

July 24, 2017

<b>BSE Limited</b> <b>Corporate Services Department</b> <b>Phiroze Jeejeebhoy Towers</b> <b>Dalal Street, Mumbai-400 001</b>  <b>Scrip Code: 532529</b>	<b>The National Stock Exchange of India Limited</b> <b>Corporate Communications Department</b> <b>“Exchange Plaza”</b> <b>Bandra Kurla Complex, Bandra (East)</b> <b>Mumbai-400051</b> <b>Scrip Symbol: NDTV</b>
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Dear Sirs,

This is with reference to various media reports circulating on different platforms. In this regard please find enclosed herewith Press Release issued by the Company to clarify its position.

Thanking you,

Yours sincerely,

**For New Delhi Television Limited**

  
**Navneet Raghuvanshi**  
**Company Secretary**



Enclosed: as above

## **ITAT Has Not Accepted Money-Laundering Charges Against NDTV**

Some media reports have completely misrepresented the recent order of the Income Tax Appellate Tribunal (ITAT) in a case related to the investment of \$150 million in 2008 by GE/NBCU. These media reports are quoting from a press release by the Income Tax department which not just distorts the verdict, but outright lies about it. NDTV is appealing in the Delhi High Court against the verdict.

We also reiterate that contrary to what the malevolent press release of the Income Tax department says, the Income Tax Appellate Tribunal (ITAT) has refused to accept the allegation of the IT department that there was any money-laundering by NDTV or Dr. Prannoy Roy (this is clearly mentioned in para 103 of its judgement).

In fact, in its order, ITAT specifically recognises that the funds invested were indeed from NBC: the verdict states "the money was from Universal Studios" (a 100% subsidiary of NBC).

So any claims that charges of money-laundering have been accepted by the tribunal are false and agenda-driven.

Yet, the IT department does not reveal this essential part of the order - and continues its malicious and motivated claim, now 4 years old, that GE/NBCU were part of some money laundering scheme. This is part of the overall propaganda to intimidate and harass NDTV.

NDTV remains committed to fighting these false stories and plants which are an attack on the freedom of the press and are meant to intimidate the media into abandoning fair, objective journalism.

For a detailed explanation of the ITAT verdict, please read the notes below:

### **How far will they go to silence the press?**

### **3 Basic Facts**

**Background:** It is evident that political instructions have been issued to try and crush NDTV by any means possible. This has huge implications for the freedom of the press, and also for the nation. There is no regard being paid either to the facts, or to India's reputation as an investment destination.



First the government tried to "ban" NDTV's Hindi channel - there were protests all across the country. Next, the politicians asked the CBI to raid the journalist-founders of NDTV on the flimsiest of charges - for the restructuring of a private banking loan. This is such a normal practice, and the charges were so bizarre, that there was a storm of criticism and protest both within and outside the country. (Click here for all the global media coverage).

Now, the politicians have asked the Income Tax authorities to step up their baseless attack on NDTV, again, with complete disregard for the facts of the matter.

In short, the Income Tax authorities have held that a bona fide investment in NDTV by the American media giant NBC and GE (General Electric, one of the most reputable corporations in the world) was a "sham transaction". These are such serious allegations by the Income Tax department that, even if remotely true, it would lead to one of America's biggest corporate scandals and send the CEOs of both these organisations to jail in America.

In the interest of transparency, NDTV has repeatedly put in the public domain all the facts around the NBCU investment of \$150 million in 2008. These facts are backed by thousands of pages of documentation, and by three years' worth of emails between NDTV and NBC/GE. We invite any financial journalist or member of the public to see these details for themselves and uncover that the Income Tax charges are as baseless as the CBI "loan restructuring" claims.

**The basic charge:** Despite all these details being available, the Income Tax authorities have held (under Section 69A) that there is insufficient evidence to be sure that it was indeed NBC/GE's own money used for the investment.

It is simple to see how ridiculous this charge against NBC/GE and NDTV is: have a look at this press conference given in London to CNBC when the NBC/GE investment in NDTV took place. Does this look anything like a "sham transaction" to you: click here.

