delhi Gujarati Samaj), 2, Raj Nivas Marg, Delhi- 110 054 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet of the Company as at 31<sup>st</sup> March, 2007 and the Profit & Loss Account for the year ended on that date, together with the reports of the Auditors and Directors thereon.
2. To consider declaration of dividend on equity shares.
3. To appoint a Director in place of Mr. Anil Mehra who retires by rotation and being eligible, offer himself for re-appointment.
4. To appoint a Director in place of Mr. Anil Vig who retires by rotation and being eligible, offer himself for re-appointment.
5. To appoint M/s. Price Waterhouse, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and authorize the Board of Directors and/or Committee thereof to fix their remuneration.

By order of Board  
For T.V. Today Network Limited

Sd/-

S.N. Sridhar

G.M. (Legal) &

Company Secretary

Place : New Delhi  
Date : 1<sup>st</sup> June, 2007

### NOTES:

1. **A member entitled to attend and vote at the meeting is entitled to appoint one or more persons as his proxies to attend and vote instead of himself and the proxy need not be a member of the Company.**
2. **The proxy form in order to be effective should be duly stamped, signed and completed in all respects and must be deposited at the registered office of the Company not less than 48 hours before the commencement of the aforesaid meeting.**
3. No person shall be entitled to attend or vote at the meeting as a duly authorized representative of any body corporate which is a shareholder of the Company, unless a certified copy of the resolution appointing him/her as duly authorized representative has been deposited at the Registered Office

of the Company not less than 48 hours before the commencement of the meeting.

4. The Register of Members and Share Transfer Books of the Company will be closed from 17<sup>th</sup> September 2007 to 26<sup>th</sup> September 2007 (Both days inclusive).
5. If dividend on equity shares as recommended by the Directors is approved at the meeting, the payment of such dividend will be made to those members of the Company whose name appear on the Register of Members and as per beneficial owners position received from National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the close of 17<sup>th</sup> September 2007.
6. Consequent upon introduction of Section 205C of the Companies Act, 1956 the dividend remaining unpaid or unclaimed for seven years shall be transferred to the Investor Education and Protection Fund of the Central Government. Members who have not encashed dividend warrant(s) so far for the year ended 31<sup>st</sup> March, 2004 and thereafter are requested to make their claims to the Company. PLEASE NOTE THAT ONCE THE UNCLAIMED DIVIDEND IS TRANSFERRED TO THE CENTRAL GOVERNMENT, AS ABOVE, NO CLAIM SHALL LIE IN RESPECT THEREOF.
7. Members are requested to:
  - a. Notify promptly any change in their address either to the Company at its registered office or to the Company's Registrar and Share Transfer Agent, M/s. MCS Limited, Sri Venkatesh Bhawan, W-40, Okhla Industrial Area, Phase-II, New Delhi-110020.
  - b. Send their queries, if any, at least 15 days in advance of the meeting at the Company's registered office at Videocon Tower, E-1, Jhandewalan Extension, New Delhi -110 055 so that the information can be made available at the meeting.
  - c. Fill the attendance slip for attending the meeting and those who hold the shares in dematerialized form are requested to bring their Client ID and DP ID for easy identification of attendance at the meeting.
8. Shareholders are advised that copies of the Annual Report will not be distributed at the venue of the Annual General Meeting and hence the shareholders are requested to bring their copies of the Annual Report, which are mailed to them at their registered addresses intimated and available in the records of the Company.
9. Mr. Anil Mehra & Mr. Anil Vig, Directors of the Company retire by rotation and are eligible for re-appointment at the Annual General Meeting. Brief resumes of the said Directors are as under:



## T.V. Today Network Limited

<b>Name</b>	<b>Mr. Anil Mehra</b>	<b>Mr. Anil Vig</b>
<b>Age</b>	62 years	42 years
<b>Qualifications</b>	FCA (Institute of Chartered Accountants of England & Wales and Institute of Chartered Accountants of India)	B.A. from Delhi University Degree from Paper Association of Finland, Helsinki
<b>Expertise in specific functional area</b>	Financial Expert	International Business
<b>Date of appointment on the Board of the Company</b>	28 <sup>th</sup> December 1999	2 <sup>nd</sup> August 2001
<b>Name(s) of the other Companies in which Directorship held</b>	Living Media India Limited TV Today Network (Business) Limited Talbro's Automotive Components Limited Radio Today Broadcasting Limited Integrated Databases India Limited The All India Finance & Commerce Private Limited The All India Investment Corporation Private Limited Active Media Technologies Private Limited Universe! Learn Today Private Limited India Today Online Private Limited	Anika International Limited Anika Global Trading Private Limited Ebony Fashions Private Limited
<b>Name(s) of Companies in which Committee Membership(s) held (as per Clause 49 of the Listing Agreement)</b>	<b>Audit Committee</b> TV Today Network Limited -Member Talbro's Automotive Components Limited – Member <b>Shareholders/ Investors Grievance and Share Transfer Committee</b> TV Today Network Limited - Chairman Talbro's Automotive Components Limited - Member. <b>Remuneration Committee</b> TV Today Network Limited -Member Talbro's Automotive Components Limited- Chairman.	<b>Shareholders/ Investors Grievance and Share Transfer Committee</b> TV Today Network Limited - Member
<b>Shareholding in the Company</b>	100 shares	Nil

By order of Board  
For **T.V. Today Network Limited**

Sd/-

**S.N. Sridhar**

G.M. (Legal) &

Company Secretary

Place: New Delhi

Date : 1<sup>st</sup> June, 2007

## T.V. TODAY NETWORK LIMITED

Registered Office: Videocon Tower, E-1, Jhandewalan Extn.,  
New Delhi –110 055

### PROXY FORM

Folio No. \_\_\_\_\_

I/We \_\_\_\_\_

Being a member/ members of \_\_\_\_\_

hereby appoint \_\_\_\_\_

of \_\_\_\_\_

or failing him \_\_\_\_\_

as my/ our proxy to vote for me/us on my/our behalf at the **ANNUAL GENERAL MEETING** of the company to be held on 26<sup>th</sup> September, 2007 at 3:30 p.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2007.

Name \_\_\_\_\_

Address \_\_\_\_\_ Signature \_\_\_\_\_

Rs. 1/-  
Revenue  
Stamp

**NOTE: Proxy Forms must reach the Company's Registered Office not less than 48 hours before the Commencement of the Meeting.**

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TEAR HERE

## T.V. TODAY NETWORK LIMITED

Registered Office: Videocon Tower, E-1, Jhandewalan Extn.,  
New Delhi –110 055

### ATTENDANCE SLIP

To be handed over at the entrance of the meeting hall

Name of the attending Member \_\_\_\_\_  
(In Block Letters)

Folio No. \_\_\_\_\_

Name of Proxy (In Block Letters) \_\_\_\_\_  
(To be filled in if the Proxy attends instead of the Member)

No. of Shares held \_\_\_\_\_

I hereby record my presence at the **ANNUAL GENERAL MEETING** of the Company held at the M.P.C.U. Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, (Shree Delhi Gujarati Samaj), 2, Raj Nivas Marg, Delhi - 110 054 on 26<sup>th</sup> September, 2007 at 3:30 p.m.

Member's / Proxy's Signature  
(To be signed at the time of handing over this slip)

**NOTE: PLEASE BRING YOUR COPY OF THE ANNUAL REPORT TO THE MEETING HALL AS COPIES OF THE REPORT WILL NOT BE DISTRIBUTED AT THE MEETING.**

## CONTENTS

Board of Directors .....	2
Directors' Report .....	3
Management Discussion and Analysis .....	9
Report on Corporate Governance .....	12
<b>Company's Standalone Accounts</b>	
Auditors' Report .....	20
Balance Sheet .....	22
Profit & Loss Account .....	23
Schedules to Accounts .....	24
Cash Flow Statement .....	41
Balance Sheet Abstract .....	42
Statement Pursuant to Section 212 .....	43
<b>Consolidated Accounts</b>	
Auditors' Report .....	44
Balance Sheet .....	45
Profit and Loss Account .....	46
Schedules to Accounts .....	47
Cash Flow Statement .....	62
<b>Subsidiary Company</b>	
Annual Report .....	63