Please remember, NBC/GE have given apostilled confirmation that this was a genuine investment by them and it was with their own funds. Moreover, NBC/GE have declared the investment in their annual reports to the SEC (Securities and Exchange Commission) and to the IRS (Internal Revenue Service) in the USA. This is in addition to Shareholding Agreements, Share Subscription Agreements, FIPB and MIB permissions and several other declarations to the authorities in India.

Has the government contacted NBCU/GE before accusing them of a "sham transaction"?

No.



Has the government asked the IRS or the SEC in America to check whether these were genuine funds of NBC/GE? No.

The basis for the stance taken by the authorities is ridiculous.

The reckless levying of accusations against reputed foreign investors is certainly not in the national interest. How can we expect foreign investors to want to come to India if their bona fide investments will be called "bogus" on the flimsiest of pretexts?

We understand that the authorities want to silence NDTV by any means possible. But frankly, this is a bit like burning down your own house to get rid of a fly.

How obvious is this attempt to punish NDTV for its consistently objective journalism? Take a look at 3 basic points in the latest ITAT (Income Tax Appellate Tribunal) order:

1. The ITAT order has refused to accept the allegation of IT department that there was any money-laundering by NDTV or Dr Roy (in para 103 of the ITAT judgement). Therefore, allegations that money-laundering has been accepted by ITAT are false and appear to be agenda-driven.

This is a complete u-turn and a major setback for the IT department. The Income Tax department has been without any basis repeating accusations of money-laundering for 4 years - in fact the IT department has been accusing NBC/GE of money-laundering and round-tripping, that NBC acted as a "front", hawala, etc. In the new ITAT order, none of these terms are mentioned. In fact the ITAT specifically recognises that the funds invested were indeed from NBC: the ITAT order states "the money was from Universal Studios" (a 100% subsidiary of NBC).

In fact GE/NBC have publicly admitted and declared to US authorities that they are the bona fide source of the investment into NDTV - GE/NBC reported all the investments and sale to the SEC (Securities and Exchange Commission in the USA) and publicly acknowledged these financial transactions in their Annual Reports.

Strangely, our IT department calls GE/NBC liars and says the GE/NBC declarations are not sufficient explanation of the true source of the investment.



2. The IT department also accuses GE / NBC of squandering their shareholders' money by neglecting and not being interested in what happened to the money that they invested in NDTV/India and how it was utilised. It says that GE/NBC were mere "puppets" at the board meetings. This despite the fact that the detailed minutes of every board meeting are a matter of record and show clearly that GE/NBC took major initiatives and made key decisions.

The directors of GE/NBC were not only extremely active in every single board meeting, but they most often took the lead roles in the Board. The role of the GE/NBC directors was extremely important. Moreover, they even appointed their own CFO (a GE employee) and compliance officer who oversaw all environmental and other compliance. NBC was not just active on the Board but held monthly review meetings based on presentations sent by management. It is an insult and a lie to call the GE/NBC directors puppets when precisely the opposite was the case.

This is all a matter of record and easily available to the Indian and US authorities.

3. The IT department states that there was no valuation done by GE/NBC of the NDTV businesses into which GE/NBC was investing and no due diligence was done. This is complete rubbish. In fact, the IT Department was provided with a valuation done by the reputed international investment bankers called Jefferies. The accusation that NBC was callous enough to invest without a valuation assessment is outrageous and defamatory to GE/NBC. And of course, due diligence was carried out - NBC appointed an international auditing company to do a complete due diligence on all the assets it was investing in directly or indirectly, and received a detailed report after the diligence. Furthermore, NBC's concerns went beyond just financial and were so detailed as to include the scrutiny of even such items as pollution levels from generators being used for the business! All these facts have been deliberately ignored by the IT department to mislead the ITAT.

**In conclusion:**

After the IT department asked for adjournment after adjournment, ensuring there were no hearings for three long years, suddenly the order was prepared in an unprecedented 4 days after arguments ended. So after 21 adjournments, a 385-page order was prepared at lightning speed - almost unprecedented.

Most alarming for the Government of India and our country is that most of the charges in the ITAT (Income Tax Appellate Tribunal) order dated July 14 are in fact not so much against NDTV as they are against the US media giant NBC and one of the most respected global companies GE (and only by implication is NDTV charged) - yet the harassment of NDTV continues, while not even a letter of enquiry has been sent to GE/NBC.