## BOARD OF DIRECTORS

Aroon Purie, Chairman & Managing Director

Anil Mehra

Anil Vig

Rakesh Kumar Malhotra

Rajan Bharti Mittal

Rajeev Thakore

## Audit Committee

Rakesh Kumar Malhotra, Chairman

Anil Mehra

Rajeev Thakore

## Chief Executive Officer

G. Krishnan

## GM (Legal) & Company Secretary

S.N. Sridhar

## Auditors

Price Waterhouse  
Chartered Accountants  
New Delhi

## Bankers

Canara Bank  
IDBI Bank Limited  
ICICI Bank Limited

## Registered Office

Videocon Tower  
E-1, Jhandewalan Extn.  
New Delhi - 110 055

## Registrar & Transfer Agents

MCS Limited  
Sri Venkatesh Bhawan,  
W-40, Okhla Industrial Area  
Phase-II, New Delhi-110020

## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors are pleased to present the Eighth Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31<sup>st</sup> March 2007.

#### 1. Financial Results

The financial results of the Company for the year ended 31<sup>st</sup> March 2007 are summarized below for your consideration.

(Rs. in crores)

Particulars	Year Ended 31 <sup>st</sup> Mar'07	Year Ended 31 <sup>st</sup> Mar'06
Income from operations and other income	202.44	167.89
Profit before finance, Amortization, Depreciation and Tax	65.60	60.98
Interest and Finance Charges	0.12	0.11
Depreciation	17.01	17.64
Misc. Expenses Written off	0.29	0.61
Profit before tax	48.18	42.62
Employee Stock Compensation Expense	0.07	-
Provision for Tax	17.01	14.85
Net Profit	31.10	27.77
Balance amount brought forward	67.02	51.71
Profit Available for appropriation	98.12	79.48
Transferred to General Reserve	10.00	7.50
Proposed Dividend	4.35	4.35
Corporate Dividend Tax	0.74	0.61
Balance Carried forward	83.03	67.02

#### 2. Performance

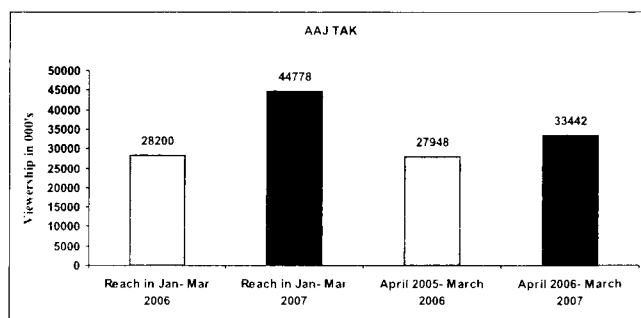
During the financial year, your Company's revenue from operations has been Rs. 188.90 crores compared to Rs. 159.55 crores last year, an increase of appx. 18%. Profit before tax has been Rs. 48.18 crores compared to Rs. 42.62 crores last year, registering a growth of 13% over the last year. Profit after tax has been Rs. 31.10 crores compared to Rs. 27.77 crores last year, registering a growth of 12% over the last year. Increase in revenue and profit was mainly due to increased sales, International subscription and advertisement revenue, better operational efficiency and cost control (except distribution cost).

During the Financial year, Aaj Tak continued to maintain its leadership position for the 6<sup>th</sup> consecutive year despite increased competition in the Hindi news genre by the existing as well as new news channel launched in the year 2006. Viewers reposed confidence in Aaj Tak for the

sixth consecutive year due to its editorial excellence, fair and unbiased reporting, launch of new innovative current affairs programmes catering to different segments of society and a motivated team of well-qualified professionals.

#### Aaj Tak

During the year, the viewership of 'Aajtak' news channel has been 33.44 million compared to 27.95 million last year, registering a growth of approximately 20%. During the quarter January-March 2007, the viewership of Aaj Tak was 44.77 million compared to 28.20 million during the same quarter last year, registering a growth of 59%.



Source: TAM  
TG: 4+ yrs cs  
All India  
Period: Average of 52 weeks of financial year

In recognition of its leadership position, Aaj Tak has been conferred with the following prestigious awards:

#### Consumer Superbrands 2006-07

- Aaj Tak declared Consumer Superbrand for the year

#### Indian Television Academy Awards 2006

- Best News Channel – Aaj Tak (for the sixth year in a row)

#### Indian Telly Awards 2006

- Best Hindi News Channel – Aaj Tak (for the fourth time)

#### Promax BDA India Awards 2006

- Silver – Best Print ad for Aaj Tak
- Silver – Best Print campaign for Tez

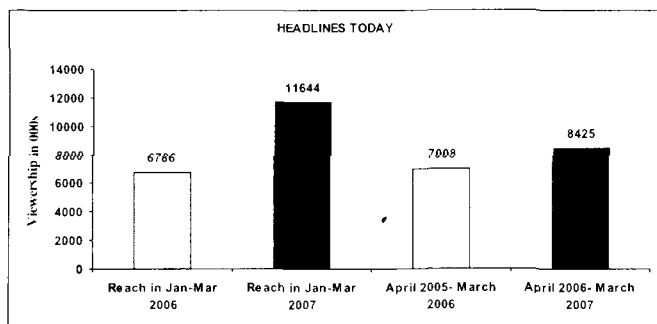
#### BBC- Reuters (C Voter/Globescan research) 2006

- The most trusted media brand and news source across all news channels, newspapers, magazines etc.

#### Headlines Today

During the year under review, the competition in the English news market intensified, with CNN IBN and Times Now grabbing significant market share. As a result, market share of all the existing English news channels including Headlines Today were seriously affected. Despite

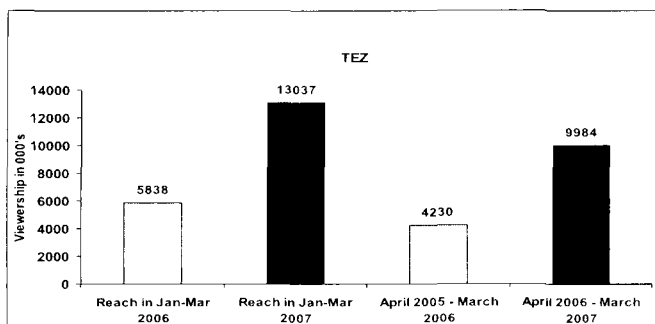
increased competition from the new as well as existing players, Headlines Today registered 20% growth in viewership from 7.01 million in 2005-06 to 8.4 million in 2006-07. During the last quarter of the Financial year, Headlines Today was re-launched with a new look and feel. As a result, the viewership of Headlines Today registered a substantial growth at 11.64 million compared to 6.78 million during the same quarter last year, 71% growth in real terms.



Source: TAM  
TG: 4+ yrs cs  
All India  
Period: Average of 52 weeks of financial year

## Tez

Tez was launched in August, 2005 to cater to the time conscious people by providing crispy news. The channel has already made its place in the Hindi News genre. In the first full year of operation ended March 31, 2007, "Tez" has achieved a remarkable reach of appx. 10 million viewers in the Country. During the quarter January-March 2007, the viewership of "Tez" was 13.03 million compared to 5.83 million during the same quarter last year, registering a growth of 123 %.



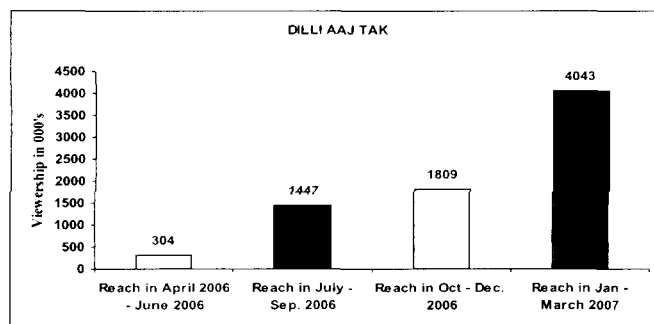
Source: TAM  
TG: 4+ yrs cs  
All India Market

## Dilli Aaj Tak

During the year, a Metro centric 24x7 Hindi news channel "Dilli Aaj Tak" was launched to cater to Delhi and NCR viewers. The channel with a caption "Aap Ka Shahar Aap Tak" was launched on 29<sup>th</sup> May, 2006.

The channel has a news-you-can-use format, and has

been No.1 in Delhi since the date of its launch in Delhi with a viewership of 2.24 million in 2006-07 and 4.04 million in the Jan- March quarter. Delhi's rising consumerism, booming economy, rapidly improving infrastructure, among other things, have made it a city to reckon with at a global scale. Dilli Aaj Tak will address these and other issues to the viewers of Delhi and NCR.



Source: TAM

## 3. Dividend

Your directors are pleased to recommend for your consideration and approval payment of dividend 15% amounting to Rs. 0.75 per equity share of Rs. 5/- each for the financial year 2006-07. Total amount of dividend outgo for the financial year shall be Rs. 5.09 Crores (including Corporate Dividend Tax amounting to Rs. 0.74 Crores).

## 4. Directors

The Articles of Association of the Company provide that at least two-thirds of our Directors shall be subject to retirement by rotation. One third of these retiring Directors must retire from office at each Annual General Meeting of the shareholders. A retiring Director is eligible for re-election.

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

## 5. Directors' Responsibility Statement

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to

give a true and fair view of the state of affairs of the company at the end of the financial year 2006-07 and of the profit or loss of the company for that period;

- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis.

## 6. Subsidiary Company

The Audited Statement of Accounts, alongwith the report of the Board of Directors and the Auditor's Report pursuant to Section 212 of the Companies Act, 1956 of the wholly owned subsidiary Company, TV Today Network (Business) Limited, for the year ended on 31<sup>st</sup> March 2007 is annexed.

## 7. Consolidated Accounts

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

## 8. Fixed Deposit

During the year, your Company has neither invited nor accepted/ renewed deposits from the Public within the meaning of Section 58A, 58AA and other relevant provisions of the Companies Act, 1956, if any.

## 9. Auditors

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

## 10. Auditor's Report

There are no observation, qualification or adverse remark of the Auditors on the Accounts of the Company for the financial year ended 31<sup>st</sup> March 2007 requiring comment from the Board of Directors.

## 11. Corporate Governance

In accordance with Clause 49 of the Listing Agreement, your Company has ensured continued compliance of Corporate Governance requirements during the financial year. Your Company lays strong emphasis on transparency, disclosure and independent supervision to increase various stakeholders' value.

The report on Corporate Governance for the financial year 2006-07 is given as a separate section titled "Report on Corporate Governance" and Certificate of Company

Secretary in Practice as required under the revised Clause 49 of the Listing Agreement is appended herewith which forms part of this Annual Report.

## 12. Employees Stock Option Plan

Human Resource is the key to the success of any organization. The Company has always valued its human resources and has tried to adopt the best HR practices. To retain and nurture well-performing employees who are contributing to the growth of the Company, your Company has formulated and introduced a stock option plan (ESOP) for its employees and Directors, during the year. The Plan/ Scheme was approved by the shareholders at the Seventh Annual General Meeting after it is recommended by the Remuneration Committee and the Board of Directors.

The disclosures in compliance with clause 12 of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (as amended) are set out in the Annexure appended herewith.

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

## 13. Management Discussion and Analysis

Separate report on Management Discussion & Analysis is appended herewith.

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

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

- |   |                   |
|---|-------------------|
| (a) Conservation of Energy                          | : Not applicable  |
| (b) Technology Absorption                           | : Not applicable  |
| (c) Transaction in Foreign Currency :               |                   |
| i) Value of Imports (CIF basis)                     | Rs. 50,453,472    |
| ii) Expenditure in foreign currency (Accrued basis) |                   |
| (a) Traveling Expenses                              | : Rs. 8,962,489   |
| (b) Production Cost                                 | : Rs. 60,965,809  |
| (c) Repair and Maintenance                          | : Rs. 3,640,136   |
| (d) Others  | : Rs. 3,192,100   |
| (d) Income in foreign currency (Accrued basis)      | : Rs. 43, 256,241 |